

STATE OF ILLINOIS
COMPTROLLER
JUDY BAAR TOPINKA

2012
4/30/2012

First Name: Jamie		Last Name: Maitret	
Address: 101 South Illinois Street		Title: Finance Director	
Telephone: (618) 233-6810		City: Belleville	Zip: 62220
Mobile		E-mail	
Mobile Provider		Best way to contact	☐ Email ☐ Mobile ☒ X_Phone Mail

Written signature of TIF Administrator

10/12/12
Date

FILL OUT ONE FOR EACH TIF DISTRICT

[illegible]

*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.]

Name of Redevelopment Project Area:	Tax Increment Financing District #15
Primary Use of Redevelopment Project Area*:	Combination/Mixed
If "Combination/Mixed" List Component Types:	Residential; Other Comm
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):	
Tax Increment Allocation Redevelopment Act <u> x </u>	Industrial Jobs Recovery Law <u> </u>

	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.

Fund Balance at Beginning of Reporting Period

\$ 1,589

Revenue/Cash Receipts Deposited in Fund During Reporting FY:	Reporting Year	Cumulative*	% of Total
Property Tax Increment	\$ 1,330,919	\$ 3,106,205	9%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 414	\$ 4,775	0%
Land/Building Sale Proceeds			0%
Bond Proceeds	\$ 23,410,000	\$ 23,410,000	70%
Transfers from Municipal Sources	\$ 1,500,861	\$ 6,756,147	20%
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

\$ 26,242,194

Cumulative Total Revenues/Cash Receipts

\$ 33,277,127 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2)

\$ 22,958,707

Distribution of Surplus

Total Expenditures/Disbursements

\$ 22,958,707

NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS

\$ 3,283,487

FUND BALANCE, END OF REPORTING PERIOD*

\$ 3,285,076

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

PAGE 2

Bond Issuance Costs

2,204,897

§

2,204,897

Capital Costs

665,460

\$

\$

665,460

\$

\$

\$

	\$
--	----

PAGE 3

CITY OF BELLEVILLE - TIF #15

Section 3.2 B

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.

[illegible]

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

FUND BALANCE, END OF REPORTING PERIOD

\$ 3,285,076

	Amount of Original Issuance	Amount Designated
1. Description of Debt Obligations		
SWIDA TIF Bonds, Series 2011A	\$ 16,150,000	\$ 16,150,000
SWIDA TIF Bonds, Series 2011B	\$ 1,560,000	\$ 1,560,000
SWIDA TIF Bonds, Series 2011C	\$ 5,700,000	\$ 5,700,000

Total Amount Designated for Obligations

\$ 23,410,000 \$ 23,410,000

2. Description of Project Costs to be Paid

Professional Services & Administration		\$ 150,000
Capital Costs		\$ 1,373,799

Total Amount Designated for Project Costs

\$ 1,523,799

TOTAL AMOUNT DESIGNATED

\$ 24,933,799

SURPLUS*/(DEFICIT)

\$ (21,648,723)

* 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)]

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

If NO projects were undertaken by the Municipality Within the Redevelopment Project Area, indicate so in the space provided:	
If Projects WERE undertaken by the Municipality Within the Redevelopment Project Area enter the TOTAL number of projects and list them in detail below.	2

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 IF PROJECTS ARE LISTED ON THESE PAGES

TOTAL:	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken (See Instructions)	\$ 110,000,000	\$ -	\$ -
Public Investment Undertaken	\$ 23,410,000	\$ -	\$ -
Ratio of Private/Public Investment	4 58/83		0

Project 1: Green Mount Commons			
Private Investment Undertaken (See Instructions)	\$ 74,800,000		\$ -
Public Investment Undertaken	\$ 23,410,000		
Ratio of Private/Public Investment	3 8/41		0

Project 2: Green Mount Manor			
Private Investment Undertaken (See Instructions)	\$ 35,200,000		
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 3:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 4:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 5:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 6:			
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.

SECTION 6

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

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

_____ 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
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -

SECTION 8

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

--

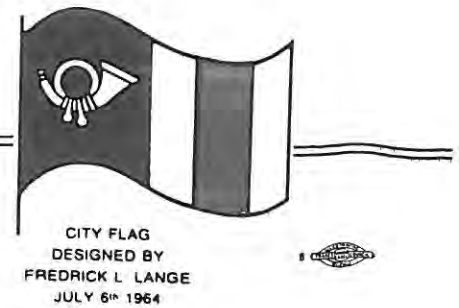
Optional Documents	Enclosed	
Legal description of redevelopment project area		
Map of District		

ATTACHMENT B

CITY OF BELLEVILLE, ILLINOIS

MARK W. ECKERT, MAYOR

101 South Illinois Street
Belleville, IL 62220-2105
Office: (618) 233-6810
Fax: (618) 233-6779



September 25, 2012

C.J. Schlosser & Company, L.L.C.
233 East Center Drive
P.O. Box 416
Alton, IL 62002

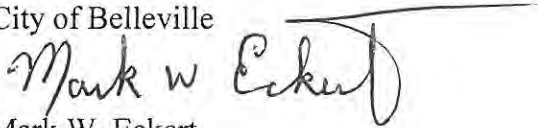
RE: Tax Increment Financing District #1, Tax Increment Financing District #2, Tax Increment Financing District #3, Tax Increment Financing District #4, Tax Increment Financing District #5, Tax Increment Financing District #6, Tax Increment Financing District #7, Tax Increment Financing District #8 Downtown South, Tax Increment Financing District #9 Southwinds Estate, Tax Increment Financing District #10 Lower Richland Creek, Tax Increment Financing District #11 Industrial Jobs Recovery, Tax Increment Financing District #12 Sherman Street, Tax Increment Financing District #13 Drake Road, Tax Increment Financing District #14 Route 15 East, Tax Increment Financing District #15 Carlyle/Greenmount, Tax Increment Financing District #16 Route 15 West, Tax Increment Financing District #17 East Main Street, Tax Increment Financing District #18 Scheel Street, Tax Increment Financing District #19 Frank Scott Parkway, Tax Increment Financing District #20 Rt.15/South Greenmount, Tax Increment Financing District #21 Belle Valley Phase III and the Sales Tax Increment Financing District.

Dear Gentlemen / Ladies:

I, Mark W. Eckert, the duly elected Mayor of the City of Belleville, Illinois, County of St. Clair, and as such, do hereby certify that the City of Belleville has complied with all requirements pertaining to the Tax Increment Redevelopment Allocation Act during the municipal fiscal year ending May 1, 2011- April 30, 2012 to the best of my knowledge and belief.

Sincerely,

City of Belleville



Mark W. Eckert
Mayor

ATTACHMENT C

CITY OF BELLEVILLE, ILLINOIS

PATRICK M. FLYNN, CITY ATTORNEY

23 PUBLIC SQUARE, SUITE 440
BELLEVILLE, ILLINOIS 62220-1640
(618) 233-0480
FAX: (618) 233-0601



CITY FLAG
DESIGNED BY
FREDRICK L. LANGE
JULY 8th 1964



September 25, 2012

C.J. Schlosser
233 East Center Drive
P.O. Box 416
Alton, IL 62002

RE: Illinois Tax Increment Redevelopment Act:
Fiscal Year May 1, 2011 through April 30, 2012

Tax Increment Financing District #1, Tax Increment Financing District #2, Tax Increment Financing District #3, Tax Increment Financing District #4, Tax Increment Financing District #5, Tax Increment Financing District #6, Tax Increment Financing District #7, Tax Increment Financing District #8 Downtown South, Tax Increment Financing District #9 Southwinds Estate, Tax Increment Financing District #10 Lower Richland Creek, Tax Increment Financing District #11 Industrial Jobs Recovery, Tax Increment Financing District #12 Sherman Street, Tax Increment Financing District #13 Drake Road, Tax Increment Financing District #14 Route 15 East, Tax Increment Financing District #15 Carlyle/Greenmount, Tax Increment Financing District #16 Route 15 West, Tax Increment Financing District #17 East Main Street, Tax Increment Financing District #18 Scheel Street, Tax Increment Financing District #19 Frank Scott Parkway, Tax Increment Financing District #20 Rt. 15/South Greenmount, Tax Increment Financing District #21 Belle Valley Phase III and the Sales Tax Increment Financing District.

Gentlemen:

As the attorney for the City of Belleville, Illinois, I have reviewed all information provided to me by the City Administrator and staff for the period May 1, 2011 through April 30, 2012 (FY2012). I find that the City of Belleville has conformed to all applicable requirements of the Illinois Tax Increment Redevelopment Allocation Act set forth thereunder, to the best of my knowledge and belief.

This opinion relates only to the time period set forth and is based upon information available to me.

Sincerely,

A handwritten signature in cursive script, reading "Patrick M. Flynn".
Patrick M. Flynn, City Attorney

ATTACHMENT D

(See Activities Statement in Audited Financial Statements at Attachment K)

ATTACHMENT H

TIF 15 Joint Review Board Minutes
Feb. 24, 2012 10:30 a.m.

MEMBERS/TAXING BODIES:

Mayor Eckert, City of Belleville
Terry Beach-St. Clair County
Dennis Korte-Belleville Township
Kyle Freeman- Mascoutah School District 19
Lee Spearman-Public Library
Thom Peters – Public Member

STAFF:

Jamie Maitret, Finance Director
Eric Schauster, ED/Grants Coordinator
Emily Fultz, AICP, Manager of Economic Development & Planning

Mayor Eckert opened the meeting and asked the Board to elect a member from the public. Lee Spearman made a motion to elect Thom Peters, seconded by Kyle Freeman, with all present members voting aye. Motion carried.

Mayor Eckert asked the Board to elect a Chairperson. Dennis Korte made a motion to elect Thom Peters and seconded by Terry Beach with all present members voting aye. Motion carried.

Chairman Peters explained the adoption of rules for public participation. Chairman Peters asked for a motion to approve the rules of public participation. A motion was made by Kyle Freeman and seconded by Mayor Eckert with all present members voting aye. Motion carried.

Chairman Peters opened public participation. There was no one present to speak. Chairman Peters said that Joseph W. Hayden sent an email stating his opinion regarding the TIF, which does not comply with the public participation rules; Chairman Peters allowed it, read it aloud and entered it into the record. Mayor Eckert stated that TIF 15 was established in 2006, it is a project driven TIF. He explained the past discussions between Walmart and Belleville. Walmart was going to move into the Shiloh area, TIF 15 was created to help keep Walmart in Belleville. Ms. Maitret stated that the TIF brings in above and beyond what goes to the development agreement.

Mayor Eckert spoke on some of the criticism of the TIF. He spoke on a discussion between himself and Dr. McGowan of the Mascoutah School District and the positive relationships that the city has regarding the school districts.

Chairman Peters asked for a review and effectiveness of TIF 15's status. He gave a description of TIF 15.

Chairman Peters stated that the TIF has been effective. The EAV has increased almost 57,000%.

A motion was made by Terry Beach to adjourn TIF 15 review and seconded by Mayor Eckert with all present members voting aye. Motion carried.

Respectfully Submitted,
Kari L. Tutza
Transcribing Secretary

ATTACHMENT I

NEW ISSUE
Book-Entry Only

NOT RATED

In the opinion of Gilmore & Bell, P.C., Bond Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), (1) the interest on the Series 2011A Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. (2) the interest on the Series 2011A Bonds is exempt from Illinois income taxation by the State of Illinois and (3) the Series 2011A Bonds have not been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. See "TAX MATTERS" in this Official Statement.

\$16,150,000

**SOUTHWESTERN ILLINOIS DEVELOPMENT AUTHORITY
LOCAL GOVERNMENT PROGRAM REVENUE BONDS, SERIES 2011A
(CITY OF BELLEVILLE - CARLYLE/GREEN MOUNT REDEVELOPMENT PROJECT
- TAX INCREMENT AND SALES TAX)**

Dated: Date of Delivery

Due: See Inside Cover

The Series 2011A Bonds are issuable only as fully-registered bonds and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Series 2011A Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interests in the Series 2011A Bonds purchased. Principal of and semiannual interest on the Series 2011A Bonds will be paid from moneys available therefor under the Indenture (herein defined) by UMB Bank, National Association, St. Louis, Missouri, as Trustee (the "Trustee"). Interest on the Series 2011A Bonds will be payable semiannually on each January 1 and July 1, beginning July 1, 2012.

The Series 2011A Bonds are being issued by the Southwestern Illinois Development Authority (the "Authority"), pursuant to a Trust Indenture dated as of October 1, 2011 by and between the Authority and the Trustee (the "Indenture"). The Series 2011A Bonds are special, limited obligations of the Authority, payable solely from Bond proceeds, Series 2011A TIF Revenues, Series 2011A Municipal Sales Tax Revenues and Series 2011A Business District Revenues (each as described herein) received by the Authority from the City of Belleville, Illinois (the "City") pursuant to a Financing Agreement dated as of October 1, 2011 between the Authority and the City and moneys on deposit in the Series 2011A Reserve Account of the Debt Service Reserve Fund.

THE SERIES 2011A BONDS AND THE INTEREST THEREON SHALL NOT CONSTITUTE A DEBT OR LIABILITY OF THE STATE OF ILLINOIS (THE "STATE") OR AN INDEBTEDNESS OF THE AUTHORITY OR THE STATE OR A LOAN OF CREDIT OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF EITHER OF THEM. WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION, AND THE AUTHORITY AND THE STATE SHALL NOT BE LIABLE FOR THE PAYMENTS OF PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2011A BONDS, BUT THE SERIES 2011A BONDS SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED FOR IN THE FINANCING AGREEMENT AND IN THE INDENTURE. NO OWNER OF ANY SERIES 2011A BOND SHALL HAVE THE RIGHT TO COMPEL THE TAXING POWER, IF ANY, OF THE AUTHORITY OR THE STATE TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON SUCH SERIES 2011A BONDS. THE AUTHORITY HAS NO TAXING POWER. THE MEMBERS OF THE BOARD OF DIRECTORS OF THE AUTHORITY HAVE DETERMINED THAT SECTION 7(f) OF THE SOUTHWESTERN ILLINOIS DEVELOPMENT AUTHORITY ACT, RELATING TO THE MORAL OBLIGATION OF THE STATE OF ILLINOIS, DOES NOT APPLY TO THE SERIES 2011A BONDS.

The Series 2011A Bonds involve a high degree of risk, and prospective purchasers should read the section herein captioned "OWNERS' RISKS." The Series 2011A Bonds may not be suitable investments for all persons. Prospective purchasers should carefully evaluate the risks and merits of an investment in the Series 2011A Bonds, should confer with their own legal and financial advisors and should be able to bear the risk of loss of their investment in the Series 2011A Bonds before considering a purchase of the Series 2011A Bonds.

The Series 2011A Bonds are subject to redemption prior to maturity in certain circumstances, as described herein. It is expected that a substantial portion of the Series 2011A Bonds will be redeemed prior to maturity. See "THE SERIES 2011A BONDS - Redemption Provisions" and "PROJECTED AVERAGE LIFE OF THE SERIES 2011A BONDS" herein.

The Series 2011A Bonds are offered when, as and if issued by the Authority, subject to the approval of legality by Gilmore & Bell, P.C., St. Louis, Missouri, Bond Counsel. Certain legal matters related to this Official Statement will be passed upon by Gilmore & Bell, P.C., St. Louis, Missouri. Certain legal matters will be passed upon for the Authority by Chapman and Cutler LLP, Chicago, Illinois, for the City by Sprague & Urban, Belleville, Illinois and for the Developer by Robert J. Jakubeck, General Counsel of THF Realty, St. Louis, Missouri. It is expected that the Series 2011A Bonds will be available for delivery on or about October 27, 2011.

**STIFEL
NICOLAUS**

The date of this Official Statement is October 19, 2011.

MATURITY SCHEDULE

Term Bonds

<u>Due</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>	<u>CUSIP Number</u>
07/1/28	\$5,600,000	6.00%	99.25%	84552Y LW9
07/1/31	1,500,000	6.50	99.50	84552Y LX7
07/1/41	9,050,000	7.00	99.25	84552Y MB4

CITY OF BELLEVILLE, ILLINOIS

101 South Illinois Street
Belleville, Illinois 62220

MAYOR

Mark W. Eckert

CITY COUNCIL

Michael Heisler
Ken Kinsella
Dorothy Meyer
Melinda Hult
Rob Anderson
A. "Gabby" Rujawitz
Tim Carpenter
Dean L. Hardt
Phillip Silsby
Joseph W. Hayden
Paul Seibert
Dave Martinson
Phil Elmore
Lillian Schneider
James Musgrove
Joe Orlet

CITY'S ATTORNEY

Robert Sprague, Esq.
Belleville, Illinois

TRUSTEE

UMB Bank, National Association
St. Louis, Missouri

BOND COUNSEL

Gilmore & Bell, P.C.
St. Louis, Missouri

UNDERWRITER

Stifel, Nicolaus & Company, Incorporated
St. Louis, Missouri

No dealer, broker, salesman or other person has been authorized by the Authority or the City to give any information or to make any representations with respect to the Series 2011A Bonds offered hereby other than those contained in this Official Statement, 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 an offer to buy nor shall there be any sale of the Series 2011A Bonds offered hereby by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. Except for information concerning the Authority contained under the captions **"THE AUTHORITY"** and **"ABSENCE OF LITIGATION,"** in so far as it relates to the Authority, none of the information in this Official Statement has been supplied or verified by the Authority, and the Authority makes no representation or warranty, express or implied, as to the accuracy or completeness of such information. The information set forth herein has been furnished by the City and other sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Authority. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority or the City since the date hereof.

The Series 2011A Bonds have not been registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended, or under any state securities or "blue sky" laws. The Series 2011A Bonds are offered pursuant to an exemption from registration with the Securities and Exchange Commission. In making an investment decision, investors must rely on their own examination of the terms of this offering, including the merits and risks 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 may be a criminal offense.

CAUTIONARY STATEMENTS REGARDING FORWARD- LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "anticipate," "projected," "budget" or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THESE FUTURE RISKS AND UNCERTAINTIES INCLUDE THOSE DISCUSSED IN THE "OWNERS' RISKS" AND "PROJECTED AVERAGE LIFE OF THE SERIES 2011A BONDS" SECTIONS OF THIS OFFICIAL STATEMENT. NEITHER THE CITY NOR ANY OTHER PARTY PLANS TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN THEIR EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES UPON WHICH SUCH STATEMENTS ARE BASED OCCUR.

TABLE OF CONTENTS

<u>Page</u>	<u>Page</u>
INTRODUCTION.....	1
Purpose of the Official Statement.....	1
The Authority.....	1
The City.....	1
The Series 2011A Bonds.....	1
Security for the Series 2011A Bonds.....	4
Revenue Projections.....	5
Owners' Risks.....	6
Definitions and Summary of Documents.....	6
Continuing Disclosure.....	6
THE SERIES 2011A BONDS.....	6
Authorization; Description of the Series 2011A Bonds.....	6
Registration, Transfer and Exchange of Series 2011A Bonds.....	6
Redemption Provisions.....	7
Payment and Discharge Provisions.....	8
Defeasance Provisions.....	9
Book-Entry Only System.....	9
SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2011A BONDS.....	11
Limited Obligations; Sources of Payment.....	11
Indenture Funds and Accounts.....	12
Additional Bonds.....	14
ESTIMATED SOURCES AND USES OF FUNDS ..	15
TAX INCREMENT FINANCING IN ILLINOIS	15
General	15
The TIF Act.....	16
REDEVELOPMENT PROJECT AREA.....	16
REAL PROPERTY TAX ASSESSMENT, LEVY AND COLLECTION	17
General	17
Real Property Assessment	17
Tax Levy.....	17
Collection	18
SALES TAX COLLECTION AND DISTRIBUTION IN ILLINOIS	18
BUSINESS DISTRICT SALES TAX COLLECTION AND DISTRIBUTION IN ILLINOIS	19
OWNERS' RISKS	20
Nature of the Obligations	20
Financial Feasibility of the Shopping Center	20
Reliance on the Developer, Tenants and Subsequent Property Owners.....	21
No Mortgage of the Redevelopment Project	21
Risk of Failure to Maintain Levels of Assessed Valuations.....	22
Changes in State and Local Tax Laws.....	22
Reduction in State and Local Tax Rates.....	22
Limitations on Remedies.....	23
Early Redemption Prior to Maturity	23
Changes in Market Conditions	23
Factors Affecting Municipal Sales Tax Revenues and Business District Revenues.....	23
Determination of Municipal Sales Tax Revenues	24
Projections.....	24
Debt Service Reserve Account	24
Acceleration; Debt Service Reserve Account.....	24
Determination of Taxability	25
Risk of Audit	25
Lack of Rating and Market for the Series 2011A Bonds.....	25
PROJECTED AVERAGE LIFE OF THE SERIES 2011A BONDS	25
THE REDEVELOPMENT PROJECT	29
Overview	29
The Developer	30
Environmental Assessment.....	30
The Manager.....	31
Easements with Covenants and Restrictions Affecting Land.....	31
Competition	31
Residential Component of the Redevelopment Project	32
SUMMARY OF LEASES; OCCUPANTS	32
Leases	32
Occupants	36
THE AUTHORITY	36
Organization and Powers.....	36
Membership.....	37
Obligations of the Authority	37
THE CITY	37
General	37
Population.....	38
Employment	38
Income Statistics.....	39
ABSENCE OF LITIGATION	40
LEGAL MATTERS	40
TAX MATTERS	40
Opinion of Bond Counsel.....	40
Other Tax Consequences	41
UNDERWRITING	42
CERTAIN RELATIONSHIPS	42
PROJECTIONS.....	42
MISCELLANEOUS.....	43
Appendix A – Projections	
Appendix B – Definitions and Summary of the Principal Documents	
Appendix C – Form of Opinion of Bond Counsel	

(THIS PAGE LEFT BLANK INTENTIONALLY)

OFFICIAL STATEMENT

\$16,150,000

SOUTHWESTERN ILLINOIS DEVELOPMENT AUTHORITY

LOCAL GOVERNMENT PROGRAM REVENUE BONDS, SERIES 2011A (CITY OF BELLEVILLE - CARLYLE/GREEN MOUNT REDEVELOPMENT PROJECT - TAX INCREMENT AND SALES TAX)

INTRODUCTION

This introduction is only a brief description and summary of certain information contained in this Official Statement and is qualified in its entirety by reference to the more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement.

Purpose of the Official Statement

The purpose of this Official Statement is to furnish information relating to (1) the Southwestern Illinois Development Authority (the "Authority"), (2) the City of Belleville, Illinois (the "City"), (3) the Authority's Local Government Program Revenue Bonds, Series 2011A (City of Belleville - Carlyle/Green Mount Redevelopment Project - Tax Increment and Sales Tax) (the "Series 2011A Bonds") and (4) a mixed use development consisting of (i) approximately 400,000 square feet of retail development, anchored by a Lowe's Home Improvement Store and a Wal-Mart Supercenter, known as Green Mount Commons (the "Shopping Center") developed by THF Green Mount Development, L.L.C. and GMCR, L.L.C. (collectively, the "Developer") and (ii) two residential housing development sites planned to constitute approximately 357 housing units. For the definition of certain capitalized terms used herein and not otherwise defined, see "**Appendix B – Definitions and Summary of the Principal Documents**" hereto.

The Authority

The issuer of the Series 2011A Bonds is the Southwestern Illinois Development Authority, a political subdivision, body politic and municipal corporation organized and existing under the laws of the State of Illinois. See the caption "**THE AUTHORITY**" herein.

The City

The City, located in St. Clair County, Illinois, is a home-rule unit of government and political subdivision of the State of Illinois. The Authority is issuing the Series 2011A Bonds to make funds available to the City to finance and refinance certain costs incurred pursuant to the Carlyle/Green Mount Redevelopment Project Area Tax Increment Financing Redevelopment Plan (as amended, the "Redevelopment Plan"). See the caption "**THE CITY**" herein.

The Series 2011A Bonds

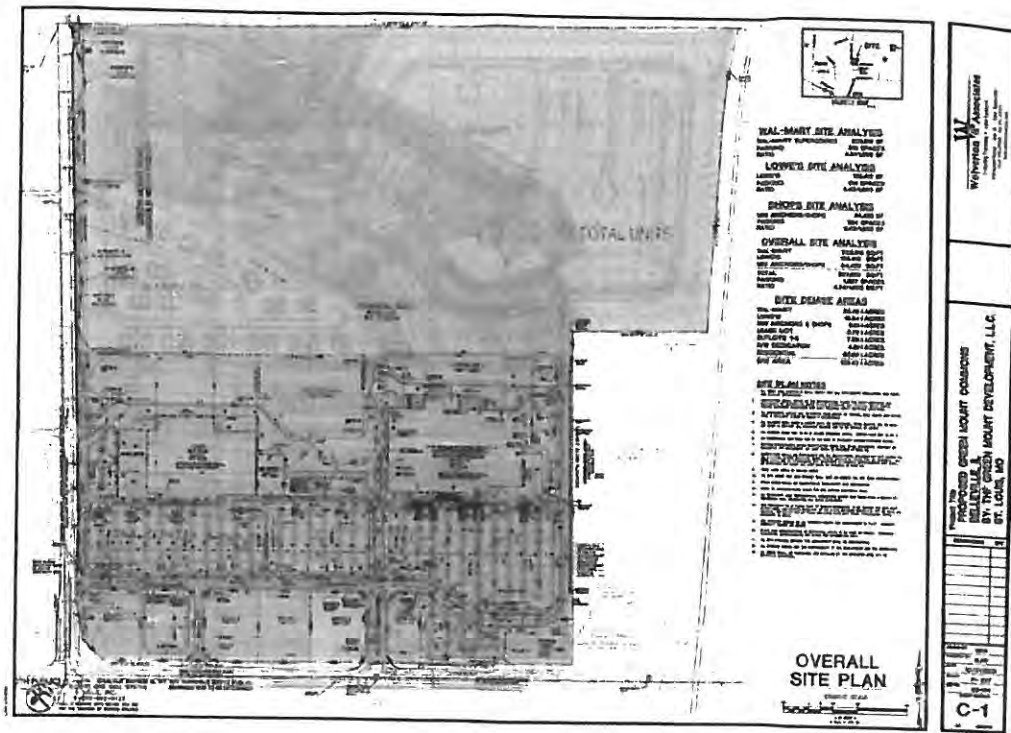
The Series 2011A Bonds are being issued pursuant to 70 *Illinois Compiled Statutes 2010*, 520/1 *et seq.*, as supplemented and amended (the "Act"), the Local Government Debt Reform Act, 35 *Illinois Compiled Statutes 2010*, 350/1 *et seq.*, as supplemented and amended (the "Local Government Debt Reform Act"), and a Resolution duly adopted by the members of the Board of Directors of the Authority (the "Resolution") and a Trust Indenture dated as of October 1, 2011 (the "Indenture") between the Authority and UMB Bank, National Association as trustee (the "Trustee") to (a) finance and refinance certain redevelopment project costs incurred pursuant to the Redevelopment Plan, including costs evidenced by the Prior Notes, (b) fund a debt service reserve account for the Series 2011A Bonds and (c) pay the costs of issuance of the Series 2011A Bonds. A

description of the Series 2011A Bonds is contained in this Official Statement under the caption “**THE SERIES 2011A BONDS.**” All references to the Series 2011A Bonds are qualified in their entirety by the definitive form thereof and the provisions with respect thereto included in the Indenture.

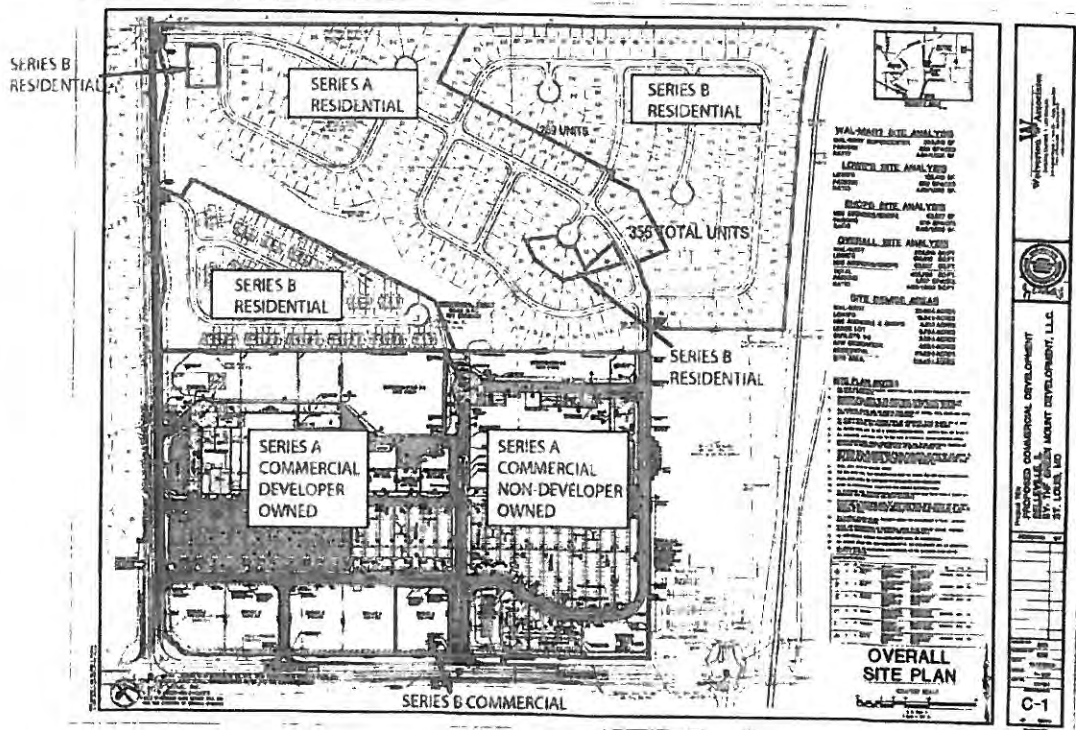
The Series 2011A Bonds are subject to redemption prior to maturity as described herein. If the revenues are received as projected, a substantial portion of the Series 2011A Bonds will be redeemed prior to their stated maturity. See “**THE SERIES 2011A BONDS – Redemption Provisions**” and “**PROJECTED AVERAGE LIFE OF THE SERIES 2011A BONDS**” herein.

Contemporaneously with the issuance of the Series 2011A Bonds, the Authority is issuing its \$1,560,000 aggregate principal amount of Local Government Program Revenue Bonds, Series 2011B (City of Belleville Carlyle/Green Mount Redevelopment Project - Tax Increment and Sales Tax) (the “Series 2011B Bonds”) and \$5,700,000 aggregate principal amount of Taxable Local Government Program Revenue Bonds, Series 2011C (City of Belleville Carlyle/Green Mount Redevelopment Project - Business District) (the “Series 2011C Bonds”). While the Series 2011A Bonds are Outstanding, the Series 2011B Bonds are repayable solely from the Series 2011B TIF Revenues and Series 2011B Municipal Sales Tax Revenues generated by the homes to be built after the date of this Official Statement on property owned by The Jones Company and Westway Realty, Inc. within the Redevelopment Project Area and from the proposed Chick Fil-A site at the Shopping Center, and the Series 2011C Bonds are repayable solely from certain tax revenues received by the City from the retailers’ occupation tax and service occupation tax and the hotel operators’ occupation tax imposed by the City within a business district in the City in which the Shopping Center is located. **Neither the Series 2011B Bonds nor the Series 2011C Bonds are being offered hereby.** The following map depicts the areas within the Redevelopment Project Area which will (a) generate Series 2011A TIF Revenues, Series 2011A Municipal Sales Tax Revenues and Series 2011A Business District Revenues for the Series 2011A Bonds (shaded in pink) and (ii) generate Series 2011B TIF Revenues and Series 2011B Municipal Sales Tax Revenues for the Series 2011B Bonds (shaded in orange).

[Remainder of Page Intentionally Left Blank.]



The following map depicts the "Series 2011A Developer Owned Property," the "Series 2011A Non-Developer Owned Property," the "Series 2011A Residential Property," the "Series 2011B Commercial Property," and the "Series 2011B Residential Property" within the Redevelopment Project Area:



Security for the Series 2011A Bonds

The Series 2011A Bonds and the interest thereon are special, limited obligations of the Authority, payable solely from Series 2011A Bond proceeds, Series 2011A TIF Revenues, Series 2011A Municipal Sales Tax Revenues, Series 2011A Business District Revenues and moneys on deposit in a debt service reserve account, as provided in the Indenture. The Authority and the City have entered into a Financing Agreement dated as of October 1, 2011, pursuant to which the City has agreed to transfer to the Trustee for application to the payment of the Series 2011A Bonds all Pledged TIF Revenues, Pledged Municipal Sales Tax Revenues and Business District Sales Tax Revenues (each as described herein). See **"SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2011A BONDS"** herein.

A Series 2011A Reserve Account will be funded in the amount of \$1,615,000 from proceeds of the Series 2011A Bonds as additional security for the Series 2011A Bonds.

"Series 2011A TIF Revenues" means all Pledged TIF Revenues less the Series 2011B TIF Revenues. "Pledged TIF Revenues" means fifty percent (50.0%) of TIF Revenues. "TIF Revenues" means the ad valorem taxes, if any, arising from the tax levies upon taxable real property in the Redevelopment Project Area by any and all taxing districts or municipal corporations having the power to tax real property in the Redevelopment Project Area, which taxes are attributable to the increase in the then-current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the Redevelopment Project Area over and above the initial equalized assessed value of each such piece of property, all as determined by the County Clerk in accord with the TIF Act. "Series 2011B TIF Revenues" means all Pledged TIF Revenues generated from (a) that portion of the property owned by The Jones Company and Westway Realty, Inc. which has not yet been developed as of the date of this Official Statement and (b) the parcel currently under contract to Chick Fil-A. See **"THE REDEVELOPMENT PROJECT – Residential Component of the Redevelopment Project"** and **"SUMMARY OF LEASES; OCCUPANTS –Occupants"** herein.

"Series 2011A Municipal Sales Tax Revenues" means all Pledged Municipal Sales Tax Revenues less the Series 2011B Municipal Sales Tax Revenues. "Pledged Municipal Sales Tax Revenues" means all Municipal Sales Tax Revenues less the amount of Municipal Sales Tax Revenues required to be transferred to the City each month to satisfy the Monthly Municipal Share. "Municipal Sales Tax Revenues" means all sales tax revenue the City is entitled to receive from the sales tax imposed by the State of Illinois pursuant to the Illinois Retailers' Occupation Tax Act, 35 ILCS 120/1 *et seq.*, the Illinois Service Occupation Tax Act, 35 ILCS 115/1 *et seq.*, and such other authority as shall be applicable pursuant to any successor statutes that result from retail sales of all businesses located in the Redevelopment Project Area. "Monthly Municipal Share" means a monthly amount to be paid to the City pursuant to the Redevelopment Agreement which amount shall equal, so long as a Wal-Mart store continues to operate in the Redevelopment Project Area, Fifty-Four Thousand Dollars (\$54,000), which shall be paid from the first dollars of Series 2011A Municipal Sales Tax Revenues collected each month. "Series 2011B Municipal Sales Tax Revenues" means all Pledged Municipal Sales Tax Revenues generated from the parcel currently under contract to Chick Fil-A. See **"SUMMARY OF LEASES; OCCUPANTS –Occupants"** herein.

"Series 2011A Business District Revenues" means for each Interest Payment Date an amount of Business District Sales Tax Revenues equal to 9.5% of the amount of moneys to be transferred to the Series 2011A Debt Service Account and the Series 2011A Redemption Account for such Interest Payment Date but in no event to exceed \$160,000 for the twelve-month period ending as of the 40th day, or if such day is not a Business Day, the immediately preceding Business Day, prior to each July 1. Business District Sales Tax Revenues are to be allocated first as Series 2011A Business District Revenues prior to any other use of such Business District Sales Tax Revenues. "Business District Sales Tax Revenues" means all sales tax revenues received by the City from the one percent (1.0%) retailers' occupation tax and service occupation tax and the hotel operators' occupation tax imposed by the City pursuant to the Business District Act within the Business District. The Business District consists of approximately 60 acres, being that portion of the Redevelopment Project Area in which the Shopping Center is located.

THE SERIES 2011A BONDS AND THE INTEREST THEREON SHALL NOT CONSTITUTE A DEBT OR LIABILITY OF THE STATE OR AN INDEBTEDNESS OF THE AUTHORITY OR THE STATE OR A LOAN OF CREDIT OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF EITHER OF THEM, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION. AND THE AUTHORITY AND THE STATE SHALL NOT BE LIABLE FOR THE PAYMENTS OF PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2011A BONDS, BUT THE SERIES 2011A BONDS SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED FOR IN THE FINANCING AGREEMENT AND IN THE INDENTURE. NO OWNER OF ANY SERIES 2011A BOND SHALL HAVE THE RIGHT TO COMPEL THE TAXING POWER, IF ANY, OF THE AUTHORITY OR THE STATE TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON SUCH SERIES 2011A BONDS. THE AUTHORITY HAS NO TAXING POWER. THE MEMBERS OF THE BOARD OF DIRECTORS OF THE AUTHORITY HAVE DETERMINED THAT SECTION 7(F) OF THE SOUTHWESTERN ILLINOIS DEVELOPMENT AUTHORITY ACT, RELATING TO THE MORAL OBLIGATION OF THE STATE OF ILLINOIS, DOES NOT APPLY TO THE SERIES 2011A BONDS.

The obligations of the City under the Financing Agreement do not constitute a debt of the City, the State or any political subdivision thereof, and do not constitute an indebtedness within the meaning of any constitutional, charter or statutory debt limitation or restriction. Neither the issuance of the Series 2011A Bonds nor the execution and delivery of the Financing Agreement by the City shall, directly, indirectly or contingently, obligate the City, the State or any political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment.

BECAUSE OF LIMITATIONS IMPOSED BY CURRENT STATE LAW, WHETHER OR NOT THE PRINCIPAL AMOUNT OR INTEREST ON THE SERIES 2011A BONDS HAS BEEN PAID IN FULL, THE OBLIGATIONS OF THE CITY UNDER THE FINANCING AGREEMENT TO TRANSFER (1) PLEDGED TIF REVENUES TERMINATES ON DECEMBER 31, 2030, (2) BUSINESS DISTRICT SALES TAX REVENUES TERMINATES ON THE EARLIER OF (A) JUNE 15, 2029, OR (B) FULL PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES 2011C BONDS, AND (3) PLEDGED MUNICIPAL SALES TAX REVENUES TERMINATES ON DECEMBER 15, 2041.

Revenue Projections

A study entitled "Bond Revenue Study," dated September 15, 2011 (the "Projections") has been prepared by Peckham Guyton Albers & Viets, Inc., St. Louis, Missouri. A copy of the Projections is attached hereto as **Appendix A**. See the caption "**PROJECTIONS**" herein. Neither the Authority nor the City makes any representation or warranty (express or implied) as to the accuracy or completeness of any financial, technical or statistical data or any estimates, projections, assumptions or expressions of opinion set forth in the Projections.

Pursuant to the State law, taxpayers who promptly pay their sales taxes are entitled to retain 1.75% of the amount of taxes owed. Because it can not be determined whether the taxpayers in the Redevelopment Area will promptly pay their sales taxes, the Projections assume that all taxpayers will promptly pay their sales taxes and will retain 1.75% of the amount of the taxes owed.

Owners' Risks

The Series 2011A Bonds involve a high degree of risk, and prospective purchasers should read the section herein captioned "**OWNERS' RISKS.**" The Series 2011A Bonds may not be suitable investments for all persons, and prospective purchasers should carefully evaluate the risks and merits of an investment in the Series 2011A Bonds, should confer with their own legal and financial advisors and should be able to bear the risk of loss of their investment in the Series 2011A Bonds before considering a purchase of the Series 2011A Bonds.

Definitions and Summary of Documents

Definitions of certain words and terms used in this Official Statement and a summary of certain provisions of the Indenture and the Continuing Disclosure Agreement are included in this Official Statement in **Appendix B** hereto. Such definitions and summaries do not purport to be comprehensive or definitive. All references herein to the Indenture and the Continuing Disclosure Agreement are qualified in their entirety by reference to the definitive forms of such documents, copies of which may be obtained from Stifel, Nicolaus & Company, Incorporated, 501 N. Broadway, 8th Floor, St. Louis, Missouri 63102.

Continuing Disclosure

The City covenants in the Continuing Disclosure Agreement to provide certain financial information relating to the City by not later than 180 days after the end of each fiscal year of the City, commencing with the fiscal year ending April 30, 2012, to provide certain financial information on a semi-annual basis and to provide notices of the occurrence of certain enumerated events. See the caption "Continuing Disclosure" in **Appendix B** herein.

THE SERIES 2011A BONDS

The following is a summary of certain terms and provisions of the Series 2011A Bonds. Reference is hereby made to the Series 2011A Bonds and the provisions with respect thereto in the Indenture for the detailed terms and provisions thereof.

Authorization; Description of the Series 2011A Bonds

The Series 2011A Bonds are being issued pursuant to and in full compliance with the Constitution and laws of the State of Illinois. The Series 2011A Bonds will be issuable as fully-registered bonds. Purchases of the Series 2011A Bonds will be made in book-entry form only (as described below) in denominations of \$5,000 or any integral multiple in excess thereof. Purchasers of the Series 2011A Bonds will not receive certificates representing their interests in the Series 2011A Bonds purchased. The Series 2011A Bonds will be dated as of the date of initial issuance and delivery thereof, and will mature on the dates and in the principal amounts set forth on the inside cover page of this Official Statement. The Series 2011A Bonds will bear interest at the rate per annum set forth on the inside cover page hereof, which interest will be payable semiannually on January 1 and July 1 in each year, beginning on July 1, 2012.

Registration, Transfer and Exchange of Series 2011A Bonds

Any Series 2011A Bond may be transferred only upon the Register upon surrender thereof to the Trustee duly endorsed for transfer or accompanied by an assignment duly executed by the Owner or his attorney or legal representative in such form as shall be satisfactory to the Trustee. Upon any such transfer, the Authority shall execute and the Trustee shall authenticate and deliver in exchange for such Series 2011A Bond a new fully-registered Series 2011A Bond or Series 2011A Bonds, registered in the name of the transferee, of the same series and of any Authorized Denomination. Any Series 2011A Bond, upon surrender thereof at the

principal corporate trust office of the Trustee or such other office as the Trustee shall designate, together with an assignment duly executed by the Owner or his attorney or legal representative in such form as shall be satisfactory to the Trustee, may, at the option of the Owner thereof, be exchanged for Series 2011A Bonds of the same series and maturity, of any Authorized Denomination or Denominations, bearing interest at the same rate, and registered in the name of the Owner.

The Authority or the Trustee may make a charge against each Owner requesting a transfer or exchange of Series 2011A Bonds for every such transfer or exchange of Series 2011A Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such transfer or exchange, the cost of printing, if any, each new Series 2011A Bond issued upon any transfer or exchange and the reasonable expenses of the Authority and the Trustee in connection therewith, and such charge shall be paid before any such new Series 2011A Bond shall be delivered. The Authority or the Trustee may levy a charge against an Owner sufficient to reimburse it for any governmental charge required to be paid in the event the Owner fails to provide a correct taxpayer identification number to the Trustee. Such charge may be deducted from amounts otherwise due to such Owner.

Redemption Provisions

Optional Redemption. The Series 2011A Bonds are subject to optional redemption by the Authority, at the direction of the City, in whole or in part at any time on or after July 1, 2019, at the redemption price equal to 100% of the principal amount of the Series 2011A Bonds to be redeemed plus accrued interest to the redemption date.

Special Mandatory Redemption.

The Series 2011A Bonds maturing on July 1, 2028 are subject to special mandatory redemption by the City on each July 1, commencing July 1, 2012, at the redemption price of 100% of the principal amount being redeemed, plus accrued interest thereon to the redemption date, in an amount equal to the amount which, 40 days prior to each Interest Payment Date, is on deposit in the Series 2011A Redemption Account of the Debt Service Fund.

The Series 2011A Bonds maturing on July 1, 2031 are subject to special mandatory redemption by the City on each July 1 on which no Series 2011A Bonds maturing on July 1, 2028 are Outstanding, at the redemption price of 100% of the principal amount being redeemed, plus accrued interest thereon to the redemption date, in an amount equal to the amount which, 40 days prior to each Interest Payment Date, is on deposit in the Series 2011A Redemption Account of the Debt Service Fund.

The Series 2011A Bonds maturing on July 1, 2041 are subject to special mandatory redemption by the City on each July 1 on which no Series 2011A Bonds maturing on July 1, 2031 are Outstanding, at the redemption price of 100% of the principal amount being redeemed, plus accrued interest thereon to the redemption date, in an amount equal to the amount which, 40 days prior to each Interest Payment Date, is on deposit in the Series 2011A Redemption Account of the Debt Service Fund.

Selection of Series 2011A Bonds to be Redeemed. Series 2011A Bonds shall be redeemed only in Authorized Denominations. Except in the case of any special mandatory redemption of the Series 2011A Bonds, when less than all of the Outstanding Series 2011A Bonds are to be redeemed and paid prior to maturity, such Series 2011A Bonds or portions of Series 2011A Bonds to be redeemed shall be selected in Authorized Denominations by the Trustee by lot or in such other equitable manner as it may determine from such maturities and in such amounts as the Authority may determine. In the case of any special mandatory redemption of the Series 2011A Bonds, such Series 2011A Bonds or portions of Series 2011A Bonds to be redeemed shall be selected in Authorized Denominations by the Trustee by lot or in such other equitable manner as it may determine.

In the case of a partial redemption of Series 2011A Bonds when Series 2011A Bonds of denominations greater than the minimum Authorized Denomination are then Outstanding, then for all purposes in connection with such redemption each Authorized Denomination unit of face value shall be treated as though it was a separate Series 2011A Bond of the denomination of the minimum Authorized Denomination. If one or more, but not all, of the minimum Authorized Denomination units of principal amount represented by any Series 2011A Bond are selected for redemption, then upon notice of intention to redeem such minimum Authorized Denomination unit or units, the Owner of such Series 2011A Bond or his attorney or legal representative shall forthwith present and surrender such Series 2011A Bond to the Trustee (i) for payment of the redemption price (including the interest to the date fixed for redemption) of the minimum Authorized Denomination unit or units of principal amount called for redemption, and (ii) for exchange, without charge to the Owner thereof, for a new Series 2011A Bond or Series 2011A Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such Series 2011A Bond. If the Owner of any such Series 2011A Bond of a denomination greater than minimum Authorized Denomination fails to present such Series 2011A Bond to the Trustee for payment and exchange as aforesaid, said Series 2011A Bond shall, nevertheless, become due and payable on the redemption date to the extent of the minimum Authorized Denomination unit or units of principal amount called for redemption (and to that extent only) and shall cease to accrue interest on the principal amount so called for redemption.

Notice and Effect of Call for Redemption. Unless waived by any Owner of Series 2011A Bonds to be redeemed, official notice of the redemption of any Series 2011A Bond shall be given by the Trustee on behalf of the Authority by mailing a copy of an official redemption notice by first class mail, postage prepaid, at least 30 days and not more than 60 days prior to the date fixed for redemption to the Owner of the Series 2011A Bond or Series 2011A Bonds to be redeemed at the address shown on the Register; provided, however, that failure to give such notice by mailing as aforesaid to any Owner or any defect therein as to any particular Series 2011A Bond shall not affect the validity of any proceedings for the redemption of any other Series 2011A Bonds.

On or prior to the date fixed for redemption, the Authority shall deposit moneys or Government Securities with the Trustee as provided in the Indenture to pay the Series 2011A Bonds called for redemption and accrued interest thereon to the redemption date. Upon the happening of the above conditions, and notice having been given as provided in the Indenture, the Series 2011A Bonds or the portions of the principal amount of Series 2011A Bonds thus called for redemption shall cease to bear interest on the specified redemption date, provided moneys sufficient for the payment of the redemption price are on deposit at the place of payment at the time, and shall no longer be entitled to the protection, benefit or security of the Indenture and shall not be deemed to be Outstanding under the provisions of the Indenture.

Payment and Discharge Provisions

When the principal of and interest on all the Bonds have been paid in accordance with their terms or provision has been made for such payment, as provided in the Indenture, and provision also is made for paying all other sums payable under the Indenture, including the fees and expenses of the Trustee and the Paying Agents to the date of payment of the Bonds, then the right, title and interest of the Trustee under the Indenture shall thereupon cease, determine and be void, and thereupon the Trustee shall cancel, discharge and release the Indenture and shall execute, acknowledge and deliver to the Authority such instruments of satisfaction and discharge or release as shall be required to evidence such release and the satisfaction and discharge of the Indenture, and shall assign and deliver to the Authority any property at the time subject to the Indenture which may then be in the Trustee's possession, except (1) amounts in the Debt Service Fund required to be paid to the Owners under the Indenture, (2) amounts set aside for the payment of arbitrage rebate, if any, (3) amounts in the funds and accounts required to be paid to the City, and (4) except funds or securities in which such moneys are invested and held by the Trustee for the payment of the principal of and interest on the Bonds.

Defeasance Provisions

Series 2011A Bonds shall be deemed to be paid within the meaning of the Indenture when payment of the principal of such Series 2011A Bonds, plus premium, if any, plus interest thereon to the due date thereof (whether such due date is by reason of maturity or upon redemption as provided in the Indenture, or otherwise), either (1) has been made or caused to be made in accordance with the terms of the Indenture, or (2) provision therefor has been made by depositing with the Trustee, in trust and irrevocably setting aside exclusively for such payment, (i) moneys sufficient to make such payment or (ii) non-callable Government Securities maturing as to principal and interest in such amount and at such times as will ensure the availability of sufficient moneys to make such payment and, with respect to Series 2011A Bonds the Trustee shall have received a written opinion of Bond Counsel (which opinion may be based upon a ruling or rulings of the Internal Revenue Service) to the effect that such deposit will not cause the interest on such Series 2011A Bonds to be included in gross income for purposes of federal income taxation. If the interest earnings on money or Government Securities are necessary to provide for the payment of the Series 2011A Bonds, the Trustee shall receive a verification report of a firm of independent certified public accountants that the moneys and Government Securities deposited with the Trustee are sufficient to pay when due the principal or redemption price, if any, and interest on the Series 2011A Bonds on or prior to the applicable redemption or maturity date. At such time as a Series 2011A Bond is deemed to be paid under the Indenture, such Series 2011A Bond shall no longer be secured by or be entitled to the benefits of the Indenture, except for the purposes of any such payment from such moneys or Government Securities.

Book-Entry Only System

General. The Series 2011A Bonds are available in book-entry only form. Purchasers of the Series 2011A Bonds will not receive certificates representing their interests in the Series 2011A Bonds. Ownership interests in the Series 2011A Bonds will be available to purchasers only through a book-entry system (the "Book-Entry System") maintained by The Depository Trust Company ("DTC"), New York, New York.

The following information concerning DTC and DTC's book-entry system has been obtained from DTC. The Authority and the City take no responsibility as to the accuracy or completeness thereof and neither the Indirect Participants nor the Beneficial Owners should rely on the following information with respect to such matters, but should instead confirm the same with DTC or the Direct Participants, as the case may be. There can be no assurance that DTC will abide by its procedures or that such procedures will not be changed from time to time.

DTC will act as securities depository for the Series 2011A Bonds. The Series 2011A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2011A Bond certificate will be issued for each maturity of the Series 2011A Bonds and will be deposited with DTC or the Trustee as its agent.

DTC and its Participants. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing

corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Ownership Interests. Purchases of Series 2011A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2011A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2011A 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 Series 2011A 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 Securities, except in the event that use of the book-entry system for the Series 2011A Bonds is discontinued.

Transfers. To facilitate subsequent transfers, all Series 2011A 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 Series 2011A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2011A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2011A 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.

Notices. 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 Series 2011A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2011A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2011A Bond documents. For example, Beneficial Owners of Series 2011A Bonds may wish to ascertain that the nominee holding the Series 2011A 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 will be sent to DTC. If less than all of the Series 2011A 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.

Voting. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2011A Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority 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 Series 2011A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of Principal, Redemption Price and Interest. Payments of principal of, premium, if any, and interest on the Series 2011A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of, premium, if any, and interest on the Series 2011A Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

Discontinuation of Book-Entry System. DTC may discontinue providing its services as depository with respect to the Series 2011A Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2011A Bond certificates are required to be printed and delivered.

If the system of book-entry-only transfers has been discontinued and a Direct Participant has elected to withdraw its Series 2011A Bonds from DTC (or such successor securities depository), bond certificates may be delivered to Beneficial Owners in the manner described in the Indenture.

The information above concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but is not guaranteed as to accuracy or completeness by and is not to be construed as a representation by the City, the Trustee or the Underwriter. The City, the Trustee and the Underwriter make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners will act in accordance with the procedures described above or in a timely manner.

SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2011A BONDS

Limited Obligations; Sources of Payment

The Series 2011A Bonds and the interest thereon are special, limited obligations of the Authority, payable solely from Series 2011A Bond proceeds, Series 2011A TIF Revenues, Series 2011A Municipal Sales Tax Revenues, Series 2011A Business District Tax Revenues and moneys on deposit in the Series 2011A Reserve Account, as provided in the Indenture. Under the Indenture, the Authority will pledge and assign moneys in the Series 2011A TIF Subaccount of the TIF Account of the Revenue Fund, Series 2011A Business District Subaccount of the Business District Account of the Revenue Fund, Series 2011A Municipal Sales Tax Subaccount of the Municipal Sales Tax Account of the Revenue Fund, the Series 2011A Debt Service Account of the Debt Service Fund and the Series 2011A Reserve Account of the Debt Service Reserve Fund to the Trustee for the benefit of the Owners as security for the payment of the Series 2011A Bonds and the interest thereon. Pursuant to the Financing Agreement, the City shall transfer to the Trustee all Pledged TIF Revenues, Pledged Municipal Sales Tax Revenues and Business District Tax Revenues.

THE SERIES 2011A BONDS AND THE INTEREST THEREON SHALL NOT CONSTITUTE A DEBT OR LIABILITY OF THE STATE OR AN INDEBTEDNESS OF THE AUTHORITY OR THE STATE OR A LOAN OF CREDIT OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF EITHER OF THEM, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION, AND THE AUTHORITY AND THE STATE SHALL NOT BE LIABLE FOR THE PAYMENTS OF PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2011A BONDS, BUT THE SERIES 2011A BONDS SHALL BE PAYABLE SOLELY FROM THE FUNDS

PROVIDED FOR IN THE FINANCING AGREEMENT AND IN THE INDENTURE. NO OWNER OF ANY SERIES 2011A BOND SHALL HAVE THE RIGHT TO COMPEL THE TAXING POWER, IF ANY, OF THE AUTHORITY OR THE STATE TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON SUCH SERIES 2011A BONDS. THE AUTHORITY HAS NO TAXING POWER. THE MEMBERS OF THE BOARD OF DIRECTORS OF THE AUTHORITY HAVE DETERMINED THAT SECTION 7(F) OF THE SOUTHWESTERN ILLINOIS DEVELOPMENT AUTHORITY ACT, RELATING TO THE MORAL OBLIGATION OF THE STATE OF ILLINOIS, DOES **NOT** APPLY TO THE SERIES 2011A BONDS.

The Series 2011A Bonds are not secured by a mortgage on any property. However, the Series 2011A TIF Revenues that are due and owing shall constitute a lien against the real estate from which they are derived, which may be foreclosed upon in the event of non-payment. See the caption **"TAX INCREMENT FINANCING IN ILLINOIS – Assessments and Collections of Ad Valorem Taxes "** herein.

Pursuant to the State law, taxpayers who promptly pay their sales taxes are entitled to retain 1.75% of the amount of taxes owed. Because it can not be determined whether the taxpayers in the Redevelopment Area will promptly pay their sales taxes, the Projections assume that all taxpayers will promptly pay their sales taxes and will retain 1.75% of the amount of the taxes owed.

The Series 2011A Bonds do not constitute a debt of the City, the State or any political subdivision thereof, and do not constitute an indebtedness within the meaning of any constitutional, charter or statutory debt limitation or restriction. The issuance of the Series 2011A Bonds shall not, directly, indirectly or contingently, obligate the City, the State or any political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment.

Indenture Funds and Accounts

Revenue Fund. On or before the 15th calendar day of each month (or the next Business Day thereafter if the 15th day is not a Business Day) while the Series 2011A Bonds remain Outstanding, commencing on October 15, 2011, the Authority shall cause the City to transfer:

(1) all Pledged TIF Revenues within the Special Tax Allocation Fund to the Trustee for deposit into the TIF Account with (A) all Series 2011A TIF Revenues generated from the Series 2011A Residential Property deposited into the Series 2011A Residential Property Account, (B) all Series 2011A TIF Revenues generated from the Series 2011A Developer Owned Property deposited into the Series 2011A Developer Owned Property Account, (C) all Series 2011A TIF Revenues generated from the Series 2011A Non-Developer Owned Property deposited into the Series 2011A Non-Developer Owned Property Account and (D) all Series 2011B TIF Revenues deposited into the Series 2011B TIF Subaccount;

(2) all Business District Sales Tax Revenues within the Business District Tax Allocation Fund to the Trustee for deposit into the Business District Account with moneys in such Business District Account being further deposited, as of the 40th day, or if such day is not a Business Day, the immediately preceding Business Day prior to each Interest Payment Date (A) *first*, all Series 2011A Business District Revenues into the Series 2011A Business District Subaccount, and (B) *second*, all Series 2011C Business District Revenues into the Series 2011C Business District Subaccount; and

(3) all Pledged Municipal Sales Tax Revenues within the Municipal Sales Tax Allocation Fund to the Trustee for deposit into the Municipal Sales Tax Account with (A) all Series 2011A Municipal Sales Tax Revenues deposited into the Series 2011A Municipal Sales Tax Subaccount, and (B) all Series 2011B Municipal Sales Tax Revenues deposited into the Series 2011B Municipal Sales Tax Subaccount.

Each such transfer shall be accompanied by a written report in substantially the form attached as an exhibit to the Financing Agreement. If the City has no moneys to transfer to the Trustee, the City shall so notify the Trustee in writing. If the Trustee has not received moneys on or before the 17th calendar day of each month (or the next Business Day thereafter if the 17th is not a Business Day), then the Trustee shall notify the Authority, the City and the Underwriter of such non-receipt.

Except with regard to the payment of any arbitrage rebate and as otherwise provided in the Indenture with respect to the Debt Service Reserve Fund, on the 40th day prior to each Interest Payment Date, or the immediately preceding Business Day if such day is not a Business Day, moneys on deposit in the Series 2011A Residential Property Account, the Series 2011A Developer Owned Property Account, the Series 2011A Non-Developer Owned Property Account, the Series 2011A Business District Subaccount and the Series 2011A Municipal Sales Tax Subaccount shall be applied, paid, transferred or deposited by the Trustee, first from moneys on deposit in the Series 2011A Residential Property Account, the Series 2011A Developer Owned Property Account and the Series 2011A Non-Developer Owned Property Account, then from moneys on deposit in the Series 2011A Municipal Sales Tax Subaccount, and finally from moneys on deposit in the Series 2011A Business District Subaccount, for the purposes and in the amounts in the following order as follows:

- (1) To the United States of America, when necessary, an amount sufficient to pay any arbitrage rebate owed under Section 148 of the Code, as directed in writing by the Authority in accordance with the Tax Compliance Agreement.
- (2) To (i) the Trustee or any Paying Agent, the pro rata (based on the principal amount of each series of Bonds Outstanding) share of any fees, charges and expenses which are due and owing (not to exceed, including the amount otherwise paid for such fees, charges and expenses pursuant to the Indenture, \$5,600 per year for ordinary fees and expenses), upon delivery to the City of an invoice for such amounts, (ii) the City, an amount sufficient to reimburse the City for fees and expenses incurred by the City in the administration of the Redevelopment Plan (not to exceed, including the amount otherwise paid for such fees and expenses pursuant to the Indenture, \$13,000 per year), upon delivery to the Trustee of an invoice for such amount, and (iii) the Extraordinary Costs Fund, an amount not to exceed \$10,000 per year, including funds deposited into the Extraordinary Costs Fund from other sources specified in the Indenture, to fund or restore any deficiency in the Extraordinary Costs Fund if the amount on deposit in such fund is less than \$50,000; provided that moneys shall be deposited to the Extraordinary Costs Fund first from Series 2011B TIF Revenues and Series 2011B Municipal Sales Tax Revenues prior to the application of any Series 2011A TIF Revenues, Series 2011A Municipal Sales Tax Revenues or Series 2011A Business District Revenues.
- (3) To the Series 2011A Debt Service Account, an amount sufficient to pay interest becoming due on the Series 2011A Bonds on the next Interest Payment Date or if the next Interest Payment Date is January 1, the next two Interest Payment Dates.
- (4) To the Series 2011A Debt Service Account an amount sufficient to pay the principal due on the Series 2011A Bonds on the next succeeding July 1 by reason of stated maturity.
- (5) To the Series 2011A Reserve Account, an amount sufficient to restore any deficiency in the Series 2011A Reserve Account if the amount on deposit in such account is less than the Debt Service Reserve Requirement for the Series 2011A Bonds.

- (6) To the Series 2011A Redemption Account, all moneys then remaining which shall be applied to the payment of the principal of and accrued interest on all Series 2011A Bonds which are subject to redemption on the next succeeding Interest Payment Date pursuant to the Indenture. See **"THE SERIES 2011A BONDS – Redemption Provisions – Special Mandatory Redemption"** herein.

Series 2011A Debt Service Account. Except as otherwise provided in the Indenture with respect to final balances, all amounts paid and credited to the Series 2011A Debt Service Account of the Debt Service Fund shall be expended solely for the payment of the principal of, redemption premium, if any, and interest on the Series 2011A Bonds as the same mature and become due or upon the redemption thereof.

Series 2011A Reserve Account. Amounts in the Series 2011A Reserve Account of the Debt Service Reserve Fund are to be used to pay principal of and interest on the Series 2011A Bonds to the extent of any deficiency in the Series 2011A Debt Service Account of the Debt Service Fund and to make final payment on the Series 2011A Bonds.

Project Fund. Moneys in the Refunding Account of the Project Fund shall be used by the Authority for the sole purpose of prepaying the Prior Notes on the date of issuance of the Series 2011A Bonds. Moneys in the Costs of Issuance Account of the Project Fund shall be disbursed, from time to time by the Trustee, upon the written request of the City, for the sole purpose of paying costs of issuance of the Series 2011 Bonds. Any moneys remaining in the Costs of Issuance Account of the Project Fund on March 1, 2012 shall be deposited, without further authorization, on a pro rata basis based on the then Outstanding principal amounts of the Series 2011A Bonds, the Series 2011B Bonds and the Series 2011C Bonds, into the applicable Redemption Account of the Debt Service Fund and used to redeem Series 2011A Bonds on the earliest possible date. See **"THE SERIES 2011A BONDS–Redemption Provisions–Special Mandatory Redemption"** herein.

Moneys in the Project Account of the Project Fund shall be disbursed by the Trustee from time to time, upon receipt from the City of (i) a Certificate of Reimbursable Redevelopment Project Costs, substantially in the form of an exhibit to the Redevelopment Agreement, which has been approved by the City and (ii) written instructions directing the Trustee to disburse the amount set forth in the Certificate to or at the direction of the Developer. Any moneys remaining on deposit in the Project Account of the Project Fund on September 1, 2014 shall be deposited, without further authorization, into the Series 2011A Redemption Account of the Debt Service Fund and used to redeem Series 2011A Bonds pursuant to the Indenture on the earliest possible date. See **"THE SERIES 2011A BONDS–Redemption Provisions–Special Mandatory Redemption"** herein.

Additional Bonds

Additional Bonds may be issued under the Indenture upon compliance with the conditions set forth in the Indenture for the sole purpose of refunding any Bonds Outstanding that results in interest cost savings.

Before any Additional Bonds are so issued, the members of the Board of Directors of the Authority shall adopt a resolution (1) authorizing the issuance of such Additional Bonds and fixing the principal amount thereof, (2) authorizing the Authority to enter into a Supplemental Indenture for the purpose of issuing such Additional Bonds and establishing the terms and provisions of such series of Additional Bonds, including securing such Additional Bonds with reserve funds or other credit enhancement which does not secure other Bonds Outstanding, and the form of such series of Additional Bonds, and (3) providing for such other matters as are appropriate because of the issuance of the Additional Bonds, which matters, in the judgment of the Authority, are not prejudicial to the owners of the Bonds previously issued.

Such Additional Bonds shall have the same general title as the Series 2011 Bonds, except for an identifying series letter or date, and shall be dated, shall mature on such dates, shall be numbered, shall bear interest at such rates not exceeding the maximum rate then permitted by law payable at such times, and shall

be redeemable at such times and prices (subject to the provisions of the Indenture), all as provided by the Supplemental Indenture authorizing the issuance of such Additional Bonds; provided that the Interest Payment Dates for the Additional Bonds shall be January 1 and July 1 and the maturity date of the Additional Bonds shall be July 1 and shall be not later than the maturity date of the series of Bonds being refunded. Except as to any difference in the date, the maturities, the rates of interest or the provisions for redemption, such Additional Bonds shall be on a parity with and shall be entitled to the same benefit and security of this Indenture as the Series 2011A Bonds, the Series 2011B Bonds or the Series 2011C Bonds, as applicable, and any other Additional Bonds issued on a parity with the Series 2011A Bonds, the Series 2011B Bonds or the Series 2011C Bonds, as applicable, upon compliance with the terms of the Indenture.

Except as provided in the Indenture, the Authority will not otherwise issue any obligations on a parity with the Series 2011A Bonds. The Authority may issue other obligations specifically subordinate and junior to the Series 2011A Bonds so that if at any time the Authority is in default in paying either principal of or interest on the Series 2011A Bonds or any Additional Bonds issued on a parity with the Series 2011A Bonds, the Authority will make no payments of either principal of or interest on said junior obligations until such default or defaults are cured.

ESTIMATED SOURCES AND USES OF FUNDS

Following is a summary of the anticipated sources and uses of funds in connection with the issuance of the Series 2011A Bonds:

Sources of Funds:

Net proceeds of the Series 2011A Bonds.....	\$16,032,625.00
Total sources of funds	<u>\$16,032,625.00</u>

Uses of Funds:

Refund Prior Notes	\$12,697,914.71
Deposit to Project Account	1,038,991.00
Deposit to the Series 2011A Reserve Account	1,615,000.00
Underwriter's Discount	444,125.00
Other Costs of Issuance	<u>236,594.29</u>
Total uses of funds	<u>\$16,032,625.00</u>

TAX INCREMENT FINANCING IN ILLINOIS

General

Tax increment financing is a procedure whereby cities and counties encourage the redevelopment of designated areas. The theory of tax increment financing is that, by encouraging redevelopment projects, the value of real property in a redevelopment area should increase. When tax increment financing is adopted for a redevelopment area, the assessed value of real property in the redevelopment area is frozen for tax purposes at the current base level prior to the construction of improvements. The owners of the property continue to pay property taxes at the base level. As the property is improved, the assessed value of real property in the redevelopment area should increase above the base level. By applying the tax rate of all taxing districts having taxing power within the redevelopment area to the increase in assessed valuation of the improved property over the base level, a "tax increment" is produced. The tax increment, referred to as "incremental property taxes," are paid by the owners of property in the same manner as regular property taxes. The incremental property taxes are transferred by the collecting agency to the treasurer of the City and deposited in a "Special

Tax Allocation Fund.” All or a portion of the moneys in the fund are used to pay directly for redevelopment project costs or to retire bonds or other obligations issued to pay such costs.

The TIF Act

The TIF Act authorizes the use of tax increment financing as a means for municipalities, after the approval of a “redevelopment plan and project,” to redevelop “blighted,” “conservation” or “industrial park conservation” areas by financing redevelopment project costs with incremental real property tax revenues. Incremental real property tax revenues are derived from the increase in the equalized assessed valuation of real property within the redevelopment project area over and above the equalized assessed valuation in effect at the time the redevelopment project area is established. Any such increase in equalized assessed valuation above the certified initial equalized assessed valuation is then multiplied, on an annual basis, by the aggregate tax rate resulting from the levy of real property taxes by all units of local government having taxing power over that real property. The product of this calculation, net of loss in collection, is the amount of incremental real property tax revenues generated within a redevelopment project area. See the section herein captioned **“REAL PROPERTY TAX ASSESSMENT, LEVY AND COLLECTION.”**

Tax increment financing does not generate revenues by increasing tax rates. Instead, it generates revenues by allowing a municipality to capture all tax revenues resulting from increases in the equalized assessed valuation within the area which has been designated for redevelopment. The incremental real property tax revenue is deposited into a special tax allocation fund from which redevelopment project costs and principal of and interest on obligations issued to finance the redevelopment are paid. Under tax increment financing, all overlapping taxing districts continue to receive real estate tax revenue from the redevelopment project area based on the certified initial equalized assessed value. When the amount of incremental real property tax revenue applicable to the redevelopment project area is greater than the amount required to pay for expected redevelopment project costs and principal of and interest on obligations issued to pay such costs, the municipality is required to return such money to the collecting authority for distribution to the overlapping taxing districts. If a redevelopment plan and project so provides, a municipality may use incremental real property tax revenue for eligible costs in a contiguous project area or one separated only by a public right of way.

To finance redevelopment project costs, a municipality may issue obligations secured by the anticipated tax increment revenue generated within the redevelopment project area. These redevelopment project costs include, but are not limited to, costs of studies and surveys, costs associated with the acquisition of land, costs of rehabilitation or repair of existing public or private buildings, costs of construction of public works or improvements, costs of job training and retraining programs and financing costs. Subject to certain limitations, tax increment financing may also apply to certain interest costs incurred by the developer of a project.

REDEVELOPMENT PROJECT AREA

The Redevelopment Project Area was approved by the City on January 11, 2006. The Shopping Center is located within the Redevelopment Project Area. TIF Revenues levied until 2029 within the Redevelopment Project Area may be captured and applied towards payment of the Series 2011A Bonds. Taxes levied in 2029 are collected in 2030. See the section herein captioned **“REAL PROPERTY TAX ASSESSMENT, LEVY AND COLLECTION — Collections.”**

REAL PROPERTY TAX ASSESSMENT, LEVY AND COLLECTION

General

All of the "Equalized Assessed Valuation" of taxable property in the City is located in St. Clair County, Illinois (the "County"). The laws of the State of Illinois (the "State") relating to real property taxation are contained in the Illinois Property Tax Code (the "Property Tax Code"). Information under this caption describes the current procedures for real property tax levy, assessment, and collection in the County. There can be no assurance that the procedures described herein will not change. See the section herein captioned "OWNERS' RISKS — Changes in State and Local Tax Laws."

Real Property Assessment

General. The County Assessor is responsible for the assessment of all taxable real property within the County, including that in the City, except for certain railroad property and certified pollution control facilities which are assessed directly by the Illinois Department of Revenue (the "Department of Revenue"). Real estate in the County is generally reassessed every fourth year by the County Assessor. After the County Assessor establishes the fair market value of a parcel of land, the value, as revised by the County Supervisor of Assessments, is multiplied by 33-1/3% to arrive at the assessed valuation ("Assessed Valuation") for that parcel. The County Assessor and the County Supervisor of Assessments may revise the Assessed Valuation. Taxpayers may formally petition for review of their assessments by the St. Clair County Board of Review. In addition, taxpayers have the right to appeal the County Board of Review's decision to the State Property Tax Appeal Board or to the Circuit Court in a valuation objection proceeding.

Equalization. The Department of Revenue establishes an equalization factor (commonly called a "multiplier") for each township and county in the State. After the County Assessor and the County Supervisor of Assessments have established the Assessed Valuation for each parcel for a given year and the township multiplier has been established, and following the County Board of Review revisions, the Department of Revenue is required by statute to review the Assessed Valuations. The purpose of equalization is to provide a common basis of assessments among townships and counties by adjusting assessments to make all valuations uniform among the 102 counties in the State. Assessments are equalized at 33-1/3% of estimated fair market value.

Once the equalization factor is established, the Assessed Valuations determined by the assessor, as revised by the County Board of Review, are multiplied by the equalization factor to determine the "Equalized Assessed Valuations." The Equalized Assessed Valuations are the final property valuations used for the determination of tax liability.

The aggregate Equalized Assessed Valuation for all parcels in the County, including the City, including the valuation of certain railroad property and certified pollution control facilities assessed directly by the State and the valuation of farmland assessed under the direction of the State, constitutes the total real estate tax base for the County, and is the figure utilized to calculate tax rates (the "Assessment Base").

Tax Levy

As part of the annual budget process of each unit of local government in (or partly in) the County which has real estate taxing powers (the "Units"), ordinances are adopted by the governing body of each Unit in each year in which it determines to levy real estate taxes. These tax levy ordinances impose real estate taxes in terms of a dollar amount. Each Unit certifies its real estate tax levy, as established by ordinance, to the County Clerk's Office. The remaining administration and collection of the real estate taxes are statutorily assigned to the County Clerk and the St. Clair County Treasurer (the "County Treasurer") who also serves as the St. Clair County Collector (the "County Collector").

After the Units file their respective annual tax levies, the County Clerk computes the annual tax rate for each Unit. This computation is made by dividing the levy of each Unit by the Equalized Assessed Valuation of the respective Unit. If any tax rate calculated exceeds any applicable statutory rate limit, the County Clerk disregards the excessive rate and applies the maximum rate provided by law.

Once the necessary adjustments to the tax rates are made, the County Clerk then computes the total tax rate applicable to each parcel of real property by aggregating the tax rates of all of the taxing units having jurisdiction over that particular parcel. The County Clerk enters the tax determined by multiplying that total tax rate by the Equalized Assessed Valuation of the parcel in the books prepared for the County Collector (the "Judgment Books") along with the tax rates, the Assessed Valuation and the Equalized Assessed Valuation. The Judgment Books are the County Collector's authority for the collection of taxes and are used by the County Collector as the basis for issuing tax bills to all property owners.

The Illinois Truth in Taxation Act requires additional procedures in connection with the annual levying of property taxes. Notice in the prescribed form must be published if the annual aggregate levy is estimated to exceed 105% of the amount extended or estimated to be extended upon the final aggregate levy of the preceding year, exclusive of election costs and debt service costs. A public hearing must also be held, which may not be in conjunction with the budget hearing of the taxing district. No amount in excess of 105% of the amount, exclusive of election costs and debt service costs, which has been extended or is estimated to be extended upon the final aggregate levy of the preceding year may be extended unless the levy is accompanied by a certification of compliance with the foregoing procedures. The express purpose of the legislation is to require disclosure of a levy in excess of specified levels.

Collection

General. Property taxes are collected by the County Collector, who is also the County Treasurer, who remits to the Units their respective shares of the collections. Taxes levied in one calendar year become payable during the following calendar year in two approximately equal installments, the first on the later of June 1 or 30 days after the mailing of the tax bills and the second on the later of September 1 or 30 days after such mailing date.

At the end of each calendar year, the County Collector presents the Judgment Books to the Circuit Court, and applies for a judgment for all unpaid taxes. The court order resulting from that application for judgment provides for a sale of all property with unpaid taxes shown on that year's Judgment Books. A trustee holds a public sale (the "Annual Tax Sale"), at which time successful bidders pay the unpaid taxes plus penalties. Unpaid taxes accrue penalties at the rate of one and one-half percent (one percent for agricultural property) per month from their due date until the date of sale. Taxpayers can redeem their property by paying the tax buyer the amount paid at the sale, plus a penalty. If no redemption is made within specified time periods based upon the type of real estate involved, the tax buyer can receive a deed to the property. In addition, there are miscellaneous statutory provisions for foreclosure of tax liens.

If there is no sale of the tax lien on a parcel of property at the Annual Tax Sale, the trustee may purchase the property until another buyer purchases the property at an amount equal to all delinquent taxes and interest to the date of purchase. Redemption periods and procedures are the same as applicable to the Annual Tax Sale.

SALES TAX COLLECTION AND DISTRIBUTION IN ILLINOIS

Municipal sales tax revenues are derived solely from state sales taxes. The State sales taxes are derived from the 6.25% tax imposed on persons selling tangible personal property at retail and the 6.25% imposed on servicemen whenever they transfer tangible personal property incidental to a sale of a service.

The Illinois Department of Revenue pays 16% of those revenues into a special fund, the Local Government Tax Fund. The Illinois Department of Revenue distributes revenues in the Local Government Tax Fund to Illinois cities, villages and incorporated towns in an amount determined by the amount of sales which occur in each city, village and incorporated town. The remainder of the revenues are distributed to each county based upon the sales which occurred in the unincorporated area of that county. On or before the 25th day of each month, the Illinois Department of Revenue certifies the disbursement of such moneys. The amount to be paid is the amount collected during the second preceding calendar month and paid into the Local Government Tax Fund.

Pursuant to the State law, taxpayers who promptly pay their sales taxes are entitled to retain 1.75% of the amount of taxes owed.

The current rate of the State sales tax revenue received by the City is 1%.

BUSINESS DISTRICT SALES TAX COLLECTION AND DISTRIBUTION IN ILLINOIS

Business District Sales Tax Revenues are derived from the sales taxes imposed by the City pursuant to the Business District Development and Redevelopment Law, 65 *Illinois Compiled Statutes 2010, 5/11-74-3-6 et seq.*, as amended and supplemented. A Business District Retailers' Occupation Tax, at the rate of 1.00%, which has been imposed by the City upon all persons engaged in the business of selling tangible personal property, other than any item of tangible personal property titled or registered with an agency of the State of Illinois, at retail within the Business District which encompasses the Shopping Center. Similarly, a Business District Service Occupation Tax, at the rate of 1.00%, has been imposed by the City upon all persons engaged, within the Business District, in the business of making sales of services who, as an incident to making those sales of service, transfer tangible personal property within the Business District, either in the form of tangible personal property or in the form of real estate as an incident to a sale of service. Neither tax may be imposed on food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks and food that has been prepared for immediate consumption), prescription and nonprescription medicines, drugs, medical appliances, modifications to a motor vehicle for the purpose of rendering it usable by a disabled person, and insulin, urine test materials, syringes, and needles used by diabetics, for human use. These taxes shall be imposed until all Business District project costs and all municipal obligations financing the Business District project costs, if any, have been paid but in no event longer than 23 years from January 11, 2006.

Vendors remit the Business District Sales Tax Revenues collected to the Illinois Department of Revenue on a monthly or quarterly basis. The Illinois Department of Revenue collects the Business District Sales Tax Revenues, retaining 2% of the Business District Sales Tax Revenues as a collection fee, and distributes such Business District Sales Tax Revenues to the City on or before the 25th day of each month.

Only Series 2011A Business District Revenues are available for repayment of the Series 2011A Bonds. "Series 2011A Business District Revenues" means for each Interest Payment Date an amount of Business District Sales Tax Revenues equal to 9.5% of the amount of moneys to be transferred to the Series 2011A Debt Service Account and the Series 2011A Redemption Account for such Interest Payment Date but in no event to exceed \$160,000 for the twelve-month period ending as of the 40th day, or if such day is not a Business Day, the immediately preceding Business Day, prior to each July 1. "Business District Sales Tax Revenues" means all sales tax revenues received by the City from the one percent (1.0%) retailers' occupation tax and service occupation tax and the hotel operators' occupation tax imposed by the City pursuant to the Business District Act within the Business District. The Business District consists of approximately 60 acres, being that portion of the Redevelopment Project Area in which the Shopping Center is located.

OWNERS' RISKS

An investment in the Series 2011A Bonds is subject to a number of significant risk factors. The following is a discussion of certain risks that could affect payments to be made with respect to the Series 2011A Bonds. Such discussion is not, and is not intended to be, exhaustive and should be read in conjunction with all other parts of this Official Statement and should not be considered as a complete description of all risks that could affect such payments. Prospective purchasers of the Series 2011A Bonds should analyze carefully the information contained in this Official Statement, including the Appendices hereto, and additional information in the form of the complete documents summarized herein, copies of which are available as described herein.

Nature of the Obligations

The Series 2011A Bonds are special, limited obligations of the Authority and are payable solely from and secured by a pledge of Series 2011A TIF Revenues, Series 2011A Municipal Sales Tax Revenues, Series 2011A Business District Revenues and from amounts in the Series 2011A Reserve Account of the Debt Service Reserve Fund. The realization of such revenues is dependent upon, among other things, the capabilities of the Developer and future changes in economic and other conditions that are unpredictable and cannot be determined at this time.

THE SERIES 2011A BONDS AND THE INTEREST THEREON SHALL NOT CONSTITUTE A DEBT OR LIABILITY OF THE STATE OR AN INDEBTEDNESS OF THE AUTHORITY OR THE STATE OR A LOAN OF CREDIT OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF EITHER OF THEM, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION, AND THE AUTHORITY AND THE STATE SHALL NOT BE LIABLE FOR THE PAYMENTS OF PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2011A BONDS, BUT THE SERIES 2011A BONDS SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED FOR IN THE FINANCING AGREEMENT AND IN THE INDENTURE. NO OWNER OF ANY SERIES 2011A BOND SHALL HAVE THE RIGHT TO COMPEL THE TAXING POWER, IF ANY, OF THE AUTHORITY OR THE STATE TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON SUCH SERIES 2011A BONDS. THE AUTHORITY HAS NO TAXING POWER. THE MEMBERS OF THE BOARD OF DIRECTORS OF THE AUTHORITY HAVE DETERMINED THAT SECTION 7(F) OF THE SOUTHWESTERN ILLINOIS DEVELOPMENT AUTHORITY ACT, RELATING TO THE MORAL OBLIGATION OF THE STATE OF ILLINOIS, DOES **NOT** APPLY TO THE SERIES 2011A BONDS.

Financial Feasibility of the Shopping Center

The financial feasibility of the Shopping Center depends in large part upon the ability of the Developer to achieve and maintain substantial occupancy in the Shopping Center throughout the term of the Series 2011A Bonds. If the Developer fails, there may be insufficient Series 2011A TIF Revenues, Series 2011A Municipal Sales Tax Revenues and Series 2011A Business District Revenues to pay the Series 2011A Bonds.

The Projections include assumptions relating to the future occupancy of the Shopping Center and certain other significant assumptions. Some assumed events and circumstances inevitably will not materialize and unanticipated events and circumstances will occur subsequent to the date hereof. Therefore, the actual results achieved during the forecast period may vary from the forecast and the variations may be material.

No assurance can be given that environmental conditions do not now or will not in the future exist at the Shopping Center which could become the subject of enforcement actions by governmental agencies. Additionally, there can be no assurance that future environmental conditions, if any, would not adversely impact the willingness of the public to frequent the Shopping Center. The amount of Series 2011A Municipal Sales Tax Revenues and Series 2011A Business District Revenues is dependent upon the purchase of goods at the Shopping Center.

Reliance on the Developer, Tenants and Subsequent Property Owners

The development of the Shopping Center has been undertaken by the Developer and those parties contracting with the Developer. The Developer has sold various portions of the Redevelopment Project to other entities. See **"THE REDEVELOPMENT PROJECT - Residential Component of the Redevelopment Project"** and **"SUMMARY OF LEASES; OCCUPANTS – Occupants"** herein. The Developer is under no obligation to own the Shopping Center for the life of the Series 2011A Bonds. The payment of debt service on the Series 2011A Bonds will be dependent, in part, on the current and future owners of the Shopping Center and the residential component of the Redevelopment Project to provide the payment of Series 2011A TIF Revenues for deposit into the Special Tax Allocation Fund.

The Shopping Center is currently managed by THF Management, Inc., a Missouri corporation (the "Manager"), an entity related to the Developer. The Manager is under no obligation to continue to manage the Shopping Center. See the caption **"THE SHOPPING CENTER – The Manager."** Bondowners will be dependent on current and future managers of the Shopping Center to maintain occupancy in order to assure that Series 2011A TIF Revenues, Series 2011A Municipal Sales Tax Revenues and Series 2011A Business District Revenues will be generated.

The leases at the Shopping Center provide that each tenant is responsible for its pro rata share of any real estate taxes (including TIF Revenues) and certain other common area expenses. If any tenant defaults in paying its pro rata share of such taxes or other common area expenses, the Developer or any subsequent owner(s) of the Shopping Center will be responsible for such payments although the Developer would have the right to declare a default under the tenant's lease if the tenant failed to pay the same.

Not all of the leases require the tenants to continuously operate a business at the leased premises. Thus, a tenant may cease operations but continue to pay rent to the Developer. Under such circumstances, no Municipal Sales Tax Revenues or Business District Sales Tax Revenues would be generated by such tenant.

There is no obligation on the part of the Developer to lease all of the space at the Shopping Center to tenants which generate Municipal Sales Tax Revenues or Business District Sales Tax Revenues.

See the caption **"SUMMARY OF LEASES; OCCUPANTS"** herein.

No Mortgage of the Redevelopment Project

Payment of the principal of and interest on the Series 2011A Bonds is not secured by any deed of trust, mortgage or other lien on the Redevelopment Project or any portion thereof. The Series 2011A Bonds are payable solely from the Series 2011A TIF Revenues, Series 2011A Municipal Sales Tax Revenues, Series 2011A Business District Revenues and the Series 2011A Reserve Account of the Debt Service Reserve Fund. However, the TIF Act provides that TIF Revenues that are due and owing shall constitute a lien against the real estate from which they are derived. Upon a default in the payment of any TIF Revenues, the lien for unpaid TIF Revenues may be enforced by the City as provided by State law.

Risk of Failure to Maintain Levels of Assessed Valuations

There can be no assurance that the assessed value of the Shopping Center and the residential component of the Redevelopment Project will equal or exceed the forecasted assessed value. Even if the assessed value is initially determined as forecasted in the Projections, there can be no assurance that such assessed value will be maintained throughout the term of the Series 2011A Bonds. If at any time during the term of the Series 2011A Bonds the actual assessed value is less than forecasted, the amount of the TIF Revenues will be likely less than forecasted and there may not be sufficient TIF Revenues paid into the Special Tax Allocation Fund to meet the obligations to the Owners.

Even if the County Assessor's determination of the assessed value of the Shopping Center and the residential component of the Redevelopment Project equals or exceeds the forecasted assessed value, the Developer, Wal-Mart or successor owners of all or a portion of the Shopping Center and the property owners within the residential component of the Redevelopment Project have the right to appeal such determination. Additionally, pursuant to certain leases, certain tenants have also been granted the right to appeal such determination should the Developer or successor owners decline to do so. If any such appeal is not resolved prior to the time when real estate taxes and TIF Revenues are due, the taxpayer may pay the taxes and TIF Revenues under protest. In such event, that portion of taxes and TIF Revenues being protested will not be available for deposit into the Special Tax Allocation Fund until the appeal has been concluded. If the appeal is resolved in favor of the taxpayer, the assessed value of the Redevelopment Project Area will be reduced, in which event the TIF Revenues may be less than forecasted. See the caption "**TAX INCREMENT FINANCING IN ILLINOIS – Assessments and Collections of Ad Valorem Taxes**" herein.

Changes in State and Local Tax Laws

The Projections assume no substantial change in the basis of extending, levying and collecting real property taxes, TIF Revenues, Municipal Sales Tax Revenues or Business District Sales Tax Revenues. Any change in the current system of collection and distribution of real property taxes, TIF Revenues, Municipal Sales Tax Revenues or Business District Sales Tax Revenues in the County or the City, including without limitation the reduction or elimination of any such tax, judicial action concerning any such tax or voter initiative, referendum or action with respect to any such tax, could adversely affect the availability of revenues to pay the principal of and interest on the Series 2011A Bonds. There can be no assurances, however, that the current system of collection and distribution of the real property taxes, TIF Revenues, Municipal Sales Tax Revenues or Business District Sales Tax Revenues in the County or the City will not be changed by any competent authority having jurisdiction to do so, including without limitation the State, the County, the City, school districts, the courts or the voters, and the Financing Agreement does not limit the ability of the City to make any such changes with respect to City taxes and levies.

Reduction in State and Local Tax Rates

Any taxing district in the Redevelopment Project Area could lower its property tax rate, which would have the effect of reducing the TIF Revenues. Such a reduction in rates could be as a result of a desire of the governing body of the taxing district to lower tax rates, taxpayer initiative, or in response to state or local litigation or legislation affecting the broader taxing structure within the taxing district, such as litigation or legislation affecting the primary reliance on ad valorem property taxes to fund elementary and secondary education in the State.

The State could lower its sales tax rate or the percentage of sales tax revenues distributed to Illinois cities, villages or incorporated towns, which would have the effect of reducing the amount of Municipal Sales Tax Revenues received by the City. Such a reduction in rates or distribution percentage could be as a result of a desire of the State or taxpayer initiative.

Limitations on Remedies

The remedies available to the Owners upon a default under the Indenture are in many respects dependent upon judicial action, which is often subject to discretion and delay under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code (the "Federal Bankruptcy Code"). The various legal opinions to be delivered concurrently with delivery of the Series 2011A Bonds will be qualified as to enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally, now or hereafter in effect; to usual equity principles which shall limit the specific enforcement under laws of the State of Illinois as to certain remedies; to the exercise by the United States of America of the powers delegated to it by the United States Constitution; and to the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State of Illinois and its governmental bodies, in the interest of serving an important public purpose.

Early Redemption Prior to Maturity

Funds on deposit in the Series 2011A TIF Subaccount of the TIF Account, the Series 2011A Municipal Sales Tax Subaccount of the Municipal Sales Tax Account and the Series 2011A Business District Subaccount of the Business District Account in excess of the amount required to pay rebate, if any, to the United States of America, to pay certain fees and expenses, to pay interest on the Series 2011A Bonds as and when due, to pay principal of the Series 2011A Bonds as and when due, and to restore any deficiency in the Series 2011A Reserve Account of the Debt Service Reserve Fund, are required to be used for the purpose of redeeming Series 2011A Bonds prior to maturity pursuant to the redemption provisions described in this Official Statement. See the section herein captioned **"THE SERIES 2011A BONDS – Redemption Provisions."** **It is anticipated that a substantial portion of the Series 2011A Bonds will be redeemed prior to their stated maturity.** See **"PROJECTED AVERAGE LIFE OF THE SERIES 2011A BONDS"** herein.

Changes in Market Conditions

The assessments and revenue estimates used in the Projections and in the projected average life of the Series 2011A Bonds contained herein under the section captioned **"PROJECTED AVERAGE LIFE OF THE SERIES 2011A BONDS"** are based on the current status of the national and local business economy and assume a future performance of the real estate market similar to the historical performance of such market in the metropolitan Belleville area. However, changes in the market conditions for the City, as well as changes in general economic conditions, could adversely affect the rate of appreciation and/or inflation of the property in the Redevelopment Project Area and, consequently, the amount of TIF Revenues.

Factors Affecting Municipal Sales Tax Revenues and Business District Sales Tax Revenues

Municipal Sales Tax Revenues and Business District Sales Tax Revenues are contingent and may be adversely affected by a variety of factors, including without limitation economic conditions within the Redevelopment Project Area and the surrounding trade area and competition from other retail businesses, rental rates and occupancy rates in private developments in the Redevelopment Project Area, suitability of the Shopping Center for the local market, local unemployment, availability of transportation, neighborhood changes, crime levels in the area, vandalism and rising operating costs, interruption or termination of operation of the Shopping Center as a result of fire, natural disaster, strikes or similar events, among many other factors. As a result of all of the above factors, it is difficult to predict with certainty the expected amount of Series 2011A Municipal Sales Tax Revenues and Series 2011A Business District Sales Tax Revenues which will be available to pay the principal of and interest on the Series 2011A Bonds. The retail sales industry is highly competitive. Existing retail businesses outside of the Redevelopment Project Area and the future development of retail businesses outside of the Redevelopment Project Area, which are competitive with retail businesses in the Redevelopment Project Area, may be expanded or may be developed after the date of this Official Statement.

In addition to the foregoing, the partial or complete destruction of the Shopping Center, as a result of fire, natural disaster or similar casualty event or the temporary or permanent closing of one or more retail establishments in the Shopping Center due to strikes or failure of the business would adversely affect the Series 2011A Municipal Sales Tax Revenues and Series 2011A Business District Revenues derived from the Redevelopment Project Area and thereby adversely affect the revenues available to pay the Series 2011A Bonds and the interest thereon. Any insurance maintained by the owner of or the tenants in the Shopping Center for such casualty or business interruption is not likely to include coverage for sales taxes that otherwise would be generated by the establishment. Furthermore, there is no obligation of the Developer to rebuild the Shopping Center in the event of the partial or complete destruction of the Shopping Center, as a result of fire, natural disaster or similar casualty event.

Determination of Municipal Sales Tax Revenues

The City receives a monthly transfer from the State for the City's local share of the sales tax imposed by the State. The transfer includes all sales that occurred during the second preceding calendar month within the boundaries of the City. In order for the City to determine the amount of Municipal Sales Tax Revenues collected during such month, each retailer located in the Redevelopment Project Area must provide the City with a monthly report showing the amount of sales taxes paid. Every lease or sale contract entered into by the Developer and retailer requires the retailer to provide such report. Without the report, the City has no way to determine the amount of Municipal Sales Tax Revenues collected. Since the opening of the Redevelopment Project, most retailers have timely submitted their reports; however, four stores have either never or rarely provided these reports. These stores are King's Beauty and Solomon Trading, Marshall Wireless, Sammy Nails and Mattress Source. The amount of Series 2011A Municipal Sales Tax Revenues is dependent upon the City receiving a monthly report from each retailer in a timely manner.

Projections

The forecasted annual Series 2011A TIF Revenues, Series 2011A Municipal Sales Tax Revenues and Series 2011A Business District Revenues shown in the Projections and herein are based on certain assumptions concerning facts and events over which the City and the Developer will have no control. *No representation or warranty is or can be made about the amount or timing of any future income, loss, increased assessment or revenues, or that actual results will approach the projections contained in the section captioned "PROJECTED AVERAGE LIFE OF THE SERIES 2011A BONDS."* The City makes no representation or warranty (express or implied) as to the accuracy or completeness of any financial, technical or statistical data or any estimates, projections, assumptions or expressions of opinion set forth in the Projections.

Debt Service Reserve Account

At the time of issuance of the Series 2011A Bonds, the Series 2011A Reserve Account of the Debt Service Reserve Fund will be established in an amount equal to \$1,615,000 (the "Debt Service Reserve Requirement"). There can be no assurance that the amounts on deposit in the Series 2011A Reserve Account of the Debt Service Reserve Fund will be available if needed for payment of the Series 2011A Bonds in the full amount of the Debt Service Reserve Requirement because (1) of fluctuations in the market value of the securities deposited therein and/or (2) if funds are transferred to the Series 2011A Reserve Account of the Debt Service Fund, sufficient revenues may not be available in the Revenue Fund to replenish the Series 2011A Reserve Account of the Debt Service Reserve Fund to the Debt Service Reserve Requirement.

Acceleration; Debt Service Reserve Account

The Indenture permits the Trustee, upon the occurrence and continuance of an Event of Default, to declare the principal of and interest on the Series 2011A Bonds to be immediately due and payable. See **"SUMMARY OF THE INDENTURE – Events of Default; Acceleration"** in **Appendix B**. Because the Series 2011A Bonds are payable solely from and secured by a pledge of Series 2011A TIF Revenues, Series

2011A Municipal Sales Tax Revenues, Series 2011A Business District Revenues and from amounts in the Series 2011A Reserve Account of the Debt Service Reserve Fund, such declaration would not result in any additional revenues becoming available for the repayment of the Series 2011A Bonds. If the Trustee did not to declare an acceleration, it would be possible that funds in the Series 2011A Reserve Account of the Debt Service Reserve Fund would be available to repay in full certain Series 2011A Bonds with an early stated maturity date, leaving no or insufficient funds in the Series 2011A Reserve Account of the Debt Service Reserve Fund for the remaining owners of Series 2011A Bonds.

Determination of Taxability

The Series 2011A Bonds are not subject to redemption, nor are the interest rates on the Series 2011A Bonds subject to adjustment, in the event of a determination by the Internal Revenue Service or a court of competent jurisdiction that the interest paid or to be paid on any Series 2011A Bond is or was includible in the gross income of the Owner of a Series 2011A Bond for federal income tax purposes. Such determination may, however, result in a breach of the Authority's and the City's tax covenants set forth in the Tax Compliance Agreement and Financing Agreement, respectively, which may constitute an event of default under the Indenture. *It may be that Owners would continue to hold their Series 2011A Bonds, receiving principal and interest as and when due, but would be required to include such interest payments in gross income for federal income tax purposes.*

Risk of Audit

The Internal Revenue Service (the "Service") has established an ongoing program to audit tax-exempt obligations to determine whether interest on such obligations should be included in gross income for federal income tax purposes. No assurance can be given that the Service will not commence an audit of the Series 2011A Bonds. Owners of the Series 2011A Bonds are advised that, if an audit of the Series 2011A Bonds were commenced, in accordance with its current published procedures, the Service is likely to treat the Authority as the taxpayer, and the Owners of the Series 2011A Bonds may not have a right to participate in such audit. Public awareness of any audit could adversely affect the market value and liquidity of the Series 2011A Bonds during the pendency of the audit, regardless of the ultimate outcome of the audit.

The City and the Authority have agreed to respond to audit and related inquiries by the Service regarding the tax-exempt status of interest on the Series 2011A Bonds. Costs associated with such audit inquiries or the settlement of a dispute with the Service regarding the tax-exempt status of interest on the Series 2011A Bonds, including but not limited to costs of legal professionals hired to represent the interest of the City and the Authority, may be paid from Series 2011A TIF Revenues, Series 2011A Municipal Sales Tax Revenues and Series 2011A Business District Tax Revenues deposited into the Extraordinary Costs Fund and may reduce the amounts available to pay debt service on the Series 2011A Bonds. See the caption "**SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2011A BONDS – Indenture Funds and Accounts**" herein.

Lack of Rating and Market for the Series 2011A Bonds

The Series 2011A Bonds have not received any credit rating by any recognized rating agency. The absence of any such rating could adversely affect the ability of holders to sell the Series 2011A Bonds or the price at which the Series 2011A Bonds can be sold. No assurance can be given that a secondary market for the Series 2011A Bonds will develop following the completion of the offering of the Series 2011A Bonds.

PROJECTED AVERAGE LIFE OF THE SERIES 2011A BONDS

Set forth below is a chart setting forth the projected cumulative redemption of the Series 2011A Bonds and the projected average life of the Series 2011A Bonds, taking into account the special mandatory redemptions

of the Series 2011A Bonds, given the assumptions set forth in **Appendix A** hereto. THERE IS NO ASSURANCE THAT ACTUAL EVENTS WILL CORRESPOND WITH THE ASSUMPTIONS MADE. NO GUARANTEE OR ASSURANCES MAY BE MADE THAT SUCH PROJECTIONS WILL CORRESPOND WITH THE RESULTS ACHIEVED IN THE FUTURE.

Case I assumes that revenues will be received in accordance with the projections set forth in **Appendix A** hereto as set forth in Table 2-11 in **Appendix A**. Case II assumes that 95.238% of the projected 2011 revenues as set forth in **Appendix A** will be received and that there will be no growth in such revenues thereafter. Case III assumes that 74.074% of the projected revenues set forth in **Appendix A** will actually be received. Each case assumes that the moneys on deposit in the Revenue Fund, and in the Series 2011A Reserve Account of the Debt Service Reserve Fund will **not** earn any interest. Each case assumes that all retailers will promptly pay their sales taxes and will retain 1.75% of the amount of the taxes owed.

As of	SERIES 2011A BONDS MATURING ON JULY 1, 2028					
	Case I		Case II		Case III	
	Redemption Amount	Cumulative Redemption	Redemption Amount	Cumulative Redemption	Redemption Amount	Cumulative Redemption
July 1, 2012	\$ 95,000	\$ 95,000	\$ 55,000	\$ 55,000	-	-
January 1, 2013	-	95,000	-	55,000	-	-
July 1, 2013	455,000	550,000	340,000	395,000	-	-
January 1, 2014	-	550,000	-	395,000	-	-
July 1, 2014	560,000	1,110,000	360,000	755,000	\$ 35,000	\$ 35,000
January 1, 2015	-	1,110,000	-	755,000	-	35,000
July 1, 2015	635,000	1,745,000	380,000	1,135,000	140,000	175,000
January 1, 2016	-	1,745,000	-	1,135,000	-	175,000
July 1, 2016	700,000	2,445,000	405,000	1,540,000	170,000	345,000
January 1, 2017	-	2,445,000	-	1,540,000	-	345,000
July 1, 2017	785,000	3,230,000	430,000	1,970,000	210,000	555,000
January 1, 2018	-	3,230,000	-	1,970,000	-	555,000
July 1, 2018	865,000	4,095,000	455,000	2,425,000	245,000	800,000
January 1, 2019	-	4,095,000	-	2,425,000	-	800,000
July 1, 2019	955,000	5,050,000	480,000	2,905,000	290,000	1,090,000
January 1, 2020	-	5,050,000	-	2,905,000	-	1,090,000
July 1, 2020	550,000	5,600,000	510,000	3,415,000	335,000	1,425,000
January 1, 2021	-	5,600,000	-	3,415,000	-	1,425,000
July 1, 2021	-	-	540,000	3,955,000	385,000	1,810,000
January 1, 2022	-	-	-	3,955,000	-	1,810,000
July 1, 2022	-	-	575,000	4,530,000	435,000	2,245,000
January 1, 2023	-	-	-	4,530,000	-	2,245,000
July 1, 2023	-	-	605,000	5,135,000	490,000	2,735,000
January 1, 2024	-	-	-	5,135,000	-	2,735,000
July 1, 2024	-	-	465,000	5,600,000	550,000	3,285,000
January 1, 2025	-	-	-	5,600,000	-	3,285,000
July 1, 2025	-	-	-	-	615,000	3,900,000
January 1, 2026	-	-	-	-	-	3,900,000
July 1, 2026	-	-	-	-	675,000	4,575,000
January 1, 2027	-	-	-	-	-	4,575,000
July 1, 2027	-	-	-	-	750,000	5,325,000
January 1, 2028	-	-	-	-	-	5,325,000
July 1, 2028	-	-	-	-	275,000	5,600,000
Average Life	5.406 years		7.639 years		11.624 years	

[Remainder of Page Intentionally Left Blank.]

As of	SERIES 2011A BONDS MATURING ON JULY 1, 2031					
	Case I		Case II		Case III	
	Redemption Amount	Cumulative Redemption	Redemption Amount	Cumulative Redemption	Redemption Amount	Cumulative Redemption
July 1, 2012	-	-	-	-	-	-
January 1, 2013	-	-	-	-	-	-
July 1, 2013	-	-	-	-	-	-
January 1, 2014	-	-	-	-	-	-
July 1, 2014	-	-	-	-	-	-
January 1, 2015	-	-	-	-	-	-
July 1, 2015	-	-	-	-	-	-
January 1, 2016	-	-	-	-	-	-
July 1, 2016	-	-	-	-	-	-
January 1, 2017	-	-	-	-	-	-
July 1, 2017	-	-	-	-	-	-
January 1, 2018	-	-	-	-	-	-
July 1, 2018	-	-	-	-	-	-
January 1, 2019	-	-	-	-	-	-
July 1, 2019	-	-	-	-	-	-
January 1, 2020	-	-	-	-	-	-
July 1, 2020	\$ 500,000	\$ 500,000	-	-	-	-
January 1, 2021	-	500,000	-	-	-	-
July 1, 2021	1,000,000	1,500,000	-	-	-	-
January 1, 2022	-	-	-	-	-	-
July 1, 2022	-	-	-	-	-	-
January 1, 2023	-	-	-	-	-	-
July 1, 2023	-	-	-	-	-	-
January 1, 2024	-	-	-	-	-	-
July 1, 2024	-	-	\$ 180,000	\$ 180,000	-	-
January 1, 2025	-	-	-	180,000	-	-
July 1, 2025	-	-	685,000	865,000	-	-
January 1, 2026	-	-	-	865,000	-	-
July 1, 2026	-	-	635,000	1,500,000	-	-
January 1, 2027	-	-	-	-	-	-
July 1, 2027	-	-	-	-	-	-
January 1, 2028	-	-	-	-	-	-
July 1, 2028	-	-	-	-	\$ 555,000	\$ 555,000
January 1, 2029	-	-	-	-	-	555,000
July 1, 2029	-	-	-	-	905,000	1,460,000
January 1, 2030	-	-	-	-	-	1,460,000
July 1, 2030	-	-	-	-	40,000	1,500,000
Average Life	9.344 years		13.981 years		17.334 years	

[Remainder of Page Intentionally Left Blank.]

As of	SERIES 2011A BONDS MATURING ON JULY 1, 2041					
	Case I		Case II		Case III	
	Redemption Amount	Cumulative Redemption	Redemption Amount	Cumulative Redemption	Redemption Amount	Cumulative Redemption
July 1, 2012	-	-	-	-	-	-
January 1, 2013	-	-	-	-	-	-
July 1, 2013	-	-	-	-	-	-
January 1, 2014	-	-	-	-	-	-
July 1, 2014	-	-	-	-	-	-
January 1, 2015	-	-	-	-	-	-
July 1, 2015	-	-	-	-	-	-
January 1, 2016	-	-	-	-	-	-
July 1, 2016	-	-	-	-	-	-
January 1, 2017	-	-	-	-	-	-
July 1, 2017	-	-	-	-	-	-
January 1, 2018	-	-	-	-	-	-
July 1, 2018	-	-	-	-	-	-
January 1, 2019	-	-	-	-	-	-
July 1, 2019	-	-	-	-	-	-
January 1, 2020	-	-	-	-	-	-
July 1, 2020	-	-	-	-	-	-
January 1, 2021	-	-	-	-	-	-
July 1, 2021	\$ 150,000	\$ 150,000	-	-	-	-
January 1, 2022	-	150,000	-	-	-	-
July 1, 2022	1,220,000	1,370,000	-	-	-	-
January 1, 2023	-	1,370,000	-	-	-	-
July 1, 2023	1,225,000	2,595,000	-	-	-	-
January 1, 2024	-	2,595,000	-	-	-	-
July 1, 2024	1,340,000	3,935,000	-	-	-	-
January 1, 2025	-	3,935,000	-	-	-	-
July 1, 2025	1,475,000	5,410,000	-	-	-	-
January 1, 2026	-	5,410,000	-	-	-	-
July 1, 2026	1,615,000	7,025,000	\$ 90,000	\$ 90,000	-	-
January 1, 2027	2,025,000 ¹	9,050,000	-	90,000	-	-
July 1, 2027	-	-	775,000	865,000	-	-
January 1, 2028	-	-	-	865,000	-	-
July 1, 2028	-	-	825,000	1,690,000	-	-
January 1, 2029	-	-	-	1,690,000	-	-
July 1, 2029	-	-	885,000	2,575,000	-	-
January 1, 2030	-	-	-	2,575,000	-	-
July 1, 2030	-	-	825,000	3,400,000	\$ 820,000	\$ 820,000
January 1, 2031	-	-	-	3,400,000	-	820,000
July 1, 2031	-	-	880,000	4,280,000	945,000	1,765,000
January 1, 2032	-	-	-	4,280,000	-	1,765,000
July 1, 2032	-	-	305,000	4,585,000	330,000	2,095,000
January 1, 2033	-	-	-	4,585,000	-	2,095,000
July 1, 2033	-	-	330,000	4,915,000	370,000	2,465,000
January 1, 2034	-	-	-	4,915,000	-	2,465,000
July 1, 2034	-	-	350,000	5,265,000	420,000	2,885,000
January 1, 2035	-	-	-	5,265,000	-	2,885,000
July 1, 2035	-	-	375,000	5,640,000	470,000	3,355,000
January 1, 2036	-	-	-	5,640,000	-	3,355,000
July 1, 2036	-	-	405,000	6,045,000	520,000	3,875,000
January 1, 2037	-	-	-	6,045,000	-	3,875,000
July 1, 2037	-	-	430,000	6,475,000	580,000	4,455,000
January 1, 2038	-	-	-	6,475,000	-	4,455,000
July 1, 2038	-	-	460,000	6,935,000	645,000	5,100,000
January 1, 2039	-	-	-	6,935,000	-	5,100,000
July 1, 2039	-	-	490,000	7,425,000	710,000	5,810,000
January 1, 2040	-	-	-	7,425,000	-	5,810,000
July 1, 2040	-	-	525,000	7,950,000	785,000	6,595,000
January 1, 2041	-	-	-	7,950,000	-	6,595,000
July 1, 2041	-	-	1,100,000 ¹	9,050,000	2,455,000 ¹	9,050,000
Average Life		13.302 year		22.149 years		25.344 years

Prospective purchasers of the Series 2011A Bonds should carefully review **Appendix A**, including particularly the assumptions underlying the forecasted Series 2011A TIF Revenues, Series 2011A Municipal Sales Tax Revenues and Series 2011A Business District Sales Tax Revenues.

¹ Reflects application of the Series 2011A Reserve Account of the Debt Service Reserve Fund.

THE REDEVELOPMENT PROJECT

With the exception of the information below under the heading “– **Overview,**” the information under this caption has been provided by the Developer and the City makes no representation or warranty (express or implied) as to the accuracy or completeness of any information or any estimates, projections, assumptions or expressions of opinion set forth under this caption.

Overview

Pursuant to the Tax Increment Allocation Redevelopment Act of the State of Illinois, as amended, 65 ILCS 5/11–74.4–1 *et seq.* (the “TIF Act”), the City designated a redevelopment area (the “Redevelopment Project Area”) on January 11, 2006. The Redevelopment Project Area is located at the northeast corner of the intersection of Carlyle Avenue (Illinois Route 161) and Green Mount Road in the City.

On January 11, 2006, the City, by ordinance, determined that the Redevelopment Project qualified for assistance under 65 ILCS 5/8–11–20 (the “Economic Incentive Act”) to share a portion of any retailer’s occupation tax generated by the Redevelopment Project.

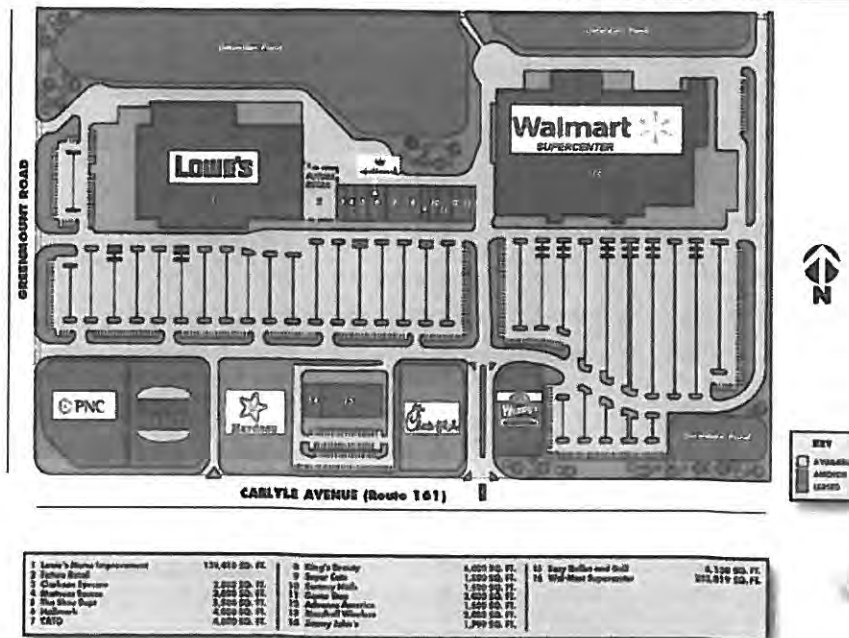
On January 11, 2006, the City entered into a redevelopment agreement with THF Green Mount Development, L.L.C., a Missouri limited liability company, and GMCR, L.L.C., a Missouri limited liability company (collectively, the “Developer”), which was amended and restated as of November 1, 2007 (as amended and restated, the “Redevelopment Agreement”).

Pursuant to the Business District Act, the City created a business district (the “Business District”) on January 11, 2006. The Business District consists of approximately 60 acres, being that portion of the Redevelopment Project Area in which the Shopping Center is located.

In 2006, a resident of the City filed an action in the Circuit Court of St. Clair County, Illinois, seeking declaratory and injunctive relief, challenging (a) the formation of the Redevelopment Project Area pursuant to the TIF Act, (b) the formation of the Carlyle/Green Mount Business District and (c) the use of municipal sales taxes generated pursuant to the economic incentive agreement. After a trial, the Circuit Court entered a judgment for the defendants. The Appellate Court of Illinois affirmed the order of the Circuit Court. The Supreme Court of Illinois denied the petition for leave to appeal, thus ending the litigation.

The Redevelopment Project Area contains approximately 140 acres. The Redevelopment Project consists of the construction of an approximately 395,727 square foot retail center, known as Green Mount Commons (the “Shopping Center”) which is anchored by Lowe’s and Wal-Mart and the construction of family residences. Total parking for the Shopping Center is approximately 1,918 spaces (exclusive of parking associated with the outlots). Site work with respect to the entire Shopping Center commenced in March 2006. Construction of the Lowe’s building began in August 2006 and construction of the Wal-Mart building began in the Spring of 2007. There are no current construction activities at the Shopping Center. There are no immediate plans for the commencement of construction of the junior anchor. A site plan is set forth below:

Green Mount Commons Site Summary



Construction lending was provided by Bank of America, N.A. Permanent financing has been provided by John Hancock Life Insurance Company ("John Hancock"). Collateral given to secure the John Hancock loan includes a mortgage, assignment of leases and rents and security agreement, guaranties and other collateral, all of which are for the exclusive benefit of John Hancock.

The Developer

The Developer is, collectively, (a) THF Green Mount Development, L.L.C., a Missouri limited liability company formed in 2004 for the purpose of acquiring, constructing and operating the Redevelopment Project and (b) GMCR, L.L.C., a Missouri limited liability company formed in 2006 for the purpose of acquiring, constructing and operating the Redevelopment Project. The members of THF Green Mount Development, L.L.C. include E. Stanley Kroenke, Michael H. Staenberg and various individuals associated with THF Realty. The sole member of GMCR, L.L.C. is E. Stanley Kroenke. GMCR, L.L.C. no longer owns any real estate in the Shopping Center.

Environmental Assessment

EBI Consulting, Burlington, Massachusetts, prepared a Phase I Site Assessment dated August 1, 2007 with respect to the Shopping Center. The assessment identified no evidence of recognized environmental conditions and no further action was recommended.

Midwest Testing, Bridgeton, Missouri, prepared a Phase I Environmental Assessment with respect to the Wal-Mart property at the Shopping Center, dated May 16, 2006. It revealed no evidence of recognized environmental conditions and concluded that no further environmental investigations need be performed.

The Manager

THF Management, Inc., a Missouri corporation (the "Manager"), acts as the manager of the Shopping Center pursuant to a management agreement (the "Management Agreement") dated as of January 1, 2007. The term of the Management Agreement ended on December 31, 2007; provided that the term shall be automatically renewed for each successive calendar year unless the Manager elects to terminate the Management Agreement by written notice to the owner on or prior to December 1 of any calendar year. In addition, the Management Agreement terminates (a) upon the election of either party upon 30 days notice in the event of substantial destruction of the Shopping Center, (b) if a petition for bankruptcy, reorganization or rearrangement is filed under state or federal insolvency statutes by or against either party or if either party shall make an assignment for the benefit of creditors to take advantage of any insolvency act upon 10 days written notice to the bankrupt, insolvent or assigning party, (c) if either party shall default in the performance of any of its obligations under the Management Agreement and such default shall continue for ten days with respect to monetary defaults and thirty days with respect to non-monetary defaults, upon 5 days written notice to the defaulting party, (d) if the condition of the Shopping Center or any act of the owner of the Shopping Center violates or does not comply with any law, ordinance or public requirement or if the Manager, in its reasonable judgment, determines that such condition or act may result in liability or expense of the Manager upon 5 days written notice from the manager, or (e) during the original term of the Management Agreement, the owner may terminate the Management Agreement without cause upon 30 days prior written notice.

Pursuant to the Management Agreement, the Manager receives a monthly management fee of \$1,500 with respect to the Lowe's lease plus an amount equal to 4% of the rent and percentage rent collected from the remaining tenants (other than Lowe's) in the Shopping Center.

The Manager is an entity related to the Developer.

Easements with Covenants and Restrictions Affecting Land

The Developer and Lowe's Home Center, Inc. entered into an agreement entitled Easements with Covenants and Restrictions Affecting Land, dated as of February 15, 2006, as amended by the First Amendment to Easements with Covenants and Restrictions Affecting Land dated as of September 29, 2006 among Wal-Mart Stores, Inc., the Developer and Lowe's Home Center, Inc. (as amended, the "Agreement"). Pursuant to the Agreement, buildings in the Shopping Center shall be used for commercial purposes of the type normally found in a retail shopping center but excluding certain uses such as a bowling alley, billiard parlor or night club. Easements were granted for ingress and egress and the parking of motor vehicles, as well as easements for the installation, use, maintenance and repair of public utility services. Certain maintenance standards are specified. Limitations on signage are set forth. Insurance requirements are imposed.

Competition

The Developer has identified two shopping centers as competitors of the Shopping Center. The first is Carlyle Plaza, which is located west of the Shopping Center, on Carlyle Avenue. This shopping center is anchored by Schnuck's grocery store and Office Depot and contains the vacant, former Wal-Mart store that was relocated to the Shopping Center. The second shopping center is Green Mount Crossing, located north of the Redevelopment Project at Green Mount Road and I-64. It is anchored by Dierberg's grocery store, Target and Michaels.

Residential Component of the Redevelopment Project

The Developer sold approximately 80 acres within the Redevelopment Project Area to The Jones Company. Subsequently, The Jones Company sold 15.13 acres to Westway Realty, Inc.

The Jones Company is developing Green Mount Manor which, upon completion, will consist of 269 single-family detached residences. Lot sizes range from a minimum of 6,000 square feet to as much as 11,000 square feet. The Jones Company offers 8 different units, ranging in starting price of \$130,990 to \$172,990. According to a sale representative of The Jones Company, 131 completed homes have been sold, with 17 homes sold in 2010; the 2011 sales pace has been approximately 3 to 5 homes per month. The Jones Company is owned by Centex Homes.

The zoning established in connection with the Westway property is for up to 88 attached unit housing. The property remains undeveloped. The property has not been subdivided into individual units and no internal streets or internal utility distribution facilities have been installed. It is unknown when, if ever, such property will be developed.

The residential component of the Redevelopment Project will not, in and of itself, generate any Municipal Sales Tax Revenues or Business District Sales Tax Revenues.

SUMMARY OF LEASES; OCCUPANTS

The information under this caption has been provided by the Developer, and the City makes no representation or warranty (express or implied) as to the accuracy or completeness of any information or any estimates, projections, assumptions or expressions of opinion set forth under this caption.

Leases

The lease summaries shown below are not intended to be complete summaries of all potentially material terms of such documents. The leases provide that the tenants shall pay a share of real estate taxes and assessments (which would include TIF Revenues) levied against the Shopping Center and the leased premises pursuant to specific formulas set forth in each lease (typically based on a ratio of the floor area of the leased premises versus the floor area of the Shopping Center). The leases also require the tenants to maintain varying levels of public liability and property damage insurance although self-insurance is permitted under certain circumstances. Certain tenants under specific conditions (as such conditions are set forth in the applicable lease) may assign their interests in their leases without the consent of the Developer.

[Remainder of Page Intentionally Left Blank.]

<u>Tenant</u>	<u>Actual/ Anticipated Opening Date</u>	<u>Approximate Term</u>	<u>Approximate Rentable Square Footage</u>	<u>Permitted Use</u>
Advance America, Cash Advance Centers of Illinois, Inc., d/b/a Advance America Cash Advance	5/31/2007	5 years with 2 three-year renewal terms	1,500	Operation of a cash advance center
Burger King Corporation, d/b/a Burger King	1/3/2008	20 years with 4 five-year renewal terms	1.46 acres ¹	Construction and operation of a free standing fast food drive-thru Burger King restaurant (or such other restaurant concept of Burger King Corporation or as another national chain quick service restaurant)
The Cato Corporation d/b/a Cato Fashions	3/1/2008	5 years with 3 five-year renewal terms	4,000	Display and sale of ladies' and girls' apparel, accessories and allied lines commonly sold from time to time in the tenant's affiliated stores
Rita Chen and Huaen Chen d/b/a Easy Buffet and Grill	12/6/2008	10 years with 1 five-year renewal term	6,130	Operating of a Chinese restaurant
Clarkson Eyecare, Inc. d/b/a Clarkson Eyecare	9/16/2007	5 years with 2 five-year renewal terms	2,000	Sale at retail of eyewear, including eyeglasses and contact lenses, sunglasses, eyecare medications and relating items including professional services done by an optometrist and/or ophthalmologist as well as refractive surgery "lasik."

¹ Ground lease: tenant has constructed an approximately 2,376 square foot Burger King

Gamestop, Inc., d/b/a Gamestop	7/7/2007	5 years with 1 five-year renewal term	2,000	Sale at retail of video games, video game related hardware and accessories, pre-owned video games, entertainment related books, magazines, other periodicals, related supplies, peripherals accessories, related gift items plus other items customarily sold by entertainment software/video stores, including video software, video games, DVD's, and other movie formats, games and items incidental thereto.
J.H.S. Investments LLC d/b/a Jan's Hallmark Shops	8/13/2007	5 years with 2 five-year renewal terms	4.000	Licensed Hallmark card shop
Hardee's Food Systems, Inc. d/b/a Hardee's	7/29/2008	20 years with 4 five-year renewal terms	1.46 acres ¹	Hardee's fast food, quick service restaurant featuring the sale of hamburgers and/or Mexican style food, for at least 1 year after commencement of business with, at tenant's option and subject to approval from the City, a drive-through facility and a playground. After the first year of operation by tenant as a Hardee's fast food, quick service restaurant open to the public, tenant may use the premises for any other restaurant or retail use not otherwise prohibited by the lease.

¹ Ground lease: tenant has constructed an approximately 2,293 square foot Hardee's.

Fox Two Enterprises, L.L.C. d/b/a Jimmy John's	4/8/2008	5 years with 2 five-year renewal options	1,799	Operating of a typical Jimmy John's restaurant whose primary use is the sale of sandwiches
King's Beauty Distributor Company d/b/a King's Beauty and Solomon Trading	8/1/2007	5 years with 2 five-year renewal terms	6,000	Sale at retail of primarily beauty supply items and for the incidental sale of handbags, shoes, casual clothing and other related items which are customary to beauty supply retailers
Lowe's Home Centers, Inc. d/b/a Lowe's	1/13/2007	20 years with 6 five-year renewal terms	15.54 acres ¹	Any retail business ordinarily found in shopping centers
Marshall ETC., Inc., d/b/a Marshall Wireless	7/13/2007	5 years with 1 five-year renewal term	2,000	Sale at retail of cellular phones, accessories and cellular phone services
Jamat, LLC d/b/a Mattress Source	2/1/2010	3 years with 1 three-year renewal term	2,600	Sale at retail of bedding products including mattresses, box springs, foundations, bed frames, head boards and other related merchandise
National City Bank of the Midwest d/b/a National City Bank (now PNC Bank)	4/26/2007	30 years with 6 five-year renewal options	1.55 acres ²	Operation of a retail banking facility which provides financial services to the public permitted for banks chartered by the United States Government with drive-thru service and automated teller machine
Thu Lo d/b/a Sammy Nails	7/31/07	10 years with 1 five-year renewal term	1,500	Maintenance and operation of a nail salon
Shoe Show, Inc. d/b/a/ The Shoe Depot	1/25/2008	5 years with 2 five-year renewal terms	5,500	Sale of family shoes and related accessories

¹ Ground lease; tenant has constructed an approximately 139,410 square foot Lowe's.

² Ground lease; tenant constructed an approximately 2,983 square foot bank.

Supercuts, Inc. d/b/a Supercuts	7/1/2007	5 years with 2 five-year renewal terms	1,500	Performance of unisex hairstyling, hair coloring and haircutting services and to perform other services customarily performed at hair salons
------------------------------------	----------	--	-------	--

Occupants

The Developer sold approximately 20.6 acres within the Shopping Center to Wal-Mart Stores, Inc. ("Wal-Mart"). Wal-Mart constructed an approximately 203,819 square foot Wal-Mart Supercenter on such property, which opened for business on January 23, 2008. In addition, Wal-Mart leased a portion of such property on which a Wendy's restaurant has been constructed.

On April 5, 2011, the Developer entered into a Purchase and Sale Agreement with Chick-Fil-A, Inc. ("Chick-Fil-A") pursuant to which the Developer agrees to sell approximately 1.491 acres within the Shopping Center to Chick-Fil-A. The closing of such sale has not yet occurred and there can be no assurance that Chick-Fil-A will acquire such property. If closing does occur, the Purchase and Sale Agreement currently requires the execution by Chick-Fil-A of a supplemental agreement on or about the date of closing, pursuant to which Chick-Fil-A would agree to initially open for business to the public a full fixtured and staffed restaurant on such property operating under the trade name Chick-Fil-A for one day not later than 28 months after the execution of the supplemental agreement. The supplemental agreement has not yet been executed by the parties and there can be no assurance that the provisions will not be changed prior to execution.

THE AUTHORITY

Organization and Powers

The Authority is a political subdivision, body politic and municipal corporation duly organized and validly existing under the laws of the State of Illinois, including particularly the Act and the Local Government Debt Reform Act. The Authority is authorized under the Act, among other things, to issue its revenue bonds and to use the proceeds thereof for the purpose of developing, constructing, acquiring or improving "projects" within the meaning of the Act and to refund obligations.

THE SERIES 2011A BONDS AND THE INTEREST THEREON SHALL NOT CONSTITUTE A DEBT OR LIABILITY OF THE STATE OR AN INDEBTEDNESS OF THE AUTHORITY OR THE STATE OR A LOAN OF CREDIT OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF EITHER OF THEM, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION, AND THE AUTHORITY AND THE STATE SHALL NOT BE LIABLE FOR THE PAYMENTS OF PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2011A BONDS, BUT THE SERIES 2011A BONDS SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED FOR IN THE FINANCING AGREEMENT AND IN THE INDENTURE. NO OWNER OF ANY SERIES 2011A BOND SHALL HAVE THE RIGHT TO COMPEL THE TAXING POWER, IF ANY, OF THE AUTHORITY OR THE STATE TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON SUCH SERIES 2011A BONDS. THE AUTHORITY HAS NO TAXING POWER. THE MEMBERS OF THE BOARD OF DIRECTORS OF THE AUTHORITY HAVE DETERMINED THAT SECTION 7(F) OF THE SOUTHWESTERN ILLINOIS DEVELOPMENT AUTHORITY ACT, RELATING TO THE MORAL OBLIGATION OF THE STATE OF ILLINOIS, DOES **NOT** APPLY TO THE SERIES 2011A BONDS.

Membership

The Authority has a Board of Directors in which the powers of the Authority are vested, which consists of twelve members and two ex officio members. The address of the Authority is 1022 Eastport Plaza Drive, Collinsville, Illinois 62234. The phone number of the Authority is (618) 345-3400. Its web site is at <http://www.swida.org>.

Obligations of the Authority

The Authority is authorized to issue and may issue other series of bonds and notes secured by instruments separate and apart from the Indenture. The owners of such bonds and notes will have no claim on the assets, funds or revenues of the Authority securing the Series 2011A Bonds. The owners of the Series 2011A Bonds will have no claim on the assets, funds or revenues of the Authority securing such other bonds and notes.

THE CITY

The Series 2011A Bonds are not a general obligation of the City and are payable solely from the revenues described herein. The following information regarding the City is provided as general background information only.

General

The City was incorporated as a city in 1850. The City is a home-rule unit of government with a mayor/aldermen form of government, consisting of a mayor elected at large and eight wards which each elect two aldermen. The mayor and aldermen each serve a four-year term.

The current elected officials of the City are:

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Mark W. Eckert	Mayor	April, 2013
Michael Heisler	Alderman	April, 2015
Ken Kinsella	Alderman	April, 2013
Dorothy Meyer	Alderman	April, 2013
Melinda Hult	Alderman	April, 2015
Rob Anderson	Alderman	April, 2013
A. "Gabby" Rujawitz	Alderman	April, 2015
Tim Carpenter	Alderman	April, 2013
Dean L. Hardt	Alderman	April, 2015
Phillip Silsby	Alderman	April, 2013
Joseph W. Hayden	Alderman	April, 2015
Paul Seibert	Alderman	April, 2015
Dave Martinson	Alderman	April, 2013
Phil Elmore	Alderman	April, 2013
Lillian Schneider	Alderman	April, 2015
James Musgrove	Alderman	April, 2013
Joe Orlet	Alderman	April, 2015

Policies and regulations are established and enacted by the Mayor and Aldermen; these policies and regulations are carried out by the following departments: Administration, Economic Development and Planning,

Engineering, Finance, Fire, Health and Housing, Human Resources, Library, Parks & Recreation, Police, Sanitation, Streets, Waste Water Treatment and Walnut Hill Cemetery.

In addition to the above-listed elected officials, the voters of the City also elect a City Clerk and a City Treasurer for four year terms.

Population

The City had a population, as of the 2010 Census data, of 44,478 persons. The City's population, as of the 2000 Census data, was 41,410.

Age Distribution

The following table indicates the 2010 census counts of population by age categories in the City:

<u>Age</u>	<u>Population</u>	<u>Percentage of Total</u>
0 to 5 years old	3,002	6.7%
5 to 9 years old	2,771	6.2
10 to 14 years old	2,795	6.3
15 to 19 years old	2,931	6.6
20 to 24 years old	2,993	6.7
25 to 34 years old	6,879	15.4
35 to 44 years old	5,804	13.0
45 to 54 years old	6,681	15.1
55 to 59 years old	2,725	6.1
60 to 64 years old	2,142	4.8
65 to 74 years old	2,611	5.8
75 to 84 years old	2,130	4.8
Over 85 years old	1,014	2.3

Source: 2010 Census Data; percentages do not total 100% because of rounding.

Employment

The City is home to industries that produce kitchen ranges, space heaters and porcelain parts. Memorial Hospital and St. Elizabeth's Hospital have a strong impact on the City's economy, offering high quality medical services. The City is situated near highways 15, 159, 177, 13 and 161 with easy access to I-255 and I-64. Belleville is the county seat for St. Clair County Government. The City's Economic Development Department offers incentives to businesses to locate in the City. Scott Air Force Base also has a positive impact on the City. It provides employment opportunities for residents and customers for area business.

[Remainder of page intentionally left blank.]

Listed below are the major employers located in the greater Belleville Area and the number employed by each:

<u>Employer</u>	<u>Product or Service</u>	<u>Number of Full and Part-Time Employees</u>
Scott Air Force Base	Government/Military	5,604 (civilian) 7,829 (military)
Memorial Hospital	Health care	2,250
St. Elizabeth's Hospital	Health care	1,700
Southwestern Illinois College	Education	1,700
St. Clair County	Government	1,057
Belleville School District 201	Education	834
Belleville School District 118	Education	551
Wal-Mart	Retail	550
Landshire	Distribution	520
Allsup	Consulting	475

Source: Greater Belleville Chamber of Commerce, Inc.

Income Statistics

The following table sets forth information relating to income for the City and St. Clair County for the years 1989 and 1999:

<u>Income Category</u>	<u>1989</u>	<u>1999</u>
Median Household Income ¹		
Belleville	\$26,668	\$35,979
St. Clair County	\$26,813	\$39,148
Median Family Income ²		
Belleville	\$33,930	\$46,426
St. Clair County	\$31,939	\$47,409
Per Capita Income ³		
Belleville	\$13,117	\$18,990
St. Clair County	\$11,916	\$18,932

¹ Income for any group of people living in a housing unit.

² Income for households consisting of two or more related persons living in a housing unit.

³ Income for all the households divided by the number of persons occupying the households.

Source: 1990 and 2000 Census Data.

ABSENCE OF LITIGATION

There is no controversy, suit or other proceeding of any kind pending or, to the Authority's knowledge, threatened wherein or whereby any question is raised or may be raised, questioning, disputing or affecting in any way the legal organization of the Authority, or the right or title of any of its officers to their respective offices, or the legality of any official act shown to have been done in connection with the issuance of the Series 2011A Bonds, or the constitutionality or validity of the Series 2011A Bonds, the Indenture, the Financing Agreement or the proceedings or authority under which the Series 2011A Bonds are to be issued, or any of the proceedings had in relation to the authorization, issuance or sale thereof.

There is no controversy, suit or other proceeding of any kind pending or, to the City's knowledge, threatened wherein or whereby any question is raised or may be raised, questioning, disputing or affecting in any way the legal organization of the City or its boundaries, or the right or title of any of its officers to their respective offices, the Redevelopment Plan, the constitutionality or legality of the Prior Notes, or the legality of any official act shown to have been done in connection with the issuance of the Series 2011A Bonds, or the constitutionality or validity of the Series 2011A Bonds, or any of the proceedings had in relation to the authorization, issuance or sale thereof.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Series 2011A Bonds are subject to the approving legal opinion of Gilmore & Bell, P.C., St. Louis, Missouri, Bond Counsel, whose approving opinion will be delivered with the Series 2011A Bonds. The expected form of such opinion is attached as **Appendix C** hereto. Certain legal matters related to this Official Statement will be passed upon by Gilmore & Bell, P.C., St. Louis, Missouri. Certain legal matters will be passed upon for the Authority by Chapman and Cutler LLP, Chicago, Illinois, for the City by Sprague & Urban, Belleville, Illinois and for the Developer by Robert J. Jakubeck, General Counsel to THF Realty, St. Louis, Missouri.

TAX MATTERS

The following is a summary of the material federal and State of Illinois income tax consequences of holding and disposing of the Series 2011A Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Series 2011A Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Illinois, does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Series 2011A Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Series 2011A Bonds.

Opinion of Bond Counsel

In the opinion of Gilmore & Bell, P.C., Bond Counsel, under the law existing as of the issue date of the Series 2011A Bonds:

Federal Tax Exemption. The interest on the Series 2011A Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes.

Alternative Minimum Tax. Interest on the Series 2011A Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations.

Bank Qualification. The Series 2011A Bonds have not been designated as “qualified tax-exempt obligations” for purposes of Section 265(b) of the Code.

State Tax Exemption. Interest on the Series 2011A Bonds is exempt from present Illinois income taxes, except for estate, transfer and inheritance taxes.

Bond counsel’s opinions are provided as of the date of the original issue of the Series 2011A Bonds, subject to the condition that the Authority and the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2011A Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Authority and the City have covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Series 2011A Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2011A Bonds. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Series 2011A Bonds but has reviewed the discussion under the heading “TAX MATTERS.”

Other Tax Consequences

Original Issue Discount. For federal income tax purposes, original issue discount (“OID”) is the excess of the stated redemption price at maturity of a Series 2011A Bond over its issue price. The issue price of a Series 2011A Bond is the first price at which a substantial amount of the Series 2011A Bonds of that maturity have been sold (ignoring sales to bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers). Under Section 1288 of the Code, OID on tax-exempt bonds accrues on a compound basis. The amount of OID that accrues to an owner of a Series 2011A Bond during any accrual period generally equals (1) the issue price of that Series 2011A Bond, plus the amount of OID accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that Series 2011A Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that Series 2011A Bond during that accrual period. The amount of OID accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner’s tax basis in that Series 2011A Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of OID.

Sale, Exchange or Retirement of Series 2011A Bonds. Upon the sale, exchange or retirement (including redemption) of a Series 2011A Bond, an owner of the Series 2011A Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the Series 2011A Bond (other than in respect of accrued and unpaid interest) and such owner’s adjusted tax basis in the Series 2011A Bond. To the extent a Series 2011A Bond is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Series 2011A Bond has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on the Series 2011A Bonds, and to the proceeds paid on the sale of the Series 2011A Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and

interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the Series 2011A Bonds should be aware that ownership of the Series 2011A Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Series 2011A Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Series 2011A Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Series 2011A Bonds, including the possible application of state, local, foreign and other tax laws.

UNDERWRITING

Stifel, Nicolaus & Company, Incorporated (the "Underwriter") has agreed, subject to certain conditions, to purchase the Series 2011A Bonds from the Authority at an aggregate purchase price of \$15,588,500.00 (which takes into account an original issue discount of \$117,375 and an Underwriter's discount of \$444,125). The Underwriter will be obligated to accept delivery and pay for all of the Series 2011A Bonds if any are delivered.

The Series 2011A Bonds are being purchased by the Underwriter from the Authority in the normal course of the Underwriter's business activities. The Underwriter intends to offer the Series 2011A Bonds to the public at prices not in excess of the offering prices set forth on the inside cover page of this Official Statement. The Underwriter may allow concessions from the public offering price to certain dealers, banks and others. After the initial public offering, the public offering price may be varied from time to time by the Underwriter.

CERTAIN RELATIONSHIPS

Gilmore & Bell, P.C., Bond Counsel, and Chapman and Cutler LLP, counsel to the Authority, have each represented the Underwriter in transactions unrelated to the issuance of the Series 2011A Bonds, but neither firm is representing the Underwriter in connection with the issuance of the Series 2011A Bonds.

PROJECTIONS

Peckham Guyton Albers & Viets, Inc., St. Louis, Missouri, has prepared the Projections which are attached hereto as **Appendix A**. Certain financial and statistical data included in this Official Statement have been excerpted from the Projections. Neither the Authority nor the City make any representation or warranty (express or implied) as to the accuracy or completeness of any financial, technical or statistical data or any estimates, projections, assumptions or expressions of opinion set forth in the Projections. No party assumes any responsibility to update such information after the delivery of the Series 2011A Bonds.

Appendix A must be read in its entirety to understand the assumptions upon which the forecasts are based and the qualifications which have been made. There is no assurance that the forecasts will be achieved. Actual future events may vary from the forecasts, and such variances may be material.

MISCELLANEOUS

Information set forth in this Official Statement has been furnished or reviewed by certain officials of the City and other sources, as referred to herein, which are believed to be reliable. Any statements made in this Official Statement involving matters of opinion, estimates or projections, 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 or projections will be realized. The descriptions contained in this Official Statement of the Series 2011 A Bonds do not purport to be complete and are qualified in their entirety by reference thereto.

[Remainder of Page Intentionally Left Blank.]

The form of this Official Statement, and its distribution and use, has been approved by the City. Neither the City nor any of its officials or employees, in either their official or personal capacities, has made any warranties, representations or guarantees regarding the financial condition of the City or the City's ability to make payments required of it; and further, neither the City nor its officials or employees assume any duties, responsibilities or obligations in relation to the issuance of the Series 2011A Bonds other than those either expressly or by fair implication imposed on the City.

CITY OF BELLEVILLE, ILLINOIS

By: /s/ Mark W. Eckert
Mayor

APPENDIX A
PROJECTIONS

(THIS PAGE LEFT BLANK INTENTIONALLY)

**CERTIFICATE AND CONSENT OF PECKHAM GUYTON ALBERS & VIETS, INC.
PLANNERS GROUP**

**SOUTHWESTERN ILLINOIS DEVELOPMENT AUTHORITY
LOCAL GOVERNMENT PROGRAM REVENUE BONDS, SERIES 2011A
(CITY OF BELLEVILLE - CARLYLE/GREEN MOUNT REDEVELOPMENT PROJECT -
TAX INCREMENT AND SALES TAX)**

In connection with the offering and sale of the Local Government Program Revenue Bonds, Series 2011A (City of Belleville – Carlyle/Green Mount Redevelopment Project – Tax Increment) of the Southwestern Illinois Development Authority (the “Authority”), there has been prepared an Official Statement (the “Official Statement”), setting forth information, among other things, concerning (1) the Authority, (2) the City of Belleville, Illinois (the “City”), (3) the Authority’s Local Government Program Revenue Bonds, Series 2011A (City of Belleville - Carlyle/Green Mount Redevelopment Project - Tax Increment and Sales Tax) (the “Series 2011A Bonds”) and (4) a mixed use development consisting of (i) approximately 400,000 square feet of retail development, anchored by a Lowe’s Home Improvement Store and a Walmart Supercenter, known as Green Mount Commons developed by THF Green Mount Development, L.L.C. and GMCR, L.L.C. and (ii) two residential housing development sites planned to constitute approximately 357 housing units. The undersigned hereby certifies and represents to Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) that he is an officer of Peckham Guyton Albers & Viets, Inc. Planners Group (“PGAV”), authorized to execute and deliver this certificate, and further certifies on behalf of PGAV as follows:

1. PGAV was engaged by the Underwriter to prepare a report in connection with the issuance of the Series 2011A Bonds.
2. PGAV has reviewed, approved, and consents to the descriptions of its work in sections of the Official Statement captioned **“INTRODUCTION – Revenue Projections”** and **“PROJECTIONS.”**
3. PGAV hereby consents to the references to it, and inclusion of the PGAV report captioned *“Bond Revenue Study - Southwestern Illinois Development Authority Local Government Program Revenue Bonds, Series 2011A (City of Belleville – Carlyle/Green Mount Redevelopment Project –Tax Increment and Sales Tax); Southwestern Illinois Development Authority Local Government Program Revenue Bonds, Series 2011B (City of Belleville – Carlyle/Green Mount Redevelopment Project –Tax Increment and Sales Tax); And Southwestern Illinois Development Authority Local Government Program Revenue Bonds, Series 2011C (City of Belleville – Carlyle/Green Mount Redevelopment Project –Business District)”* in the Official Statement.

IN WITNESS WHEREOF, the undersigned has executed this certificate as of this October 20, 2011

PECKHAM GUYTON ALBERS & VIETS, INC.
PLANNERS GROUP

By 

John W. Brancaglione
Vice President, Planners

BOND REVENUE STUDY

**Southwestern Illinois Development Authority
Local Government Program Revenue Bonds, Series 2011A
(City of Belleville – Carlyle/Green Mount Redevelopment Project –
Tax Increment and Sales Tax);**

**Southwestern Illinois Development Authority
Local Government Program Revenue Bonds, Series 2011B
(City of Belleville – Carlyle/Green Mount Redevelopment Project –
Tax Increment and Sales Tax);**

And

**Southwestern Illinois Development Authority
Local Government Program Revenue Bonds, Series 2011C
(City of Belleville – Carlyle/Green Mount Redevelopment Project –
Business District).**

**City of Belleville, Illinois
Carlyle/Green Mount Redevelopment Project**

Prepared For:

**The City of Belleville, Illinois
September 15, 2011**

PGAVPLANNERS

ST. LOUIS, MISSOURI

TABLE OF CONTENTS

SECTION 1	INTRODUCTION	I-1
1.1	Purpose of This Report and Nature of Assignment	I-1
1.2	Redevelopment Project Background Information.....	I-1
1.3	The City of Belleville and St. Clair County Overview	I-3
1.4	Basis for Projections	I-6
1.4.1	Conflicts of Interest	I-8
1.4.2	Payment to PGAV	I-8
1.4.3	Other Work for Issuer or Obligor	I-8
SECTION 2	REVENUE PROJECTIONS.....	II-1
2.1	Overview of Available Revenue Sources	II-1
2.2	Basis of Revenue Generation – The Project.....	II-2
2.3	Term of Redevelopment Plan and Timing of Revenue Flows	II-4
2.4	Incremental Real Property Tax Revenues (TIF Revenues)	II-5
2.4.1	Base Assessed Value	II-5
2.4.2	Real Property Tax Rate and Township Multiplier	II-6
2.4.3	Real Property Tax Revenues Generated To Date	II-8
2.4.4	Revenue Projections From Incremental Real Property Tax Revenues	II-8
2.5	Economic Incentive Act Revenues	II-13
2.6	Projected Total Statutory Revenues for Series 2011A Bonds and Series 2011B Bonds	II-21
2.7	Business District Tax Revenues	II-24
SECTION 3	CONDITIONS AND ASSUMPTIONS	III-1

TABLES

1-1	Population Growth	I-3
1-2	Taxable Sales in St. Clair County and the City of Belleville (2004-2010)	I-6
2-1	Tenant Roster and Estimated Sales	II-3
2-2	2009 Property Tax Rate Information	II-6
2-3	8-Year History of Belleville Township Multipliers	II-7
2-4	Incremental Real Property Tax Collection History	II-8
2-5	Series 2011A Bonds TIF Revenue Collections	II-10
2-6	Series 2011B Bonds TIF Revenue Collections	II-12
2-7	Taxable Sales in St. Clair County and the City of Belleville (2001-2010)	II-13
2-8	EIA Revenue Collection History	II-15
2-9	Series 2011A Bonds EIA Revenue Projections	II-18
2-10	Series 2011B Bonds EIA Revenue Projections	II-20
2-11	Summary of Revenues Available for the Retirement of Series 2011A Bonds	II-22
2-12	Summary of Revenues Available for the Retirement of Series 2011B Bonds	II-23
2-13	Business District Sales Tax Collection History	II-25
2-14	Business District Sales Tax Revenue Projections	II-27

APPENDIX

- Plate 1 – Redevelopment Area and Business District Boundaries
- Plate 2 – Site Plan
- Plate 3 – Regional Context Map
- Plate 4 – Sub-Area Map
- Base EAV Certification

SECTION I

INTRODUCTION

1.1 INTRODUCTION

On behalf of the City of Belleville, Illinois (the "City") Stifel, Nicolaus & Company, Incorporated retained the Planners group of Peckham Guyton Albers & Viets, Inc. ("PGAV") to develop an independent analysis of the revenue generation potential of the hereinafter described redevelopment finance programs (this "Report") with respect to the Carlyle/Green Mount Tax Increment Financing Redevelopment Project Area (the "Redevelopment Area") located within the corporate limits of the City.

PGAV, headquartered in St. Louis, Missouri, is a nationally recognized firm with expertise in the preparation of bond feasibility studies. PGAV has performed analyses of historic trends and projections of real property taxes, sales taxes and taxes associated with various types of tax increment financing districts and other special taxing districts in support of bond financings and refundings. Recent locations where PGAV has been involved with financial feasibility analyses include St. Louis, Missouri; Manchester, Missouri; Arnold, Missouri; Columbus, Ohio; Chicago, Illinois; Memphis, Tennessee; Omaha, Nebraska; Oklahoma City, Oklahoma; Naples, Florida; and Champaign County, Illinois. PGAV has personnel who are members of the National Federation of Municipal Analysts ("NFMA"). John Brancaglione, Vice President of PGAV in charge of the Planners group, is a member of the Council of Development Finance Agencies ("CDFA").

1.2 REDEVELOPMENT PROJECT BACKGROUND INFORMATION

In order to promote economic growth and to induce new private investment, the City, by ordinance adopted on January 11, 2006, approved the Carlyle/Green Mount TIF Redevelopment Plan and Project, designated the Redevelopment Area as a "redevelopment project area" as defined in the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq. as supplemented and amended (the "Act"), and adopted tax increment financing within the Redevelopment Area, in accordance with the TIF Act. Through the adoption of tax increment financing, TIF Revenues (as hereinafter defined) have been made available to assist in the implementation of the Redevelopment Project (as hereinafter defined) through the reimbursement of eligible costs.

The Redevelopment Area is located in the northeast quadrant of the intersection of Carlyle Avenue and Green Mount Road. The Redevelopment Area and its boundaries

are shown in **Plate 1 – Redevelopment Area and Business District Boundaries** in the **Appendix**.

On January 11, 2006, the City, by ordinance, determined that the Redevelopment Project qualified for assistance under 65 ILCS 5/8-11-20 (the “Economic Incentive Act”), which enables the City to share a portion of any retailer’s occupation tax generated by the Redevelopment Project. Through the implementation of the Economic Incentive Act, EIA Revenues (as hereinafter defined) have been made available to assist in the implementation of the Redevelopment Project through the reimbursement of eligible costs.

Pursuant to 65 ILCS 5/11-74.3-1 through 3-6 (the “Business District Act”), the City, by ordinance, created the Carlyle/Green Mount Business District (the “Business District”) on January 11, 2006. The Business District consists of approximately 60 acres, being that portion of the Redevelopment Area in which Green Mount Commons shopping center is located. The boundaries of the Business District are identified in **Plate 1 – Redevelopment Area and Business District Boundaries** in the **Appendix**.

The City, by ordinance, imposed an additional one percent (1%) sales tax (the “Business District Tax”) on all retail sales within the boundaries of the Business District. Through the establishment of the Business District, Business District Revenues (as hereinafter defined) have been made available to assist in the implementation of the Redevelopment Project through the reimbursement of eligible costs.

The Redevelopment Area contains approximately 140 acres of land and includes both commercial retail and residential development (the “Redevelopment Project”). The retail component of the Redevelopment Project is comprised of an approximate 395,727 square foot retail center, known as Green Mount Commons (the “Shopping Center”), which is anchored by a Lowe’s Home Improvement Store and a Walmart Supercenter. The Lowe’s Home Improvement Center opened on January 13, 2007 and the Walmart Supercenter opened on January 23, 2008. The residential component of the Redevelopment Project is approved for up to 357 single-family homes, consisting of a 269 unit, single-family detached home development known as Green Mount Manor, and an 88 unit, single-family attached home development. Build-out of Green Mount Manor is at approximately fifty-percent (50%) and construction of the attached-unit development has not commenced.

In 2006, a resident of the City filed an action in the Circuit Court of St. Clair County, IL, seeking declaratory and injunctive relief, challenging the formation of the Redevelopment Area, the formation of the Business District and the use of municipal sales taxes

generated pursuant to the Economic Incentive Act. After a trial, the Circuit Court entered a judgment for the defendants, denying all of the challenges brought by the resident. The Appellate Court of Illinois affirmed the order of the Circuit Court. The Supreme Court of Illinois denied the petition for leave to appeal, which constitutes a final adjudication of this matter.

1.3 THE CITY OF BELLEVILLE AND ST. CLAIR COUNTY OVERVIEW

Incorporated in 1814, the City is the St. Clair County seat and the largest city in southern Illinois. The City's location is shown on **Plate 3 – Regional Context Map** in the **Appendix**.

Located in the eastern portion of the St. Louis MO-IL Metropolitan Statistical Area ("MSA"), the City is considered a suburban community within the MSA. Belleville has good highway and interstate access and proximity to major employment centers such as Scott Air Force Base and Downtown St. Louis.

The City is growing and it is maintaining a focus on its community and heritage. Recently, on June 18, 2011, the City was designated an All-American City, a distinction annually awarded by the National Civic League to ten communities each year for outstanding civic accomplishments. To win, a community must, "demonstrate innovation, inclusiveness, civic engagement, and cross sector collaboration."¹

The City's strong sense of community and civic pride, sound governance and available land for development has attracted developers and new residents. From 2000 to 2010 the City's population grew by approximately seven percent (7%), exceeding the rate of population growth of St. Clair County, which grew at approximately five percent (5%), as shown in **Table 1-1 – Population Growth**.

Table 1-1
Population Growth¹
Carlyle/Green Mount TIF Redevelopment Project Area
Belleville, IL

Geography	2000 Census Population	2010 Census Population	Numerical Change	% Increase
City of Belleville	41,410	44,478	3,068	7.4%
St. Clair County	256,082	270,056	13,974	5.5%

¹ Source: U.S. Bureau of the Census

¹ 2011 All-America City Award Application

Any discussion of the City's stability and growth is not complete without a discussion of Scott Air Force Base ("Scott AFB"). Scott AFB is located approximately two miles east of the City's eastern border and is also approximately two miles east of the Redevelopment Project. Scott AFB has a significant positive impact on the City, providing jobs and stimulating economic activity. Over the last decade, as other military bases have been shuttered through the United States Federal Government's Base Realignment and Closure ("BRAC") process, many military functions have been relocated to Scott AFB. The United States Transportation Command ("TRANSCOM"), which commands and controls the distribution and deployment of all assets for the entire United States Military, is headquartered at Scott AFB.

Scott AFB sits on 3,589 acres, with right-of-way easements to an additional 1,029 acres, and has 7 million square feet of space in 960 structures served by 59 miles of roads. Scott AFB has a total population of 45,749, which is comprised of active duty military, civilians, Air Force Reserve, Air National Guard, family members (dependants) and retired military. Scott AFB is the largest employer in the St. Louis MSA and the largest employer in Illinois south of Springfield, IL. Scott AFB's vital role in the daily operations of the United States Military ensures its ongoing existence and growth. The economic impact of Scott AFB on the regional economy is, according to data compiled in 2010:²

- \$1.6 billion annually to the regional economy;
- Estimated annual dollar value of Scott AFB jobs: \$737 million;
- Scott AFB creates approximately 6,451 indirect jobs; and
- Scott AFB people spend almost \$341 million on housing annually.

The City is also home to the Belleville campus of Southwestern Illinois College ("SWIC"), which is an accredited college offering associate and other technical degrees in 150 different programs. SWIC's total enrollment is approximately 14,000 students. Approximately seventy-five percent (75%) of SWIC's total enrolled students attend classes at the Belleville campus, which sits directly across Carlyle Road from the Redevelopment Project Area. The primary Metrolink stop for the Belleville SWIC campus is approximately 500 feet from the Redevelopment Project Area. Metrolink is the light rail mass transit system that services the St. Louis MSA. This Metrolink line runs from Scott AFB west, through downtown St. Louis and further west to Lambert International Airport.

² Source: Scott Air Force Base Economic Impact Analysis Fact Sheet,
<http://www.scott.af.mil/library/factsheets/factsheet.asp?id=259>

The area's community and economic assets make it attractive to new homebuyers, even during a challenged housing market. This is evident from the current pace of development at Green Mount Manor, the single-family residential development within the Redevelopment Area and adjacent to the Shopping Center.

Green Mount Manor is a single-family residential development approved for 269 lots adjacent to the Shopping Center and is being developed by Centex Homes, which is owned by PulteGroup, Inc., a home builder active in 60 markets in 28 states and publicly traded on the New York Stock Exchange. To date, more than 100 homes have been constructed and sold at Green Mount Manor. The County Assessor has, for the 2010 tax year, assessed 108 homes as complete, one of which houses a temporary sales office. Despite the economic downturn, Centex has continued to sell and build homes in Green Mount Manor. According to their sales representative, Green Mount Manor has been selling between three and five homes per month, on average, in 2011. A comparison of Centex's sales records with the assessor's parcel information and a physical assessment of construction activity confirm the sales representative's assessment of sales activity at Green Mount Manor. In addition to the 108 homes that the County Assessor recognized as complete in the 2010 assessment, as of July 8, 2011, there are 29 additional homes that are either completed or in various stages of construction. Of these 29 homes, six were complete by January 1, 2011 and will be fully assessed for the 2011 tax year. The remaining 23 homes will be fully assessed for the 2012 tax year. When a property is built upon, as in the case of a new home being built on a newly platted and sold residential lot, that home is assessed according to its condition as of January 1st of the year following the commencement of construction. If the home is complete as of January 1st, then it is fully assessed for that assessment year on which assessment taxes are paid the following year. This situation results, for example, in a lag of one year between completion and assessment of a home and property tax payment. Property taxes will be paid in 2012 on any homes completed and assessed by the County for taxation purposes as of January 1, 2011.

Of the 269 total residential lots in Green Mount Manor, 132 remain to be sold and built. These 132 lots which remain to be sold and built upon are all in Sub Area B as depicted on Plate 4 – Sub-Area Map in the Appendix. All homes currently built, or under construction, are in Sub-Area A. The complete sale and build-out of Green Mount Manor is projected to occur over three years (2012-2014) assuming annual sales of 44 homes in each year for an average monthly rate of 3.67 home sales per month, which is on the conservative end of the range of current monthly sales activity reported by the Centex sales representative.

The residential component of the Redevelopment Project also includes an approved 88 unit single-family residential development. This component is not owned by Centex, but is owned by Westway Realty, Inc. Development of this component of the residential development has not commenced and its potential development and corresponding revenue stream is not reflected in the revenue analysis contained herein, but will further enhance the projected property tax revenue streams for the Series 2011B Bonds (as hereinafter defined) once development proceeds.

1.4 BASIS FOR PROJECTIONS

This Report and the financial projections contained herein are based on estimates, assumptions, and information provided by the City, the office of the St. Clair County, Illinois Assessor, and various other sources considered to be reliable. PGAV neither verified nor audited the information that was provided by others. Information provided by others is assumed to be reliable, but PGAV assumes no responsibility for its accuracy or certainty. The analysis is based, in part, on assumptions and conditions provided by these various sources. PGAV believes that the assumptions used in this analysis constitute a reasonable basis for its preparation.

No professional standards or guidance relevant to the preparation of this Report exist, but PGAV has prepared this Report based on standards and methodology the firm has developed over the course of preparing dozens of similar analyses of historical trends and projections of real property taxes, sales taxes and taxes associated with various types of tax increment financing districts in support of bond financing throughout the country over the past 25 years.

PGAV's methodology for preparing this Report includes the review of economic and demographic data, both current and historic, in order to develop assumptions about future growth. PGAV develops reasonable and conservative assumptions about future growth and applies those assumptions to the projections of future revenue in this Report.

The projections presented in this document are forward-looking and involve certain assumptions and judgments regarding future events. Although the projections formulated in this Report are based on currently available information, they are also based on assumptions about the future state of the national and regional economy and the local real estate markets, as well as assumptions about future actions by various parties, which cannot be assured or guaranteed. The ability to achieve the results described herein depends on the timing and probability of a complex series of future events, both internal and external to the Redevelopment Area. Any event or action that alters an assumed event, assumption, or condition used to achieve the projections

contained herein will cause a deviation from all financial projections contained in this analysis and may render them obsolete. These projections are not provided as predictions or assurances that a certain level of performance will be achieved or that certain events will occur. The actual results will vary from the projections described herein, and the variations may be material. Because the future is uncertain, there is risk associated with achieving the results projected. PGAV assumes no responsibility for any degree of risk involved. PGAV assumes no liability should market conditions change.

Accordingly, PGAV does not express an opinion as to whether or not the Redevelopment Area will achieve the results projected herein if economic, environmental, legislative, or physical events or conditions occur that would significantly affect the projected revenue streams. Specifically, there are a number of situations that could occur that would have major impacts on the revenue projections presented herein. Examples of events that could affect the projected availability of revenues include: changes in taxing provisions and/or market acceptance of commercial and residential additions to the Redevelopment Area that affect the amount of property tax and sales tax revenues generated within the Redevelopment Area; and changes in legislation or new rulings in the Illinois courts regarding tax increment financing.

The terms of PGAV's engagement for this study do not provide for reporting on events subsequent to the date of this Report. Therefore, PGAV accepts no responsibility to either update or revise this Report subsequent to its issuance.

This Report is intended solely for the internal use of Stifel, Nicolaus & Company, Incorporated, Stifel's legal counsel, the City, or the City's legal counsel, the Authority (as hereinafter defined), the Authority's legal counsel, and the Authority's bond counsel. Neither this Report nor its contents may be referred to or quoted, in whole or in part, for any purpose including, but not limited to, any official statement for a bond issue and consummation of a bond sale, any registration statement, prospectus, loan, or other agreement or document, without prior review and written approval by PGAV regarding any representations therein with respect to PGAV's organization and work product. Included in any offering statement must be a document signed by a representative of PGAV which document constitutes PGAV's written consent to this Report's use in such offering statement.

1.4.1 CONFLICTS OF INTEREST

Other than its contractual relationship with Stifel, Nicolaus & Company, Incorporated for the execution of this Report, PGAV has no relationship with any party having a financial or other interest in the issuance and/or sale of the hereinafter defined Bonds.

1.4.2 PAYMENT TO PGAV

Payment to PGAV for the preparation of this Report is not contingent on the sale of the hereinafter defined Bonds.

1.4.3 OTHER WORK FOR ISSUER OR OBLIGOR

PGAV has not performed any work related to the Redevelopment Project in the previous five years.

SECTION II

REVENUE PROJECTIONS

2.1 OVERVIEW OF AVAILABLE REVENUE SOURCES

There are three available revenue sources for the repayment of bonds. These include:

1. Incremental Property Tax Revenues ("TIF Revenues"):
 - All property tax revenues resulting from the incremental increase in the assessed valuation of real property within the Redevelopment Area over and above the initial assessed valuation that may be pledged to the payment of Redevelopment Project Costs pursuant to the TIF Act, less fifty percent (50%) of such property tax revenues which are to be retained by the City, pursuant to the Redevelopment Agreement, and distributed to other taxing districts;
2. Economic Incentive Act Revenues ("EIA Revenues"):
 - All revenues that the City receives (net of collection fees and applicable early payment discounts) from the one percent (1%) sales tax levied by the State of Illinois and collected on the City's behalf from the Redevelopment Area by the Department of Revenue pursuant to the Illinois Retailers' Occupation Tax Act, 35 ILCS 120/1 et seq. and the Illinois Service Occupation Tax Act, 35 ILCS 115/1 et seq. (the 1% local portion) less a monthly amount to be retained by the City pursuant to the Redevelopment Agreement (the "Monthly Municipal Share"); and
3. Business District Revenues ("Business District Revenues"):
 - All revenues that the City receives (net of collection fees and applicable early payment discounts) from the one percent (1%) Business District Sales Tax levied by the City pursuant to the Business District Act, which are generated within the Business District, which consists of the Shopping Center.

While the EIA Revenues and the Business District Revenues are each based upon a one percent (1%) sales tax, the Business District Sales Tax does not have the same general applicability as does the portion of the State sales tax from which the EIA

Revenues are derived. The Business District Sales Tax does not apply to the sale of food (other than that prepared for immediate consumption), prescription and nonprescription medicines, drugs and medical appliances. The revenues described in this Report will be pledged to the repayment of three series of bonds. The first and second series of bonds ("Series 2011A Bonds" and "Series 2011B Bonds") are primarily funded by TIF Revenues and EIA Revenues, and the third series is funded by Business District Revenues (the "Series 2011C Bonds"). A portion of Business District Revenues will be made available for the repayment of Series 2011A Bonds in an amount that does not exceed nine and one-half percent (9.5%) of the total amount of the TIF Revenues and EIA Revenues, and which shall not exceed \$160,000 on an annual basis.

Pursuant to a Financing Agreement between the City and the Southwestern Illinois Development Authority (the "Authority"), the Series 2011A Bonds, Series 2011B Bonds and Series 2011C Bonds, as defined in this Report, are to be issued by the Authority.

2.2 BASIS OF REVENUE GENERATION – THE PROJECT

The Project consists of the Shopping Center and residential development as depicted on **Plate 1 – Redevelopment Area and Business District Boundaries** and **Plate 3 – Site Plan** located in the **Appendix**. The current tenants for the Shopping Center component of the Project are listed on **Table 2-1 – Tenant Roster and Estimated Sales**, on the following page.

(The remainder of this page has been intentionally left blank.)

Table 2-1
Tenant Roster and Estimated Sales^{1,2}
Carlyle/Green Mount TIF Redevelopment Project Area
Belleville, IL

Tenant	Units (Sq. Ft.)	Sales per Unit	Anticipated/Actual Opening Date	Assessment Year	Estimated Taxable Sales Volume
Wal-Mart	203,819	\$490	January 23, 2008	2009	\$99,160,000
Lowe's	139,410	\$180	January 13, 2007	2008	\$24,550,000
Jan's Hallmark	4,000	\$120	August 13, 2007	2008	\$496,000
Clarkson Eyecare ³	2,000	\$160	September 16, 2007	2008	\$325,000
Super Cuts	1,500	\$17	July 1, 2007	2008	\$25,000
Game Stop	2,000	\$830	July 7, 2007	2008	\$1,660,000
Marshall Wireless	2,000	\$250	July 13, 2007	2008	\$500,000
King's Beauty	6,000	\$100	August 1, 2007	2008	\$600,000
Sammy's Nails	1,500	\$10	July 31, 2007	2008	\$15,000
The Shoe Depot	5,500	\$100	January 25, 2008	2009	\$550,000
CATO	4,000	\$240	March 1, 2008	2009	\$950,000
Mattress Source	2,600	\$280	February 1, 2010	2011	\$725,000
Advance America	1,500	-	May 31, 2007	2008	-
Outparcels					
Jimmy John's	1,800	\$580	April 8, 2008	2009	\$1,040,000
Easy Buffet and Grill	6,130	\$170	December 6, 2008	2009	\$1,050,000
Burger King	2,400	\$540	January 3, 2008	2009	\$1,300,000
Hardees	2,300	\$370	July 29, 2008	2009	\$850,000
Wendy's ⁴	No Data	-	July 11, 2008	2009	\$1,625,000
Chick-Fil-A ⁴	No Data	-	July 1, 2012	2013	\$2,500,000
PNC Bank ⁴	No Data	-	April 26, 2007	2008	-
Total Estimated Taxable Sales					\$137,921,000
Total Estimated Business District Taxable Sales					\$98,923,600

¹ Tenant information provided by the Developer. All retailers are currently open and operational with the exception of Chick-Fil-A, which is projected to commence operations on July 1, 2012. This retailer will be included in Sub-Area B

² PGAV estimates. Any differences in math are due to rounding.

³ Average sales at a Clarkson Eyecare retailer are approximately \$975,000, which includes services such as eye exams. This table assumes that approximately one-third of total store sales are for taxable merchandise such as eyewear and related accessories. Prescription eyewear purchases are exempt from the Business District Sales tax, so these sales are excluded from

⁴ Building area information for Wendy's, Chick-Fil-A and PNC Bank has not been made available. Sales data is based on average annual sales data for these retailers at other locations.

2.3 TERM OF REDEVELOPMENT PLAN AND TIMING OF REVENUE FLOWS

Illinois law requires that real estate be valued and classified every January. The January assessment forms the basis for the following year's tax bill, which is typically mailed to property owners in the spring. The tax payable in 2011 (the "tax collection year") is based on the assessed value and classification as of January 2010 (the "tax assessment year"). The tax bill is paid in two installments in the "tax collection" year. In this Report, the year in which the valuation of the property is made is referred to as the "tax assessment year" and the following year in which the actual payments are made is referred to as the "tax collection year."

The City and the Redevelopment Area are located within St. Clair County, Illinois (the "County"). The County is the authority that assesses property and collects and distributes property taxes to the City and other taxing jurisdictions. The St. Clair County Treasurer's Department mails property tax bills by mid-June, which typically places the first installment due date in mid-July and the second installment in the first week of September. Any payer of property tax who fails to pay its property tax bill by the second installment due date has 60 days to pay their property tax and avoid a tax sale. This deadline is typically in November. In discussions with the St. Clair County Treasurer's Department, PGAV has learned that the County will likely be two months behind in mailing tax bills this year (2011), which could, in turn, delay the aforescribed schedule by approximately one month for 2011 tax collections.

Estimates of future revenues in this Report are presented on a cash basis (i.e., the year revenues are anticipated to be received by the City). As noted in Section I, the City adopted tax increment financing in the Redevelopment Area in 2006. While the District will expire in 2029, property taxes based on 2029 assessed values will be collected in 2030. Incremental property tax revenues may be captured and applied toward TIF obligations through the year 2030, the tax collection year for the 2029 tax assessment year. The City's obligation to transfer TIF Revenues to the Trustee (as such term is defined in Trust Indenture) presently terminates on December 31, 2030. However, the City may seek to extend of the TIF by an additional 12 years, from 23 to 35 years. This extension requires action by the Illinois State Legislature; action which has been taken over 90 times with respect to other TIF districts throughout the State of Illinois, including with respect to other TIF districts within the City.

Pursuant to Illinois law, retailers are required to report and remit their sales tax collections to the Illinois Department of Revenue ("IDOR") by the end of the calendar month following the month of collection. IDOR deposits the local portion of the sales taxes, consisting of EIA Revenues, the Business District Revenues and all other portions

2.4.2 Real Property Tax Rate and Township Multiplier

The total real property tax rate is a composite of the individual tax rates set by multiple independent taxing districts. The tax rates are reset by each taxing district on an annual basis. The tax rate levies of each taxing district may be raised or lowered by such taxing districts within voter established limits. Taxing districts set their rate once the total assessed value within the taxing district is determined, based upon their budgeted revenue requirements. It is not possible to predict with exact specificity the rate that each taxing district will set each year over the remaining life of the TIF. Therefore, the most recent (2010 payable in 2011) tax rates have been utilized to project future tax revenues and are shown below in **Table 2-2 – 2010 Property Tax Rate Information**.

Table 2-2
2010 Property Tax Rate Information¹
Carlyle/Green Mount TIF Redevelopment Project Area
Belleville, IL

Taxing District	Tax Rate
City of Belleville Library	0.2628
City of Belleville	1.4567
Belleville Township	0.1028
Mascoutah Unit #19 School District	4.0832
St. Clair County	0.9158
Southwestern Illinois College #522	0.3689
Total for Tax Rate for TIF	7.1902

Properties in Illinois are assessed as of the first of each year. The Illinois Property Tax Code requires that property be assessed at thirty-three and one-third (33.3%) actual market value. The assessor's determination of assessed value is subject to an intra-county equalization process conducted by the Board of Review and an inter-county equalization process performed by the Illinois Department of Revenue, both of which are intended to ensure that property is equally assessed throughout the county and throughout the State. The results of this equalization process are reflected in the township multiplier, a ratio that is applied to the assessed value of every parcel of real property to adjust the assessed value upward or downward, as required to make each property's assessed value as close as possible to 33.3% of its true market value. The product of this adjustment is the equalized assessed value, which is the value upon which the actual property tax is based, by application of the tax rate for that year.

St. Clair County is further divided into townships and the multiplier is applied on a township by township basis. The Redevelopment Area is located within the Belleville Township of St. Clair County. **Table 2-3 – 8-Year History of Belleville Township Multipliers**, below, depicts the annual multiplier applied to parcels in the Belleville Township over the past eight years. The annual average adjustment of assessed value applied to properties within the township, as a result of the multiplier, is a little less than five-and-a-half percent (5.44%).

Table 2-3
8-Year History of Belleville Township Multipliers¹
Carlyle/Green Mount TIF Redevelopment Project Area
Belleville, IL

Year	Township Multiplier
2003	1.0627
2004	1.0645
2005	1.0722
2006	1.0701
2007	1.0601
2008	1.0450
2009	1.0229
2010	1.0378
Annual Avg.	1.0544

¹ Source: St. Clair County Board of Review Office.

Historically, the value of land and improvements in new or recently constructed commercial and residential districts has increased over time. As the improvements in the Redevelopment Project Area have been constructed either near the end of, or after, the recent recession, this Report assumes any ill effects from such recession would have already been felt and that property values will increase in the future. For guidance in estimating future values, this Report looks to the township multiplier used in St. Clair County to equalize assessed valuations throughout the County. Historically, even during the recession, the application of the township multiplier has had the effect of causing the assessed value of real property within the County to increase on an annual basis. From 2003 to 2010, real property assessed values increased at the rates in Table 2-3 in each year. For the purposes of this analysis, the value of land and improvements is projected to increase one and one-half percent (1.5%) annually.

2.4.3 Real Property Tax Revenues Generated To Date

Real property tax revenues generated within the Redevelopment Area and paid in 2008 based on the 2007 assessment is \$350,000. Real property tax revenues generated within the Redevelopment Area and received in 2009 based on the 2008 assessment is approximately \$575,000. The 2006 taxes collected in 2007 were of little consequence as the assessed value did not, at that time, yet reflect any improvements associated with the Redevelopment Project. As of the date of this Report, with respect to the values determined in the 2010 assessment year, the equalization process has been completed, the tax rates have been set, and the property tax bills have been mailed; however, property taxes have not yet been collected. **Table 2-4 - Incremental Real Property Tax Collection History** shows annual incremental equalized assessed value information and related incremental real property taxes collected to date for the entire Redevelopment Area.

Table 2-4
Incremental Real Property Tax Collection History¹
Carlyle/Green Mount TIF Redevelopment Project Area
Belleville, IL

Assessment Year	Tax Collection Year	Incremental EAV ²	Incremental Real Property Tax Collections	Less Revenues to Taxing Districts ³	Net Incremental Real Property Tax Collections
2007	2008	\$ 4,329,479	\$ 245,843	\$ (122,922)	\$ 122,922
2008	2009	\$ 14,957,755	\$ 1,004,357	\$ (502,178)	\$ 502,178
2009	2010	\$ 16,234,752	\$ 1,151,283	\$ (575,641)	\$ 575,641
Totals			\$ 2,401,483		\$ 1,200,742

¹ Source: City of Belleville Finance Department

² Incremental EAV is net of the Base EAV and any exemptions taken by homeowners within the Redevelopment Area.

³ Per the Amended and Restated Redevelopment Agreement (the "Agreement") dated November 1, 2007, 50% of incremental property taxes shall be distributed to the taxing districts.

2.4.4 Real Property Tax Increment Revenue Projections

Table 2-5 – Series 2011A Bonds TIF Revenue Projections presents the estimated future tax increment revenues associated with the Redevelopment Area which will be available for repayment of Series 2011A Bonds. With respect to Table 2-4, the following should be noted:

1. The projected revenues noted in a given "Tax Collection Year" reflect the revenues anticipated to be deposited into the Special Tax Allocation Fund prior to December 31 of the "Tax Collection Year";

2. The increase in Projected Equalized Assessed Valuation is based upon the combination of expected home sales and a one and one-half percent (1.5%) growth factor due to the County's application of the multiplier on an annual basis;
3. The analysis takes into account the projected amount of anticipated Homestead Exemptions claims;
4. The projection of total real property assessed value associated with the Series 2011B Bonds is shown. This projection includes anticipated growth in assessed valuation within the area shown as Sub-Area B on Plate 4 in the Appendix. These annual values are subtracted from the assessed value for the Redevelopment Project Area to determine the TIF Revenues available for repayment of Series 2011A Bonds;
5. The "Incremental EAV" reflects the Projected Assessed Valuation less the "Base EAV";
6. The Tax Rate per \$100 of EAV is based on the rate for the 2010 assessment year; and
7. The total TIF Revenues deposited into the Special Tax Allocation Fund reflects the Incremental Real Property Taxes less the fifty percent (50%) retained by the City and distributed to other taxing districts.

Table 2-5

Series 2011A TIF Revenue Projections¹
Carlyle/Green Mount TIF Redevelopment Project Area
Belleville, IL

Assessment Year	Tax Collection Year	Projected Equalized Assessed Valuation ²	Less Series 2011B Total Projected EAV ³	Series 2011A Total Projected EAV	Exemptions ⁴	Base EAV ⁵	Net Series 2011A Incremental EAV	Tax Rate per \$100 of EAV	Incremental Real Property Taxes	Revenues to Taxing Districts ⁶	Total Series 2011A TIF Revenues
2010	2011	\$19,053,802	(\$8,452)	\$19,045,350	\$ (437,084)	(\$30,876)	\$18,577,390	7.1902	\$1,335,751	(\$667,876)	\$667,875
2011	2012	\$19,569,071	(\$44,634)	\$19,524,437	\$ (447,110)	(\$30,876)	\$19,046,451	7.1902	\$1,369,478	(\$684,739)	\$684,739
2012	2013	\$21,103,498	(\$45,304)	\$21,058,194	\$ (482,233)	(\$30,876)	\$20,545,085	7.1902	\$1,477,233	(\$738,617)	\$738,616
2013	2014	\$23,789,450	(\$2,415,384)	\$21,374,066	\$ (489,466)	(\$30,876)	\$20,853,724	7.1902	\$1,499,424	(\$749,712)	\$749,712
2014	2015	\$26,515,692	(\$4,821,015)	\$21,694,677	\$ (496,808)	(\$30,876)	\$21,166,993	7.1902	\$1,521,949	(\$760,975)	\$760,974
2015	2016	\$29,282,827	(\$7,262,730)	\$22,020,097	\$ (504,260)	(\$30,876)	\$21,484,961	7.1902	\$1,544,812	(\$772,406)	\$772,406
2016	2017	\$29,722,069	(\$7,371,671)	\$22,350,398	\$ (511,824)	(\$30,876)	\$21,807,698	7.1902	\$1,568,017	(\$784,009)	\$784,008
2017	2018	\$30,167,900	(\$7,482,246)	\$22,685,654	\$ (519,501)	(\$30,876)	\$22,135,277	7.1902	\$1,591,571	(\$795,786)	\$795,785
2018	2019	\$30,620,419	(\$7,594,480)	\$23,025,939	\$ (527,294)	(\$30,876)	\$22,467,769	7.1902	\$1,615,478	(\$807,739)	\$807,739
2019	2020	\$31,079,725	(\$7,708,397)	\$23,371,328	\$ (535,203)	(\$30,876)	\$22,805,249	7.1902	\$1,639,743	(\$819,872)	\$819,871
2020	2021	\$31,545,921	(\$7,824,023)	\$23,721,898	\$ (543,231)	(\$30,876)	\$23,147,791	7.1902	\$1,664,372	(\$832,186)	\$832,186
2021	2022	\$32,019,110	(\$7,941,383)	\$24,077,727	\$ (551,380)	(\$30,876)	\$23,495,471	7.1902	\$1,689,371	(\$844,686)	\$844,685
2022	2023	\$32,499,397	(\$8,060,504)	\$24,438,893	\$ (559,651)	(\$30,876)	\$23,848,366	7.1902	\$1,714,745	(\$857,373)	\$857,372
2023	2024	\$32,986,888	(\$8,181,412)	\$24,805,476	\$ (568,045)	(\$30,876)	\$24,206,555	7.1902	\$1,740,500	(\$870,250)	\$870,250
2024	2025	\$33,481,691	(\$8,304,133)	\$25,177,558	\$ (576,566)	(\$30,876)	\$24,570,116	7.1902	\$1,766,640	(\$883,320)	\$883,320
2025	2026	\$33,983,916	(\$8,428,695)	\$25,555,221	\$ (585,215)	(\$30,876)	\$24,939,130	7.1902	\$1,793,173	(\$896,587)	\$896,586
2026	2027	\$34,493,675	(\$8,555,125)	\$25,938,550	\$ (593,993)	(\$30,876)	\$25,313,681	7.1902	\$1,820,104	(\$910,052)	\$910,052
2027	2028	\$35,011,080	(\$8,683,452)	\$26,327,628	\$ (602,903)	(\$30,876)	\$25,693,849	7.1902	\$1,847,439	(\$923,720)	\$923,719
2028	2029	\$35,536,246	(\$8,813,704)	\$26,722,542	\$ (611,946)	(\$30,876)	\$26,079,720	7.1902	\$1,875,184	(\$937,592)	\$937,592
2029	2030	\$36,069,290	(\$8,945,910)	\$27,123,380	\$ (621,125)	(\$30,876)	\$26,471,379	7.1902	\$1,903,345	(\$951,673)	\$951,672

¹ The TIF terminates in 2029 and property for assessment year 2029 will be collected in 2030.

² The amount shown for Assessment Year 2010 and Tax Collection Year 2011 is the actual, total EAV for Assessment Year 2010. EAV is projected to increase at an annual rate of one-and-a-half percent (1.5%). In 2011 the total EAV of the Redevelopment Project Area is projected to increase an additional amount to account for 6 homes which were fully constructed by January 1, 2011 but not included in the assessment of the Area for the 2010 tax year. The total EAV in 2012 includes additional value as a result of 23 homes constructed in 2011. Forty-four additional homes are expected to be constructed in each of the years 2012, 2013 and 2014. Estimated values assigned to these homes are included in the "Projected Total Assessed Valuation" for Assessment Years 2013, 2014 and 2015.

³ Each annual figure shown in this column represents total assessed valuation (including certified base values) for Sub-Area B, as shown on Plate 4 in the Appendix, which total accounts for the sale, construction and subsequent valuation by the County of 44 new single-family homes in 2012, 2013 and 2014 in this portion of the Redevelopment Project Area, which would be assessed in years 2013, 2014 and 2015. TIF Revenues generated within Sub-Area B will be available for the payment of Series 2011B Bonds.

⁴ The State of Illinois permits residents to claim a Homestead Exemption which may reduce the total assessed value of their primary residence by an amount of up to \$6,000. The State of Illinois also permits an exemption for Disabled Veterans which allows qualifying veterans to reduce the total assessed value of their primary residence by an amount of up to \$5,000 depending on their level of service-related disability. Currently, exemptions equal approximately 2.3% of the total taxable value, this ratio is applied throughout the projections under the assumption that, as new homes are built, new homeowners may qualify and take advantage property tax relief permitted by the State of Illinois.

⁵ The Base EAV shown is the total TIF Base EAV for each taxable lot, block, tract or parcel within Sub-Area A as shown on Plate 4 in the Appendix.

⁶ Per the Amended and Restated Redevelopment Agreement (the "Agreement") dated November 1, 2007, 50% of incremental property taxes shall be distributed to the taxing districts.

Table 2-6 – Series 2011B Bonds TIF Revenue Projections presents the estimated future tax increment revenues associated with the Redevelopment Project Area which will be available for repayment of Series 2011B Bonds. These incremental property tax revenues will be generated by that portion of the Redevelopment Project Area upon which construction has not yet occurred but upon which construction is expected to occur in the near-term. This portion of the Redevelopment Project Area is identified on Plate 4 – Sub-Area Map in the Appendix as Sub-Area B. With respect to Table 2-6, the following should be noted:

1. The projected revenues noted in a given “Tax Collection Year” reflect the revenues anticipated to be deposited into the Special Tax Allocation Fund prior to December 31 of the “Tax Collection Year”;
2. The increase in Projected Assessed Valuation is based upon the combination of expected home sales and remaining outlot development, as well as a one and a half percent (1.5%) annual growth factor due to appreciation in property values;
3. The analysis takes into account the projected amount of anticipated Homestead Exemptions claims;
4. The “Incremental EAV” reflects the Projected Assessed Valuation less the “Base EAV”;
5. The Tax Rate per \$100 of EAV is based on the rate for the 2010 assessment year; and
6. The total TIF Revenues deposited into the Special Tax Allocation Fund reflects the Incremental Real Property Taxes less the fifty percent (50%) retained by the City and distributed to other taxing districts.

Table 2-6
Series 2011B TIF Revenue Projections¹
Carlyle/Green Mount TIF Redevelopment Project Area
Belleville, IL

Assessment Year	Tax Collection Year	Projected Equalized Assessed Valuation ²	Exemptions ³	Base EAV ⁴	Incremental EAV	Tax Rate per \$100 of EAV	Incremental Real Property Taxes	Revenues to Taxing Districts ⁵	Total Series 2011B TIF Revenues
2010	2011	\$8,452	\$ -	(\$1,494)	\$6,958	7.1902	\$500	(\$250)	\$250
2011	2012	\$44,634	\$ -	(\$1,494)	\$43,140	7.1902	\$3,102	(\$1,551)	\$1,551
2012	2013	\$45,304	\$ (1,037)	(\$1,494)	\$42,773	7.1902	\$3,075	(\$1,538)	\$1,537
2013	2014	\$2,415,384	\$ (55,312)	(\$1,494)	\$2,358,578	7.1902	\$169,586	(\$84,793)	\$84,793
2014	2015	\$4,821,015	\$ (110,401)	(\$1,494)	\$4,709,120	7.1902	\$338,595	(\$169,298)	\$169,297
2015	2016	\$7,262,730	\$ (166,317)	(\$1,494)	\$7,094,919	7.1902	\$510,139	(\$255,070)	\$255,069
2016	2017	\$7,371,671	\$ (168,811)	(\$1,494)	\$7,201,366	7.1902	\$517,793	(\$258,897)	\$258,896
2017	2018	\$7,482,246	\$ (171,343)	(\$1,494)	\$7,309,409	7.1902	\$525,561	(\$262,781)	\$262,780
2018	2019	\$7,594,480	\$ (173,914)	(\$1,494)	\$7,419,072	7.1902	\$533,446	(\$266,723)	\$266,723
2019	2020	\$7,708,397	\$ (176,522)	(\$1,494)	\$7,530,381	7.1902	\$541,449	(\$270,725)	\$270,724
2020	2021	\$7,824,023	\$ (179,170)	(\$1,494)	\$7,643,359	7.1902	\$549,573	(\$274,787)	\$274,786
2021	2022	\$7,941,383	\$ (181,858)	(\$1,494)	\$7,758,031	7.1902	\$557,818	(\$278,909)	\$278,909
2022	2023	\$8,060,504	\$ (184,586)	(\$1,494)	\$7,874,424	7.1902	\$566,187	(\$283,094)	\$283,093
2023	2024	\$8,181,412	\$ (187,354)	(\$1,494)	\$7,992,564	7.1902	\$574,681	(\$287,341)	\$287,340
2024	2025	\$8,304,133	\$ (190,165)	(\$1,494)	\$8,112,474	7.1902	\$583,303	(\$291,652)	\$291,651
2025	2026	\$8,428,695	\$ (193,017)	(\$1,494)	\$8,234,184	7.1902	\$592,054	(\$296,027)	\$296,027
2026	2027	\$8,555,125	\$ (195,912)	(\$1,494)	\$8,357,719	7.1902	\$600,937	(\$300,469)	\$300,468
2027	2028	\$8,683,452	\$ (198,851)	(\$1,494)	\$8,483,107	7.1902	\$609,952	(\$304,976)	\$304,976
2028	2029	\$8,813,704	\$ (201,834)	(\$1,494)	\$8,610,376	7.1902	\$619,103	(\$309,552)	\$309,551
2029	2030	\$8,945,910	\$ (204,861)	(\$1,494)	\$8,739,555	7.1902	\$628,391	(\$314,196)	\$314,195

¹The TIF terminates in 2029 and property for assessment year 2029 will be collected in 2030.

²Projected Assessed Valuation is assumed to increase at an annual rate of one-and-a-half percent (1.5%). Based on current trends, this analysis projects approximately 44 home sales in each year (average 3.7 monthly) are expected to be constructed in each of the years 2012, 2013 and 2014. Estimated values assigned to these homes are included in the

"Projected Total Assessed Valuation" for Assessment Years 2013, 2014 and 2015.

³The State of Illinois permits residents to claim a Homestead Exemption which may reduce the total assessed value of their primary residence by an amount of up-to \$6,000. The State of Illinois also permits an exemption for Disabled Veterans which allows qualifying veterans to reduce the total assessed value of their primary residence by an amount of up to \$5,000 depending on their level of service-related disability. Currently, exemptions equal approximately 2.3% of the total taxable value, this ratio is applied throughout the projections under the assumption that, as new homes are built, new homeowners may qualify and take advantage property tax relief permitted by the State of Illinois.

⁴The Base EAV shown is the total TIF Base EAV for each taxable lot, block, tract or parcel within Sub-Area B as shown on Plate 4 in the Appendix.

⁵Per the Amended and Restated Redevelopment Agreement (the "Agreement") dated November 1, 2007, states that 50% of incremental property taxes shall be distributed to the taxing districts.

2.5 ECONOMIC INCENTIVE ACT REVENUES

Series 2011A EIA Revenues are all revenues that the City receives (net of collection fees and applicable early payment discounts) from the one percent (1%) sales tax levied by the State of Illinois and collected on the City's behalf from the Redevelopment Area by the Department of Revenue pursuant to the Illinois Retailers' Occupation Tax Act, 35 ILCS 120/1 et seq. and the Illinois Service Occupation Tax Act, 35 ILCS 115/1 et seq. (the 1% local portion) less the Monthly Municipal Share and less any Series 2011B EIA Revenues.

Table 2-7 – Taxable Sales in St. Clair County and the City of Belleville (2001 - 2010) shows annual retail sales in the City and St. Clair County for the period 2001 through 2010.

Table 2-7
Taxable Sales in St. Clair County and the City of Belleville (2001 - 2010) ¹
St. Clair County, IL

Year	Countywide Sales ²	Annual % Change in Adj. Sales	Citywide Sales ³	Annual % Change in Adj. Sales	CPI Index	Annual % Change in CPI
2001	2,370,479,874	N/A	558,477,842	N/A	177.04	1.4%
2002	2,370,213,541	0.0%	566,408,515	1.4%	179.87	1.6%
2003	2,411,977,291	1.8%	577,114,518	1.9%	184.00	2.3%
2004	2,493,184,163	3.4%	597,554,046	3.5%	188.91	2.7%
2005	2,587,823,043	3.8%	597,920,170	0.1%	195.27	3.4%
2006	2,721,338,830	5.2%	618,080,157	3.4%	201.56	3.2%
2007	2,790,251,216	2.5%	674,729,157	9.2%	207.34	2.9%
2008	2,661,812,955	-4.6%	704,263,826	4.4%	215.25	3.8%
2009	2,524,440,273	-5.2%	729,657,434	3.6%	214.55	-0.3%
2010	2,670,425,559	5.8%	709,932,440	-2.7%	218.08	1.6%
Average Annual Percent Increase in Countywide Taxable Sales						1.33%
Average Annual Percent Increase in Citywide Taxable Sales						2.70%
Average Annual Percent Change in CPI						2.34%

¹ Source: Illinois Department of Revenue

² Based on Countywide sales tax collections. Based on collections of the County's portion of the total state sales tax rate (6.25%), which portion is 0.25% and is referred to as the "Countywide Sales Tax."

³ Based on collections of the City's portion of the total state sales tax rate (6.25%), which portion is 1% and is referred to as the "Municipal Tax."

As Table 2-7 shows, though the local market has experienced some recent dips in retail sales it is recovering and has maintained a positive growth trajectory over the preceding ten years. Furthermore, while not reflected in the above data from IDOR, the 14 of the last 17 months have reflected a positive growth in City retail sales when compared against the same month from the prior year.

The level of growth in Citywide taxable sales shown on Table 2-7 indicates that the City retail market is expanding and continuing to capture more Countywide retail sales activity. Based on 2010 retail sales information, retail activity in the City accounts for approximately 27% of all retail activity in the County, which is an increase from 24% in 2001. In light of historical retail sales information, and the fact that the City continues to draw consumers from the surrounding County and beyond, this report assumes an annual average rate of growth of one and one-half percent (1.5%) in retail sales within the Redevelopment Project Area.

Projections of future retail sales are based on information provided by the City and other information available to PGAV. PGAV has developed assumptions concerning the projected average annual rate of growth based partly on past performance and future development activity expectations.

Table 2-8 – EIA Revenue Collection History shows the history of collected EIA Revenues.

(The remainder of this page has been intentionally left blank.)

Table 2-8
EIA Revenue Collection History^{1,2,3}
Carlyle/Green Mount Business District
Belleville, IL

Sales Month	Collection Month	Disbursement Month	Monthly EIA Revenue Collections	EIA Revenue Generated Annually
September-07	October-07	December-07	\$ 198,629	\$ 234,604
October-07	November-07	January-08	\$ 15,401	
November-07	December-07	February-08	\$ 17,684	
December-07	January-08	March-08	\$ 2,890	
January-08	February-08	April-08	\$ 1,526	
February-08	March-08	May-08	\$ 107,525	
March-08	April-08	June-08	\$ 59,576	
April-08	May-08	July-08	\$ 71,528	
May-08	June-08	August-08	\$ 54,601	
June-08	July-08	September-08	\$ 52,240	
July-08	August-08	October-08	\$ 43,204	
August-08	September-08	November-08	\$ 30,298	
September-08	October-08	December-08	\$ 32,320	\$ 648,104
October-08	November-08	January-09	\$ 40,091	
November-08	December-08	February-09	\$ 79,639	
December-08	January-09	March-09	\$ 75,556	
January-09	February-09	April-09	\$ 40,793	
February-09	March-09	May-09	\$ 41,096	
March-09	April-09	June-09	\$ 56,006	
April-09	May-09	July-09	\$ 64,654	
May-09	June-09	August-09	\$ 63,492	
June-09	July-09	September-09	\$ 57,470	
July-09	August-09	October-09	\$ 49,252	
August-09	September-09	November-09	\$ 49,643	
September-09	October-09	December-09	\$ 49,458	\$ 660,379
October-09	November-09	January-10	\$ 51,999	
November-09	December-09	February-10	\$ 55,689	
December-09	January-10	March-10	\$ 80,827	
January-10	February-10	April-10	\$ 46,224	
February-10	March-10	May-10	\$ 47,707	
March-10	April-10	June-10	\$ 60,442	
April-10	May-10	July-10	\$ 64,290	
May-10	June-10	August-10	\$ 61,792	
June-10	July-10	September-10	\$ 58,749	
July-10	August-10	October-10	\$ 53,364	
August-10	September-10	November-10	\$ 48,644	
September-10	October-10	December-10	\$ 46,794	\$ 670,636
October-10	November-10	January-11	\$ 48,248	
November-10	December-10	February-11	\$ 56,453	
December-10	January-11	March-11	\$ 77,928	
January-11	February-11	April-11	\$ 45,081	
February-11	March-11	May-11	\$ 43,106	
March-11	April-11	June-11	\$ 53,880	
April-11	May-11	July-11	\$ 57,360	
May-11	June-11	August-11	\$ 57,167	
TOTALS			\$ 2,470,317	\$ 2,470,317

¹ Source: UMB Bank account statements.

² The December 2007 disbursement is larger than other months as this disbursement represents a correction for EIA Revenues which were, in 2007, erroneously deposited to the Business District Account.

³ The Collections in the first year may have been irregular as retailers and City staff became accustomed to proper reporting and collection methods.

Table 2-9 – Series 2011A EIA Revenue Projections, presents the estimated future EIA Revenues available for the repayment of Series 2011A Bonds. With respect to Table 2-9 on the following page, the following should be noted:

1. The projected 2011 retail sales figure in the second column are estimates based historical sales performance for the retailers currently active in Green Mount Commons.

The 2011 estimate starts with a baseline derived from information provided by the City and is then grown 1.5%. This report assumes growth through 2011 as any factor negatively affecting sales activity will have been resolved.

The slight decline in sales over the last year and a half, as indicated by the Monthly EIA Revenue Collections column in Table 2-8, is consistent with the decline in same-store sales experienced by Walmart, nationwide, over the past several quarters. This decline is widely recognized as having occurred as a result of an unsuccessful marketing campaign implemented a few years ago. The "Save Money – Live Better" marketing campaign involved both a reduction in item count, in order to de-clutter stores and improve the shopping experience, and a selective competitive pricing strategy focused on promoting only select items. While this campaign represented an effort to appeal to a broader segment of the market, the reduction in the assortment of merchandise and a straying from Walmart's comprehensive competitive pricing only served to disappoint the established customer base. In April 2011, Walmart announced its return to the "Every Day Low Prices" strategy that had been the foundation of its success.¹ Item count has been increased by 8,500 items, an eleven percent (11%) increase, and a renewed commitment to comprehensive competitive pricing has been made through a price matching policy on all items. While winning back former customers may take some time, the change in strategy has already been reflected in an improvement in same-store sales in each month of the second quarter of 2011 and a forecast by Walmart of positive same-store sales growth through the remainder of 2011.² As such, this Report reflects the belief that the recent decline in sales represents a temporary condition resulting from an unsuccessful strategy that has since been abandoned, and that, for the purposes of long-term projections, the growth assumptions used in this Report are reasonable;

¹ "Wal-Mart Ads Try To Woo Shoppers With 'Low Prices Every Day'," MSNBC. April 11, 2011

² "Wal-Mart U.S. Sales Start To Perk Up, As Do Shares," Reuters. August 16, 2011

2. Projected retail sales included projected sales for all retail operations within the Redevelopment Project Area, Series 2011B EIA Revenues are subtracted from the total EIA Revenues generated within the Redevelopment Project Area to arrive at projected annual Series 2011A EIA Revenues.
3. Sales are projected to grow at a rate of one-and-a-half percent (1.5%) annually;
In light of the fact that countywide retail sales have grown at an average annual rate of 1.33% over the previous 10 years, and citywide retail sales have grown at an average annual rate of 1.5% over the previous 10 years, an assumption of annual average growth at a rate of 1.5% seems reasonable as it is within the range of historical growth in retail sales indicated by the local economy.
4. All projections of EIA Revenues are net of the one and three-quarter percent (1.75%) retailer discount for tax preparation and record-keeping expenses permitted by IDOR and Illinois statutes.

(The remainder of this page has been intentionally left blank.)

Table 2-9
Series 2011A Bonds EIA Revenue Projections¹
Carlisle/Green Mount TIF Redevelopment Project Area
Belleville, IL

Tax Collection Year ²	Projected Sales	Less Series 2011B Sales ³	Net Series 2011A EIA Sales	EIA Sales Tax Rate	Series 2011A EIA Sales Tax Revenues ⁴	Less Municipal Share ⁵	Series 2011A EIA Revenues
2011	\$137,452,315	\$0	\$137,452,315	1.00%	\$1,350,469	(\$648,000)	\$702,469
2012	\$140,764,102	(\$1,250,000)	\$139,514,102	1.00%	\$1,370,726	(\$648,000)	\$722,726
2013	\$144,106,814	(\$2,500,000)	\$141,606,814	1.00%	\$1,391,287	(\$648,000)	\$743,287
2014	\$146,268,416	(\$2,537,500)	\$143,730,916	1.00%	\$1,412,156	(\$648,000)	\$764,156
2015	\$148,462,442	(\$2,575,563)	\$145,886,879	1.00%	\$1,433,339	(\$648,000)	\$785,339
2016	\$150,689,379	(\$2,614,196)	\$148,075,183	1.00%	\$1,454,839	(\$648,000)	\$806,839
2017	\$152,949,720	(\$2,653,409)	\$150,296,311	1.00%	\$1,476,661	(\$648,000)	\$828,661
2018	\$155,243,966	(\$2,693,210)	\$152,550,756	1.00%	\$1,498,811	(\$648,000)	\$850,811
2019	\$157,572,625	(\$2,733,608)	\$154,839,017	1.00%	\$1,521,293	(\$648,000)	\$873,293
2020	\$159,936,214	(\$2,774,612)	\$157,161,602	1.00%	\$1,544,113	(\$648,000)	\$896,113
2021	\$162,335,257	(\$2,816,231)	\$159,519,026	1.00%	\$1,567,274	(\$648,000)	\$919,274
2022	\$164,770,286	(\$2,858,474)	\$161,911,812	1.00%	\$1,590,784	(\$648,000)	\$942,784
2023	\$167,241,840	(\$2,901,351)	\$164,340,489	1.00%	\$1,614,645	(\$648,000)	\$966,645
2024	\$169,750,468	(\$2,944,871)	\$166,805,597	1.00%	\$1,638,865	(\$648,000)	\$990,865
2025	\$172,296,725	(\$2,989,044)	\$169,307,681	1.00%	\$1,663,448	(\$648,000)	\$1,015,448
2026	\$174,881,176	(\$3,033,880)	\$171,847,296	1.00%	\$1,688,400	(\$648,000)	\$1,040,400
2027	\$177,504,394	(\$3,079,388)	\$174,425,006	1.00%	\$1,713,726	(\$648,000)	\$1,065,726
2028	\$180,166,960	(\$3,125,579)	\$177,041,381	1.00%	\$1,739,432	(\$648,000)	\$1,091,432
2029	\$182,869,464	(\$3,172,463)	\$179,697,001	1.00%	\$1,765,523	(\$648,000)	\$1,117,523
2030	\$185,612,506	(\$3,220,050)	\$182,392,456	1.00%	\$1,792,006	(\$648,000)	\$1,144,006
2031	\$188,396,694	(\$3,268,351)	\$185,128,343	1.00%	\$1,818,886	(\$648,000)	\$1,170,886
2032	\$191,222,644	(\$3,317,376)	\$187,905,268	1.00%	\$1,846,169	(\$648,000)	\$1,198,169
2033	\$194,090,984	(\$3,367,137)	\$190,723,847	1.00%	\$1,873,862	(\$648,000)	\$1,225,862
2034	\$197,002,349	(\$3,417,644)	\$193,584,705	1.00%	\$1,901,970	(\$648,000)	\$1,253,970
2035	\$199,957,384	(\$3,468,909)	\$196,488,475	1.00%	\$1,930,499	(\$648,000)	\$1,282,499
2036	\$202,956,745	(\$3,520,943)	\$199,435,802	1.00%	\$1,959,457	(\$648,000)	\$1,311,457
2037	\$206,001,096	(\$3,573,757)	\$202,427,339	1.00%	\$1,988,849	(\$648,000)	\$1,340,849
2038	\$209,091,112	(\$3,627,363)	\$205,463,749	1.00%	\$2,018,681	(\$648,000)	\$1,370,681
2039	\$212,227,479	(\$3,681,773)	\$208,545,706	1.00%	\$2,048,962	(\$648,000)	\$1,400,962
2040	\$215,410,891	(\$3,737,000)	\$211,673,891	1.00%	\$2,079,696	(\$648,000)	\$1,431,696
2041	\$218,642,054	(\$3,793,055)	\$214,848,999	1.00%	\$2,110,891	(\$648,000)	\$1,462,891

¹ Sales are projected to increase 1.5% on an average annual basis. Sales in 2012 and 2013 show an additional increase as Chick-Fil-A opens in July 2012 and its sales ramp-up.

² Pursuant to the Economic Incentive Act ("EIA") and Ordinance No. 6819 of the City, the City covenants and agrees to deposit all EIA Revenues to the City Sales Tax Allocation Fund and apply such monies to repayment of the Bonds. The EIA Revenues are the City's local, one percent (1%), portion of the state sales tax rate. The City's obligation to transfer EIA Revenues terminates December 15, 2041.

³ The projected Series 2011B Sales are those retail sales generated from Sub-Area B shown on the Sub-Area Map in the Appendix a portion of which is planned for the development of a Chick-Fil-A restaurant which will be the only business generating EIA Revenues for the repayment of Series 2011B Bonds.

⁴ EIA Sales Tax Revenue is net of the State of Illinois' 1.75% retailer's allowance for tax preparation and record-keeping expenses.

⁵ The Municipal Share is an annual amount pledged from EIA Revenues of \$648,000.

Table 2-10 – Series 2011B EIA Revenue Projections, presents the estimated future EIA Revenues available for the repayment of Series 2011B Bonds. With respect to Table 2-5 on the following page, the following should be noted:

1. The projected 2011 retail sales figure in the second column are estimates based historical sales performance;
2. Projected retail sales shown are for a Chik-Fil-A restaurant which is expected to commence operations on July 1, 2012, and which will be built on the remaining outlot shown in Sub-Area B on Plate 4 in the Appendix.
3. Sales are projected to grow at a rate of one-and-a-half percent (1.5%) annually;
In light of the fact that countywide retail sales have grown at an average annual rate of 1.33% over the previous 10 years, and citywide retail sales have grown at an average annual rate of 1.5% over the previous 10 years, an assumption of annual average growth at a rate of 1.5% seems reasonable as it is within the range of historical growth in retail sales indicated by the local economy.
4. All projections of EIA Revenues are net of the one and three-quarter percent (1.75%) retailer discount for tax preparation and record-keeping expenses permitted by IDOR and Illinois statutes.

(The remainder of this page has been intentionally left blank.)

Table 2-10
Series 2011B Bonds EIA Revenue Projections¹
Carlyle/Green Mount TIF Redevelopment Project Area
Belleville, IL

Tax Collection Year ²	Projected Sales	EIA Sales Tax Rate	EIA Sales Tax Revenues ³
2011	\$0	1.00%	\$0
2012	\$1,250,000	1.00%	\$12,281
2013	\$2,500,000	1.00%	\$24,563
2014	\$2,537,500	1.00%	\$24,931
2015	\$2,575,563	1.00%	\$25,305
2016	\$2,614,196	1.00%	\$25,684
2017	\$2,653,409	1.00%	\$26,070
2018	\$2,693,210	1.00%	\$26,461
2019	\$2,733,608	1.00%	\$26,858
2020	\$2,774,612	1.00%	\$27,261
2021	\$2,816,231	1.00%	\$27,669
2022	\$2,858,474	1.00%	\$28,085
2023	\$2,901,351	1.00%	\$28,506
2024	\$2,944,871	1.00%	\$28,933
2025	\$2,989,044	1.00%	\$29,367
2026	\$3,033,880	1.00%	\$29,808
2027	\$3,079,388	1.00%	\$30,255
2028	\$3,125,579	1.00%	\$30,709
2029	\$3,172,463	1.00%	\$31,169
2030	\$3,220,050	1.00%	\$31,637
2031	\$3,268,351	1.00%	\$32,112
2032	\$3,317,376	1.00%	\$32,593
2033	\$3,367,137	1.00%	\$33,082
2034	\$3,417,644	1.00%	\$33,578
2035	\$3,468,909	1.00%	\$34,082
2036	\$3,520,943	1.00%	\$34,593
2037	\$3,573,757	1.00%	\$35,112
2038	\$3,627,363	1.00%	\$35,639
2039	\$3,681,773	1.00%	\$36,173
2040	\$3,737,000	1.00%	\$36,716
2041	\$3,793,055	1.00%	\$37,267

¹ Sales are projected to increase 1.5% on an average annual basis. These sales projections are specific to the planned Chick-Fil-A restaurant only, which is projected to commence operations in July 2012, as this is the only planned retail establishment in Sub-Area B.

² Pursuant to the Economic Incentive Act ("EIA") and Ordinance No. 6819 of the City, the City covenants and agrees to deposit all EIA Revenues to the City Sales Tax Allocation Fund and apply such monies to repayment of the Bonds. The EIA Revenues are the City's local, one percent (1%), portion of the state sales tax rate.

³ EIA Sales Tax Revenue is net of the State of Illinois' 1.75% retailer's allowance for tax preparation and record-keeping expenses.

2.6 PROJECTED TOTAL STATUTORY REVENUES FOR SERIES 2011A BONDS AND SERIES 2011B BONDS

No private, independent market study has been prepared or provided to PGAV. Assumptions have been made regarding the performance of the occupants of the Redevelopment Area based on information provided to PGAV. The actual tax revenues generated will vary from these projections.

Table 2-11 - Summary of Revenues Available for the Retirement of Series 2011A Bonds displays the TIF Revenues and EIA Revenues that are projected to be available to be applied toward payment of debt service on the Series 2011A Bonds. The first column identifies the calendar year; the second column displays the projected TIF Revenues; the third column displays the projected EIA Revenues; the fourth column totals columns two and three; the fourth column shows the contribution to Series 2011A Bonds from Business District Revenues, and the final column sums the total of each stream of revenues available for the retirement of the Series 2011A Bonds.

EIA Revenues and TIF Revenues from Chick-Fil-A and from the undeveloped portion of the planned residential area are not available to pay debt service on Series 2011A Bonds. EIA Revenues and TIF Revenues from Chick-Fil-A and from the undeveloped portion of the residential area are available to pay debt service on Series 2011B Bonds. Revenues available to pay debt service on Series 2011B Bonds are shown in **Table 2-12 – Summary of Revenues Available for the Retirement of Series 2011B Bonds**.

(The remainder of this page has been intentionally left blank.)

Table 2-11
Summary of Revenues Available for the Retirement of Series 2011A Bonds¹
Carlyle/Green Mount TIF Redevelopment Project Area
Belleville, IL

Calendar Year	TIF Revenues	EIA Revenues	TIF + EIA Revenues	Business District Contribution ²	Total Revenues
2011	\$667,875	\$702,469	\$1,370,344	\$0	\$1,370,344
2012	\$684,739	\$722,726	\$1,407,465	\$133,709	\$1,541,174
2013	\$738,616	\$743,287	\$1,481,903	\$140,781	\$1,622,684
2014	\$749,712	\$764,156	\$1,513,868	\$143,817	\$1,657,685
2015	\$760,974	\$785,339	\$1,546,313	\$146,900	\$1,693,213
2016	\$772,406	\$806,839	\$1,579,245	\$150,028	\$1,729,273
2017	\$784,008	\$828,661	\$1,612,669	\$153,204	\$1,765,873
2018	\$795,785	\$850,811	\$1,646,596	\$156,427	\$1,803,023
2019	\$807,739	\$873,293	\$1,681,032	\$159,698	\$1,840,730
2020	\$819,871	\$896,113	\$1,715,984	\$160,000	\$1,875,984
2021	\$832,186	\$919,274	\$1,751,460	\$160,000	\$1,911,460
2022	\$844,685	\$942,784	\$1,787,469	\$160,000	\$1,947,469
2023	\$857,372	\$966,645	\$1,824,017	\$160,000	\$1,984,017
2024	\$870,250	\$990,865	\$1,861,115	\$160,000	\$2,021,115
2025	\$883,320	\$1,015,448	\$1,898,768	\$160,000	\$2,058,768
2026	\$896,586	\$1,040,400	\$1,936,986	\$160,000	\$2,096,986
2027	\$910,052	\$1,065,726	\$1,975,778	\$160,000	\$2,135,778
2028	\$923,719	\$1,091,432	\$2,015,151	\$160,000	\$2,175,151
2029	\$937,592	\$1,117,523	\$2,055,115	\$0	\$2,055,115
2030	\$951,672	\$1,144,006	\$2,095,678	\$0	\$2,095,678
2031	\$0	\$1,170,886	\$1,170,886	\$0	\$1,170,886
2032	\$0	\$1,198,169	\$1,198,169	\$0	\$1,198,169
2033	\$0	\$1,225,862	\$1,225,862	\$0	\$1,225,862
2034	\$0	\$1,253,970	\$1,253,970	\$0	\$1,253,970
2035	\$0	\$1,282,499	\$1,282,499	\$0	\$1,282,499
2036	\$0	\$1,311,457	\$1,311,457	\$0	\$1,311,457
2037	\$0	\$1,340,849	\$1,340,849	\$0	\$1,340,849
2038	\$0	\$1,370,681	\$1,370,681	\$0	\$1,370,681
2039	\$0	\$1,400,962	\$1,400,962	\$0	\$1,400,962
2040	\$0	\$1,431,696	\$1,431,696	\$0	\$1,431,696
2041	\$0	\$1,462,891	\$1,462,891	\$0	\$1,462,891
TOTAL	\$16,489,159	\$32,717,719	\$49,206,878	\$2,624,564	\$51,831,442

¹ These projections represent revenues generated by year-end, not time of receipt and deposit to the Special Tax Allocation Fund.

² Pursuant to the Indenture, the Business District contribution is the lesser of \$80,000 or 9.5% (not to exceed \$160,000 annually) of the sum of TIF Revenues and EIA Revenues transferred for the biannual payments of interest on the Series 2011A Bonds. The Business District terminates January 11, 2029.

Table 2-12
Summary of Revenues Available for the Retirement of Series
2011B Bonds¹
Carlyle/Green Mount TIF Redevelopment Project Area
Belleville, IL

Calendar Year	TIF Revenues	EIA Revenues	TIF + EIA Revenues
2011	\$250	\$0	\$250
2012	\$1,551	\$12,281	\$13,832
2013	\$1,537	\$24,563	\$26,100
2014	\$84,793	\$24,931	\$109,724
2015	\$169,297	\$25,305	\$194,602
2016	\$255,069	\$25,684	\$280,753
2017	\$258,896	\$26,070	\$284,966
2018	\$262,780	\$26,461	\$289,241
2019	\$266,723	\$26,858	\$293,581
2020	\$270,724	\$27,261	\$297,985
2021	\$274,786	\$27,669	\$302,455
2022	\$278,909	\$28,085	\$306,994
2023	\$283,093	\$28,506	\$311,599
2024	\$287,340	\$28,933	\$316,273
2025	\$291,651	\$29,367	\$321,018
2026	\$296,027	\$29,808	\$325,835
2027	\$300,468	\$30,255	\$330,723
2028	\$304,976	\$30,709	\$335,685
2029	\$309,551	\$31,169	\$340,720
2030	\$314,195	\$31,637	\$345,832
2031	\$0	\$32,112	\$32,112
2032	\$0	\$32,593	\$32,593
2033	\$0	\$33,082	\$33,082
2034	\$0	\$33,578	\$33,578
2035	\$0	\$34,082	\$34,082
2036	\$0	\$34,593	\$34,593
2037	\$0	\$35,112	\$35,112
2038	\$0	\$35,639	\$35,639
2039	\$0	\$36,173	\$36,173
2040	\$0	\$36,716	\$36,716
2041	\$0	\$37,267	\$37,267
TOTAL	\$4,512,616	\$896,499	\$5,409,115

¹ These projections represent revenues generated by year-end, not time of receipt and deposit to the Special Tax Allocation Fund.

2.7 BUSINESS DISTRICT TAX REVENUES

As described in Section 1, the City established the Business District by ordinance on January 11, 2006. The City, by ordinance, imposed an additional one percent (1%) Business District Tax on all retail sales within the boundaries of the Business District. The first month in which collections were received was March 2007, which collections were based on sales conducted in February 2007. **Table 2-13 – Business District Sales Tax Collection History** shows historic monthly collections from March 2007 through July 2011.

(The remainder of this page has been intentionally left blank.)

Table 2-13
Business District Sales Tax Collection History¹
Carlyle/Green Mount Business District
Belleville, IL

Sales Month	Collection Month	Disbursement Month	Monthly Business District Sales Tax Collections	Business District Sales Taxes Generated Annually
February-07	March-07	May-07	\$ 14,784	
March-07	April-07	June-07	\$ 40,314	
April-07	May-07	July-07	\$ 23,200	
May-07	June-07	August-07	\$ 25,565	
June-07	July-07	September-07	\$ 29,262	
July-07	August-07	October-07	\$ 20,409	
August-07	September-07	November-07	\$ 17,792	
September-07	October-07	December-07	\$ 27,339	
October-07	November-07	January-08	\$ 15,401	
November-07	December-07	February-08	\$ 17,684	
December-07	January-08	March-08	\$ 2,890	\$ 234,640
January-08	February-08	April-08	\$ 1,526	
February-08	March-08	May-08	\$ 107,525	
March-08	April-08	June-08	\$ 69,576	
April-08	May-08	July-08	\$ 71,528	
May-08	June-08	August-08	\$ 82,504	
June-08	July-08	September-08	\$ 77,257	
July-08	August-08	October-08	\$ 71,896	
August-08	September-08	November-08	\$ 73,384	
September-08	October-08	December-08	\$ 69,276	
October-08	November-08	January-09	\$ 65,162	
November-08	December-08	February-09	\$ 79,639	
December-08	January-09	March-09	\$ 98,374	\$ 867,647
January-09	February-09	April-09	\$ 64,289	
February-09	March-09	May-09	\$ 66,868	
March-09	April-09	June-09	\$ 77,915	
April-09	May-09	July-09	\$ 80,937	
May-09	June-09	August-09	\$ 86,989	
June-09	July-09	September-09	\$ 82,396	
July-09	August-09	October-09	\$ 73,905	
August-09	September-09	November-09	\$ 73,226	
September-09	October-09	December-09	\$ 73,736	
October-09	November-09	January-10	\$ 73,793	
November-09	December-09	February-10	\$ 79,205	
December-09	January-10	March-10	\$ 101,884	\$ 935,142
January-10	February-10	April-10	\$ 66,902	
February-10	March-10	May-10	\$ 71,061	
March-10	April-10	June-10	\$ 82,322	
April-10	May-10	July-10	\$ 87,583	
May-10	June-10	August-10	\$ 83,357	
June-10	July-10	September-10	\$ 82,672	
July-10	August-10	October-10	\$ 75,624	
August-10	September-10	November-10	\$ 70,944	
September-10	October-10	December-10	\$ 71,246	
October-10	November-10	January-11	\$ 70,457	
November-10	December-10	February-11	\$ 80,231	
December-10	January-11	March-11	\$ 98,402	\$ 940,801
January-11	February-11	April-11	\$ 64,499	
February-11	March-11	May-11	\$ 67,820	
March-11	April-11	June-11	\$ 75,580	
April-11	May-11	July-11	\$ 79,502	
May-11	June-11	August-11	\$ 79,432	
June-11	July-11	September-11	\$ 79,498	\$ 446,331
			\$ 3,424,562	\$ 3,424,562

¹ Source: Illinois Department of Revenue

Table 2-14 – Business District Sales Tax Revenue Projections presents the estimated future Business District Revenues and projects the estimated amount of Business District Revenues that will be available to be applied to the repayment of debt service on the Series 2011C Bonds. With respect to Table 2-7, the following points should be noted:

1. The projected 2011 retail sales figures in the second column are based on the trailing twelve-month period of sales tax collections through April 2011;
2. Sales are projected to grow at an average annual rate of one and a half percent (1.5%) annually;
3. All projections of Business District Revenues are net of the one and three-quarter percent (1.75%) retailer discount for tax preparation and record-keeping expenses permitted by IDOR and Illinois statutes.
4. All projections of Business District Revenues are net of the two percent (2%) collection fee retained by the State.
5. A portion of the Business District Revenues are pledged to the Series 2011A Bonds in the amount of nine and one-half percent (9.5%) of the total combined TIF Revenues and EIA Revenues collected in any one year, but not to exceed \$160,000 in any one year.

The Business District terminates January 11, 2029.

(The remainder of this page has been intentionally left blank.)

Table 2-14
Business District Sales Tax Revenue Projections ¹
Series 2011C Bonds
Carlyle/Green Mount TIF Redevelopment Project Area
Belleville, IL

Tax Collection Year	Estimated Annual Sales²	Business District Sales Tax Rate	Less Contribution to Series 2011A Bonds³	Business District Revenues⁴
2011	\$ 97,869,954	1.00%	\$ -	\$ 942,342
2012	\$ 100,588,006	1.00%	\$ (133,709)	\$ 834,802
2013	\$ 103,328,076	1.00%	\$ (140,781)	\$ 854,114
2014	\$ 104,877,997	1.00%	\$ (143,817)	\$ 866,000
2015	\$ 106,451,167	1.00%	\$ (146,900)	\$ 878,065
2016	\$ 108,047,935	1.00%	\$ (150,028)	\$ 890,312
2017	\$ 109,668,654	1.00%	\$ (153,204)	\$ 902,741
2018	\$ 111,313,684	1.00%	\$ (156,427)	\$ 915,357
2019	\$ 112,983,389	1.00%	\$ (159,698)	\$ 928,163
2020	\$ 114,678,140	1.00%	\$ (160,000)	\$ 944,178
2021	\$ 116,398,312	1.00%	\$ (160,000)	\$ 960,741
2022	\$ 118,144,287	1.00%	\$ (160,000)	\$ 977,553
2023	\$ 119,916,451	1.00%	\$ (160,000)	\$ 994,616
2024	\$ 121,715,198	1.00%	\$ (160,000)	\$ 1,011,935
2025	\$ 123,540,926	1.00%	\$ (160,000)	\$ 1,029,513
2026	\$ 125,394,040	1.00%	\$ (160,000)	\$ 1,047,356
2027	\$ 127,274,951	1.00%	\$ (160,000)	\$ 1,065,467
2028	\$ 129,184,075	1.00%	\$ (160,000)	\$ 1,083,849
TOTAL			\$ (2,624,564)	\$ 17,127,104

¹ Sales are projected to increase 1.5% on an average annual basis. Sales in 2012 and 2013 show an additional increase as Chick-Fil-A opens in July 2012 and its sales ramp-up.

² The Business District collects taxes paid on retail sales excluding food, drug and medical purchases. The Business District Sales Tax terminates January 11, 2029.

³ Pursuant to the Indenture, the Business District contribution is the lesser of \$80,000 or 9.5% (not to exceed \$160,000 annually) of the sum of TIF Revenues and EIA Revenues transferred for the biannual payments of interest on the Series 2011A Bonds.

⁴ Business District Sales Tax Revenues are net of both of the State of Illinois' 1.75% retailer's allowance for tax preparation and record-keeping expenses and 2% Business District administration fee.

SECTION 3

CONDITIONS AND ASSUMPTIONS

The conditions and assumptions that apply to the revenue projections in this document are stated throughout. A negative change in the conditions that form the basis of the assumptions used in developing the projections contained in this Report could adversely affect the estimates of the incremental revenue available to support the Bonds. In order to project future sales, and hence, the revenues that may be generated within the Redevelopment Project Area, certain assumptions must be made with regard to actions, both internal and external to the Redevelopment Project, such as actions by private businesses and land owners, national and local economic conditions, public support, and legislative changes. The contents of this document are forward-looking and involve certain assumptions and judgments regarding uncertainties in the future.

The ability to achieve the revenue projections presented in this evaluation is contingent upon the timing and probability of a number of complex conditions being met in the future and certain assumptions holding true. PGAV makes no assertions as to the degree of impact that changes in any of these conditions would have upon the revenue projections included herein. Any event or action that alters an assumed event, assumption, or condition used to achieve the projections contained herein shall be considered a cause to void all financial projections contained in this Report. These assumptions include such conditions as listed below.

3.1. REDEVELOPMENT PROJECT

It is assumed that the Redevelopment Project will continue to operate with the existing tenants or tenants of comparable quality and tax generation capacity throughout the life of the Bonds.

3.2. REAL PROPERTY TAX RATES AND THE BELLEVILLE TOWNSHIP MULTIPLIER

Real property tax rates are set by multiple independent taxing districts. Changes in a given jurisdiction rate that lowers the levy amount will negatively impact the amount of TIF Revenues generated by the Project. The Belleville Township multiplier is determined by other factors outside of the TIF boundary, and should this multiplier decrease, it could negatively impact the amount of TIF Revenues generated by the Redevelopment Project.

3.3. ASSESSED VALUE APPEALS

Any successful appeal of the assessed value of property located in the Redevelopment Project Area could have a negative impact on the amount of TIF Revenues generated.

3.4. FAILURE TO PAY

Any failure to pay the real property taxes owed on the property within the Redevelopment Project Area will have a negative impact on the amount of TIF Revenues generated by the Redevelopment Project.

3.5. CONTINUED PUBLIC SUPPORT

The successful ongoing implementation of the Redevelopment Project will require the commitment of the Belleville City Council, the Mayor, and City staff, without which many essential tasks of administering the TIF and allocating the funds towards the retirement of the Bonds would be hindered or brought to a halt. Likewise, it is assumed that the Illinois legislature will not make any changes to the TIF, EIA or Business District Acts or related statutes or pass other legislation that will negatively affect the Redevelopment Plan and/or Redevelopment Project in existence prior to such changes or legislation.

3.6. COURT ACTION

The results of future court decisions, unknown at this time, could impact, either positively or negatively, implementation of the Redevelopment Project as envisioned.

3.7. COMPETENT STAFF SUPPORT

The future success of the implementation of the Redevelopment Project will depend to a great degree on the presence of competent support of a number of entities to execute the administrative duties required by the Redevelopment Agreement and the City's own adopted procedures. These entities include:

- City management, staff and consultants;
- the Developer; and
- the State of Illinois Department of Revenue.

3.8. NATURAL DISASTERS

Future success of the Redevelopment Project could be affected by fires, floods, storms, or other "Acts of God" which could alter the value of existing physical improvements in the Redevelopment Project Area and have a negative impact on the revenue stream.

3.9. ECONOMIC AND MARKET STABILITY

National, regional, and local economic stability will need to prevail over the life of the TIF and continue to support the need for retail uses at this location. In addition, prolonged labor strikes or terrorist attacks at the national, regional, or local level could adversely affect the business environment or business productivity at this location.

3.10. REVENUE GROWTH ASSUMPTIONS

This document makes assumptions about the future growth of tax-generating values and related revenues of the Redevelopment Project Area. These assumptions are:

1. Total real property assessed values (for taxation purposes) are projected to increase one-and-a-half percent (1.5%) each year as a result of the application of the township multiplier; and
2. Retail sales are projected to increase one-and-a-half percent (1.5%) on an average annual basis.

APPENDIX

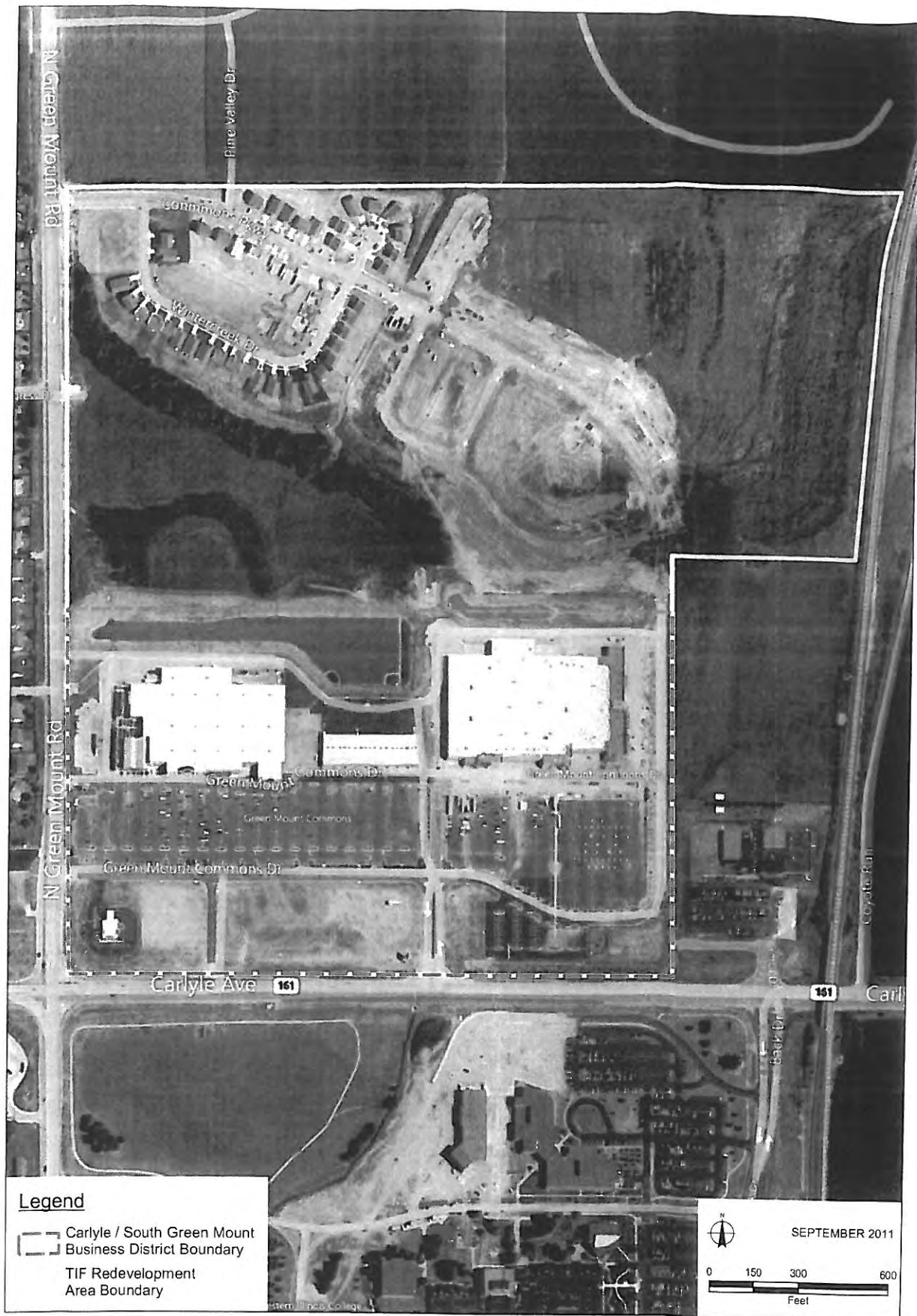


Plate 1 - Redevelopment Area &
Business District Boundaries
Carlyle / Green Mount Redevelopment Project
Bond Revenue Study

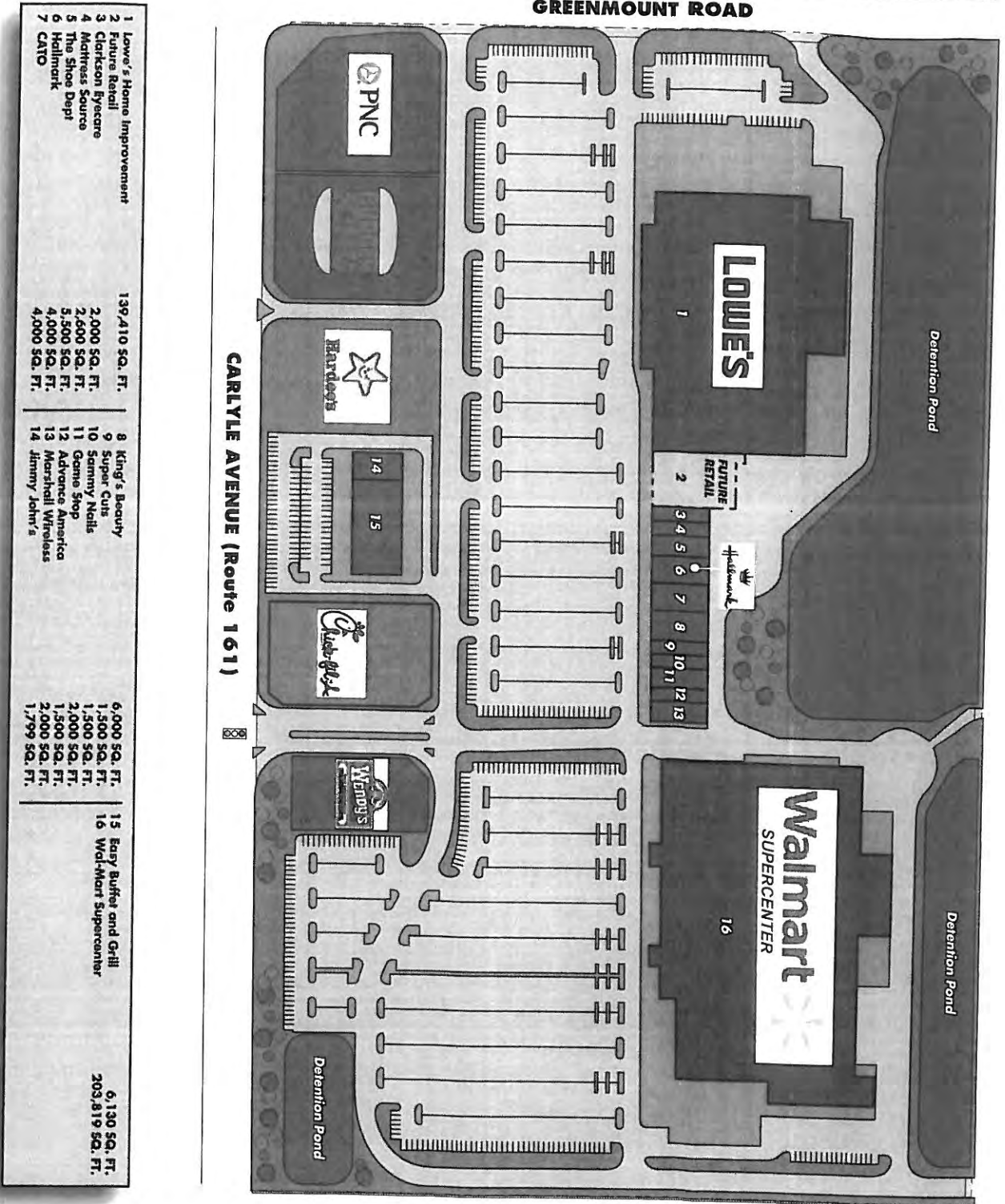


PGAVPLANNERS

GREEN MOUNT COMMONS

Belleville, Illinois

Updated: 04/08/11



CARLYLE AVENUE (Route 161)

GREENMOUNT ROAD

1	Lowe's Home Improvement	139,410 SQ. FT.	8	King's Beauty	6,000 SQ. FT.	15	Easy Buffet and Grill	6,130 SQ. FT.
2	Future Retail		9	Super Cuts	1,500 SQ. FT.	16	Wal-Mart Supercenter	203,819 SQ. FT.
3	Clarkson Eyecare	2,000 SQ. FT.	10	Semmy Nails	1,500 SQ. FT.			
4	Matthias Source	2,600 SQ. FT.	11	Game Shop	2,000 SQ. FT.			
5	The Shoe Dept	5,500 SQ. FT.	12	Advance America	1,500 SQ. FT.			
6	Hallmark	4,000 SQ. FT.	13	Marshall Wireless	2,000 SQ. FT.			
7	CATO	4,000 SQ. FT.	14	Jimmy John's	1,799 SQ. FT.			



ITI
 SUMMARY
 383,788 SQ. FT.

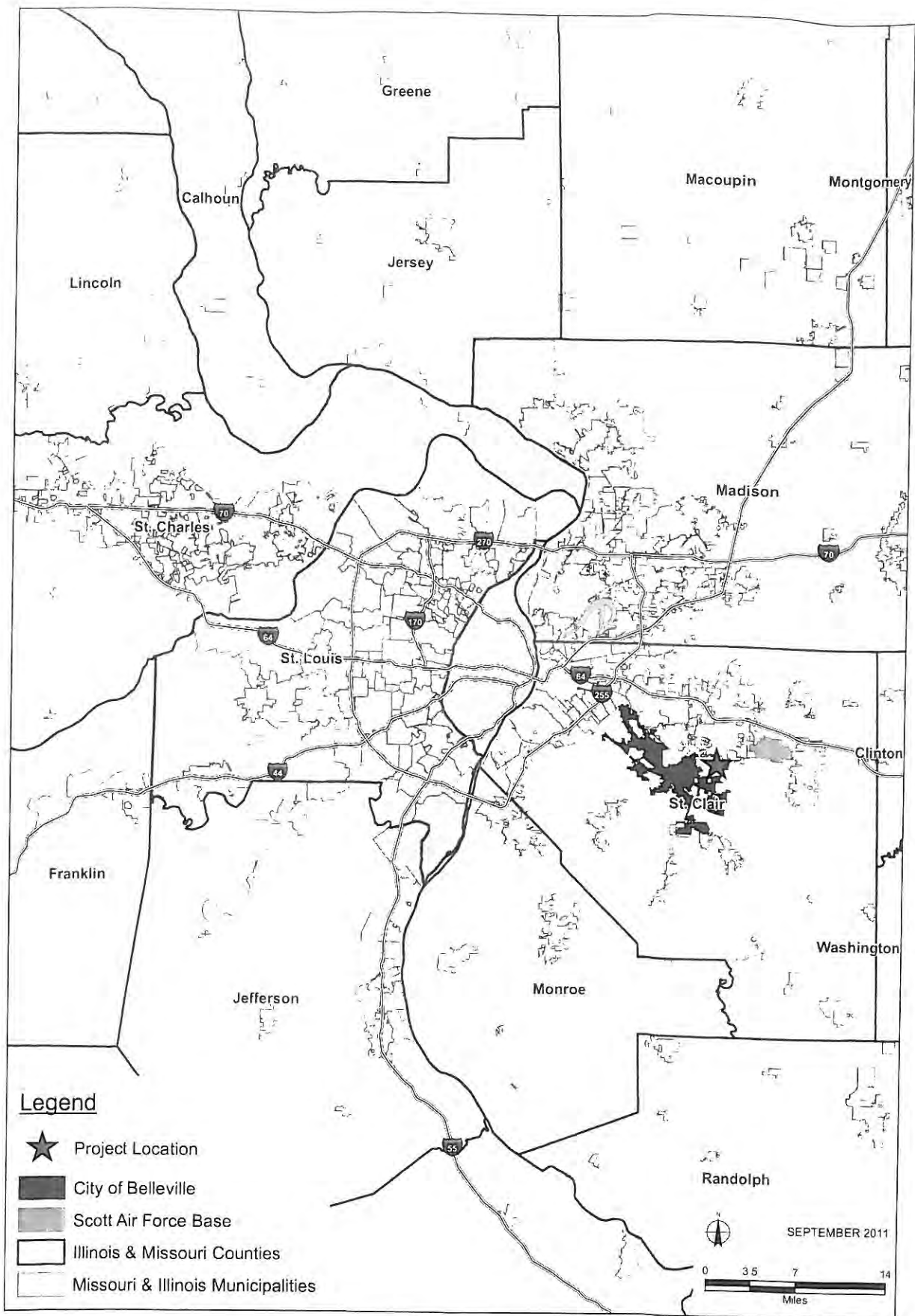


Plate 3 - Regional Context Map

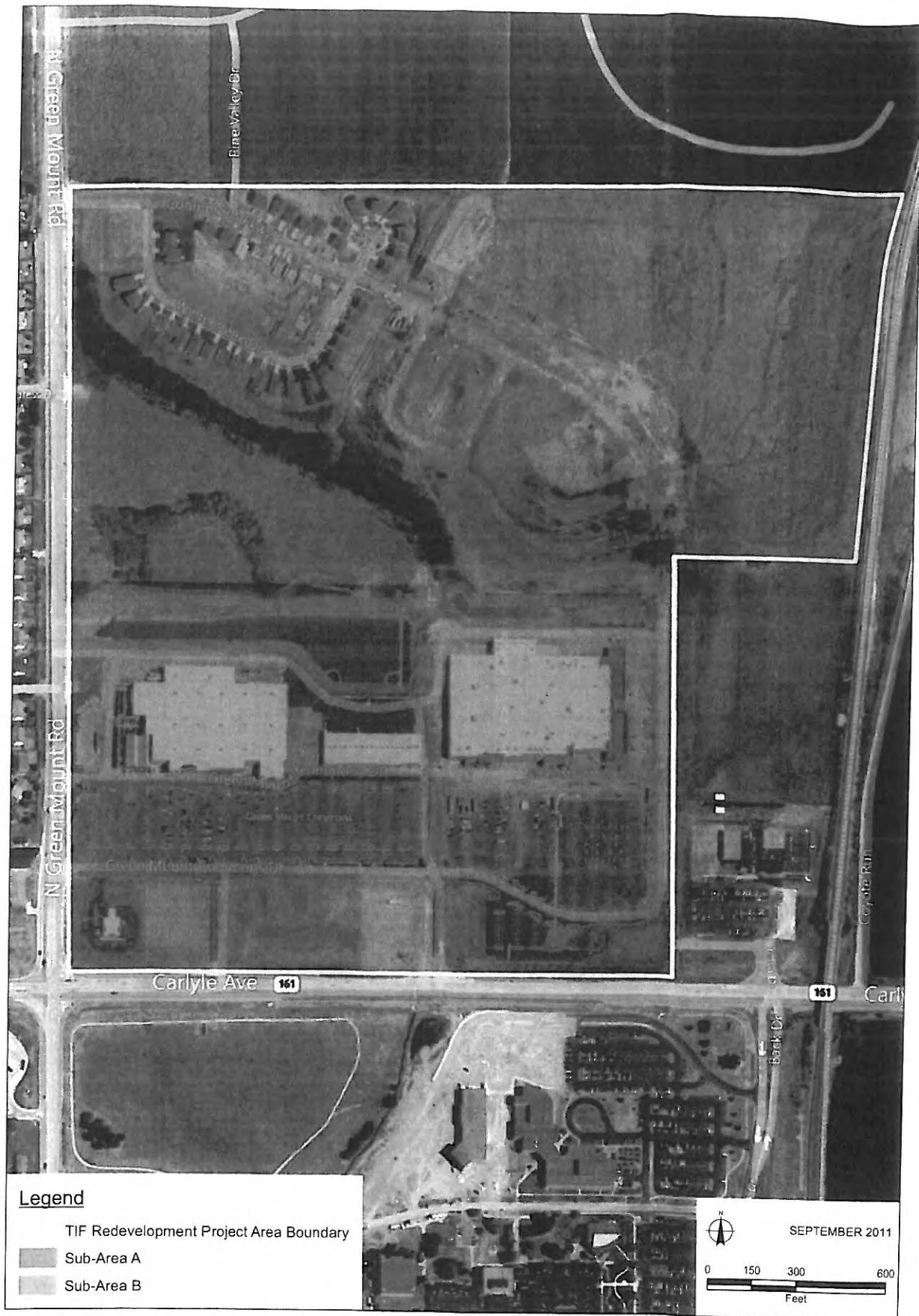


Plate 4 - Sub-Area Map

Carlyle / Green Mount Redevelopment Project
Bond Revenue Study

TIF Parcel Report by TIF District
ST. CLAIR County
Excludes Deleted Parcels
Current Values

TOTAL P.01

16182778783

Parcel Number	Parcel Deleted Year	TIF Base Year	Taxable Value	Net Value	TIF Base Value	Value to Districts	TIF Increment	Exemption Amount	Total Assessment
TIFB15 - CARLYLE/GR MNT T.I.F.									
09-19.0-111-007	2011	02047	0	35,696	0	0	35,696	0	35,696
09-19.0-111-008		02047	0	51,336	44	44	51,292	0	51,336
09-19.0-111-009		02047	0	23,244	22	22	23,222	0	23,244
09-19.0-111-010		02047	0	17,230	22	22	17,208	2,153	19,383
09-19.0-111-011		02047	0	22,155	22	22	22,133	2,926	25,081
09-19.0-111-012		02047	0	14,591	22	22	14,569	0	14,591
09-19.0-111-013		02047	0	30,565	22	22	30,543	0	30,565
09-19.0-111-014		02047	0	12,008	22	22	11,987	0	12,008
09-19.0-111-015		02047	0	381	22	22	359	0	381
09-19.0-111-016		02047	0	35,883	14	14	35,869	0	35,883
Tax District Totals:		Parcel Count:	142	18,616,718	32,370	30,979	18,585,739	437,084	19,053,802
Report Grand Totals:		Parcel Count:	142	18,616,718	32,370	30,979	18,585,739	437,084	19,053,802

STATE OF ILLINOIS)
) SS.
COUNTY OF ST. CLAIR)

BOB DELANEY, COUNTY CLERK, IN AND FOR THE COUNTY AND STATE AFORESAID, DO HEREBY CERTIFY THE FOREGOING TO BE A TRUE AND CORRECT COPY OF THE RECORD OF TIF BASE VALUE AS THE SAME APPEARS FROM THE FILES AND RECORD IN MY OFFICE.

IN WITNESS WHEREOF, I HERETO SET MY HAND AND AFFIX THE SEAL OF MY OFFICE AT BELLEVILLE, ILLINOIS, THIS 26th DAY OF JULY A.D., 2011

BOB DELANEY, COUNTY CLERK, BY: *[Signature]* DEPUTY



(THIS PAGE LEFT BLANK INTENTIONALLY)

APPENDIX B

DEFINITIONS AND SUMMARY OF THE PRINCIPAL DOCUMENTS

DEFINITIONS

In addition to the words and terms defined elsewhere in this Official Statement, the following are definitions of certain words and terms as used in the Indenture and this Official Statement.

“Act” means the Southwestern Illinois Development Authority Act, 70 ILCS 520/1 *et seq.*, as supplemented and amended.

“Additional Bonds” means any Additional Bonds issued by the Authority pursuant to the Indenture.

“Authority” means the Southwestern Illinois Development Authority, a political subdivision, a body politic and a municipal corporation duly organized and existing under the laws of the State.

“Authorized City Representative” means the Mayor, the City Clerk, the City Treasurer, the Finance Director or such other person at the time designated to act on behalf of the City as evidenced by written certificate furnished to the Trustee containing the specimen signature of such person and signed on behalf of the City by its Mayor. Such certificate may designate an alternate or alternates, each of whom shall be entitled to perform all duties of the Authorized City Representative.

“Authorized Denominations” means for the Series 2011A Bonds \$5,000 or any integral multiple thereof.

“Authorized Authority Representative” means the Chairman, the Vice Chairman, the Secretary or the Executive Director of the Authority or such other person at the time designated to act on behalf of the Authority as evidenced by written certificate furnished to the Trustee containing the specimen signature of such person and signed on behalf of the Authority by its Chairman. Such certificate may designate an alternate or alternates, each of whom shall be entitled to perform all duties of the Authorized Authority Representative.

“Bond Counsel” means Gilmore & Bell, P.C. or any other attorney or firm of attorneys with a nationally recognized standing in matters pertaining to the tax-exempt nature of interest on obligations issued by states and their political subdivisions duly admitted to the practice of law before the highest court of any state of the United States of America or the District of Columbia.

“Bond” or “Bonds” means the Series 2011 Bonds and any Additional Bonds.

“Business Day” means any day other than a Saturday, Sunday or any other day on which banking institutions in the city in which the principal corporate trust office of the Trustee is located are required or authorized by law to close.

“Business District” means the “Carlyle / Green Mount Business District” created by the City pursuant to the Business District Act and more particularly described in the Business District Plan.

“Business District Account” means the account within the Revenue Fund created in the Indenture.

“Business District Act” means the Business District Development and Redevelopment Law, 65 ILCS 5/11-74.3 *et seq.*, as supplemented and amended.

"Business District Plan" means the City's "Carlyle / Green Mount Business District Amended and Restated Business District Plan" dated November 5, 2007.

"Business District Sales Tax Revenues" means all sales tax revenues received by the City from the one percent (1.0%) retailers' occupation tax and service occupation tax and the hotel operators' occupation tax imposed by the City pursuant to the Business District Act within the Business District.

"Business District Tax Allocation Fund" means the fund created by the City pursuant to the Business District Act in which Business District Sales Tax Revenues are deposited.

"City" means the City of Belleville, Illinois, a home-rule unit of government and political subdivision of the State.

"Code" means the Internal Revenue Code of 1986, as amended, and the applicable regulations, temporary regulations and proposed regulations thereunder.

"Debt Service Fund" means the fund by that name created in the Indenture.

"Debt Service Reserve Fund" means the fund by that name created in the Indenture.

"Debt Service Reserve Requirement" means with respect to the Series 2011A Bonds, the sum of \$1,615,000.

"Developer" means THF Green Mount Development, L.L.C. and GMCR, L.L.C., and any successors or assigns thereto permitted under the Redevelopment Agreement.

"Event of Default" means any event or occurrence as defined in the Indenture or the Financing Agreement, as applicable.

"Financing Agreement" means the Financing Agreement dated as of October 1, 2011, by and between the Authority and the City, as supplemented and amended by Supplemental Financing Agreements from time to time in accordance with the terms of the Indenture.

"Government Securities" means direct obligations of, or obligations the payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America and backed by the full faith and credit thereof.

"Immediate Notice" means notice given no later than the close of business on the date required by the provisions of the Indenture by telegram, telex, telecopier or other telecommunication device to such phone numbers or addresses as are specified in the Indenture or such other phone number or address as the addressee shall have directed in writing, the receipt of which is confirmed by telephone, promptly followed by written notice by first-class mail postage prepaid to such addressees.

"Indenture" means the Trust Indenture dated as of October 1, 2011, by and between the Authority and the Trustee, as supplemented and amended by Supplemental Indentures.

"Interest Payment Date" means any date on which the principal of or interest on any Bonds is payable.

"Investment Securities" means any of the following securities purchased in accordance with the Indenture, if and to the extent the same are at the time legal for investment of the funds being invested: (i) Government Securities; (ii) interest-bearing savings accounts, interest-bearing certificates of deposit or interest-bearing time deposits of any bank, as defined by the Illinois Banking Act, including without limitation

the Trustee or any affiliate of the Trustee, which is (A) insured by the Federal Deposit Insurance Corporation (or any successor corporation) and (B) rated in one of the two (2) highest long-term rating classifications established by a national rating service (without regard to any rating refinement or gradation by numerical or other modifier); (iii) short-term obligations of corporations organized in the United States of America with assets exceeding \$500,000,000, if (A) such obligations are rated at the time of purchase within the three (3) highest classifications established by at least two (2) national rating services (without regard to any rating refinement or gradation by numerical or other modifier), and mature not later than 180 days from the date of purchase, and (B) such purchases do not exceed ten percent (10%) of such corporations' outstanding obligations; (iv) money market mutual funds registered under the Investment Company Act of 1940, as from time to time amended, provided that the portfolio of any such money market fund is limited to Government Securities or agreements to repurchase such Government Securities, including those for which the Trustee or an affiliate of the Trustee performs services for a fee, whether as a custodian, transfer agent, investment advisor or otherwise; (v) short-term discount obligations of the Federal National Mortgage Association; (vi) obligations issued by any state, unit of local government or school district, which obligations are rated at the time of purchase by a national rating service within the two (2) highest ratings classifications established by such rating service (without regard to any rating refinement or gradation by numerical or other modifier); (vii) equity securities of an investment company registered under the Investment Company Act of 1940, as from time to time amended, whose sole assets, other than cash and other temporary investments, are obligations which are Investment Obligations, as defined herein; (viii) repurchase agreements, provided that (A) said repurchase agreements are continuously and fully secured by any Government Securities which have a value, exclusive of accrued interest, at all times at least equal to the principal amount of such repurchase agreement; (B) the securities securing such repurchase agreements are held by the Trustee or a third party acting solely as agent for the Trustee; (C) said repurchase agreements are free and clear of third party liens; and (D) the Trustee has a first perfected security interest in the collateral; (ix) investment agreements with any bank satisfying the criteria set forth in clause (ii) above or which constitute repurchase agreements satisfying the criteria in clause (viii) above; and (x) any other investments permitted by law if such investments are rated at the time of purchase within the three (3) highest classifications established by a national rating service.

"Local Government Debt Reform Act" means the Local Government Debt Reform Act, *30 Illinois Compiled Statutes 2010, 350/1 et seq.* as supplemented and amended.

"Monthly Municipal Share" means a monthly amount to be paid to the City pursuant to Section 6.2.3 of the Redevelopment Agreement which amount shall equal, so long as a Wal-Mart store continues to operate in the Redevelopment Project Area, Fifty-Four Thousand Dollars (\$54,000), which shall be paid from the first dollars of Series 2011A Municipal Sales Tax Revenues collected each month.

"Municipal Sales Tax Account" means the account within the Revenue Fund created in the Indenture.

"Municipal Sales Tax Allocation Fund" means the fund created by the City in which the Municipal Sales Tax Revenues are deposited.

"Municipal Sales Tax Revenues" means all sales tax revenue the City is entitled to receive from the sales tax imposed by the State of Illinois pursuant to the Illinois Retailers' Occupation Tax Act, 35 ILCS 120/1 *et seq.*, the Illinois Service Occupation Tax Act, 35 ILCS 115/1 *et seq.*, and such other authority as shall be applicable pursuant to any successor statutes that result from retail sales of all businesses located in the Redevelopment Project Area.

"Opinion of Counsel" means a written opinion of an attorney or firm of attorneys addressed to the Trustee, who may be (except as otherwise expressly provided in the Indenture) counsel to the Authority, the Owners of the Bonds, the City or the Trustee, and who is acceptable to the Trustee.

“Outstanding” means when used with reference to Bonds, as of a particular date, all Bonds theretofore authenticated and delivered under the Indenture except:

(a) Bonds theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(b) Bonds which are deemed to have been paid in accordance with the Indenture;

(c) Bonds alleged to have been mutilated, destroyed, lost or stolen for which indemnity has been received as provided in the Indenture; and

(d) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered pursuant to the Indenture.

“Owner” means the Person in whose name any Bond is registered on the Register.

“Paying Agent” means the Trustee or any other bank or trust institution organized under the laws of any state of the United States of America or any national banking association designated by the Indenture as paying agent for the Bonds at which the principal of and interest on such Bonds shall be payable.

“Person” means any natural person, firm, partnership, association, corporation, limited liability company or public body.

“Pledged Municipal Sales Tax Revenues” means all Municipal Sales Tax Revenues less the amount of Municipal Sales Tax Revenues required to be transferred to the City each month to satisfy the Monthly Municipal Share.

“Pledged TIF Revenues” means fifty percent (50.0%) of TIF Revenues, which shall be deposited into the Series 2011A TIF Subaccount and the Series 2011B TIF Subaccount of the TIF Account of the Revenue Fund.

“Prior Notes” means the Authority’s (a) Amended and Restated Tax Increment Revenue Notes, Series 2006 (Carlyle / Green Mount Redevelopment Project) outstanding in the principal amount of \$10,836,407.40, and (b) Amended and Restated Special Obligation Notes, Series 2006 (Carlyle / Green Mount Redevelopment Project) outstanding in the principal amount of \$8,165,609.46.

“Project Fund” means the fund by that name created in the Indenture.

“Purchaser” means Stifel, Nicolaus & Company, Incorporated, as the original purchaser of the Series 2011A Bonds and the Series 2011C Bonds and placement agent for the Series 2011B Bonds.

“Rebate Fund” means the fund by that name created in the Indenture.

“Record Date” for the interest payable on any Interest Payment Date means the fifteenth day, whether or not a Business Day, of the calendar month immediately preceding such Interest Payment Date.

“Redevelopment Agreement” means the Amended and Restated Redevelopment Agreement dated as of November 1, 2007, by and between the City and the Developer, as amended or supplemented from time to time.

“Redevelopment Plan” means the City’s “Carlyle / Green Mount Redevelopment Project Area Tax Increment Financing Redevelopment Plan” dated October 17, 2005.

“Redevelopment Project” means the redevelopment project described in the Redevelopment Plan.

“Redevelopment Project Area” means the area legally described in Appendix A to the Redevelopment Plan.

“Register” means the registration books of the Authority kept by the Trustee to evidence the registration, transfer and exchange of Bonds.

“Registrar” means the Trustee when acting as such under the Indenture.

“Revenue Fund” means the fund by that name created in the Indenture.

“Series 2011 Bonds” means the Series 2011A Bonds, the Series 2011B Bonds and the Series 2011C Bonds.

“Series 2011A Bonds” means the Authority’s Local Government Program Revenue Bonds, Series 2011A (City of Belleville - Carlyle/Green Mount Redevelopment Project - Tax Increment and Sales Tax), in the original principal amount of \$16,150,000 and any Additional Bonds issued to refund all or any portion of the Series 2011A Bonds.

“Series 2011A Business District Revenues” means for each Interest Payment Date an amount of Business District Sales Tax Revenues equal to 9.5% of the amount of moneys to be transferred to the Series 2011A Debt Service Account and the Series 2011A Redemption Account for such Interest Payment Date but in no event to exceed \$160,000 for the twelve-month period ending as of the 40th day, or if such day is not a Business Day, the immediately preceding Business Day, prior to each July 1.

“Series 2011A Developer Owned Property” means the real property described in an exhibit to the Indenture which consists of approximately 31 acres of real property located in the commercial portion of the Redevelopment Project Area.

“Series 2011A Municipal Sales Tax Revenues” means all Pledged Municipal Sales Tax Revenues less the Series 2011B Municipal Sales Tax Revenues.

“Series 2011A Non-Developer Owned Property” means the real property depicted in an exhibit to the Indenture, which consists of approximately 21 acres of real property located in the commercial portion of the Redevelopment Project Area (which consists of the real property owned by Wal-Mart).

“Series 2011A Residential Property” means the real property described in an exhibit to the Indenture, which consists of approximately 36 acres of real property located in the residential portion of the Redevelopment Project Area.

“Series 2011A TIF Revenues” means all Pledged TIF Revenues less the Series 2011B TIF Revenues.

“Series 2011B Bonds” means the Authority’s Local Government Program Revenue Bonds, Series 2011B (City of Belleville - Carlyle/Green Mount Redevelopment Project - Tax Increment and Sales Tax), in the original principal amount of \$1,560,000 and any Additional Bonds issued to refund all or any portion of the Series 2011B Bonds.

“Series 2011B Commercial Property” means the real property described in an exhibit to the Indenture, which consists of approximately 1.491 acres of real property located in the commercial portion of the Redevelopment Project Area.

“Series 2011B Municipal Sales Tax Revenues” means all Pledged Municipal Sales Tax Revenues generated from the Series 2011B Commercial Property.

“Series 2011B Residential Property” means the real property described in an exhibit to the Indenture, which consists of approximately 45 acres of real property located in the residential portion of the Redevelopment Project Area.

“Series 2011B TIF Revenues” means all Pledged TIF Revenues generated from the Series 2011B Residential Property and the Series 2011B Commercial Property.

“Series 2011C Bonds” means the Authority’s Taxable Local Government Program Revenue Bonds, Series 2011C (City of Belleville - Carlyle/Green Mount Redevelopment Project - Business District), in the original principal amount of \$5,700,000 and any Additional Bonds issued to refund all or any portion of the Series 2011C Bonds.

“Series 2011C Business District Revenues” means all Business District Sales Tax Revenues less the Series 2011A Business District Revenues.

“Special Tax Allocation Fund” means the fund created by the City pursuant to the TIF Act for the deposit of TIF Revenues.

“State” means the State of Illinois.

“Supplemental Financing Agreement” means any financing agreement supplemental or amendatory to the Financing Agreement entered into by the Authority and the City pursuant to the Indenture.

“Supplemental Indenture” means any indenture supplemental or amendatory to the Indenture entered into by the Authority and the Trustee pursuant to the Indenture.

“Tax Compliance Agreement” means the Tax Compliance Agreements dated as of October 1, 2011, among the Authority, the City and the Trustee, as from time to time amended in accordance with the provisions thereof.

“Tax-Exempt Bonds” means the Series 2011A Bonds, the Series 2011B Bonds and any Additional Bonds the interest on which is excludable from gross income of the owners thereof for federal income tax purposes.

“TIF Account” means the account within the Revenue Fund created in the Indenture.

“TIF Act” means the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 *et seq.*, as amended and supplemented.

“TIF Revenues” means the ad valorem taxes, if any, arising from the tax levies upon taxable real property in the Redevelopment Project Area by any and all taxing districts or municipal corporations having the power to tax real property in the Redevelopment Project Area, which taxes are attributable to the increase in the then-current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the Redevelopment Project Area over and above the initial equalized assessed value of each such piece of property, all as determined by the County Clerk in accord with the TIF Act.

“Trust Estate” means the Trust Estate described in the granting clauses of the Indenture.

"Trustee" means UMB Bank, National Association, St. Louis, Missouri, and its successor or successors and any other association or corporation which at any time may be substituted in its place pursuant to and at the time serving as trustee under the Indenture.

"Unassigned Authority's Rights" means the Authority's rights under the Financing Agreement to payment of its fees and expenses, to be indemnified in certain events, to exercise its rights and remedies and to receive notices, reports and other statements and its rights to consent to certain matters, including, but not limited to, Supplemental Financing Agreements and Supplemental Indentures.

SUMMARY OF THE INDENTURE

The following, in addition to the information contained above under the heading "THE SERIES 2011A BONDS," summarizes certain provisions of the Indenture. This summary does not purport to be complete, and reference is made to the Indenture for the complete provisions thereof.

Creation of Funds and Accounts

The following funds of the Authority are created and established with the Trustee:

(1) Revenue Fund, which shall contain a TIF Account, a Business District Account and a Municipal Sales Tax Account.

(A) The TIF Account shall contain a Series 2011A TIF Subaccount and a Series 2011B TIF Subaccount with the Series 2011A TIF Subaccount containing a Series 2011A Residential Property Account, a Series 2011A Developer Owned Property Account and a Series 2011A Non-Developer Owned Property Account.

(B) The Business District Account shall contain a Series 2011A Business District Subaccount and a Series 2011C Business District Subaccount.

(C) The Municipal Sales Tax Account shall contain a Series 2011A Municipal Sales Tax Subaccount and a Series 2011B Municipal Sales Tax Subaccount.

(2) Debt Service Fund, which shall contain a Series 2011A Debt Service Account, a Series 2011B Debt Service Account, a Series 2011C Debt Service Account, a Series 2011A Redemption Account, a Series 2011B Redemption Account, and a Series 2011C Redemption Account.

(3) Project Fund, which shall contain a Costs of Issuance Account, a Project Account and a Refunding Account.

(4) Debt Service Reserve Fund, which shall contain a Series 2011A Reserve Account and a Series 2011C Reserve Account.

(5) Rebate Fund.

(6) Extraordinary Costs Fund.

Each fund, account or subaccount shall be maintained by the Trustee as a separate and distinct trust fund and the moneys therein shall be held, managed, invested, disbursed and administered as provided in the Indenture. All moneys deposited in the funds, accounts or subaccounts shall be used solely for the purposes set forth in the Indenture. The Trustee shall keep and maintain adequate records pertaining to each fund and all disbursements therefrom.

Security for the Series 2011A Bonds

The Series 2011A Bonds and the interest thereon shall be special, limited obligations of the Authority payable solely from the Series 2011A TIF Revenues, Series 2011A Municipal Sales Tax Revenues, Series 2011A Business District Revenues and other moneys pledged thereto and held by the Trustee as provided in the Indenture, and are secured by a transfer, pledge and assignment of and a grant of a security interest in the Trust Estate to the Trustee and in favor of the Owners of the Series 2011A Bonds, as provided in the Indenture.

The Bonds and the premium, if any, and the interest thereon do not constitute a debt of the Authority, the State or any political subdivision thereof, and do not constitute an indebtedness within the meaning of any constitutional, charter or statutory debt limitation or restriction.

Revenue Fund

On or before the 15th calendar day of each month (or the next Business Day thereafter if the 15th day is not a Business Day) while the Bonds remain Outstanding, commencing on October 15, 2011, the Authority shall cause the City to transfer:

(1) all Pledged TIF Revenues within the Special Tax Allocation Fund to the Trustee for deposit into the TIF Account with (A) all Series 2011A TIF Revenues generated from the Series 2011A Residential Property deposited into the Series 2011A Residential Property Account, (B) all Series 2011A TIF Revenues generated from the Series 2011A Developer Owned Property deposited into the Series 2011A Developer Owned Property Account, (C) all Series 2011A TIF Revenues generated from the Series 2011A Non-Developer Owned Property deposited into the Series 2011A Non-Developer Owned Property Account and (D) all Series 2011B TIF Revenues deposited into the Series 2011B TIF Subaccount;

(2) all Business District Sales Tax Revenues within the Business District Tax Allocation Fund to the Trustee for deposit into the Business District Account with moneys in such Business District Account being further deposited, as of the 40th day, or if such day is not a Business Day, the immediately preceding Business Day prior to each Interest Payment Date (A) *first*, all Series 2011A Business District Revenues into the Series 2011A Business District Subaccount, and (B) *second*, all Series 2011C Business District Revenues into the Series 2011C Business District Subaccount; and

(3) all Pledged Municipal Sales Tax Revenues within the Municipal Sales Tax Allocation Fund to the Trustee for deposit into the Municipal Sales Tax Account with (A) all Series 2011A Municipal Sales Tax Revenues deposited into the Series 2011A Municipal Sales Tax Subaccount, and (B) all Series 2011B Municipal Sales Tax Revenues deposited into the Series 2011B Municipal Sales Tax Subaccount.

Each such transfer shall be accompanied by a written report in substantially the form attached as an exhibit to the Financing Agreement. If the City has no moneys to transfer to the Trustee, the City shall so notify the Trustee in writing. If the Trustee has not received moneys on or before the 17th calendar day of each month (or the next Business Day thereafter if the 17th is not a Business Day), then the Trustee shall notify the Authority, the City and the Purchaser of such non-receipt.

Except with regard to the payment of any arbitrage rebate and as otherwise provided in the Indenture with respect to the Debt Service Reserve Fund, on the 40th day prior to each Interest Payment Date, or the immediately preceding Business Day if such day is not a Business Day, moneys on deposit in the Series 2011A Residential Property Account, the Series 2011A Developer Owned Property Account, the Series 2011A Non-Developer Owned Property Account, the Series 2011A Business District Subaccount and the Series 2011A Municipal Sales Tax Subaccount shall be applied, paid, transferred or deposited by the Trustee, first

from moneys on deposit in the Series 2011A Residential Property Account, the Series 2011A Developer Owned Property Account and the Series 2011A Non-Developer Owned Property Account, then from moneys on deposit in the Series 2011A Municipal Sales Tax Subaccount, and finally from moneys on deposit in the Series 2011A Business District Subaccount, for the purposes and in the amounts in the following order as follows:

- (1) To the United States of America, when necessary, an amount sufficient to pay any arbitrage rebate owed under Section 148 of the Code, as directed in writing by the Authority in accordance with the Tax Compliance Agreement.
- (2) To (i) the Trustee or any Paying Agent, the pro rata (based on the principal amount of each series of Bonds Outstanding) share of any fees, charges and expenses which are due and owing (not to exceed, including the amount otherwise paid for such fees, charges and expenses pursuant to the Indenture, \$5,600 per year for ordinary fees and expenses), upon delivery to the City of an invoice for such amounts, (ii) the City, an amount sufficient to reimburse the City for fees and expenses incurred by the City in the administration of the Redevelopment Plan (not to exceed, including the amount otherwise paid for such fees and expenses pursuant to the Indenture, \$13,000 per year), upon delivery to the Trustee of an invoice for such amount, and (iii) the Extraordinary Costs Fund, an amount not to exceed \$10,000 per year, including funds deposited into the Extraordinary Costs Fund from other sources specified in the Indenture, to fund or restore any deficiency in the Extraordinary Costs Fund if the amount on deposit in such fund is less than \$50,000; provided that moneys shall be deposited to the Extraordinary Costs Fund first from Series 2011B TIF Revenues and Series 2011B Municipal Sales Tax Revenues prior to the application of any Series 2011A TIF Revenues, Series 2011A Municipal Sales Tax Revenues or Series 2011A Business District Revenues.
- (3) To the Series 2011A Debt Service Account, an amount sufficient to pay interest becoming due on the Series 2011A Bonds on the next Interest Payment Date or if the next Interest Payment Date is January 1, the next two Interest Payment Dates.
- (4) To the Series 2011A Debt Service Account an amount sufficient to pay the principal due on the Series 2011A Bonds on the next succeeding July 1 by reason of stated maturity.
- (5) To the Series 2011A Reserve Account, an amount sufficient to restore any deficiency in the Series 2011A Reserve Account if the amount on deposit in such account is less than the Debt Service Reserve Requirement for the Series 2011A Bonds.
- (6) To the Series 2011A Redemption Account, all moneys then remaining which shall be applied to the payment of the principal of and accrued interest on all Series 2011A Bonds which are subject to redemption on the next succeeding Interest Payment Date pursuant to the Indenture. See **"THE SERIES 2011A BONDS – Redemption Provisions – Special Mandatory Redemption"** herein.

After payment in full of the principal of and interest on the Bonds (or provision has been made for the payment thereof as specified in this Indenture) and the fees, charges and expenses of the Trustee and any Paying Agents, and any other amounts required to be paid under this Indenture, all amounts remaining on deposit in (1) the TIF Account of the Revenue Fund shall be paid to the City for deposit into the Special Tax Allocation Fund, (2) the Business District Account of the Revenue Fund shall be paid to the City for deposit into the Business District Tax Allocation Fund, and (3) the Municipal Sales Tax Account of the Revenue Fund shall be paid to the City for deposit into the Municipal Sales Tax Allocation Fund.

Debt Service Fund

Except as otherwise provided in the Indenture, all amounts paid and credited to the Series 2011A Debt Service Account of the Debt Service Fund shall be expended solely for the payment of the principal of, redemption premium, if any, and interest on the Series 2011A Bonds as the same mature and become due or upon the redemption thereof.

The Authority authorizes and directs the Trustee to withdraw sufficient moneys from the Series 2011A Debt Service Account of the Debt Service Fund to pay the principal of and interest on the Series 2011A Bonds as the same become due and payable and to make said moneys so withdrawn available to the Paying Agent for the purpose of paying said principal of and interest on the Series 2011A Bonds.

The Trustee shall use any moneys remaining in the Series 2011A Debt Service Account of the Debt Service Fund to redeem all or part of the Series 2011A Bonds Outstanding and interest to accrue thereon prior to such redemption, in accordance with and to the extent permitted by the Indenture, so long as said moneys are in excess of the amount required for payment of Series 2011A Bonds theretofore matured or called for redemption. The Trustee, upon the written instructions from the City shall use moneys in the Series 2011A Debt Service Account of the Debt Service Fund on a best efforts basis for the purchase of Series 2011A Bonds in the open market to the extent practical for the purpose of cancellation at prices not exceeding the principal amount thereof plus accrued interest thereon to the date of such purchase.

Project Fund

Moneys in the Refunding Account of the Project Fund shall be used by the City for the sole purpose of prepaying the Prior Notes on the date of issuance of the Series 2011 Bonds. The Trustee is directed, without further authorization, on the date of issuance of the Series 2011 Bonds to forward all moneys in the Refunding Account of the Project Fund to or at the direction of the owner of the Prior Notes, which moneys shall be used on the date of issuance of the Series 2011 Bonds to pay the principal of and interest on the Prior Notes.

Moneys in the Costs of Issuance Account of the Project Fund shall be disbursed from time to time by the Trustee, upon receipt of a written request of the City signed by the Authorized City Representative and containing the statements, representations and certifications set forth in the form of such request attached as an exhibit to the Indenture and otherwise substantially in such form, for the sole purpose of paying costs of issuance of the Series 2011 Bonds. Any moneys remaining in the Costs of Issuance Account of the Project Fund on March 1, 2012 shall be deposited, without further authorization, on a pro rata basis based on the then Outstanding principal amounts of the Series 2011A Bonds, the Series 2011B Bonds and Series 2011C Bonds, into the applicable Redemption Account of the Debt Service Fund and used to redeem Bonds pursuant to the Indenture on the earliest possible date. See **"THE SERIES 2011A BONDS – Redemption Provisions – Special Mandatory Redemption"** herein.

Moneys in the Project Account of the Project Fund shall be disbursed by the Trustee from time to time, upon receipt from the City of (i) a Certificate of Reimbursable Redevelopment Project Costs, substantially in the form set forth in the Redevelopment Agreement, which has been approved by the City and (ii) written instructions directing the Trustee to disburse the amount set forth in the Certificate to or at the direction of the Developer. Any moneys remaining on deposit in the Project Account of the Project Fund on September 1, 2014 shall be deposited, without further authorization, into the Series 2011A Redemption Account of the Debt Service Fund and used to redeem Series 2011A Bonds on the earliest possible date. See **"THE SERIES 2011A BONDS – Redemption Provisions – Special Mandatory Redemption"** herein.

In making such payments and disbursements, the Trustee may rely upon the written requests and accompanying certificates and statements. The Trustee is not required to make any independent inspection or investigation in connection with the matters set forth in the written requests. The approval of each

disbursement request by an Authorized City Representative shall constitute unto the Trustee an irrevocable determination that all conditions precedent to the payment of the specified amounts from the Costs of Issuance Account and Project Account have been completed.

Debt Service Reserve Fund

Except as otherwise provided in the Indenture, moneys in the Series 2011A Reserve Account of the Debt Service Reserve Fund shall be used by the Trustee without further authorization solely for the payment of the principal of and interest on the Series 2011A Bonds if moneys otherwise available for such purpose as provided in the Indenture are insufficient to pay the same as they become due and payable, and to make the final payment on the Series 2011A Bonds. Notwithstanding the forgoing, on the Business Day prior to each Interest Payment Date, the Trustee shall transfer moneys in the Revenue Fund that would be available for deposit in the Series 2011A TIF Subaccount and the Series 2011A Municipal Sales Tax Subaccount on the second succeeding Interest Payment Date to the Series 2011A Debt Service Account of the Debt Service Fund prior to any withdrawal of moneys in the Series 2011A Reserve Account of the Debt Service Reserve Fund. The amount on deposit in the Series 2011A Reserve Account of the Debt Service Reserve Fund shall be valued by the Trustee 45 days prior to each Interest Payment Date (or if such date is not a Business Day, the immediately preceding Business Day) and the Trustee shall give prompt written notice to the Authority and the City if such amount is less than the Debt Service Reserve Requirement. For the purpose of determining the amount on deposit in the Debt Service Reserve Fund, the value of any investments shall be valued at the lower of their original cost or their fair market value (inclusive of accrued interest thereon) on the date of valuation. Moneys in the Series 2011A Reserve Account of the Debt Service Reserve Fund that are in excess of the Debt Service Reserve Requirement for the Series 2011A Bonds on any valuation date shall be deposited by the Trustee without further authorization in the Series 2011A Debt Service Account of the Debt Service Fund.

Rebate Fund

The Trustee shall deposit in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Tax Compliance Agreement. Subject to the transfer provisions of the Indenture, all money at any time deposited in the Rebate Fund and any income earned thereon shall be held in trust, to the extent required to pay arbitrage rebate to the federal government of the United States of America, and neither the City nor the Owner of any Bonds shall have any rights in or claim to such money.

Extraordinary Costs Fund

Moneys in the Extraordinary Costs Fund may be used by the City, in its sole discretion, for the payment (including reimbursement to the City) of (a) extraordinary expenses related to the Redevelopment Plan, the Redevelopment Agreement, the Financing Agreement, the Indenture or the Bonds, including but not limited to the costs of defending audits initiated by the Internal Revenue Service, assessed value contests concerning property within the Redevelopment Project Area, or other litigation initiated or threatened against the City, (b) the reasonable costs, fees, and expenses of the Authority that are directly related to the Financing Agreement, the Indenture, the Tax Compliance Agreement, the Bonds and the Redevelopment Project, or (c) debt service on the Bonds. Moneys in the Extraordinary Costs Fund shall be disbursed from time to time by the Trustee, upon receipt of a written request of the City signed by an Authorized City Representative and containing the statements, representations and certifications set forth in the form of such request attached as an exhibit to the Indenture and otherwise substantially in such form.

Nonpresentment of Bonds

If any Bond is not presented for payment when the principal thereof becomes due, either at maturity or at the date fixed for redemption thereof, and provided the Trustee is holding sufficient funds for the payment thereof, all liability of the Authority to the Owner thereof for the payment of such Bond shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such moneys,

without liability for interest thereon, for the benefit of the Owner of such Bond who shall thereafter be restricted exclusively to such moneys, for any claim or whatever nature on such Owner's part under the Indenture or on, or with respect to, said Bond.

Any moneys so deposited with and held by the Trustee not so applied to the payment of Bonds within one year after the date on which the same have become due shall be paid by the Trustee to the City, free from the trusts created by the Indenture. Thereafter, Owners shall be entitled to look only to the City for payment, and then only to the extent of the amount so repaid by the Trustee. Neither the Authority nor the City shall not be liable for any interest on the sums paid to it pursuant to this provision of the Indenture and shall not be regarded as a trustee of such money.

Investment of Moneys

Moneys in all funds and accounts under any provision of the Indenture (other than the Refunding Account of the Project Fund) shall be continuously invested and reinvested by the Trustee in Investment Securities at the written direction of the City or, if such written directions are not received, then the Trustee is authorized to invest such moneys in Investment Securities described in subparagraph (f) of the definition thereof. The Trustee is specifically authorized to implement its automated cash investment system to assure that cash on hand is invested and to charge its normal cash management fees, which may be deducted from income earned on investments. Moneys on deposit in all funds and accounts may be invested only in Investment Securities which mature or are subject to redemption at the option of the owner thereof prior to the date such funds are expected to be needed. The Trustee may make investments through its investment division or short-term investment department.

All investments shall constitute a part of the fund or account from which the moneys used to acquire such investments have come. The Trustee shall sell and reduce to cash a sufficient amount of investments in a fund or account whenever the cash balance therein is insufficient to pay the amounts required to be paid therefrom. The Trustee may transfer investments from any fund or account to any other fund or account in lieu of cash when required or permitted by the provisions of the Indenture. In determining the balance in any fund or account, investments shall be valued at the lower of their original cost or their fair market value on the most recent Interest Payment Date, except as otherwise provided in the Indenture. The Trustee shall not be liable for any loss resulting from such investments.

Events of Default; Acceleration

If any one or more of the following events occur, it is defined as and declared in the Indenture to be and to constitute an "Event of Default":

(a) Default in the performance or observance of any of the covenants, agreements or conditions on the part of the Authority in the Indenture or in the Bonds contained, and the continuance thereof for a period of 30 days after written notice thereof has been given (i) to the Authority by the Trustee, or (ii) to the Trustee (which notice of default the Trustee shall be required to accept) and the Authority by the Owners of not less than 25% in aggregate principal amount of Bonds then Outstanding; provided, however, if any default is such that it cannot be corrected within such 30-day period, it shall not constitute an Event of Default if corrective action is instituted by the Authority within such period and diligently pursued until the default is corrected; or

(b) The occurrence of an Event of Default as specified in the Financing Agreement.

Notwithstanding anything in the Indenture to the contrary, an Event of Default with respect to one or more series of Bonds (the "Affected Series of Bonds") which is not an Event of Default with respect to any other series of Bonds shall not constitute an Event of Default with respect to such series of Bonds. The Trustee shall

give written notice of any Event of Default to the Authority as promptly as practicable after the occurrence of an Event of Default of which the Trustee has notice as provided in the Indenture.

If an Event of Default has occurred and is continuing, the Trustee may, and shall upon the written request of a majority in aggregate principal amount of the Affected Series of Bonds then, by notice in writing delivered to the Authority, declare the principal of all the Affected Series of Bonds then Outstanding and the interest accrued thereon immediately due and payable.

Exercise of Remedies by the Trustee

If an Event of Default has occurred and is continuing, the Trustee may pursue any available remedy at law or equity by suit, action, mandamus or other proceeding to enforce the payment of the principal of, premium, if any, and interest on the Affected Series of Bonds then Outstanding, and to enforce and compel the performance of the duties and obligations of the Authority as set forth in the Indenture.

If an Event of Default has occurred and is continuing, and if requested so to do by the Owners of not less than 25% in aggregate principal amount of the Affected Series of Bonds then Outstanding and indemnified as provided in the Indenture, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by the Indenture as the Trustee, being advised by counsel, deems most expedient in the interests of the Owners; provided, however, that the Trustee shall not be required to take any action which in its good faith conclusion could result in personal liability to it.

All rights of action under the Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Owner, and any recovery or judgment shall, subject to the provisions of the Indenture governing the application of moneys upon an Event of Default, be for the equal benefit of all the Owners of the Outstanding Affected Series of Bonds.

Limitation on Exercise of Remedies by Owners

No Owner shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Indenture or for the execution of any trust under the Indenture or for the appointment of a receiver or any other remedy under the Indenture, unless:

(i) a default has occurred of which the Trustee has notice or is deemed to have notice as provided in the Indenture, and

(ii) such default has become an Event of Default, and

(iii) the Owners of not less than 25% in aggregate principal amount of the Affected Series of Bonds then Outstanding shall have made written request to the Trustee, shall have offered it reasonable opportunity either to proceed to exercise the powers granted in the Indenture or to institute such action, suit or proceeding in its own name, and shall have provided to the Trustee indemnity as provided in the Indenture, and

(iv) the Trustee shall thereafter fail or refuse to exercise the powers granted in the Indenture or to institute such action, suit or proceeding in its own name;

and such notification, request and indemnity are declared in the Indenture in every case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of the Indenture, and to any action or cause of action for the enforcement of the Indenture, or for the appointment of a receiver or for any other remedy under the Indenture, it being understood and intended that no one or more Owners shall have any right

in any manner whatsoever to affect, disturb or prejudice the Indenture by its, his or their action or to enforce any right under the Indenture except in the manner provided in the Indenture, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner provided in the Indenture and for the equal benefit of the Owners of all Bonds then Outstanding. Nothing in the Indenture, however, shall affect or impair the right of any Owner to payment of the principal of and interest on any Bond at and after its maturity or the obligation of the Authority to pay the principal of and interest on each of the Bonds to the respective Owners thereof at the time, place, from the source and in the manner expressed in the Indenture and in such Bond.

Remedies Cumulative

No remedy conferred by the Indenture upon or reserved to the Trustee or to the Owners is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Owners under the Indenture or now or hereafter existing at law or in equity or by statute.

Supplemental Indentures and Supplemental Financing Agreements

Without Consent of the Owners

The Authority and the Trustee may from time to time, without the consent of or notice to any of the Owners, enter into such Supplemental Indenture or Supplemental Indentures as are not inconsistent with the terms and provisions of the Indenture, and the Authority and the City may from time to time, without the consent of or notice to any of the Owners, enter into Supplemental Financing Agreements as are not inconsistent with the terms and provisions thereof, for any one or more of the following purposes:

- (a) To cure any ambiguity or formal defect or omission in the Indenture or the Financing Agreement or to release property from the Trust Estate which was included by reason of an error or other mistake;
- (b) To grant to or confer upon the Trustee for the benefit of the Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners or the Trustee or either of them;
- (c) To subject to the Indenture or the Financing Agreement additional revenues, properties or collateral;
- (d) To modify, amend or supplement the Indenture or any indenture supplemental thereto in such manner as to permit the qualification of the Indenture under the Trust Indenture Act of 1939, as then amended, or any similar federal statute hereafter in effect, or to permit the qualification of the Bonds for sale under the securities laws of any state of the United States;
- (e) To evidence the appointment of a separate trustee or the succession of a new trustee under the Indenture;
- (f) To authorize the issuance of any series of Additional Bonds and make such other provisions as provided in the Indenture with respect to the issuance of Additional Bonds; or
- (g) To make any other change which, in the sole judgment of the Trustee, does not materially adversely affect the interests of the Owners. In exercising such judgment the Trustee may rely on an Opinion of Counsel.

With Consent of the Owners

In addition to Supplemental Indentures and Supplemental Financing Agreements permitted as described above and subject to the terms and provisions contained in the Indenture, and not otherwise, with the consent of the Owners of not less than a majority in aggregate principal amount of the Affected Series of Bonds then Outstanding, the Authority and the Trustee may from time to time enter into such other Supplemental Indenture or Supplemental Indentures as shall be deemed necessary and desirable by the Authority for the purpose of modifying, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture or in any Supplemental Indenture and the Authority and the City may from time to time enter into such other Supplemental Financing Agreement or Supplemental Financing Agreements as shall be deemed necessary and desirable by the Authority and the City for the purpose of modifying, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Financing Agreement or in any Supplemental Indenture or Supplemental Financing Agreement; provided, however, that nothing contained in the indenture shall permit or be construed as permitting:

- (a) an extension of the maturity of the principal of, any change in the optional or mandatory redemption of or the scheduled date of payment of interest on any Bond;
- (b) a reduction in the principal amount, redemption premium or any interest payable on any Bond;
- (c) a privilege or priority of any Bond or Bonds over any other Bond or Bonds except as provided in the Indenture;
- (d) a reduction in the aggregate principal amount of Bonds the Owners of which are required for consent to any such Supplemental Indenture; or
- (e) the modification of the rights, duties or immunities of the Trustee, without the written consent of the Trustee.

If at any time the Authority requests the Trustee to enter into any such Supplemental Indenture or the City or the Authority advise the Trustee of their desire to enter into any such Supplemental Financing Agreement for any of such purposes, the Trustee shall cause notice of the proposed execution of such Supplemental Indenture or Supplemental Financing Agreement to be mailed by first-class mail, postage prepaid, to each Owner. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture or Supplemental Financing Agreement and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Owners. If within 60 days or such longer period as shall be prescribed by the Authority following the mailing of such notice, the Owners of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such Supplemental Indenture or Supplemental Financing Agreement have consented to and approved the execution thereof as provided in the Indenture, no Owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Authority from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental Indenture or Supplemental Financing Agreement as permitted and provided in the Indenture, the Indenture or the Financing Agreement shall be and be deemed to be modified and amended in accordance therewith.

Opinion of Bond Counsel

Notwithstanding anything to the contrary in the Indenture, before the Authority and the Trustee enter into any Supplemental Indenture or the Authority and the City enter into any Supplemental Financing Agreement, there shall have been delivered to the Trustee an opinion of Bond Counsel stating that such Supplemental Indenture or Supplemental Financing Agreement is authorized or permitted by the Indenture or

the Financing Agreement, as applicable, and the Act, the TIF Act or the Business District Act, as applicable, complies with their respective terms, will, upon the execution and delivery thereof, be valid and binding upon the Authority in accordance with its terms and will not adversely affect the exclusion from federal gross income of interest on any Tax-Exempt Bonds then Outstanding.

Resignation or Removal of the Trustee

The Trustee and any successor Trustee may at any time resign from the trusts created in the Indenture by giving 30 days' written notice to the Authority and the Owners, and such resignation shall take effect upon the appointment of and acceptance by a successor Trustee pursuant to the Indenture. If at any time the Trustee ceases to be eligible in accordance with the provisions of the Indenture, it shall resign immediately in the manner provided in the Indenture. The Trustee may be removed for cause or without cause at any time by an instrument or concurrent instruments in writing delivered to the Trustee and signed by the Owners of a majority in aggregate principal amount of Bonds then Outstanding. If no Event of Default has occurred and is continuing, the Trustee may be removed for cause (including the failure of the Trustee and the Authority to agree on the reasonableness of the fees and expenses of the Trustee under the Indenture) at any time by an instrument or concurrent instruments in writing delivered to the Trustee and the Owners and signed by the Authority. The Authority or the Owners of a majority in aggregate principal amount of the Bonds then Outstanding may at any time petition any court of competent jurisdiction for the removal for cause of the Trustee. No resignation or removal of the Trustee shall become effective until a successor Trustee has accepted its appointment under the Indenture.

Appointment of Successor Trustee

If the Trustee resigns or is removed, or otherwise becomes incapable of acting under the Indenture, or if it is taken under the control of any public officer or officers or of a receiver appointed by a court, a successor Trustee may be appointed by the Owners of a majority in aggregate principal amount of Bonds then Outstanding, by an instrument or concurrent instruments in writing; provided, nevertheless, that in case of such vacancy the Authority, by an instrument executed and signed by the Authorized Authority Representative, may appoint a temporary Trustee to fill such vacancy until a successor Trustee is appointed by the Owners in the manner above provided; and any such temporary Trustee so appointed by the Authority shall immediately and without further acts be superseded by the successor Trustee so appointed by such Owners. If a successor Trustee or a temporary Trustee has not been so appointed and accepted such appointment within 30 days of a notice of resignation or removal of the current Trustee, the Trustee may petition a court of competent jurisdiction for the appointment of a successor Trustee to act until such time, if any, as a successor has so accepted its appointment.

Qualifications of Trustee and Successor Trustees

The Trustee and every successor Trustee appointed under the Indenture shall be a trust institution or commercial bank with its principal corporate trust office located in the State, shall be in good standing and qualified to accept such trusts, shall be subject to examination by a federal or state bank regulatory authority, and shall have a reported capital and surplus of not less than \$50,000,000. If such institution publishes reports of conditions at least annually pursuant to law or regulation, then for the purposes of the Indenture the capital and surplus of such institution shall be deemed to be its capital and surplus as set forth in its most recent report of condition so published.

FINANCING AGREEMENT

The following is a summary of certain other provisions contained in the Financing Agreement and is qualified in its entirety by reference to the Financing Agreement.

Issuance of Series 2011 Bonds

The Authority agrees that it will issue, sell and deliver the Series 2011 Bonds as provided in the Indenture. The net proceeds of the sale of the Series 2011 Bonds shall be paid over to the Trustee for the account of the Authority and shall be administered, disbursed and applied upon the terms and in the manner as provided in the Indenture and in the Financing Agreement.

Transfer of Revenues

On the 15th calendar day of each month (or the next Business Day thereafter if the 15th is not a Business Day) while the Series 2011 Bonds are Outstanding, the City shall transfer to the Trustee pursuant to the Indenture all Pledged TIF Revenues, Pledged Municipal Sales Tax Revenues and Business District Revenues, together with a written report in substantially the form attached as an exhibit to the Financing Agreement. The City pledges to the timely payment of all amounts due and owing under the Indenture all Pledged TIF Revenues, Pledged Municipal Sales Tax Revenues and Business District Revenues.

WHETHER OR NOT THE PRINCIPAL AMOUNT OR INTEREST ON THE SERIES 2011 BONDS HAS BEEN PAID IN FULL, THE OBLIGATIONS OF THE CITY TO TRANSFER (1) PLEDGED TIF REVENUES TERMINATES ON DECEMBER 31, 2030, (2) BUSINESS DISTRICT SALES TAX REVENUES TERMINATES ON THE EARLIER OF (A) JUNE 15, 2029, OR (B) FULL PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES 2011C BONDS, AND (3) PLEDGED MUNICIPAL SALES TAX REVENUES TERMINATES ON DECEMBER 15, 2041.

Payment of Fees

The City shall pay solely from proceeds of the Series 2011 Bonds a one-time issuance fee to the Authority and the fees of its counsel prior to or contemporaneously with the issuance of the Series 2011 Bonds. The City also agrees to pay to the Authority, from moneys on deposit in the Extraordinary Cost Fund or other moneys that may be appropriated by the Corporate Authorities of the City, its reasonable costs, fees, and expenses directly related to this Financing Agreement, the Indenture, the Tax Compliance Agreement, the Bonds and the Redevelopment Project at any time while this Financing Agreement is in effect, including the fees and expenses of its counsel within thirty (30) days after receipt of a bill therefore.

Collection of Revenues

The City shall, at the expense of the Trust Estate and take all lawful action within its control to cause the (a) St. Clair County Collector to collect all TIF Revenues, and (b) Illinois Department of Revenue to collect the Business District Sales Tax Revenues and the Municipal Sales Tax Revenues.

The Authority shall cause the City, at the expense of the Trust Estate, to take all lawful action within its control to cause the (a) St. Clair County to collect all TIF Revenues, and (b) Illinois Department of Revenue to collect the Business District Sales Tax Revenues and the Municipal Sales Tax Revenues.

Assignment by the Authority

The Authority, by means of the Indenture and as security for the payment of the principal of, and redemption premium, if any, and interest on the Series 2011 Bonds, will assign, pledge and grant a security

interest in all of its rights, title and interests in, to and under the Financing Agreement for the benefit of the Owners (reserving its Unassigned Authority's Rights).

Restriction on Transfer of Authority's Interests

The Authority will not sell, assign, transfer or convey its interests in the Financing Agreement, the Pledged TIF Revenues, the Pledged Municipal Sales Tax Revenues and the Business District Sales Tax Revenues except pursuant to the Indenture and the Financing Agreement.

Restriction on Transfer of City's Interests

The City will not sell, assign, transfer or convey its interests in the Pledged TIF Revenues, the Pledged Municipal Sales Tax Revenues, the Business District Sales Tax Revenues or the Financing Agreement.

Events of Default Defined

The term "Event of Default" shall mean any one or more of the following events:

(a) Failure by the City to timely transfer the Pledged TIF Revenues, the Pledged Municipal Sales Tax Revenues and the Business District Sales Tax Revenues to the Trustee pursuant to the Financing Agreement.

(b) Failure by the City to observe and perform any covenant, condition or agreement on the part of the City under the Financing Agreement, other than as referred to in the preceding subparagraph (a) above, for a period of 30 days after written notice of such default has been given to the City by the Trustee or the Authority, during which time such default is neither cured by the City nor waived in writing by the Trustee, provided that, if the failure stated in the notice cannot be corrected within said 30-day period, the Trustee may consent in writing to an extension of such time prior to its expiration if corrective action is instituted by the City within the 30-day period and diligently pursued to completion and if such consent, in the judgment of the Trustee, does not materially adversely affect the interests of the Owners of the Series 2011 Bonds.

(c) Any representation or warranty by the City in the Financing Agreement or in any certificate or other instrument delivered under or pursuant to the Financing Agreement or the Indenture or in connection with the financing of the Redevelopment Project shall prove to have been false, incorrect, misleading or breached in any material respect on the date when made, unless waived in writing by the Trustee or cured by the City within 30 days after notice thereof has been given to the City.

(d) The occurrence of an Event of Default as specified in the Indenture.

(e) The filing by the City of a voluntary petition in bankruptcy, or failure by the City to promptly lift any execution, garnishment or attachment of such consequence as would impair the ability of the City to carry on its operations, or adjudication of the City as a bankrupt, or assignment by the City for the benefit of creditors, or the entry by the City into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the City in any proceedings instituted under the provisions of federal bankruptcy law, or under any similar acts which may hereafter be enacted.

Remedies on an Event of Default

Whenever any Event of Default has occurred and is continuing, the Trustee, as the assignee of the Authority, may take any one or more of the remedial steps set forth in the Indenture; provided that if the principal of all Series 2011 Bonds then Outstanding and the interest accrued thereon has been declared immediately due and payable pursuant to the Indenture, the Trustee may immediately proceed to take whatever other action at law or in equity is necessary and appropriate to exercise or to cause the exercise of the rights and powers set forth in the Financing Agreement or in the Indenture, as may appear necessary or desirable to collect the amounts payable pursuant to the Financing Agreement then due and thereafter to become due or to enforce the performance and observance of any obligation, agreement or covenant of the City under the Financing Agreement or the Indenture. The Authority may exercise any right or remedy at law or in equity to enforce the Unassigned Issuer's Rights.

Any amount so collected pursuant to action taken under the Financing Agreement shall be paid to the Trustee and applied, first, to the payment of any reasonable costs, expenses and fees incurred by the Trustee as a result of taking such action and, next, any balance shall be transferred to the Revenue Fund and applied in accordance with the Indenture.

Notwithstanding the foregoing, the Trustee shall not be obligated to take any step that in its opinion will or might cause it to expend time or money or otherwise incur liability, unless and until indemnity satisfactory to it has been furnished to the Trustee at no cost or expense to the Trustee, except as otherwise provided in the Indenture.

The City expressly agrees that the Trustee may exercise such rights and remedies under the Indenture, including without limitation the appointment of a receiver of any Pledged TIF Revenues, any Pledged Municipal Sales Tax Revenues and any Business District Sales Tax Revenues held by the City.

No Remedy Exclusive

No remedy conferred or reserved in the Financing Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Financing Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon an Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Trustee to exercise any remedy reserved to it in the Financing Agreement, it shall not be necessary to give any notice, other than such notice as may be expressly required in the Financing Agreement.

Remedial Rights Assigned to the Trustee

Upon the execution and delivery of the Indenture, the Authority will thereby have assigned to the Trustee all rights and remedies conferred upon or reserved to the Authority by the Financing Agreement, reserving only the Unassigned Authority's Rights. The Trustee shall have the exclusive right to exercise such rights and remedies conferred upon or reserved to the Authority by the Financing Agreement in the same manner and to the same extent, but under the limitations and conditions imposed thereby and by the Financing Agreement. The Owners of the Series 2011 Bonds shall be deemed third party creditor beneficiaries of all representations, warranties, covenants and agreements contained in the Financing Agreement.

Term of Financing Agreement

The Financing Agreement shall be effective from and after its execution and delivery and shall continue in full force and effect until the Series 2011 Bonds are deemed to be paid within the meaning of the

Indenture and provision has been made for paying all other sums payable under the Financing Agreement and the Indenture.

CONTINUING DISCLOSURE

The following is a summary of certain other provisions contained in the Continuing Disclosure Agreement and is qualified in its entirety by reference to the Continuing Disclosure Agreement.

In accordance with the requirements of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission, the City shall, or shall cause the Dissemination Agent to, not later than 180 days after the end of the City's Fiscal Year, commencing with the year ending April 20, 2012, file with the MSRB, through EMMA, the following financial information and operating data (the "Annual Report"):

(1) The audited financial statements of the City for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles. If audited financial statements are not available by the time the Annual Report is required to be filed pursuant to this Section, the Annual Report shall contain unaudited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report promptly after they become available.

The City shall provide a Semi-Annual Report to the Dissemination Agent not later than each Semi-Annual Report Date, and the Dissemination Agent shall provide the Semi-Annual Report to the MSRB within 5 Business Days after receipt thereof from the City.

"Semi-Annual Report" means a document or set of documents which contains (a) updated information to the information contained in this Official Statement under the captions **"SUMMARY OF LEASES; OCCUPANTS,"** (b) the amount, listed by property owner, of any Series 2011A TIF Revenues paid since the last Semi-Annual Report, (c) the aggregate amount of any Series 2011B TIF Revenues and Series 2011B Municipal Sales Tax Revenues paid since the last Semi-Annual Report, (d) the amount by month of Series 2011A Municipal Sales Tax Revenues deposited into the Revenue Fund since the last Semi-Annual Report, (e) the amount by month of Series 2011A Business District Revenues deposited into the Revenue Fund since the last Semi-Annual Report and (f) the amount by month of Series 2011C Business District Revenues deposited into the Revenue Fund since the last Semi-Annual Report.

"Semi-Annual Report Date" means the date which is not later than the 60th day following each April 30 and October 31, commencing on the date which is not later than 60 days following April 30, 2012.

No later than 10 Business days after the occurrence of any of the following events, the City shall give, or cause to be given to the MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the Bonds ("Material Events"):

- (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 Bond, or other material events affecting the tax status of the Bonds;
- (7) modifications to rights of bondholders, if material;

- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the City;
- (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) appointment of a successor or additional trustee or the change of name of the trustee, if material.

The City and the Dissemination Agent may amend the Continuing Disclosure Agreement and any provision of the Continuing Disclosure Agreement may be waived, provided that Bond Counsel or other counsel experienced in federal securities law matters provides the City and the Dissemination Agent with its written opinion that the undertaking of the City contained therein, as so amended or after giving effect to such waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to the Continuing Disclosure Agreement.

If the City or the Dissemination Agent fails to comply with any provision of the Continuing Disclosure Agreement, any Participating Underwriter or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City or the Dissemination Agent, as the case may be, to comply with its obligations under the Continuing Disclosure Agreement. A default under the Continuing Disclosure Agreement shall not be deemed an event of default under the Indenture or the Bonds, and the sole remedy under the Continuing Disclosure Agreement in the event of any failure of the City or the Dissemination Agent to comply with the Continuing Disclosure Agreement shall be an action to compel performance.

In a separate acknowledgement, THF Green Mount Development, L.L.C. has agreed to provide to the City the information required under clause (a) of the definition of Semi-Annual Report not later than each April 10 and October 10, commencing April 10, 2012.

* * * * *

(THIS PAGE LEFT BLANK INTENTIONALLY)

APPENDIX C

FORM OF OPINION OF BOND COUNSEL

Gilmore & Bell, P.C., St. Louis, Missouri, Bond Counsel, proposes to issue its approving opinion upon the issuance of the Series 2011A Bonds in substantially the following form:

Mayor and City Council
Belleville, Illinois

Southwestern Illinois Development Authority
Collinsville, Illinois

Stifel, Nicolaus & Company, Incorporated
St. Louis, Missouri

UMB Bank, National Association, as Trustee
St. Louis, Missouri

Re: \$16,150,000 Local Government Program Revenue Bonds, Series 2011A (City of Belleville - Carlyle/Green Mount Redevelopment Project - Tax Increment and Sales Tax)

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Southwestern Illinois Development Authority (the "Authority") of the above-captioned bonds (the "Bonds"), pursuant to a Trust Indenture dated as of October 1, 2011 (the "Indenture"), by and between the Authority and UMB Bank, National Association, as trustee (the "Trustee"). Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Indenture.

The proceeds of the Bonds are being made available to the City of Belleville, Illinois (the "City") pursuant to a Financing Agreement dated as of October 1, 2011 (the "Financing Agreement") between the Authority and the City. Under the Financing Agreement, the City has agreed to transfer all Series 2011A TIF Revenues, Series 2011A Municipal Sales Tax Revenues, Series 2011A Business District Revenues to the Trustee to be applied to the principal of and premium, if any, and interest on the Bonds. Such payments and the rights of the Authority under the Financing Agreement (except certain retained rights as specified therein) are pledged and assigned by the Authority under the Indenture as security for the Bonds.

We have examined the law and such certified proceedings and other documents as we deem necessary to render this opinion. As to questions of fact material to our opinion we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon and subject to the foregoing, we are of the opinion, under existing law, as follows:

1. The Bonds have been duly authorized, executed and delivered by the Authority and are valid and legally binding special obligations of the Authority, payable solely from Series 2011A TIF Revenues, Series 2011A Municipal Sales Tax Revenues, Series 2011A Business District Revenues and other moneys pledged thereto and held by the Trustee pursuant to the Indenture.

2. The Indenture and Financing Agreement have been duly authorized, executed and delivered by the Authority and constitute the valid and legally binding agreements of the Authority enforceable against the Authority in accordance with the provisions thereof.

3. The interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is (i) excludable from gross income for federal income tax purposes, and (ii) not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on corporations. The opinions set forth in this paragraph are subject to the condition that the Authority and the City comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Authority and the City have covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The Bonds have not been designated as "qualified tax-exempt obligations" for purposes of Section 265(b) of the Code.

4. Interest on the Bonds is exempt from present Illinois income taxes, except for estate, transfer and inheritance taxes.

We express no opinion regarding the perfection or priority of the lien on revenues or other funds pledged under the Indenture or tax consequences arising with respect to the Bonds other than as expressly set forth herein.

The rights of the owners of the Bonds and the enforceability of the Bonds, the Financing Agreement and the Indenture may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

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.

Very truly yours,

NEW ISSUE**Book-Entry Only****NOT RATED**

In the opinion of Gilmore & Bell, P.C., St. Louis, Missouri, Bond Counsel, the interest on the Series 2011C Bonds is exempt from Illinois income taxation by the State of Illinois. Bond Counsel is not rendering any opinion with respect to the treatment of interest on the Series 2010C Bonds for federal income taxation. See "TAX MATTERS" herein.

\$5,700,000

**SOUTHWESTERN ILLINOIS DEVELOPMENT AUTHORITY
TAXABLE LOCAL GOVERNMENT PROGRAM REVENUE BONDS, SERIES 2011C
(CITY OF BELLEVILLE - CARLYLE/GREEN MOUNT REDEVELOPMENT PROJECT - BUSINESS DISTRICT)**

Dated: Date of Delivery**Due: As Shown Below**

The Series 2011C Bonds are issuable only as fully-registered bonds and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Series 2011C Bonds. Purchases of the Series 2011C Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interests in the Series 2011C Bonds purchased. Principal of and semiannual interest on the Series 2011C Bonds will be paid from moneys available therefor under the Indenture (herein defined) by UMB Bank, National Association, St. Louis, Missouri, as Trustee (the "Trustee"). Interest on the Series 2011C Bonds will be payable semiannually on each January 1 and July 1, beginning July 1, 2012.

The Series 2011C Bonds are being issued by the Southwestern Illinois Development Authority (the "Authority"), pursuant to a Trust Indenture dated as of October 1, 2011 by and between the Authority and the Trustee (the "Indenture"). The Series 2011C Bonds are special, limited obligations of the Authority, payable solely from Series 2011C Bond proceeds and the Series 2011C Business District Revenues (as described herein) received by the Authority from the City of Belleville, Illinois (the "City") pursuant to a Financing Agreement dated as of October 1, 2011 between the Authority and the City and moneys on deposit in the Series 2011C Reserve Account of the Debt Service Reserve Fund.

THE SERIES 2011C BONDS AND THE INTEREST THEREON SHALL NOT CONSTITUTE A DEBT OR LIABILITY OF THE STATE OF ILLINOIS (THE "STATE") OR AN INDEBTEDNESS OF THE AUTHORITY OR THE STATE OR A LOAN OF CREDIT OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF EITHER OF THEM. WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION, AND THE AUTHORITY AND THE STATE SHALL NOT BE LIABLE FOR THE PAYMENTS OF PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2011C BONDS, BUT THE SERIES 2011C BONDS SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED FOR IN THE FINANCING AGREEMENT AND IN THE INDENTURE. NO OWNER OF ANY SERIES 2011C BOND SHALL HAVE THE RIGHT TO COMPEL THE TAXING POWER, IF ANY, OF THE AUTHORITY OR THE STATE TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON SUCH SERIES 2011C BONDS. THE AUTHORITY HAS NO TAXING POWER. THE MEMBERS OF THE BOARD OF DIRECTORS OF THE AUTHORITY HAVE DETERMINED THAT SECTION 7(i) OF THE SOUTHWESTERN ILLINOIS DEVELOPMENT AUTHORITY ACT, RELATING TO THE MORAL OBLIGATION OF THE STATE OF ILLINOIS, DOES NOT APPLY TO THE SERIES 2011C BONDS.

The Series 2011C Bonds involve a high degree of risk, and prospective purchasers should read the section herein captioned "OWNERS' RISKS." The Series 2011C Bonds may not be suitable investments for all persons. Prospective purchasers should carefully evaluate the risks and merits of an investment in the Series 2011C Bonds, should confer with their own legal and financial advisors and should be able to bear the risk of loss of their investment in the Series 2011C Bonds before considering a purchase of the Series 2011C Bonds.

The Series 2011C Bonds are subject to redemption prior to maturity in certain circumstances, as described herein. It is expected that a substantial portion of the Series 2011C Bonds will be redeemed prior to maturity. See "THE SERIES 2011C BONDS - Redemption Provisions" and "PROJECTED AVERAGE LIFE OF THE SERIES 2011C BONDS" herein.

MATURITY SCHEDULE

<u>Due</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>	<u>CUSIP Number</u>
07/1/22	\$1,700,000	7.125%	100.00%	84552Y LY5
07/1/25	1,000,000	8.125	100.00	84552Y LZ2
07/1/29	3,000,000	9.250	100.00	84552Y MA6

The Series 2011C Bonds are offered when, as and if issued by the Authority, subject to the approval of legality by Gilmore & Bell, P.C., St. Louis, Missouri, Bond Counsel. Certain legal matters related to this Official Statement will be passed upon by Gilmore & Bell, P.C., St. Louis, Missouri. Certain legal matters will be passed upon for the Authority by Chapman and Cutler LLP, Chicago, Illinois, for the City by Sprague & Urban, Belleville, Illinois and for the Developer by Robert J. Jakubeck, General Counsel of THF Realty, St. Louis, Missouri. It is expected that the Series 2011C Bonds will be available for delivery on or about October 27, 2011.

**STIFEL
NICOLAUS**

The date of this Official Statement is October 19, 2011.

CITY OF BELLEVILLE, ILLINOIS

101 South Illinois Street
Belleville, Illinois 62220

MAYOR

Mark W. Eckert

CITY COUNCIL

Michael Heisler
Ken Kinsella
Dorothy Meyer
Melinda Hult
Rob Anderson
A. "Gabby" Rujawitz
Tim Carpenter
Dean L. Hardt
Phillip Silsby
Joseph W. Hayden
Paul Seibert
Dave Martinson
Phil Elmore
Lillian Schneider
James Musgrove
Joe Orlet

CITY'S ATTORNEY

Robert Sprague, Esq.
Belleville, Illinois

TRUSTEE

UMB Bank, National Association
St. Louis, Missouri

BOND COUNSEL

Gilmore & Bell, P.C.
St. Louis, Missouri

UNDERWRITER

Stifel, Nicolaus & Company, Incorporated
St. Louis, Missouri

No dealer, broker, salesman or other person has been authorized by the Authority or the City to give any information or to make any representations with respect to the Series 2011C Bonds offered hereby other than those contained in this Official Statement, 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 an offer to buy nor shall there be any sale of the Series 2011C Bonds offered hereby by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. Except for information concerning the Authority contained under the captions **"THE AUTHORITY"** and **"ABSENCE OF LITIGATION,"** in so far as it relates to the Authority, none of the information in this Official Statement has been supplied or verified by the Authority, and the Authority makes no representation or warranty, express or implied, as to the accuracy or completeness of such information. The information set forth herein has been furnished by the City and other sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Authority. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority or the City since the date hereof.

The Series 2011C Bonds have not been registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended, or under any state securities or "blue sky" laws. The Series 2011C Bonds are offered pursuant to an exemption from registration with the Securities and Exchange Commission. In making an investment decision, investors must rely on their own examination of the terms of this offering, including the merits and risks 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 may be a criminal offense.

CAUTIONARY STATEMENTS REGARDING FORWARD- LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "anticipate," "projected," "budget" or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THESE FUTURE RISKS AND UNCERTAINTIES INCLUDE THOSE DISCUSSED IN THE "OWNERS' RISKS" AND "PROJECTED AVERAGE LIFE OF THE SERIES 2011C BONDS" SECTIONS OF THIS OFFICIAL STATEMENT. NEITHER THE CITY NOR ANY OTHER PARTY PLANS TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN THEIR EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES UPON WHICH SUCH STATEMENTS ARE BASED OCCUR.

TABLE OF CONTENTS

<u>Page</u>	<u>Page</u>
INTRODUCTION	1
Purpose of the Official Statement	1
The Authority	1
The City	1
The Series 2011C Bonds	1
Security for the Series 2011C Bonds	2
Revenue Projections	3
Owners' Risks	3
Definitions and Summary of Documents	3
Continuing Disclosure	4
THE SERIES 2011C BONDS	4
Authorization: Description of the Series 2011C Bonds	4
Registration, Transfer and Exchange of Series 2011C Bonds	4
Redemption Provisions	5
Payment and Discharge Provisions	6
Defeasance Provisions	6
Book-Entry Only System	7
SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2011C BONDS	9
Limited Obligations; Sources of Payment	9
Indenture Funds and Accounts	10
Additional Bonds	12
ESTIMATED SOURCES AND USES OF FUNDS	12
BUSINESS DISTRICT SALES TAX COLLECTION AND DISTRIBUTION IN ILLINOIS	13
OWNERS' RISKS	13
Nature of the Obligations	13
Financial Feasibility of the Shopping Center	14
Reliance on the Manager and Others	14
No Mortgage of the Shopping Center	15
Changes in State and Local Tax Laws	15
Limitations on Remedies	15
Early Redemption Prior to Maturity	15
Changes in Market Conditions	15
Factors Affecting Business District Sales Tax Revenues	16
Projections	16
Debt Service Reserve Account	16
Acceleration	16
Lack of Rating and Market for the Series 2011C Bonds	17
PROJECTED AVERAGE LIFE OF THE SERIES 2011C BONDS	17
THE REDEVELOPMENT PROJECT	21
Overview	21
The Developer	22
Environmental Assessment	22
The Manager	23
Easements with Covenants and Restrictions Affecting Land	23
Competition	23
Residential Component of the Redevelopment Project	24
SUMMARY OF LEASES; OCCUPANTS	24
Leases	24
Occupants	28
THE AUTHORITY	28
Organization and Powers	28
Membership	29
Obligations of the Authority	29
THE CITY	29
General	29
Population	30
Employment	30
Income Statistics	31
ABSENCE OF LITIGATION	32
LEGAL MATTERS	32
TAX MATTERS	32
Opinion of Bond Counsel	33
Federal Income Tax Consequences	33
UNDERWRITING	33
CERTAIN RELATIONSHIPS	33
PROJECTIONS	34
NO RATINGS	34
MISCELLANEOUS	34
Appendix A – Projections	
Appendix B – Definitions and Summary of the Principal Documents	
Appendix C – Form of Opinion of Bond Counsel	

OFFICIAL STATEMENT

\$5,700,000

CITY OF BELLEVILLE, ILLINOIS

TAXABLE LOCAL GOVERNMENT PROGRAM REVENUE BONDS, SERIES 2011C (CITY OF BELLEVILLE - CARLYLE/GREEN MOUNT REDEVELOPMENT PROJECT - BUSINESS DISTRICT)

INTRODUCTION

This introduction is only a brief description and summary of certain information contained in this Official Statement and is qualified in its entirety by reference to the more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement.

Purpose of the Official Statement

The purpose of this Official Statement is to furnish information relating to (1) the Southwestern Illinois Development Authority (the "Authority"), (2) the City of Belleville, Illinois (the "City"), (3) the Authority's Taxable Local Government Program Revenue Bonds, Series 2011C (City of Belleville - Carlyle/Green Mount Redevelopment Project - Business District) (the "Series 2011C Bonds") and (4) a mixed use development consisting of (i) approximately 400,000 square feet of retail development, anchored by a Lowe's Home Improvement Store and a Wal-Mart Supercenter, known as Green Mount Commons (the "Shopping Center") developed by THF Green Mount Development, L.L.C. and GMCR, L.L.C. (collectively, the "Developer") and (ii) approximately 357 housing units. For the definition of certain capitalized terms used herein and not otherwise defined, see "**Appendix B – Definitions and Summary of the Principal Documents**" hereto.

The Authority

The issuer of the Series 2011C Bonds is the Southwestern Illinois Development Authority, a political subdivision, body politic and municipal corporation organized and existing under the laws of the State of Illinois. See the caption "**THE AUTHORITY**" herein.

The City

The City, located in St. Clair County, Illinois, is a home-rule unit of government and political subdivision of the State of Illinois. The City is issuing the Series 2011C Bonds to finance or refinance certain costs incurred pursuant to the Carlyle / Green Mount Business District Amended and Restated Business District Plan and the Carlyle / Green Mount Redevelopment Project Area Tax Increment Financing Redevelopment Plan (collectively, as amended, the "Redevelopment Plan"). See the caption "**THE CITY**" herein.

The Series 2011C Bonds

The Series 2011C Bonds are being issued pursuant to 70 *Illinois Compiled Statutes 2010*, 520/1 *et seq.*, as supplemented and amended (the "Act"), the Local Government Debt Reform Act, 35 *Illinois Compiled Statutes 2010*, 350/1 *et seq.*, as supplemented and amended (the "Local Government Debt Reform Act"), a Resolution duly adopted by the members of the Board of Directors of the Authority (the "Resolution") and a Trust Indenture dated as of October 1, 2011 (the "Indenture") between the Authority and UMB Bank, National Association as trustee (the "Trustee") to (a) finance and refinance certain redevelopment project costs incurred pursuant to the Redevelopment Plan, including costs evidenced by the Prior Notes, (b) fund a debt service reserve account for the Series 2011C Bonds and (c) pay the costs of issuance of the Series 2011C Bonds. A

description of the Series 2011C Bonds is contained in this Official Statement under the caption "**THE SERIES 2011C BONDS.**" All references to the Series 2011C Bonds are qualified in their entirety by the definitive form thereof and the provisions with respect thereto included in the Indenture.

The Series 2011C Bonds are subject to redemption prior to maturity as described herein. If the revenues are received as projected, a substantial portion of the Series 2011C Bonds will be redeemed prior to their stated maturity. See "THE SERIES 2011C BONDS – Redemption Provisions" and "PROJECTED AVERAGE LIFE OF THE SERIES 2011C BONDS" herein.

Contemporaneously with the issuance of the Series 2011C Bonds, the City is issuing its \$16,150,000 aggregate principal amount of Local Government Program Revenue Bonds, Series 2011A (City of Belleville - Carlyle/Green Mount Redevelopment Project - Tax Increment and Sales Tax) (the "Series 2011A Bonds") and its \$1,560,000 aggregate principal amount of Local Government Program Revenue Bonds, Series 2011B (City of Belleville - Carlyle/Green Mount Redevelopment Project - Tax Increment and Sales Tax) (the "Series 2011B Bonds"). The Series 2011A Bonds and the Series 2011B Bonds are repayable from Pledged TIF Revenues and Pledged Municipal Sales Tax Revenues. In addition, the Series 2011A Bonds are repayable from the Series 2011A Business District Revenues. The Series 2011A Bonds and the Series 2011B Bonds are **not** being offered hereby. When the Series 2011A Bonds and the Series 2011B Bonds are no longer Outstanding, the Indenture provides for the application of the Pledged TIF Revenues, Pledged Municipal Sales Tax Revenues and all of the Business District Sales Tax Revenues to the repayment of the Series 2011C Bonds. It is **not** anticipated that the Series 2011A Bonds or the Series 2011B Bonds will be repaid prior to the repayment of the Series 2011C Bonds and therefore it is **not** anticipated that the Pledged TIF Revenues, the Pledged Municipal Sales Tax Revenues and the Series 2011A Business District Revenues will be a source of repayment of the Series 2011C Bonds.

Security for the Series 2011C Bonds

The Series 2011C Bonds and the interest thereon are special, limited obligations of the Authority, payable solely from Series 2011C Bond proceeds, Series 2011C Business District Revenues and moneys on deposit in a debt service reserve account, as provided in the Indenture and, under certain circumstances, Pledged TIF Revenues, Pledged Municipal Sales Tax Revenues and Series 2011A Business District Revenues. See "**SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2011C BONDS**" herein.

A Series 2011C Reserve Account will be funded in the amount of \$570,000 from proceeds of the Series 2011C Bonds as additional security for the Series 2011C Bonds.

"Series 2011C Business District Revenues" means all Business District Sales Tax Revenues less the Series 2011A Business District Revenues. "Business District Sales Tax Revenues" means all sales tax revenues received by the City from the one percent (1.0%) retailers' occupation tax and service occupation tax and the hotel operators' occupation tax imposed by the City pursuant to the Business District Act within the Business District. "Series 2011A Business District Revenues" means for each Interest Payment Date an amount of Business District Sales Tax Revenues equal to 9.5% of the amount of moneys to be transferred to the Series 2011A Debt Service Account and the Series 2011A Redemption Account for such Interest Payment Date but in no event to exceed \$160,000 for the twelve-month period ending as of the 40th day, or if such day is not a Business Day, the immediately preceding Business Day, prior to each July 1. The Business District consists of approximately 60 acres, being that portion of the Redevelopment Project Area in which the Shopping Center is located.

THE SERIES 2011C BONDS AND THE INTEREST THEREON SHALL NOT CONSTITUTE A DEBT OR LIABILITY OF THE STATE OR AN INDEBTEDNESS OF THE AUTHORITY OR THE STATE OR A LOAN OF CREDIT OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF EITHER OF THEM, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION, AND THE AUTHORITY AND THE STATE SHALL NOT BE LIABLE FOR THE

PAYMENTS OF PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2011C BONDS, BUT THE SERIES 2011C BONDS SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED FOR IN THE FINANCING AGREEMENT AND IN THE INDENTURE. NO OWNER OF ANY SERIES 2011C BOND SHALL HAVE THE RIGHT TO COMPEL THE TAXING POWER, IF ANY, OF THE AUTHORITY OR THE STATE TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON SUCH SERIES 2011C BONDS. THE AUTHORITY HAS NO TAXING POWER. THE MEMBERS OF THE BOARD OF DIRECTORS OF THE AUTHORITY HAVE DETERMINED THAT SECTION 7(F) OF THE SOUTHWESTERN ILLINOIS DEVELOPMENT AUTHORITY ACT, RELATING TO THE MORAL OBLIGATION OF THE STATE OF ILLINOIS, DOES **NOT** APPLY TO THE SERIES 2011C BONDS.

The obligations of the City under the Financing Agreement do not constitute a debt of the City, the State or any political subdivision thereof, and do not constitute an indebtedness within the meaning of any constitutional, charter or statutory debt limitation or restriction. Neither the issuance of the Series 2011C Bonds nor the execution and delivery of the Financing Agreement by the City shall, directly, indirectly or contingently, obligate the City, the State or any political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment.

BECAUSE OF LIMITATIONS IMPOSED BY CURRENT STATE LAW, WHETHER OR NOT THE PRINCIPAL AMOUNT OR INTEREST ON THE SERIES 2011A BONDS HAS BEEN PAID IN FULL, THE OBLIGATIONS OF THE CITY UNDER THE FINANCING AGREEMENT TO TRANSFER (1) PLEDGED TIF REVENUES TERMINATES ON DECEMBER 31, 2030, (2) BUSINESS DISTRICT SALES TAX REVENUES TERMINATES ON THE EARLIER OF (A) JUNE 15, 2029, OR (B) FULL PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES 2011C BONDS, AND (3) PLEDGED MUNICIPAL SALES TAX REVENUES TERMINATES ON DECEMBER 15, 2041.

Revenue Projections

A study entitled "Bond Revenue Study," dated September 15, 2011 (the "Projections") has been prepared by Peckham Guyton Albers & Viets, Inc., St. Louis, Missouri. A copy of the Projections is attached hereto as **Appendix A**. See the caption "**PROJECTIONS**" herein. Neither the Authority nor the City makes any representation or warranty (express or implied) as to the accuracy or completeness of any financial, technical or statistical data or any estimates, projections, assumptions or expressions of opinion set forth in the Projections.

Pursuant to the State law, taxpayers who promptly pay their sales taxes are entitled to retain 1.75% of the amount of taxes owed. Because it can not be determined whether the taxpayers in the Redevelopment Area will promptly pay their sales taxes, the Projections assume that all taxpayers will promptly pay their sales taxes and will retain 1.75% of the amount of the taxes owed.

Owners' Risks

The Series 2011C Bonds involve a high degree of risk, and prospective purchasers should read the section herein captioned "**OWNERS' RISKS**." The Series 2011C Bonds may not be suitable investments for all persons, and prospective purchasers should carefully evaluate the risks and merits of an investment in the Series 2011C Bonds, should confer with their own legal and financial advisors and should be able to bear the risk of loss of their investment in the Series 2011C Bonds before considering a purchase of the Series 2011C Bonds.

Definitions and Summary of Documents

Definitions of certain words and terms used in this Official Statement and a summary of certain provisions of the Indenture and the Continuing Disclosure Agreement are included in this Official Statement in **Appendix B** hereto. Such definitions and summaries do not purport to be comprehensive or definitive. All

references herein to the Indenture and the Continuing Disclosure Agreement are qualified in their entirety by reference to the definitive forms of such documents, copies of which may be obtained from Stifel, Nicolaus & Company, Incorporated, 501 N. Broadway, 8th Floor, St. Louis, Missouri 63102.

Continuing Disclosure

The City covenants in the Continuing Disclosure Agreement to provide certain financial information relating to the City by not later than 180 days after the end of each fiscal year of the City, commencing with the fiscal year ending April 30, 2012, to provide certain financial information on a semi-annual basis and to provide notices of the occurrence of certain enumerated events. See the caption "Continuing Disclosure" in **Appendix B** herein.

THE SERIES 2011C BONDS

The following is a summary of certain terms and provisions of the Series 2011C Bonds. Reference is hereby made to the Series 2011C Bonds and the provisions with respect thereto in the Indenture for the detailed terms and provisions thereof.

Authorization; Description of the Series 2011C Bonds

The Series 2011C Bonds are being issued pursuant to and in full compliance with the Constitution and laws of the State of Illinois. The Series 2011C Bonds will be issuable as fully-registered bonds. Purchases of the Series 2011C Bonds will be made in book-entry form only (as described below) in denominations of \$5,000 or any integral multiple in excess thereof. Purchasers of the Series 2011C Bonds will not receive certificates representing their interests in the Series 2011C Bonds purchased. The Series 2011C Bonds will be dated as of the date of initial issuance and delivery thereof, and will mature on the date and in the principal amount set forth on the cover page of this Official Statement. The Series 2011C Bonds will bear interest at the rate per annum set forth on the cover page hereof, which interest will be payable semiannually on January 1 and July 1 in each year, beginning on July 1, 2012.

Registration, Transfer and Exchange of Series 2011C Bonds

Any Series 2011C Bond may be transferred only upon the Register upon surrender thereof to the Trustee duly endorsed for transfer or accompanied by an assignment duly executed by the Owner or his attorney or legal representative in such form as shall be satisfactory to the Trustee. Upon any such transfer, the Authority shall execute and the Trustee shall authenticate and deliver in exchange for such Series 2011C Bond a new fully-registered Series 2011C Bond or Series 2011C Bonds, registered in the name of the transferee, of the same series and of any Authorized Denomination. Any Series 2011C Bond, upon surrender thereof at the principal corporate trust office of the Trustee or such other office as the Trustee shall designate, together with an assignment duly executed by the Owner or his attorney or legal representative in such form as shall be satisfactory to the Trustee, may, at the option of the Owner thereof, be exchanged for Series 2011C Bonds of the same series and maturity, of any Authorized Denomination or Denominations, bearing interest at the same rate, and registered in the name of the Owner.

The Authority or the Trustee may make a charge against each Owner requesting a transfer or exchange of Series 2011C Bonds for every such transfer or exchange of Series 2011C Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such transfer or exchange, the cost of printing, if any, each new Series 2011C Bond issued upon any transfer or exchange and the reasonable expenses of the Authority and the Trustee in connection therewith, and such charge shall be paid before any such new Series 2011C Bond shall be delivered. The Authority or the Trustee may levy a charge against an Owner sufficient to reimburse it for any governmental charge required to be paid in the event

the Owner fails to provide a correct taxpayer identification number to the Trustee. Such charge may be deducted from amounts otherwise due to such Owner.

Redemption Provisions

Optional Redemption. The Series 2011C Bonds are subject to optional redemption by the Authority, at the direction of the City, in whole or in part at any time on or after July 1, 2019, at the redemption price equal to 100% of the principal amount of the Series 2011C Bonds to be redeemed plus accrued interest to the redemption date.

Special Mandatory Redemption.

The Series 2011C Bonds maturing on July 1, 2022 are subject to special mandatory redemption by the City on any Interest Payment Date, commencing July 1, 2012, at the redemption price of 100% of the principal amount being redeemed, plus accrued interest thereon to the redemption date, in an amount equal to the amount which, 40 days prior to each Interest Payment Date, is on deposit in the Series 2011C Redemption Account of the Debt Service Fund.

The Series 2011C Bonds maturing on July 1, 2025 are subject to special mandatory redemption by the City on any Interest Payment Date on which no Series 2011C Bonds maturing on July 1, 2022 are Outstanding, at the redemption price of 100% of the principal amount being redeemed, plus accrued interest thereon to the redemption date, in an amount equal to the amount which, 40 days prior to each Interest Payment Date, is on deposit in the Series 2011C Redemption Account of the Debt Service Fund.

The Series 2011C Bonds maturing on July 1, 2029 are subject to special mandatory redemption by the City on any Interest Payment Date on which no Series 2011C Bonds maturing on July 1, 2025 are Outstanding, at the redemption price of 100% of the principal amount being redeemed, plus accrued interest thereon to the redemption date, in an amount equal to the amount which, 40 days prior to each Interest Payment Date, is on deposit in the Series 2011C Redemption Account of the Debt Service Fund.

Selection of Series 2011C Bonds to be Redeemed. Series 2011C Bonds shall be redeemed only in Authorized Denominations. Except in the case of any special mandatory redemption of the Series 2011C Bonds, when less than all of the Outstanding Series 2011C Bonds are to be redeemed and paid prior to maturity, such Series 2011C Bonds or portions of Series 2011C Bonds to be redeemed shall be selected in Authorized Denominations by the Trustee by lot or in such other equitable manner as it may determine from such maturities and in such amounts as the Authority may determine. In the case of any special mandatory redemption of the Series 2011C Bonds, such Series 2011C Bonds or portions of Series 2011C Bonds to be redeemed shall be selected in Authorized Denominations by the Trustee by lot or in such other equitable manner as it may determine.

In the case of a partial redemption of Series 2011C Bonds when Series 2011C Bonds of denominations greater than the minimum Authorized Denomination are then Outstanding, then for all purposes in connection with such redemption each Authorized Denomination unit of face value shall be treated as though it was a separate Series 2011C Bond of the denomination of the minimum Authorized Denomination. If one or more, but not all, of the minimum Authorized Denomination units of principal amount represented by any Series 2011C Bond are selected for redemption, then upon notice of intention to redeem such minimum Authorized Denomination unit or units, the Owner of such Series 2011C Bond or his attorney or legal representative shall forthwith present and surrender such Series 2011C Bond to the Trustee (i) for payment of the redemption price (including the interest to the date fixed for redemption) of the minimum Authorized Denomination unit or units of principal amount called for redemption, and (ii) for exchange, without charge to the Owner thereof, for a new Series 2011C Bond or Series 2011C Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such Series 2011C Bond. If the Owner of any such Series 2011C Bond of a denomination greater than minimum Authorized Denomination fails to present such Series

2011C Bond to the Trustee for payment and exchange as aforesaid, said Series 2011C Bond shall, nevertheless, become due and payable on the redemption date to the extent of the minimum Authorized Denomination unit or units of principal amount called for redemption (and to that extent only) and shall cease to accrue interest on the principal amount so called for redemption.

Notice and Effect of Call for Redemption. Unless waived by any Owner of Series 2011C Bonds to be redeemed, official notice of the redemption of any Series 2011C Bond shall be given by the Trustee on behalf of the Authority by mailing a copy of an official redemption notice by first class mail, postage prepaid, at least 30 days and not more than 60 days prior to the date fixed for redemption to the Owner of the Series 2011C Bond or Series 2011C Bonds to be redeemed at the address shown on the Register; provided, however, that failure to give such notice by mailing as aforesaid to any Owner or any defect therein as to any particular Series 2011C Bond shall not affect the validity of any proceedings for the redemption of any other Series 2011C Bonds.

On or prior to the date fixed for redemption, the Authority shall deposit moneys or Government Securities with the Trustee as provided in the Indenture to pay the Series 2011C Bonds called for redemption and accrued interest thereon to the redemption date. Upon the happening of the above conditions, and notice having been given as provided in the Indenture, the Series 2011C Bonds or the portions of the principal amount of Series 2011C Bonds thus called for redemption shall cease to bear interest on the specified redemption date, provided moneys sufficient for the payment of the redemption price are on deposit at the place of payment at the time, and shall no longer be entitled to the protection, benefit or security of the Indenture and shall not be deemed to be Outstanding under the provisions of the Indenture.

Payment and Discharge Provisions

When the principal of and interest on all the Bonds have been paid in accordance with their terms or provision has been made for such payment, as provided in the Indenture, and provision also is made for paying all other sums payable under the Indenture, including the fees and expenses of the Trustee and the Paying Agents to the date of payment of the Bonds, then the right, title and interest of the Trustee under the Indenture shall thereupon cease, determine and be void, and thereupon the Trustee shall cancel, discharge and release the Indenture and shall execute, acknowledge and deliver to the Authority such instruments of satisfaction and discharge or release as shall be required to evidence such release and the satisfaction and discharge of the Indenture, and shall assign and deliver to the Authority any property at the time subject to the Indenture which may then be in the Trustee's possession, except (1) amounts in the Debt Service Fund required to be paid to the Owners under the Indenture, (2) amounts set aside for the payment of arbitrage rebate, if any, (3) amounts in the funds and accounts required to be paid to the City, and (4) except funds or securities in which such moneys are invested and held by the Trustee for the payment of the principal of and interest on the Bonds.

Defeasance Provisions

Series 2011C Bonds shall be deemed to be paid within the meaning of the Indenture when payment of the principal on such Series 2011C Bonds, plus premium, if any, plus interest thereon to the due date thereof (whether such due date is by reason of maturity or upon redemption as provided in the Indenture, or otherwise), either (1) has been made or caused to be made in accordance with the terms of the Indenture, or (2) provision therefor has been made by depositing with the Trustee, in trust and irrevocably setting aside exclusively for such payment, (i) moneys sufficient to make such payment or (ii) non-callable Government Securities maturing as to principal and interest in such amount and at such times as will ensure the availability of sufficient moneys to make such payment and, with respect to Tax-Exempt Bonds the Trustee shall have received a written opinion of Bond Counsel (which opinion may be based upon a ruling or rulings of the Internal Revenue Service) to the effect that such deposit will not cause the interest on such Tax-Exempt Bonds to be included in gross income for purposes of federal income taxation. If the interest earnings on money or Government Securities are necessary to provide for the payment of the Series 2011C Bonds, the Trustee shall receive a verification report of a firm of independent certified public accountants that the moneys and

Government Securities deposited with the Trustee are sufficient to pay when due the principal or redemption price, if any, and interest on the Series 2011C Bonds on or prior to the applicable redemption or maturity date. At such time as a Series 2011C Bond is deemed to be paid under the Indenture, such Series 2011C Bond shall no longer be secured by or be entitled to the benefits of the Indenture, except for the purposes of any such payment from such moneys or Government Securities.

Book-Entry Only System

General. The Series 2011C Bonds are available in book-entry only form. Purchasers of the Series 2011C Bonds will not receive certificates representing their interests in the Series 2011C Bonds. Ownership interests in the Series 2011C Bonds will be available to purchasers only through a book-entry system (the "Book-Entry System") maintained by The Depository Trust Company ("DTC"), New York, New York.

The following information concerning DTC and DTC's book-entry system has been obtained from DTC. The Authority and the City take no responsibility as to the accuracy or completeness thereof and neither the Indirect Participants nor the Beneficial Owners should rely on the following information with respect to such matters, but should instead confirm the same with DTC or the Direct Participants, as the case may be. There can be no assurance that DTC will abide by its procedures or that such procedures will not be changed from time to time.

DTC will act as securities depository for the Series 2011C Bonds. The Series 2011C Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2011C Bond certificate will be issued for each maturity of the Series 2011C Bonds and will be deposited with DTC or the Trustee as its agent.

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

Purchases of Ownership Interests. Purchases of Series 2011C Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2011C Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2011C 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 Series 2011C 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 Securities, except in the event that use of the book-entry system for the Series 2011C Bonds is discontinued.

Transfers. To facilitate subsequent transfers, all Series 2011C 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 Series 2011C Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2011C Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2011C 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.

Notices. 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 Series 2011C Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2011C Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2011C Bond documents. For example, Beneficial Owners of Series 2011C Bonds may wish to ascertain that the nominee holding the Series 2011C 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 will be sent to DTC. If less than all of the Series 2011C 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.

Voting. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2011C Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority 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 Series 2011C Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of Principal, Redemption Price and Interest. Payments of principal of, premium, if any, and interest on the Series 2011C Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of, premium, if any, and interest on the Series 2011C Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

Discontinuation of Book-Entry System. DTC may discontinue providing its services as depository with respect to the Series 2011C Bonds at any time by giving reasonable notice to the Authority or the Trustee.

Under such circumstances, in the event that a successor depository is not obtained, Series 2011C Bond certificates are required to be printed and delivered.

If the system of book-entry-only transfers has been discontinued and a Direct Participant has elected to withdraw its Series 2011C Bonds from DTC (or such successor securities depository), bond certificates may be delivered to Beneficial Owners in the manner described in the Indenture.

The information above concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but is not guaranteed as to accuracy or completeness by and is not to be construed as a representation by the City, the Trustee or the Underwriter. The City, the Trustee and the Underwriter make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners will act in accordance with the procedures described above or in a timely manner.

SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2011C BONDS

Limited Obligations; Sources of Payment

The Series 2011C Bonds and the interest thereon are special, limited obligations of the Authority, payable solely from Series 2011C Bond proceeds, Series 2011C Business District Revenues, moneys on deposit in the Series 2011C Reserve Account of the Debt Service Reserve Fund and under certain circumstances, Pledged TIF Revenues and Pledged Municipal Sales Tax Revenues, as provided in the Indenture. Pursuant to the Financing Agreement, the City shall transfer to the Trustee all Pledged TIF Revenues, Pledged Municipal Sales Tax Revenues and Business District Tax Revenues. Contemporaneously with the issuance of the Series 2011C Bonds, the City is issuing the Series 2011A Bonds and the Series 2011B Bonds. The Series 2011A Bonds and the Series 2011B Bonds are repayable from Pledged TIF Revenues and Pledged Municipal Sales Tax Revenues, as well as the Series 2011A Business District Revenues. The Series 2011A Bonds and the Series 2011B are **not** being offered hereby. When the Series 2011A Bonds and the Series 2011B Bonds are no longer Outstanding, the Indenture provides for the application of the Pledged TIF Revenues and Pledged Municipal Sales Tax Revenues, as well as Series 2011A Business District Revenues to the repayment of the Series 2011C Bonds. It is **not** anticipated that the Series 2011A Bonds or the Series 2011B Bonds will be repaid prior to the repayment of the Series 2011C Bonds and therefore it is **not** anticipated that the Pledged TIF Revenues, Pledged Municipal Sales Tax Revenues and Series 2011A Business District Revenues will be a source of repayment of the Series 2011C Bonds. Under the Indenture, the Authority will pledge and assign moneys in the Series 2011C Business District Subaccount of the Business District Account of the Revenue Fund, the Series 2011C Debt Service Account of the Debt Service Fund and the Series 2011C Reserve Account of the Debt Service Reserve Fund to the Trustee for the benefit of the Owners as security for the payment of the Series 2011C Bonds and the interest thereon.

"Series 2011C Business District Revenues" means all Business District Sales Tax Revenues less the Series 2011A Business District Revenues. "Business District Sales Tax Revenues" means all sales tax revenues received by the City from the one percent (1.0%) retailers' occupation tax and service occupation tax and the hotel operators' occupation tax imposed by the City pursuant to the Business District Act within the Business District. "Series 2011A Business District Revenues" means for each Interest Payment Date an amount of Business District Sales Tax Revenues equal to 9.5% of the amount of moneys to be transferred to the Series 2011A Debt Service Account and the Series 2011A Redemption Account for such Interest Payment Date but in no event to exceed \$160,000 for the twelve-month period ending as of the 40th day, or if such day is not a Business Day, the immediately preceding Business Day, prior to each July 1. The Business District Center is located.

The Series 2011C Bonds are not secured by a mortgage on any property.

Pursuant to the State law, taxpayers who promptly pay their sales taxes are entitled to retain 1.75% of the amount of taxes owed. Because it can not be determined whether the taxpayers in the Redevelopment Area will promptly pay their sales taxes, the Projections assume that all taxpayers will promptly pay their sales taxes and will retain 1.75% of the amount of the taxes owed.

The Series 2011C Bonds do not constitute a debt of the City, the State or any political subdivision thereof, and do not constitute an indebtedness within the meaning of any constitutional, charter or statutory debt limitation or restriction. The issuance of the Series 2011C Bonds shall not, directly, indirectly or contingently, obligate the City, the State or any political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment.

Indenture Funds and Accounts

Revenue Fund. On or before the 15th calendar day of each month (or the next Business Day thereafter if the 15th day is not a Business Day) while the Series 2011C Bonds remain Outstanding, commencing on October 15, 2011, the Authority shall cause the City to transfer:

(1) all Pledged TIF Revenues within the Special Tax Allocation Fund to the Trustee for deposit into the TIF Account with (A) all Series 2011A TIF Revenues generated from the Series 2011A Residential Property deposited into the Series 2011A Residential Property Account, (B) all Series 2011A TIF Revenues generated from the Series 2011A Developer Owned Property deposited into the Series 2011A Developer Owned Property Account, (C) all Series 2011A TIF Revenues generated from the Series 2011A Non-Developer Owned Property deposited into the Series 2011A Non-Developer Owned Property Account and (D) all Series 2011B TIF Revenues deposited into the Series 2011B TIF Subaccount;

(2) all Business District Sales Tax Revenues within the Business District Tax Allocation Fund to the Trustee for deposit into the Business District Account with moneys in such Business District Account being further deposited, as of the 40th day, or if such day is not a Business Day, the immediately preceding Business Day prior to each Interest Payment Date (A) *first*, all Series 2011A Business District Revenues into the Series 2011A Business District Subaccount, and (B) *second*, all Series 2011C Business District Revenues into the Series 2011C Business District Subaccount; and

(3) all Pledged Municipal Sales Tax Revenues within the Municipal Sales Tax Allocation Fund to the Trustee for deposit into the Municipal Sales Tax Account with (A) all Series 2011A Municipal Sales Tax Revenues deposited into the Series 2011A Municipal Sales Tax Subaccount, and (B) all Series 2011B Municipal Sales Tax Revenues deposited into the Series 2011B Municipal Sales Tax Subaccount.

Each such transfer shall be accompanied by a written report in substantially the form attached as an exhibit to the Financing Agreement. If the City has no moneys to transfer to the Trustee pursuant to this section, the City shall so notify the Trustee in writing. If the Trustee has not received moneys on or before the 17th calendar day of each month (or the next Business Day thereafter if the 17th is not a Business Day), then the Trustee shall notify the Authority, the City and the Underwriter of such non-receipt.

On the 40th day prior to each Interest Payment Date, or the immediately preceding Business Day if such day is not a Business Day, moneys on deposit in the Series 2011C Business District Subaccount shall be applied, paid, transferred or deposited by the Trustee, for the purposes and in the amounts in the following order as follows:

- (1) To the Series 2011C Debt Service Account, an amount sufficient to pay interest becoming due on the Series 2011C Bonds on such Interest Payment Date.

- (2) To the Trustee or any Paying Agent, the pro rata (based on the principal amount of each series of Bonds Outstanding) share of any fees, charges and expenses which are due and owing (not to exceed, including the amount otherwise paid for such fees, charges and expenses pursuant to the Indenture, \$5,600 per year for ordinary fees and expenses), upon delivery to the City of an invoice for such amounts, and to the City, an amount sufficient to reimburse the City for fees and expenses incurred by the City in the administration of the Redevelopment Plan (not to exceed, including the amount otherwise paid for such fees and expenses pursuant to the Indenture, \$13,000 per year), upon delivery to the Trustee of an invoice for such amount.
- (3) To the Series 2011C Debt Service Account an amount sufficient to pay the principal due on the Series 2011C Bonds on the next succeeding July 1 by reason of stated maturity.
- (4) To the Series 2011C Reserve Account, an amount sufficient to restore any deficiency in the Series 2011C Reserve Account if the amount on deposit in such account is less than the Debt Service Reserve Requirement for the Series 2011C Bonds.
- (5) To the Series 2011C Redemption Account, all moneys then remaining which shall be applied to the payment of the principal of and accrued interest on all Series 2011C Bonds which are subject to redemption on the next succeeding Interest Payment Date pursuant to the Indenture. See **"THE SERIES 2011C BONDS – Redemption Provisions – Special Mandatory Redemption"** herein.

After payment in full of the principal of and interest on the Bonds (or provision has been made for the payment thereof as specified in this Indenture) and the fees, charges and expenses of the Trustee and any Paying Agents, and any other amounts required to be paid under this Indenture, all amounts remaining on deposit in (1) the TIF Account of the Revenue Fund shall be paid to the City for deposit into the Special Tax Allocation Fund, (2) the Business District Account of the Revenue Fund shall be paid to the City for deposit into the Business District Tax Allocation Fund, and (3) the Municipal Sales Tax Account of the Revenue Fund shall be paid to the City for deposit into the Municipal Sales Tax Allocation Fund.

The Indenture further provides that once there are no Series 2011A Bonds, Series 2011B Bond or any Additional Bonds issued on a parity therewith Outstanding, Pledged TIF Revenues, Pledged Municipal Sales Tax Revenues and Series 2011A Business District Revenues will be applied as set forth above, after application of Series 2011C Business District Revenues. It is **not** anticipated that the Series 2011A Bonds or Series 2011B Bonds will be repaid prior to the repayment of the Series 2011C Bonds and therefore it is **not** anticipated that the Pledged TIF Revenues, Pledged Municipal Sales Tax Revenues and Series 2011A Business District Revenues will be a source of repayment of the Series 2011C Bonds.

Debt Service Account. Except as otherwise provided in the Indenture with respect to final balances, all amounts paid and credited to the Series 2011C Debt Service Account of the Debt Service Fund shall be expended solely for the payment of the principal of, redemption premium, if any, and interest on the Series 2011C Bonds as the same mature and become due or upon the redemption thereof.

Debt Service Reserve Account. Amounts in the Series 2011C Reserve Account of the Debt Service Reserve Fund are to be used to pay principal of and interest on the Series 2011C Bonds to the extent of any deficiency in the Series 2011C Debt Service Account of the Debt Service Fund and to make final payment on the Series 2011C Bonds.

Project Fund. Moneys in the Refunding Account of the Project Fund shall be used by the City for the sole purpose of prepaying the Prior Notes on the date of issuance of the Series 2011 Bonds. Moneys in the Costs of Issuance Account of the Project Fund shall be disbursed, from time to time by the Trustee, upon the

written request of the City, for the sole purpose of paying costs of issuance of the Series 2011 Bonds. Any moneys remaining in the Costs of Issuance Account of the Project Fund on March 1, 2012 shall be deposited, without further authorization, on a pro rata basis based on the then Outstanding principal amounts of the Series 2011A Bonds, Series 2011B Bonds and the Series 2011C Bonds, into the applicable Redemption Account of the Debt Service Fund and used to redeem Bonds on the earliest possible date. See "THE SERIES 2011C BONDS – Redemption Provisions – Special Mandatory Redemption" herein.

Additional Bonds

Additional Bonds may be issued under the Indenture upon compliance with the conditions set forth in the Indenture for the sole purpose of refunding any Bonds Outstanding that results in interest cost savings.

Before any Additional Bonds are so issued, the members of the Board of Directors of the Authority shall adopt a resolution (1) authorizing the issuance of such Additional Bonds and fixing the principal amount thereof, (2) authorizing the Authority to enter into a Supplemental Indenture for the purpose of issuing such Additional Bonds and establishing the terms and provisions of such series of Additional Bonds, including securing such Additional Bonds with reserve funds or other credit enhancement which does not secure other Bonds Outstanding, and the form of such series of Additional Bonds, and (3) providing for such other matters as are appropriate because of the issuance of the Additional Bonds, which matters, in the judgment of the Authority, are not prejudicial to the owners of the Bonds previously issued.

Such Additional Bonds shall have the same general title as the Series 2011 Bonds, except for an identifying series letter or date, and shall be dated, shall mature on such dates, shall be numbered, shall bear interest at such rates not exceeding the maximum rate then permitted by law payable at such times, and shall be redeemable at such times and prices (subject to the provisions of the Indenture), all as provided by the Supplemental Indenture authorizing the issuance of such Additional Bonds; provided that the Interest Payment Dates for the Additional Bonds shall be January 1 and July 1 and the maturity date of the Additional Bonds shall be July 1 and shall be not later than the maturity date of the series of Bonds being refunded. Except as to any difference in the date, the maturities, the rates of interest or the provisions for redemption, such Additional Bonds shall be on a parity with and shall be entitled to the same benefit and security of this Indenture as the Series 2011A Bonds, the Series 2011B Bonds or the Series 2011C Bonds, as applicable, and any other Additional Bonds issued on a parity with the Series 2011A Bonds, the Series 2011B Bonds or the Series 2011C Bonds, as applicable, upon compliance with the terms of the Indenture.

Except as provided in the Indenture, the Authority will not otherwise issue any obligations on a parity with the Series 2011C Bonds. The Authority may issue other obligations specifically subordinate and junior to the Series 2011C Bonds so that if at any time the Authority is in default in paying either principal of or interest on the Series 2011C Bonds or any Additional Series 2011C Bonds issued on a parity with the Series 2011C Bonds, the Authority will make no payments of either principal of or interest on said junior obligations until such default or defaults are cured.

ESTIMATED SOURCES AND USES OF FUNDS

Following is a summary of the anticipated sources and uses of funds in connection with the issuance of the Series 2011C Bonds:

Sources of Funds:

Net proceeds of the Series 2011C Bonds.....	<u>\$5,700,000.00</u>
Total sources of funds.....	<u>\$5,700,000.00</u>

Uses of Funds:

Refund Prior Notes	\$4,779,694.00
Deposit to the Series 2011C Reserve Account	570,000.00
Underwriter's Discount	228,000.00
Other Costs of Issuance	<u>122,306.00</u>
Total uses of funds	<u>\$5,700,000.00</u>

BUSINESS DISTRICT SALES TAX COLLECTION AND DISTRIBUTION IN ILLINOIS

Business District Sales Tax Revenues are derived from the sales taxes imposed by the City pursuant to the Business District Development and Redevelopment Law, 65 *Illinois Compiled Statutes 2010*, 5/11-74-.3-6 *et seq.*, as amended and supplemented. A Business District Retailers' Occupation Tax, at the rate of 1.00%, which has been imposed by the City upon all persons engaged in the business of selling tangible personal property, other than any item of tangible personal property titled or registered with an agency of the State of Illinois, at retail within the Business District which encompasses the Shopping Center. Similarly, a Business District Service Occupation Tax, at the rate of 1.00%, has been imposed by the City upon all persons engaged, within the Business District, in the business of making sales of services who, as an incident to making those sales of service, transfer tangible personal property within the Business District, either in the form of tangible personal property or in the form of real estate as an incident to a sale of service. Neither tax may be imposed on food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks and food that has been prepared for immediate consumption), prescription and nonprescription medicines, drugs, medical appliances, modifications to a motor vehicle for the purpose of rendering it usable by a disabled person, and insulin, urine test materials, syringes, and needles used by diabetics, for human use. These taxes shall be imposed until all Business District project costs and all municipal obligations financing the Business District project costs, if any, have been paid but in no event longer than 23 years from January 11, 2006.

Vendors remit the Business District Sales Tax Revenues collected to the Illinois Department of Revenue on a monthly or quarterly basis. The Illinois Department of Revenue collects the Business District Sales Tax Revenues, retaining 2% of the Business District Sales Tax Revenues as a collection fee, and distributes such Business District Sales Tax Revenues to the City on or before the 25th day of each month. Pursuant to the State law, taxpayers who promptly pay their sales taxes are entitled to retain 1.75% of the amount of taxes owed.

OWNERS' RISKS

An investment in the Series 2011C Bonds is subject to a number of significant risk factors. The following is a discussion of certain risks that could affect payments to be made with respect to the Series 2011C Bonds. Such discussion is not, and is not intended to be, exhaustive and should be read in conjunction with all other parts of this Official Statement and should not be considered as a complete description of all risks that could affect such payments. Prospective purchasers of the Series 2011C Bonds should analyze carefully the information contained in this Official Statement, including the Appendices hereto, and additional information in the form of the complete documents summarized herein, copies of which are available as described herein.

Nature of the Obligations

The Series 2011C Bonds are special, limited obligations of the Authority and are payable solely from and secured by a pledge of Series 2011C Business District Revenues, from amounts in the Series 2011C Reserve Account of the Debt Service Reserve Fund and under certain circumstances, Pledged TIF Revenues, Pledged Municipal Sales Tax Revenues and Series 2011A Business District Revenues. The realization of such revenues

is dependent upon, among other things, the capabilities of the Developer and future changes in economic and other conditions that are unpredictable and cannot be determined at this time.

THE SERIES 2011C BONDS AND THE INTEREST THEREON SHALL NOT CONSTITUTE A DEBT OR LIABILITY OF THE STATE OR AN INDEBTEDNESS OF THE AUTHORITY OR THE STATE OR A LOAN OF CREDIT OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF EITHER OF THEM, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION, AND THE AUTHORITY AND THE STATE SHALL NOT BE LIABLE FOR THE PAYMENTS OF PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2011C BONDS, BUT THE SERIES 2011C BONDS SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED FOR IN THE FINANCING AGREEMENT AND IN THE INDENTURE. NO OWNER OF ANY SERIES 2011C BOND SHALL HAVE THE RIGHT TO COMPEL THE TAXING POWER, IF ANY, OF THE AUTHORITY OR THE STATE TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON SUCH SERIES 2011C BONDS. THE AUTHORITY HAS NO TAXING POWER. THE MEMBERS OF THE BOARD OF DIRECTORS OF THE AUTHORITY HAVE DETERMINED THAT SECTION 7(F) OF THE SOUTHWESTERN ILLINOIS DEVELOPMENT AUTHORITY ACT, RELATING TO THE MORAL OBLIGATION OF THE STATE OF ILLINOIS, DOES **NOT** APPLY TO THE SERIES 2011C BONDS.

Financial Feasibility of the Shopping Center

The financial feasibility of the Shopping Center depends in large part upon the ability of the Developer to achieve and maintain substantial occupancy throughout the term of the Series 2011C Bonds. If the Developer fails, there may be insufficient Series 2011C Business District Revenues to pay the Series 2011C Bonds.

The Projections include assumptions relating to the completion and future occupancy of the Shopping Center and certain other significant assumptions. Some assumed events and circumstances inevitably will not materialize and unanticipated events and circumstances will occur subsequent to the date hereof. Therefore, the actual results achieved during the forecast period may vary from the forecast and the variations may be material.

No assurance can be given that environmental conditions do not now or will not in the future exist at the Shopping Center which could become the subject of enforcement actions by governmental agencies. Additionally, there can be no assurance that future environmental conditions, if any, would not adversely impact the willingness of the public to frequent the Shopping Center. The amount of Series 2011C Business District Revenues is dependent upon the purchase of goods at the Shopping Center.

Reliance on the Manager and Others

The Shopping Center is currently managed by THF Management, Inc., a Missouri corporation (the "Manager"), an entity related to the Developer. The Manager is under no obligation to continue to manage the Shopping Center. See the caption "**THE SHOPPING CENTER – The Manager.**" Bondowners will be dependent on current and future managers of the Shopping Center to maintain occupancy in order to assure that Series 2011C Business District Revenues will be generated.

None of the leases require the tenants to continuously operate a business at the leased premises. Thus, a tenant may cease operations but continue to pay rent to the Developer. Under such circumstances, no Series 2011C Business District Revenues would be generated by such tenant.

There is no obligation on the part of the Developer to lease all of the space at the Shopping Center to tenants which generate Series 2011C Business District Revenues.

See the caption "**SUMMARY OF LEASES; OCCUPANTS**" herein.

No Mortgage of the Shopping Center

Payment of the principal of and interest on the Series 2011C Bonds is not secured by any deed of trust, mortgage or other lien on the Shopping Center or any portion thereof.

Changes in State and Local Tax Laws

The Projections assume no substantial change in the basis of extending, levying and collecting Business District Sales Tax Revenues. Any change in the current system of collection and distribution of Business District Sales Tax Revenues in the State, the County or the City, including without limitation the reduction or elimination of any such tax, judicial action concerning any such tax or voter initiative, referendum or action with respect to any such tax, could adversely affect the availability of revenues to pay the principal of and interest on the Series 2011C Bonds. There can be no assurances, however, that the current system of collection and distribution of the Business District Sales Tax Revenues in the State, the County or the City will not be changed by any competent authority having jurisdiction to do so, including without limitation the State, the County, the City, the courts or the voters, and the Financing Agreement does not limit the ability of the City to make any such changes with respect to City taxes and levies.

Limitations on Remedies

The remedies available to the Owners upon a default under the Indenture are in many respects dependent upon judicial action, which is often subject to discretion and delay under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code (the "Federal Bankruptcy Code"). The various legal opinions to be delivered concurrently with delivery of the Series 2011C Bonds will be qualified as to enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally, now or hereafter in effect; to usual equity principles which shall limit the specific enforcement under laws of the State of Illinois as to certain remedies; to the exercise by the United States of America of the powers delegated to it by the United States Constitution; and to the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State of Illinois and its governmental bodies, in the interest of serving an important public purpose.

Early Redemption Prior to Maturity

Funds on deposit in the Series 2011C Business District Subaccount of the Business District Account of the Revenue Fund in excess of the amount required to pay certain fees and expenses, to pay interest on the Series 2011C Bonds as and when due, to pay principal of the Series 2011C Bonds as and when due, and to restore any deficiency in the Series 2011C Reserve Account of the Debt Service Reserve Fund, are required to be used for the purpose of redeeming Series 2011C Bonds prior to maturity pursuant to the redemption provisions described in this Official Statement. See the section herein captioned **"THE SERIES 2011C BONDS – Redemption Provisions."** It is anticipated that a substantial portion of the Series 2011C Bonds will be redeemed prior to their stated maturity. See **"PROJECTED AVERAGE LIFE OF THE SERIES 2011C BONDS"** herein.

Changes in Market Conditions

The revenue estimates used in the Projections and in the projected average life of the Series 2011C Bonds contained herein under the section captioned **"PROJECTED AVERAGE LIFE OF THE SERIES 2011C BONDS"** are based on the current status of the national and local business economy and assume a future performance of the retail market similar to the historical performance of such market in the metropolitan Belleville area. However, changes in the market conditions for the City, as well as changes in general economic conditions, could adversely affect the amount of Series 2011C Business District Revenues.

Factors Affecting Business District Sales Tax Revenues

Series 2011C Business District Revenues are contingent and may be adversely affected by a variety of factors, including without limitation economic conditions within the Shopping Center and the surrounding trade area and competition from other retail businesses, rental rates and occupancy rates in private developments in the Shopping Center, suitability of the Shopping Center for the local market, local unemployment, availability of transportation, neighborhood changes, crime levels in the area, vandalism and rising operating costs, interruption or termination of operation of the Shopping Center as a result of fire, natural disaster, strikes or similar events, among many other factors. As a result of all of the above factors, it is difficult to predict with certainty the expected amount of Series 2011C Business District Revenues which will be available to pay the principal of and interest on the Series 2011C Bonds. The retail sales industry is highly competitive. Existing retail businesses outside of the Shopping Center and the future development of retail businesses outside of the Shopping Center, which are competitive with retail businesses in the Shopping Center, may be expanded or may be developed after the date of this Official Statement.

In addition to the foregoing, the partial or complete destruction of the Shopping Center, as a result of fire, natural disaster or similar casualty event or the temporary or permanent closing of one or more retail establishments in the Shopping Center due to strikes or failure of the business would adversely affect the Series 2011C Business District Revenues derived from the Shopping Center and thereby adversely affect the revenues available to pay the Series 2011C Bonds and the interest thereon. Any insurance maintained by the owner of or the tenants in the Shopping Center for such casualty or business interruption is not likely to include coverage for sales taxes that otherwise would be generated by the establishment. Furthermore, there is no obligation of the Developer to rebuild the Shopping Center in the event of the partial or complete destruction of the Shopping Center, as a result of fire, natural disaster or similar casualty event.

Projections

The forecasted annual Series 2011C Business District Revenues shown in the Projections and herein are based on certain assumptions concerning facts and events over which the City and the Developer will have no control. *No representation or warranty is or can be made about the amount or timing of any future income, loss, increased assessment or revenues, or that actual results will approach the projections contained in the section captioned "PROJECTED AVERAGE LIFE OF THE SERIES 2011C BONDS."* The City makes no representation or warranty (express or implied) as to the accuracy or completeness of any financial, technical or statistical data or any estimates, projections, assumptions or expressions of opinion set forth in the Projections.

Debt Service Reserve Account

At the time of issuance of the Series 2011C Bonds, the Series 2011C Reserve Account of the Debt Service Reserve Fund will be established in an amount equal to \$570,000 (the "Debt Service Reserve Requirement"). There can be no assurance that the amounts on deposit in the Series 2011C Reserve Account of the Debt Service Reserve Fund will be available if needed for payment of the Series 2011C Bonds in the full amount of the Debt Service Reserve Requirement because (1) of fluctuations in the market value of the securities deposited therein and/or (2) if funds are transferred to the Series 2011C Debt Service Account of the Debt Service Fund, sufficient revenues may not be available in the Revenue Fund to replenish the Series 2011C Reserve Account of the Debt Service Reserve Fund to the Debt Service Reserve Requirement.

Acceleration

The Indenture permits the Trustee, upon the occurrence and continuance of an Event of Default, to declare the principal of and interest on the Series 2011C Bonds to be immediately due and payable. See **"SUMMARY OF THE INDENTURE – Events of Default; Acceleration"** in **Appendix B**. Because the Series 2011C Bonds are payable solely from and secured by a pledge of Series 2011C Business District Revenues, from amounts in the Series 2011C Reserve Account of the Debt Service Reserve Fund and under

certain circumstances. Pledged TIF Revenues, Pledged Municipal Sales Tax Revenues and Series 2011A Business District Revenues, such declaration would not result in any additional revenues becoming available for the repayment of the Series 2011C Bonds.

Lack of Rating and Market for the Series 2011C Bonds

The Series 2011C Bonds have not received any credit rating by any recognized rating agency. The absence of any such rating could adversely affect the ability of holders to sell the Series 2011C Bonds or the price at which the Series 2011C Bonds can be sold. No assurance can be given that a secondary market for the Series 2011C Bonds will develop following the completion of the offering of the Series 2011C Bonds.

PROJECTED AVERAGE LIFE OF THE SERIES 2011C BONDS

Set forth below is a chart setting forth the projected cumulative redemption of the Series 2011C Bonds and the projected average life of the Series 2011C Bonds, taking into account the special mandatory redemptions of the Series 2011C Bonds, given the assumptions set forth in **Appendix A** hereto. THERE IS NO ASSURANCE THAT ACTUAL EVENTS WILL CORRESPOND WITH THE ASSUMPTIONS MADE. NO GUARANTEE OR ASSURANCES MAY BE MADE THAT SUCH PROJECTIONS WILL CORRESPOND WITH THE RESULTS ACHIEVED IN THE FUTURE.

Case I assumes that revenues will be received in accordance with the projections set forth in **Appendix A** hereto as set forth in Table 2-14 in **Appendix A**. Case II assumes that 76.923% of the projected revenues set forth in **Appendix A** will actually be received. Both cases assume that the moneys on deposit in the Revenue Fund, and in the Series 2011C Reserve Account of the Debt Service Reserve Fund will earn interest at the rate of 0%. Both cases assume that the Series 2011A Bonds and Series 2011B are Outstanding and therefore no Pledged TIF Revenues, Pledged Municipal Sales Tax Revenues or Series 2011A Business District Revenues are available for the repayment of the Series 2011C Bonds. Both cases assume that all retailers will promptly pay their sales taxes and will retain 1.75% of the amount of the taxes owed.

[Remainder of Page Intentionally Left Blank.]

SERIES 2011C BONDS MATURING ON JULY 1, 2022

<u>As of</u>	<u>Case I</u>		<u>Case II</u>	
	Redemption Amount	Cumulative Redemption	Redemption Amount	Cumulative Redemption
July 1, 2012	\$150.000	\$150.000	\$20.000	\$20.000
January 1, 2013	120.000	270.000	10.000	30.000
July 1, 2013	205.000	475.000	85.000	115.000
January 1, 2014	140.000	615.000	15.000	130.000
July 1, 2014	225.000	840.000	95.000	225.000
January 1, 2015	160.000	1.000.000	25.000	250.000
July 1, 2015	245.000	1.245.000	105.000	355.000
January 1, 2016	185.000	1.430.000	35.000	390.000
July 1, 2016	270.000	1.700.000	115.000	505.000
January 1, 2017			45.000	550.000
July 1, 2017			130.000	680.000
January 1, 2018			60.000	740.000
July 1, 2018			140.000	880.000
January 1, 2019			70.000	950.000
July 1, 2019			155.000	1.105.000
January 1, 2020			85.000	1.190.000
July 1, 2020			165.000	1.355.000
January 1, 2021			105.000	1.460.000
July 1, 2021			180.000	1.640.000
January 1, 2022			60.000	1.700.000
Average Life:		2.906 years		6.481 years

[Remainder of Page Intentionally Left Blank.]

SERIES 2011C BONDS MATURING ON JULY 1, 2025

<u>As of</u>	<u>Case I</u>		<u>Case II</u>	
	Redemption Amount	Cumulative Redemption	Redemption Amount	Cumulative Redemption
July 1, 2012	-	-	-	-
January 1, 2013	-	-	-	-
July 1, 2013	-	-	-	-
January 1, 2014	-	-	-	-
July 1, 2014	-	-	-	-
January 1, 2015	-	-	-	-
July 1, 2015	-	-	-	-
January 1, 2016	-	-	-	-
July 1, 2016	-	-	-	-
January 1, 2017	\$205,000	\$ 205,000	-	-
July 1, 2017	295,000	500,000	-	-
January 1, 2018	235,000	735,000	-	-
July 1, 2018	265,000	1,000,000	-	-
January 1, 2019			-	-
July 1, 2019			-	-
January 1, 2020			-	-
July 1, 2020			-	-
January 1, 2021			-	-
July 1, 2021			-	-
January 1, 2022			\$ 60,000	\$ 60,000
July 1, 2022			200,000	260,000
January 1, 2023			135,000	395,000
July 1, 2023			220,000	615,000
January 1, 2024			160,000	775,000
July 1, 2024			225,000	1,000,000
Average Life:		5.958 years		11.625 years

[Remainder of Page Intentionally Left Blank.]

SERIES 2011C BONDS MATURING ON JULY 1, 2029

<u>As of</u>	<u>Case I</u>		<u>Case II</u>	
	Redemption Amount	Cumulative Redemption	Redemption Amount	Cumulative Redemption
July 1, 2012	-	-	-	-
January 1, 2013	-	-	-	-
July 1, 2013	-	-	-	-
January 1, 2014	-	-	-	-
July 1, 2014	-	-	-	-
January 1, 2015	-	-	-	-
July 1, 2015	-	-	-	-
January 1, 2016	-	-	-	-
July 1, 2016	-	-	-	-
January 1, 2017	-	-	-	-
July 1, 2017	-	-	-	-
January 1, 2018	-	-	-	-
July 1, 2018	\$ 55,000	\$ 55,000	-	-
January 1, 2019	265,000	320,000	-	-
July 1, 2019	360,000	680,000	-	-
January 1, 2020	300,000	980,000	-	-
July 1, 2020	395,000	1,375,000	-	-
January 1, 2021	345,000	1,720,000	-	-
July 1, 2021	435,000	2,155,000	-	-
January 1, 2022	845,000 ¹	3,000,000	-	-
July 1, 2022	-	-	-	-
January 1, 2023	-	-	-	-
July 1, 2023	-	-	-	-
January 1, 2024	-	-	-	-
July 1, 2024	-	-	\$ 15,000	\$ 15,000
January 1, 2025	-	-	180,000	195,000
July 1, 2025	-	-	270,000	465,000
January 1, 2026	-	-	205,000	670,000
July 1, 2026	-	-	300,000	970,000
January 1, 2027	-	-	235,000	1,205,000
July 1, 2027	-	-	330,000	1,535,000
January 1, 2028	-	-	270,000	1,805,000
July 1, 2028	-	-	365,000	2,170,000
January 1, 2029	-	-	305,000	2,475,000
July 1, 2029	-	-	525,000 ¹	3,000,000
Average Life:		8.964 years		15.760 years

Prospective purchasers of the Series 2011C Bonds should carefully review **Appendix A**, including particularly the assumptions underlying the forecasted Series 2011C Business District Revenues.

¹ Reflects application of the Series 2011C Reserve Account of the Debt Service Reserve Fund.

THE REDEVELOPMENT PROJECT

With the exception of the information below under the heading “– Overview,” the information under this caption has been provided by the Developer and the City makes no representation or warranty (express or implied) as to the accuracy or completeness of any information or any estimates, projections, assumptions or expressions of opinion set forth under this caption.

Overview

Pursuant to the Tax Increment Allocation Redevelopment Act of the State of Illinois, as amended, 65 ILCS 5/11-74.4-1 *et seq.* (the “TIF Act”), the City designated a redevelopment area (the “Redevelopment Project Area”) on January 11, 2006. The Redevelopment Project Area is located at the northeast corner of the intersection of Carlyle Avenue (Illinois Route 161) and Green Mount Road in the City.

On January 11, 2006, the City, by ordinance, determined that the Redevelopment Project qualified for assistance under 65 ILCS 5/8-11-20 (the “Economic Incentive Act”) to share a portion of any retailer’s occupation tax generated by the Redevelopment Project.

On January 11, 2006, the City entered into a redevelopment agreement with THF Green Mount Development, L.L.C., a Missouri limited liability company, and GMCR, L.L.C., a Missouri limited liability company (collectively, the “Developer”), which was amended and restated as of November 1, 2007 (as amended and restated, the “Redevelopment Agreement”).

Pursuant to the Business District Act, the City created a business district (the “Business District”) on January 11, 2006. **The Business District consists of approximately 60 acres, being that portion of the Redevelopment Project Area in which the Shopping Center is located.**

In 2006, a resident of the City filed an action in the Circuit Court of St. Clair County, Illinois, seeking declaratory and injunctive relief, challenging (a) the formation of the Redevelopment Project Area pursuant to the TIF Act, (b) the formation of the Carlyle/Green Mount Business District and (c) the use of municipal sales taxes generated pursuant to the economic incentive agreement. After a trial, the Circuit Court entered a judgment for the defendants. The Appellate Court of Illinois affirmed the order of the Circuit Court. The Supreme Court of Illinois denied the petition for leave to appeal, thus ending the litigation.

The Redevelopment Project Area contains approximately 140 acres. The Redevelopment Project consists of the construction of an approximately 395,727 square foot retail center, known as Green Mount Commons (the “Shopping Center”) which is anchored by Lowe’s and Wal-Mart and the construction of family residences. Total parking for the Shopping Center is approximately 1,918 spaces (exclusive of parking associated with the outlots). Site work with respect to the entire Shopping Center commenced in March 2006. Construction of the Lowe’s building began in August 2006 and construction of the Wal-Mart building began in the Spring of 2007. There are no current construction activities at the Shopping Center. There are no immediate plans for the commencement of construction of the junior anchor. A site plan is set forth below:

[Remainder of Page Intentionally Left Blank.]

Green Mount Commons Site Summary



Construction lending was provided by Bank of America, N.A. Permanent financing has been provided by John Hancock Life Insurance Company ("John Hancock"). Collateral given to secure the John Hancock loan includes a mortgage, assignment of leases and rents and security agreement, guaranties and other collateral, all of which are for the exclusive benefit of John Hancock.

The Developer

The Developer is, collectively, (a) THF Green Mount Development, L.L.C., a Missouri limited liability company formed in 2004 for the purpose of acquiring, constructing and operating the Redevelopment Project and (b) GMCR, L.L.C., a Missouri limited liability company formed in 2006 for the purpose of acquiring, constructing and operating the Redevelopment Project. The members of THF Green Mount Development, L.L.C. include E. Stanley Kroenke, Michael H. Staenberg and various individuals associated with THF Realty. The sole member of GMCR, L.L.C. is E. Stanley Kroenke. GMCR, L.L.C. no longer owns any real estate in the Shopping Center.

Environmental Assessment

EBI Consulting, Burlington, Massachusetts, prepared a Phase I Site Assessment dated August 1, 2007 with respect to the Shopping Center. The assessment identified no evidence of recognized environmental conditions and no further action was recommended.

Midwest Testing, Bridgeton, Missouri, prepared a Phase I Environmental Assessment with respect to the Wal-Mart property at the Shopping Center, dated May 16, 2006. It revealed no evidence of recognized environmental conditions and concluded that no further environmental investigations need be performed.

The Manager

THF Management, Inc., a Missouri corporation (the "Manager"), acts as the manager of the Shopping Center pursuant to a management agreement (the "Management Agreement") dated as of January 1, 2007. The term of the Management Agreement ended on December 31, 2007; provided that the term shall be automatically renewed for each successive calendar year unless the Manager elects to terminate the Management Agreement by written notice to the owner on or prior to December 1 of any calendar year. In addition, the Management Agreement terminates (a) upon the election of either party upon 30 days notice in the event of substantial destruction of the Shopping Center, (b) if a petition for bankruptcy, reorganization or rearrangement is filed under state or federal insolvency statutes by or against either party or if either party shall make an assignment for the benefit of creditors to take advantage of any insolvency act upon 10 days written notice to the bankrupt, insolvent or assigning party, (c) if either party shall default in the performance of any of its obligations under the Management Agreement and such default shall continue for ten days with respect to monetary defaults and thirty days with respect to non-monetary defaults, upon 5 days written notice to the defaulting party, (d) if the condition of the Shopping Center or any act of the owner of the Shopping Center violates or does not comply with any law, ordinance or public requirement or if the Manager, in its reasonable judgment, determines that such condition or act may result in liability or expense of the Manager upon 5 days written notice from the manager, or (e) during the original term of the Management Agreement, the owner may terminate the Management Agreement without cause upon 30 days prior written notice.

Pursuant to the Management Agreement, the Manager receives a monthly management fee of \$1,500 with respect to the Lowe's lease plus an amount equal to 4% of the rent and percentage rent collected from the remaining tenants (other than Lowe's) in the Shopping Center.

The Manager is an entity related to the Developer.

Easements with Covenants and Restrictions Affecting Land

The Developer and Lowe's Home Center, Inc. entered into an agreement entitled Easements with Covenants and Restrictions Affecting Land, dated as of February 15, 2006, as amended by the First Amendment to Easements with Covenants and Restrictions Affecting Land dated as of September 29, 2006 among Wal-Mart Stores, Inc., the Developer and Lowe's Home Center, Inc. (as amended, the "Agreement"). Pursuant to the Agreement, buildings in the Shopping Center shall be used for commercial purposes of the type normally found in a retail shopping center but excluding certain uses such as a bowling alley, billiard parlor or night club. Easements were granted for ingress and egress and the parking of motor vehicles, as well as easements for the installation, use, maintenance and repair of public utility services. Certain maintenance standards are specified. Limitations on signage are set forth. Insurance requirements are imposed.

Competition

The Developer has identified two shopping centers as competitors of the Shopping Center. The first is Carlyle Plaza, which is located west of the Shopping Center, on Carlyle Avenue. This shopping center is anchored by Schnuck's grocery store and Office Depot and contains the vacant, former Wal-Mart store that was relocated to the Shopping Center. The second shopping center is Green Mount Crossing, located north of the Project at Green Mount Road and I-64. It is anchored by Dierberg's grocery store, Target and Michaels.

Residential Component of the Redevelopment Project

The Developer sold approximately 80 acres within the Redevelopment Project Area to The Jones Company. Subsequently, The Jones Company sold 15.13 acres to Westway Realty, Inc.

The Jones Company is developing Green Mount Manor which, upon completion, will consist of 269 single-family detached residences. Lot sizes range from a minimum of 6,000 square feet to as much as 11,000 square feet. The Jones Company offers 8 different units, ranging in starting price of \$130,990 to \$172,990. According to a sale representative of The Jones Company, 131 completed homes have been sold, with 17 homes sold in 2010; the 2011 sales pace is approximately 3 to 5 homes per month. The Jones Company is owned by Centex Homes.

The zoning established in connection with the Westway property is for up to 88 attached unit housing. The property remains undeveloped. The property has not been subdivided into individual units and no internal streets or internal utility distribution facilities have been installed. It is unknown when, if ever, such property will be developed.

The residential component of the Redevelopment Project will not, in and of itself, generate any Municipal Sales Tax Revenues or Business District Sales Tax Revenues.

The residential component of the Redevelopment Project is not located within the Business District.

SUMMARY OF LEASES; OCCUPANTS

The information under this caption has been provided by the Developer, and the City makes no representation or warranty (express or implied) as to the accuracy or completeness of any information or any estimates, projections, assumptions or expressions of opinion set forth under this caption.

Leases

The lease summaries shown below are not intended to be complete summaries of all potentially material terms of such documents. The leases provide that the tenants shall pay a share of real estate taxes and assessments (which would include TIF Revenues) levied against the Shopping Center and the leased premises pursuant to specific formulas set forth in each lease (typically based on a ratio of the floor area of the leased premises versus the floor area of the Shopping Center). The leases also require the tenants to maintain varying levels of public liability and property damage insurance although self-insurance is permitted under certain circumstances. Certain tenants under specific conditions (as such conditions are set forth in the applicable lease) may assign their interests in their leases without the consent of the Developer.

[Remainder of Page Intentionally Left Blank.]

<u>Tenant</u>	<u>Actual/ Anticipated Opening Date</u>	<u>Approximate Term</u>	<u>Approximate Rentable Square Footage</u>	<u>Permitted Use</u>
Advance America, Cash Advance Centers of Illinois, Inc., d/b/a Advance America Cash Advance	5/31/2007	5 years with 2 three-year renewal terms	1,500	Operation of a cash advance center
Burger King Corporation, d/b/a Burger King	1/3/2008	20 years with 4 five-year renewal terms	1.46 acres ¹	Construction and operation of a free standing fast food drive-thru Burger King restaurant (or such other restaurant concept of Burger King Corporation or as another national chain quick service restaurant)
The Cato Corporation d/b/a Cato Fashions	3/1/2008	5 years with 3 five-year renewal terms	4,000	Display and sale of ladies' and girls' apparel, accessories and allied lines commonly sold from time to time in the tenant's affiliated stores
Rita Chen and Huaen Chen d/b/a Easy Buffet and Grill	12/6/2008	10 years with 1 five-year renewal term	6,130	Operating of a Chinese restaurant
Clarkson Eyecare, Inc. d/b/a Clarkson Eyecare	9/16/2007	5 years with 2 five-year renewal terms	2,000	Sale at retail of eyewear, including eyeglasses and contact lenses, sunglasses, eyecare medications and relating items including professional services done by an optometrist and/or ophthalmologist as well as refractive surgery "lasik."

¹ Ground lease: tenant has constructed an approximately 2,376 square foot Burger King

Gamestop, Inc., d/b/a Gamestop	7/7/2007	5 years with 1 five-year renewal term	2,000	Sale at retail of video games, video game related hardware and accessories, pre-owned video games, entertainment related books, magazines, other periodicals, related supplies, peripherals accessories, related gift items plus other items customarily sold by entertainment software/video stores, including video software, video games, DVD's, and other movie formats, games and items incidental thereto.
J.H.S. Investments LLC d/b/a Jan's Hallmark Shops	8/13/2007	5 years with 2 five-year renewal terms	4,000	Licensed Hallmark card shop
Hardee's Food Systems, Inc. d/b/a Hardee's	7/29/2008	20 years with 4 five-year renewal terms	1.46 acres ¹	Hardee's fast food, quick service restaurant featuring the sale of hamburgers and/or Mexican style food, for at least 1 year after commencement of business with, at tenant's option and subject to approval from the City, a drive-through facility and a playground. After the first year of operation by tenant as a Hardee's fast food, quick service restaurant open to the public, tenant may use the premises for any other restaurant or retail use not otherwise prohibited by the lease.

¹ Ground lease; tenant has constructed an approximately 2,293 square foot Hardee's.

Fox Two Enterprises, L.L.C. d/b/a Jimmy John's	4/8/2008	5 years with 2 five-year renewal options	1,799	Operating of a typical Jimmy John's restaurant whose primary use is the sale of sandwiches
King's Beauty Distributor Company d/b/a King's Beauty and Solomon Trading	8/1/2007	5 years with 2 five-year renewal terms	6,000	Sale at retail of primarily beauty supply items and for the incidental sale of handbags, shoes, casual clothing and other related items which are customary to beauty supply retailers
Lowe's Home Centers, Inc. d/b/a Lowe's	1/13/2007	20 years with 6 five-year renewal terms	15.54 acres ¹	Any retail business ordinarily found in shopping centers
Marshall ETC., Inc., d/b/a Marshall Wireless	7/13/2007	5 years with 1 five-year renewal term	2,000	Sale at retail of cellular phones, accessories and cellular phone services
Jamat, LLC d/b/a Mattress Source	2/1/2010	3 years with 1 three-year renewal term	2,600	Sale at retail of bedding products including mattresses, box springs, foundations, bed frames, head boards and other related merchandise
National City Bank of the Midwest d/b/a National City Bank (now PNC Bank)	4/26/2007	30 years with 6 five-year renewal options	1.55 acres ²	Operation of a retail banking facility which provides financial services to the public permitted for banks chartered by the United States Government with drive-thru service and automated teller machine
Thu Lo d/b/a Sammy Nails	7/31/07	10 years with 1 five-year renewal term	1,500	Maintenance and operation of a nail salon
Shoe Show, Inc. d/b/a/ The Shoe Depot	1/25/2008	5 years with 2 five-year renewal terms	5,500	Sale of family shoes and related accessories

¹ Ground lease; tenant has constructed an approximately 139,410 square foot Lowe's.

² Ground lease; tenant constructed an approximately 2,983 square foot bank.

Supercuts, Inc. d/b/a Supercuts	7/1/2007	5 years with 2 five-year renewal terms	1,500	Performance of unisex hairstyling, hair coloring and haircutting services and to perform other services customarily performed at hair salons
------------------------------------	----------	--	-------	--

Occupants

The Developer sold approximately 20.6 acres within the Shopping Center to Wal-Mart Stores, Inc. ("Wal-Mart"). Wal-Mart constructed an approximately 203,819 square foot Wal-Mart Supercenter on such property, which opened for business on January 23, 2008. In addition, Wal-Mart leased a portion of such property on which a Wendy's restaurant has been constructed.

On April 5, 2011, the Developer entered into a Purchase and Sale Agreement with Chick-Fil-A, Inc. ("Chick-Fil-A") pursuant to which the Developer agrees to sell approximately 1.491 acres within the Shopping Center to Chick-Fil-A. The closing of such sale has not yet occurred and there can be no assurance that Chick-Fil-A will acquire such property. If closing does occur, the Purchase and Sale Agreement currently requires the execution by Chick-Fil-A of a supplemental agreement on or about the date of closing, pursuant to which Chick-Fil-A would agree to initially open for business to the public a full fixtured and staffed restaurant on such property operating under the trade name Chick-Fil-A for one day not later than 28 months after the execution of the supplemental agreement. The supplemental agreement has not yet been executed by the parties and there can be no assurance that the provisions will not be changed prior to execution.

THE AUTHORITY

Organization and Powers

The Authority is a political subdivision, body politic and municipal corporation duly organized and validly existing under the laws of the State of Illinois, including particularly the Act and the Local Government Debt Reform Act. The Authority is authorized under the Act, among other things, to issue its revenue bonds and to use the proceeds thereof for the purpose of developing, constructing, acquiring or improving "projects" within the meaning of the Act and to refund obligations.

THE SERIES 2011C BONDS AND THE INTEREST THEREON SHALL NOT CONSTITUTE A DEBT OR LIABILITY OF THE STATE OR AN INDEBTEDNESS OF THE AUTHORITY OR THE STATE OR A LOAN OF CREDIT OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF EITHER OF THEM, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION, AND THE AUTHORITY AND THE STATE SHALL NOT BE LIABLE FOR THE PAYMENTS OF PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2011C BONDS, BUT THE SERIES 2011C BONDS SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED FOR IN THE FINANCING AGREEMENT AND IN THE INDENTURE. NO OWNER OF ANY SERIES 2011C BOND SHALL HAVE THE RIGHT TO COMPEL THE TAXING POWER, IF ANY, OF THE AUTHORITY OR THE STATE TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON SUCH SERIES 2011C BONDS. THE AUTHORITY HAS NO TAXING POWER. THE MEMBERS OF THE BOARD OF DIRECTORS OF THE AUTHORITY HAVE DETERMINED THAT SECTION 7(F) OF THE SOUTHWESTERN ILLINOIS DEVELOPMENT AUTHORITY ACT, RELATING TO THE MORAL OBLIGATION OF THE STATE OF ILLINOIS, DOES **NOT** APPLY TO THE SERIES 2011C BONDS.

Membership

The Authority has a Board of Directors in which the powers of the Authority are vested, which consists of twelve members and two ex officio members. The address of the Authority is 1022 Eastport Plaza Drive, Collinsville, Illinois 62234. The phone number of the Authority is (618) 345-3400. Its web site is at <http://www.swida.org>.

Obligations of the Authority

The Authority is authorized to issue and may issue other series of bonds and notes secured by instruments separate and apart from the Indenture. The owners of such bonds and notes will have no claim on the assets, funds or revenues of the Authority securing the Series 2011C Bonds. The owners of the Series 2011C Bonds will have no claim on the assets, funds or revenues of the Authority securing such other bonds and notes.

THE CITY

The Series 2011C Bonds are not a general obligation of the City and are payable solely from the revenues described herein. The following information regarding the City is provided as general background information only.

General

The City was incorporated as a city in 1850. The City is a home-rule unit of government with a mayor/aldermen form of government, consisting of a mayor elected at large and eight wards which each elect two aldermen. The mayor and aldermen each serve a four-year term.

The current elected officials of the City are:

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Mark W. Eckert	Mayor	April, 2013
Michael Heisler	Alderman	April, 2015
Ken Kinsella	Alderman	April, 2013
Dorothy Meyer	Alderman	April, 2013
Melinda Hult	Alderman	April, 2015
Rob Anderson	Alderman	April, 2013
A. "Gabby" Rujawitz	Alderman	April, 2015
Tim Carpenter	Alderman	April, 2013
Dean L. Hardt	Alderman	April, 2015
Phillip Silsby	Alderman	April, 2013
Joseph W. Hayden	Alderman	April, 2015
Paul Seibert	Alderman	April, 2015
Dave Martinson	Alderman	April, 2013
Phil Elmore	Alderman	April, 2013
Lillian Schneider	Alderman	April, 2015
James Musgrove	Alderman	April, 2013
Joe Orlet	Alderman	April, 2015

Policies and regulations are established and enacted by the Mayor and Aldermen; these policies and regulations are carried out by the following departments: Administration, Economic Development and Planning,

Engineering, Finance, Fire, Health and Housing, Human Resources, Library, Parks & Recreation, Police, Sanitation, Streets, Waste Water Treatment and Walnut Hill Cemetery.

In addition to the above-listed elected officials, the voters of the City also elect a City Clerk and a City Treasurer for four year terms.

Population

The City had a population, as of the 2010 Census data, of 44,478 persons. The City's population, as of the 2000 Census data, was 41,410.

Age Distribution

The following table indicates the 2010 census counts of population by age categories in the City:

<u>Age</u>	<u>Population</u>	<u>Percentage of Total</u>
0 to 5 years old	3,002	6.7%
5 to 9 years old	2,771	6.2
10 to 14 years old	2,795	6.3
15 to 19 years old	2,931	6.6
20 to 24 years old	2,993	6.7
25 to 34 years old	6,879	15.4
35 to 44 years old	5,804	13.0
45 to 54 years old	6,681	15.1
55 to 59 years old	2,725	6.1
60 to 64 years old	2,142	4.8
65 to 74 years old	2,611	5.8
75 to 84 years old	2,130	4.8
Over 85 years old	1,014	2.3

Source: 2010 Census Data; percentages do not total 100% because of rounding.

Employment

The City is home to industries that produce kitchen ranges, space heaters and porcelain parts. Memorial Hospital and St. Elizabeth's Hospital have a strong impact on the City's economy, offering high quality medical services. The City is situated near highways 15, 159, 177, 13 and 161 with easy access to I-255 and I-64. Belleville is the county seat for St. Clair County Government. The City's Economic Development Department offers incentives to businesses to locate in the City. Scott Air Force Base also has a positive impact on the City. It provides employment opportunities for residents and customers for area business.

[Remainder of page intentionally left blank.]

Listed below are the major employers located in the greater Belleville Area and the number employed by each:

<u>Employer</u>	<u>Product or Service</u>	<u>Number of Full and Part-Time Employees</u>
Scott Air Force Base	Government/Military	5,604 (civilian) 7,829 (military)
Memorial Hospital	Health care	2,250
St. Elizabeth's Hospital	Health care	1,700
Southwestern Illinois College	Education	1,700
St. Clair County	Government	1,057
Belleville School District 201	Education	834
Belleville School District 118	Education	551
Wal-Mart	Retail	550
Landshire	Distribution	520
Allsup	Consulting	475

Source: Greater Belleville Chamber of Commerce, Inc.

Income Statistics

The following table sets forth information relating to income for the City and St. Clair County for the years 1989 and 1999:

<u>Income Category</u>	<u>1989</u>	<u>1999</u>
Median Household Income ¹		
Belleville	\$26,668	\$35,979
St. Clair County	\$26,813	\$39,148
Median Family Income ²		
Belleville	\$33,930	\$46,426
St. Clair County	\$31,939	\$47,409
Per Capita Income ³		
Belleville	\$13,117	\$18,990
St. Clair County	\$11,916	\$18,932

¹ Income for any group of people living in a housing unit.

² Income for households consisting of two or more related persons living in a housing unit.

³ Income for all the households divided by the number of persons occupying the households.

Source: 1990 and 2000 Census Data.

ABSENCE OF LITIGATION

There is no controversy, suit or other proceeding of any kind pending or, to the Authority's knowledge, threatened wherein or whereby any question is raised or may be raised, questioning, disputing or affecting in any way the legal organization of the Authority, or the right or title of any of its officers to their respective offices, or the legality of any official act shown to have been done in connection with the issuance of the Series 2011C Bonds, or the constitutionality or validity of the Series 2011C Bonds, the Indenture, the Financing Agreement or the proceedings or authority under which the Series 2011C Bonds are to be issued, or any of the proceedings had in relation to the authorization, issuance or sale thereof.

There is no controversy, suit or other proceeding of any kind pending or, to the City's knowledge, threatened wherein or whereby any question is raised or may be raised, questioning, disputing or affecting in any way the legal organization of the City or its boundaries, or the right or title of any of its officers to their respective offices, the Redevelopment Plan, the constitutionality or legality of the Prior Notes, or the legality of any official act shown to have been done in connection with the issuance of the Series 2011C Bonds, or the constitutionality or validity of the Series 2011C Bonds, or any of the proceedings had in relation to the authorization, issuance or sale thereof.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Series 2011C Bonds are subject to the approving legal opinion of Gilmore & Bell, P.C., St. Louis, Missouri, Bond Counsel, whose approving opinion will be delivered with the Series 2011C Bonds. The expected form of such opinion is attached as **Appendix C** hereto. Certain legal matters related to this Official Statement will be passed upon by Gilmore & Bell, P.C., St. Louis, Missouri. Certain legal matters will be passed upon for the Authority by Chapman and Cutler LLP, Chicago, Illinois, for the City by Sprague & Urban, Belleville, Illinois and for the Developer by Robert J. Jakubeck, General Counsel to THF Realty, St. Louis, Missouri.

TAX MATTERS

The following is a summary of the material Federal and State of Illinois income tax consequences of holding and disposing of the Series 2011C Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of Federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the Federal income tax laws (for example, dealers in securities or other persons who do not hold the Series 2011C Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Illinois, does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Series 2011C Bonds in the secondary market at a premium or a discount. Prospective investors are advised to consult their own tax advisors regarding Federal, state, local and other tax considerations of holding and disposing of the Series 2011C Bonds.

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, OWNERS OF THE SERIES 2011C BONDS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS OFFICIAL STATEMENT RELATING TO THE SERIES 2011C BONDS IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY OWNERS OF THE SERIES 2011C BONDS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON THOSE OWNERS UNDER THE INTERNAL REVENUE CODE; (B) THE DISCUSSION OF FEDERAL TAX ISSUES IN THIS OFFICIAL STATEMENT RELATING TO THE SERIES 2011C

BONDS WAS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING OF THOSE SERIES 2011C BONDS; AND (C) OWNERS OF THE SERIES 2011C BONDS SHOULD SEEK ADVICE FROM AN INDEPENDENT TAX ADVISOR BASED ON THEIR PARTICULAR CIRCUMSTANCES.

Opinion of Bond Counsel

The stated interest on the Series 2011C Bonds is exempt from income taxation by the State of Illinois.

Federal Income Tax Consequences

Sale or Exchange. Upon the sale, exchange or retirement (including redemption) of a Series 2011C Bond, an owner of the Series 2011C Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the Series 2011C Bond (other than in respect of accrued and unpaid interest) and the owner's adjusted tax basis in the Series 2011C Bond. To the extent the Series 2011C Bonds are held as a capital asset, the gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Series 2011C Bond has been held for more than 12 months at the time of sale, exchange or retirement.

Information Reporting and Backup Withholding. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on the Series 2011C Bonds, and to the proceeds paid on the sale of Series 2011C Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to these payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's Federal income tax liability.

UNDERWRITING

Stifel, Nicolaus & Company, Incorporated (the "Underwriter") has agreed, subject to certain conditions, to purchase the Series 2011C Bonds from the Authority at an aggregate purchase price of \$5,472,000 (which takes into account an Underwriter's discount of \$228,000). The Underwriter will be obligated to accept delivery and pay for all of the Series 2011C Bonds if any are delivered.

The Series 2011C Bonds are being purchased by the Underwriter from the Authority in the normal course of the Underwriter's business activities. The Underwriter intends to offer the Series 2011C Bonds to the public at prices not in excess of the offering prices set forth on the cover page of this Official Statement. The Underwriter may allow concessions from the public offering price to certain dealers, banks and others. After the initial public offering, the public offering price may be varied from time to time by the Underwriter.

CERTAIN RELATIONSHIPS

Gilmore & Bell, P.C., Bond Counsel, and Chapman and Cutler LLP, counsel to the Authority, have each represented the Underwriter in transactions unrelated to the issuance of the Series 2011C Bonds, but neither firm is representing the Underwriter in connection with the issuance of the Series 2011C Bonds.

PROJECTIONS

Peckham Guyton Albers & Viets, Inc., St. Louis, Missouri, has prepared the Projections which are attached hereto as **Appendix A**. Certain financial and statistical data included in this Official Statement have been excerpted from the Projections. Neither the Authority nor the City makes any representation or warranty (express or implied) as to the accuracy or completeness of any financial, technical or statistical data or any estimates, projections, assumptions or expressions of opinion set forth in the Projections. No party assumes any responsibility to update such information after the delivery of the Series 2011C Bonds.

Appendix A must be read in its entirety to understand the assumptions upon which the forecasts are based and the qualifications which have been made. There is no assurance that the forecasts will be achieved. Actual future events may vary from the forecasts, and such variances may be material.

NO RATINGS

The City has not applied to Standard & Poor's, Moody's Investors Service, Inc. or any other similar rating service for a rating of the Series 2011C Bonds.

MISCELLANEOUS

Information set forth in this Official Statement has been furnished or reviewed by certain officials of the City and other sources, as referred to herein, which are believed to be reliable. Any statements made in this Official Statement involving matters of opinion, estimates or projections, 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 or projections will be realized. The descriptions contained in this Official Statement of the Series 2011C Bonds do not purport to be complete and are qualified in their entirety by reference thereto.

[Remainder of Page Intentionally Left Blank.]

The form of this Official Statement, and its distribution and use, has been approved by the City. Neither the City nor any of its officials or employees, in either their official or personal capacities, has made any warranties, representations or guarantees regarding the financial condition of the City or the City's ability to make payments required of it; and further, neither the City nor its officials or employees assume any duties, responsibilities or obligations in relation to the issuance of the Series 2011C Bonds other than those either expressly or by fair implication imposed on the City.

CITY OF BELLEVILLE, ILLINOIS

By: /s/ Mark W. Eckert
Mayor

(THIS PAGE LEFT BLANK INTENTIONALLY)

APPENDIX A

PROJECTIONS

**CERTIFICATE AND CONSENT OF PECKHAM GUYTON ALBERS & VIETS, INC.
PLANNERS GROUP**

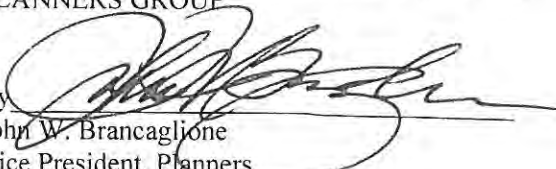
**SOUTHWESTERN ILLINOIS DEVELOPMENT AUTHORITY
TAXABLE LOCAL GOVERNMENT PROGRAM REVENUE BONDS, SERIES 2011C
(CITY OF BELLEVILLE - CARLYLE/GREEN MOUNT REDEVELOPMENT PROJECT -
BUSINESS DISTRICT)**

In connection with the offering and sale of the Taxable Local Government Program Revenue Bonds, Series 2011C (City of Belleville – Carlyle/Green Mount Redevelopment Project – Business District) of the Southwestern Illinois Development Authority (the “Authority”), there has been prepared an Official Statement (the “Official Statement”), setting forth information, among other things, concerning (1) the Authority, (2) the City of Belleville, Illinois (the “City”), (3) the Authority’s Local Government Program Revenue Bonds, Series 2011C (City of Belleville - Carlyle/Green Mount Redevelopment Project – Business District) (the “Series 2011C Bonds”) and (4) a mixed use development consisting of (i) approximately 400,000 square feet of retail development, anchored by a Lowe’s Home Improvement Store and a Walmart Supercenter, known as Green Mount Commons developed by THF Green Mount Development, L.L.C. and GMCR, L.L.C. and (ii) two residential housing development sites planned to constitute approximately 357 housing units. The undersigned hereby certifies and represents to Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) that he is an officer of Peckham Guyton Albers & Viets, Inc. Planners Group (“PGAV”), authorized to execute and deliver this certificate, and further certifies on behalf of PGAV as follows:

1. PGAV was engaged by the Underwriter to prepare a report in connection with the issuance of the Series 2011C Bonds.
2. PGAV has reviewed, approved, and consents to the descriptions of its work in sections of the Official Statement captioned **“INTRODUCTION – Revenue Projections”** and **“PROJECTIONS.”**
3. PGAV hereby consents to the references to it, and inclusion of the PGAV report captioned *“Bond Revenue Study - Southwestern Illinois Development Authority Local Government Program Revenue Bonds, Series 2011A (City of Belleville – Carlyle/Green Mount Redevelopment Project –Tax Increment and Sales Tax); Southwestern Illinois Development Authority Local Government Program Revenue Bonds, Series 2011B (City of Belleville – Carlyle/Green Mount Redevelopment Project –Tax Increment and Sales Tax); And Southwestern Illinois Development Authority Local Government Program Revenue Bonds, Series 2011C (City of Belleville – Carlyle/Green Mount Redevelopment Project –Business District)”* in the Official Statement.

IN WITNESS WHEREOF, the undersigned has executed this certificate as of this October 20, 2011.

PECKHAM GUYTON ALBERS & VIETS, INC.
PLANNERS GROUP

By 

John W. Brancaglione
Vice President, Planners

BOND REVENUE STUDY

**Southwestern Illinois Development Authority
Local Government Program Revenue Bonds, Series 2011A
(City of Belleville – Carlyle/Green Mount Redevelopment Project –
Tax Increment and Sales Tax);**

**Southwestern Illinois Development Authority
Local Government Program Revenue Bonds, Series 2011B
(City of Belleville – Carlyle/Green Mount Redevelopment Project –
Tax Increment and Sales Tax);**

And

**Southwestern Illinois Development Authority
Local Government Program Revenue Bonds, Series 2011C
(City of Belleville – Carlyle/Green Mount Redevelopment Project –
Business District).**

**City of Belleville, Illinois
Carlyle/Green Mount Redevelopment Project**

Prepared For:

**The City of Belleville, Illinois
September 15, 2011**

PGAVPLANNERS

ST. LOUIS, MISSOURI

TABLE OF CONTENTS

SECTION 1	INTRODUCTION	I-1
1.1	Purpose of This Report and Nature of Assignment	I-1
1.2	Redevelopment Project Background Information.....	I-1
1.3	The City of Belleville and St. Clair County Overview	I-3
1.4	Basis for Projections	I-6
1.4.1	Conflicts of Interest	I-8
1.4.2	Payment to PGAV	I-8
1.4.3	Other Work for Issuer or Obligor	I-8
SECTION 2	REVENUE PROJECTIONS.....	II-1
2.1	Overview of Available Revenue Sources	II-1
2.2	Basis of Revenue Generation – The Project.....	II-2
2.3	Term of Redevelopment Plan and Timing of Revenue Flows	II-4
2.4	Incremental Real Property Tax Revenues (TIF Revenues)	II-5
2.4.1	Base Assessed Value	II-5
2.4.2	Real Property Tax Rate and Township Multiplier.....	II-6
2.4.3	Real Property Tax Revenues Generated To Date	II-8
2.4.4	Revenue Projections From Incremental Real Property Tax Revenues	II-8
2.5	Economic Incentive Act Revenues	II-13
2.6	Projected Total Statutory Revenues for Series 2011A Bonds and Series 2011B Bonds	II-21
2.7	Business District Tax Revenues	II-24
SECTION 3	CONDITIONS AND ASSUMPTIONS	III-1

TABLES

1-1	Population Growth	I-3
1-2	Taxable Sales in St. Clair County and the City of Belleville (2004-2010)	I-6
2-1	Tenant Roster and Estimated Sales	II-3
2-2	2009 Property Tax Rate Information	II-6
2-3	8-Year History of Belleville Township Multipliers	II-7
2-4	Incremental Real Property Tax Collection History	II-8
2-5	Series 2011A Bonds TIF Revenue Collections	II-10
2-6	Series 2011B Bonds TIF Revenue Collections	II-12
2-7	Taxable Sales in St. Clair County and the City of Belleville (2001-2010)	II-13
2-8	EIA Revenue Collection History	II-15
2-9	Series 2011A Bonds EIA Revenue Projections	II-18
2-10	Series 2011B Bonds EIA Revenue Projections	II-20
2-11	Summary of Revenues Available for the Retirement of Series 2011A Bonds	II-22
2-12	Summary of Revenues Available for the Retirement of Series 2011B Bonds	II-23
2-13	Business District Sales Tax Collection History	II-25
2-14	Business District Sales Tax Revenue Projections	II-27

APPENDIX

- Plate 1 – Redevelopment Area and Business District Boundaries
- Plate 2 – Site Plan
- Plate 3 – Regional Context Map
- Plate 4 – Sub-Area Map
- Base EAV Certification

SECTION I

INTRODUCTION

1.1 INTRODUCTION

On behalf of the City of Belleville, Illinois (the "City") Stifel, Nicolaus & Company, Incorporated retained the Planners group of Peckham Guyton Albers & Viets, Inc. ("PGAV") to develop an independent analysis of the revenue generation potential of the hereinafter described redevelopment finance programs (this "Report") with respect to the Carlyle/Green Mount Tax Increment Financing Redevelopment Project Area (the "Redevelopment Area") located within the corporate limits of the City.

PGAV, headquartered in St. Louis, Missouri, is a nationally recognized firm with expertise in the preparation of bond feasibility studies. PGAV has performed analyses of historic trends and projections of real property taxes, sales taxes and taxes associated with various types of tax increment financing districts and other special taxing districts in support of bond financings and refundings. Recent locations where PGAV has been involved with financial feasibility analyses include St. Louis, Missouri; Manchester, Missouri; Arnold, Missouri; Columbus, Ohio; Chicago, Illinois; Memphis, Tennessee; Omaha, Nebraska; Oklahoma City, Oklahoma; Naples, Florida; and Champaign County, Illinois. PGAV has personnel who are members of the National Federation of Municipal Analysts ("NFMA"). John Brancaglione, Vice President of PGAV in charge of the Planners group, is a member of the Council of Development Finance Agencies ("CDFA").

1.2 REDEVELOPMENT PROJECT BACKGROUND INFORMATION

In order to promote economic growth and to induce new private investment, the City, by ordinance adopted on January 11, 2006, approved the Carlyle/Green Mount TIF Redevelopment Plan and Project, designated the Redevelopment Area as a "redevelopment project area" as defined in the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq. as supplemented and amended (the "Act"), and adopted tax increment financing within the Redevelopment Area, in accordance with the TIF Act. Through the adoption of tax increment financing, TIF Revenues (as hereinafter defined) have been made available to assist in the implementation of the Redevelopment Project (as hereinafter defined) through the reimbursement of eligible costs.

The Redevelopment Area is located in the northeast quadrant of the intersection of Carlyle Avenue and Green Mount Road. The Redevelopment Area and its boundaries

are shown in **Plate 1 – Redevelopment Area and Business District Boundaries** in the **Appendix**.

On January 11, 2006, the City, by ordinance, determined that the Redevelopment Project qualified for assistance under 65 ILCS 5/8-11-20 (the "Economic Incentive Act"), which enables the City to share a portion of any retailer's occupation tax generated by the Redevelopment Project. Through the implementation of the Economic Incentive Act, EIA Revenues (as hereinafter defined) have been made available to assist in the implementation of the Redevelopment Project through the reimbursement of eligible costs.

Pursuant to 65 ILCS 5/11-74.3-1 through 3-6 (the "Business District Act"), the City, by ordinance, created the Carlyle/Green Mount Business District (the "Business District") on January 11, 2006. The Business District consists of approximately 60 acres, being that portion of the Redevelopment Area in which Green Mount Commons shopping center is located. The boundaries of the Business District are identified in **Plate 1 – Redevelopment Area and Business District Boundaries** in the **Appendix**.

The City, by ordinance, imposed an additional one percent (1%) sales tax (the "Business District Tax") on all retail sales within the boundaries of the Business District. Through the establishment of the Business District, Business District Revenues (as hereinafter defined) have been made available to assist in the implementation of the Redevelopment Project through the reimbursement of eligible costs.

The Redevelopment Area contains approximately 140 acres of land and includes both commercial retail and residential development (the "Redevelopment Project"). The retail component of the Redevelopment Project is comprised of an approximate 395,727 square foot retail center, known as Green Mount Commons (the "Shopping Center"), which is anchored by a Lowe's Home Improvement Store and a Walmart Supercenter. The Lowe's Home Improvement Center opened on January 13, 2007 and the Walmart Supercenter opened on January 23, 2008. The residential component of the Redevelopment Project is approved for up to 357 single-family homes, consisting of a 269 unit, single-family detached home development known as Green Mount Manor, and an 88 unit, single-family attached home development. Build-out of Green Mount Manor is at approximately fifty-percent (50%) and construction of the attached-unit development has not commenced.

In 2006, a resident of the City filed an action in the Circuit Court of St. Clair County, IL, seeking declaratory and injunctive relief, challenging the formation of the Redevelopment Area, the formation of the Business District and the use of municipal sales taxes

generated pursuant to the Economic Incentive Act. After a trial, the Circuit Court entered a judgment for the defendants, denying all of the challenges brought by the resident. The Appellate Court of Illinois affirmed the order of the Circuit Court. The Supreme Court of Illinois denied the petition for leave to appeal, which constitutes a final adjudication of this matter.

1.3 THE CITY OF BELLEVILLE AND ST. CLAIR COUNTY OVERVIEW

Incorporated in 1814, the City is the St. Clair County seat and the largest city in southern Illinois. The City's location is shown on **Plate 3 – Regional Context Map** in the **Appendix**.

Located in the eastern portion of the St. Louis MO-IL Metropolitan Statistical Area ("MSA"), the City is considered a suburban community within the MSA. Belleville has good highway and interstate access and proximity to major employment centers such as Scott Air Force Base and Downtown St. Louis.

The City is growing and it is maintaining a focus on its community and heritage. Recently, on June 18, 2011, the City was designated an All-American City, a distinction annually awarded by the National Civic League to ten communities each year for outstanding civic accomplishments. To win, a community must, "demonstrate innovation, inclusiveness, civic engagement, and cross sector collaboration."¹

The City's strong sense of community and civic pride, sound governance and available land for development has attracted developers and new residents. From 2000 to 2010 the City's population grew by approximately seven percent (7%), exceeding the rate of population growth of St. Clair County, which grew at approximately five percent (5%), as shown in **Table 1-1 – Population Growth**.

Table 1-1
Population Growth ¹
Carlyle/Green Mount TIF Redevelopment Project Area
Belleville, IL

Geography	2000 Census Population	2010 Census Population	Numerical Change	% Increase
City of Belleville	41,410	44,478	3,068	7.4%
St. Clair County	256,082	270,056	13,974	5.5%

¹ Source: U.S. Bureau of the Census

¹ 2011 All-America City Award Application

Any discussion of the City's stability and growth is not complete without a discussion of Scott Air Force Base ("Scott AFB"). Scott AFB is located approximately two miles east of the City's eastern border and is also approximately two miles east of the Redevelopment Project. Scott AFB has a significant positive impact on the City, providing jobs and stimulating economic activity. Over the last decade, as other military bases have been shuttered through the United States Federal Government's Base Realignment and Closure ("BRAC") process, many military functions have been relocated to Scott AFB. The United States Transportation Command ("TRANSCOM"), which commands and controls the distribution and deployment of all assets for the entire United States Military, is headquartered at Scott AFB.

Scott AFB sits on 3,589 acres, with right-of-way easements to an additional 1,029 acres, and has 7 million square feet of space in 960 structures served by 59 miles of roads. Scott AFB has a total population of 45,749, which is comprised of active duty military, civilians, Air Force Reserve, Air National Guard, family members (dependants) and retired military. Scott AFB is the largest employer in the St. Louis MSA and the largest employer in Illinois south of Springfield, IL. Scott AFB's vital role in the daily operations of the United States Military ensures its ongoing existence and growth. The economic impact of Scott AFB on the regional economy is, according to data compiled in 2010:²

- \$1.6 billion annually to the regional economy;
- Estimated annual dollar value of Scott AFB jobs: \$737 million;
- Scott AFB creates approximately 6,451 indirect jobs; and
- Scott AFB people spend almost \$341 million on housing annually.

The City is also home to the Belleville campus of Southwestern Illinois College ("SWIC"), which is an accredited college offering associate and other technical degrees in 150 different programs. SWIC's total enrollment is approximately 14,000 students. Approximately seventy-five percent (75%) of SWIC's total enrolled students attend classes at the Belleville campus, which sits directly across Carlyle Road from the Redevelopment Project Area. The primary Metrolink stop for the Belleville SWIC campus is approximately 500 feet from the Redevelopment Project Area. Metrolink is the light rail mass transit system that services the St. Louis MSA. This Metrolink line runs from Scott AFB west, through downtown St. Louis and further west to Lambert International Airport.

² Source: Scott Air Force Base Economic Impact Analysis Fact Sheet,
<http://www.scott.af.mil/library/factsheets/factsheet.asp?id=259>

The area's community and economic assets make it attractive to new homebuyers, even during a challenged housing market. This is evident from the current pace of development at Green Mount Manor, the single-family residential development within the Redevelopment Area and adjacent to the Shopping Center.

Green Mount Manor is a single-family residential development approved for 269 lots adjacent to the Shopping Center and is being developed by Centex Homes, which is owned by PulteGroup, Inc., a home builder active in 60 markets in 28 states and publicly traded on the New York Stock Exchange. To date, more than 100 homes have been constructed and sold at Green Mount Manor. The County Assessor has, for the 2010 tax year, assessed 108 homes as complete, one of which houses a temporary sales office. Despite the economic downturn, Centex has continued to sell and build homes in Green Mount Manor. According to their sales representative, Green Mount Manor has been selling between three and five homes per month, on average, in 2011. A comparison of Centex's sales records with the assessor's parcel information and a physical assessment of construction activity confirm the sales representative's assessment of sales activity at Green Mount Manor. In addition to the 108 homes that the County Assessor recognized as complete in the 2010 assessment, as of July 8, 2011, there are 29 additional homes that are either completed or in various stages of construction. Of these 29 homes, six were complete by January 1, 2011 and will be fully assessed for the 2011 tax year. The remaining 23 homes will be fully assessed for the 2012 tax year. When a property is built upon, as in the case of a new home being built on a newly platted and sold residential lot, that home is assessed according to its condition as of January 1st of the year following the commencement of construction. If the home is complete as of January 1st, then it is fully assessed for that assessment year on which assessment taxes are paid the following year. This situation results, for example, in a lag of one year between completion and assessment of a home and property tax payment. Property taxes will be paid in 2012 on any homes completed and assessed by the County for taxation purposes as of January 1, 2011.

Of the 269 total residential lots in Green Mount Manor, 132 remain to be sold and built. These 132 lots which remain to be sold and built upon are all in Sub Area B as depicted on Plate 4 – Sub-Area Map in the Appendix. All homes currently built, or under construction, are in Sub-Area A. The complete sale and build-out of Green Mount Manor is projected to occur over three years (2012-2014) assuming annual sales of 44 homes in each year for an average monthly rate of 3.67 home sales per month, which is on the conservative end of the range of current monthly sales activity reported by the Centex sales representative.

The residential component of the Redevelopment Project also includes an approved 88 unit single-family residential development. This component is not owned by Centex, but is owned by Westway Realty, Inc. Development of this component of the residential development has not commenced and its potential development and corresponding revenue stream is not reflected in the revenue analysis contained herein, but will further enhance the projected property tax revenue streams for the Series 2011B Bonds (as hereinafter defined) once development proceeds.

1.4 BASIS FOR PROJECTIONS

This Report and the financial projections contained herein are based on estimates, assumptions, and information provided by the City, the office of the St. Clair County, Illinois Assessor, and various other sources considered to be reliable. PGAV neither verified nor audited the information that was provided by others. Information provided by others is assumed to be reliable, but PGAV assumes no responsibility for its accuracy or certainty. The analysis is based, in part, on assumptions and conditions provided by these various sources. PGAV believes that the assumptions used in this analysis constitute a reasonable basis for its preparation.

No professional standards or guidance relevant to the preparation of this Report exist, but PGAV has prepared this Report based on standards and methodology the firm has developed over the course of preparing dozens of similar analyses of historical trends and projections of real property taxes, sales taxes and taxes associated with various types of tax increment financing districts in support of bond financing throughout the country over the past 25 years.

PGAV's methodology for preparing this Report includes the review of economic and demographic data, both current and historic, in order to develop assumptions about future growth. PGAV develops reasonable and conservative assumptions about future growth and applies those assumptions to the projections of future revenue in this Report.

The projections presented in this document are forward-looking and involve certain assumptions and judgments regarding future events. Although the projections formulated in this Report are based on currently available information, they are also based on assumptions about the future state of the national and regional economy and the local real estate markets, as well as assumptions about future actions by various parties, which cannot be assured or guaranteed. The ability to achieve the results described herein depends on the timing and probability of a complex series of future events, both internal and external to the Redevelopment Area. Any event or action that alters an assumed event, assumption, or condition used to achieve the projections

contained herein will cause a deviation from all financial projections contained in this analysis and may render them obsolete. These projections are not provided as predictions or assurances that a certain level of performance will be achieved or that certain events will occur. The actual results will vary from the projections described herein, and the variations may be material. Because the future is uncertain, there is risk associated with achieving the results projected. PGAV assumes no responsibility for any degree of risk involved. PGAV assumes no liability should market conditions change.

Accordingly, PGAV does not express an opinion as to whether or not the Redevelopment Area will achieve the results projected herein if economic, environmental, legislative, or physical events or conditions occur that would significantly affect the projected revenue streams. Specifically, there are a number of situations that could occur that would have major impacts on the revenue projections presented herein. Examples of events that could affect the projected availability of revenues include: changes in taxing provisions and/or market acceptance of commercial and residential additions to the Redevelopment Area that affect the amount of property tax and sales tax revenues generated within the Redevelopment Area; and changes in legislation or new rulings in the Illinois courts regarding tax increment financing.

The terms of PGAV's engagement for this study do not provide for reporting on events subsequent to the date of this Report. Therefore, PGAV accepts no responsibility to either update or revise this Report subsequent to its issuance.

This Report is intended solely for the internal use of Stifel, Nicolaus & Company, Incorporated, Stifel's legal counsel, the City, or the City's legal counsel, the Authority (as hereinafter defined), the Authority's legal counsel, and the Authority's bond counsel. Neither this Report nor its contents may be referred to or quoted, in whole or in part, for any purpose including, but not limited to, any official statement for a bond issue and consummation of a bond sale, any registration statement, prospectus, loan, or other agreement or document, without prior review and written approval by PGAV regarding any representations therein with respect to PGAV's organization and work product. Included in any offering statement must be a document signed by a representative of PGAV which document constitutes PGAV's written consent to this Report's use in such offering statement.

1.4.1 CONFLICTS OF INTEREST

Other than its contractual relationship with Stifel, Nicolaus & Company, Incorporated for the execution of this Report, PGAV has no relationship with any party having a financial or other interest in the issuance and/or sale of the hereinafter defined Bonds.

1.4.2 PAYMENT TO PGAV

Payment to PGAV for the preparation of this Report is not contingent on the sale of the hereinafter defined Bonds.

1.4.3 OTHER WORK FOR ISSUER OR OBLIGOR

PGAV has not performed any work related to the Redevelopment Project in the previous five years.

SECTION II

REVENUE PROJECTIONS

2.1 OVERVIEW OF AVAILABLE REVENUE SOURCES

There are three available revenue sources for the repayment of bonds. These include:

1. Incremental Property Tax Revenues ("TIF Revenues"):
 - All property tax revenues resulting from the incremental increase in the assessed valuation of real property within the Redevelopment Area over and above the initial assessed valuation that may be pledged to the payment of Redevelopment Project Costs pursuant to the TIF Act, less fifty percent (50%) of such property tax revenues which are to be retained by the City, pursuant to the Redevelopment Agreement, and distributed to other taxing districts;
2. Economic Incentive Act Revenues ("EIA Revenues"):
 - All revenues that the City receives (net of collection fees and applicable early payment discounts) from the one percent (1%) sales tax levied by the State of Illinois and collected on the City's behalf from the Redevelopment Area by the Department of Revenue pursuant to the Illinois Retailers' Occupation Tax Act, 35 ILCS 120/1 et seq. and the Illinois Service Occupation Tax Act, 35 ILCS 115/1 et seq. (the 1% local portion) less a monthly amount to be retained by the City pursuant to the Redevelopment Agreement (the "Monthly Municipal Share"); and
3. Business District Revenues ("Business District Revenues"):
 - All revenues that the City receives (net of collection fees and applicable early payment discounts) from the one percent (1%) Business District Sales Tax levied by the City pursuant to the Business District Act, which are generated within the Business District, which consists of the Shopping Center.

While the EIA Revenues and the Business District Revenues are each based upon a one percent (1%) sales tax, the Business District Sales Tax does not have the same general applicability as does the portion of the State sales tax from which the EIA

Revenues are derived. The Business District Sales Tax does not apply to the sale of food (other than that prepared for immediate consumption), prescription and nonprescription medicines, drugs and medical appliances. The revenues described in this Report will be pledged to the repayment of three series of bonds. The first and second series of bonds ("Series 2011A Bonds" and "Series 2011B Bonds") are primarily funded by TIF Revenues and EIA Revenues, and the third series is funded by Business District Revenues (the "Series 2011C Bonds"). A portion of Business District Revenues will be made available for the repayment of Series 2011A Bonds in an amount that does not exceed nine and one-half percent (9.5%) of the total amount of the TIF Revenues and EIA Revenues, and which shall not exceed \$160,000 on an annual basis.

Pursuant to a Financing Agreement between the City and the Southwestern Illinois Development Authority (the "Authority"), the Series 2011A Bonds, Series 2011B Bonds and Series 2011C Bonds, as defined in this Report, are to be issued by the Authority.

2.2 BASIS OF REVENUE GENERATION – THE PROJECT

The Project consists of the Shopping Center and residential development as depicted on **Plate 1 – Redevelopment Area and Business District Boundaries** and **Plate 3 – Site Plan** located in the **Appendix**. The current tenants for the Shopping Center component of the Project are listed on **Table 2-1 – Tenant Roster and Estimated Sales**, on the following page.

(The remainder of this page has been intentionally left blank.)

Table 2-1
Tenant Roster and Estimated Sales^{1,2}
Carlyle/Green Mount TIF Redevelopment Project Area
Belleville, IL

Tenant	Units (Sq. Ft.)	Sales per Unit	Anticipated/Actual Opening Date	Assessment Year	Estimated Taxable Sales Volume
Wal-Mart	203,819	\$490	January 23, 2008	2009	\$99,160,000
Lowe's	139,410	\$180	January 13, 2007	2008	\$24,550,000
Jan's Hallmark	4,000	\$120	August 13, 2007	2008	\$496,000
Clarkson Eyecare ³	2,000	\$160	September 16, 2007	2008	\$325,000
Super Cuts	1,500	\$17	July 1, 2007	2008	\$25,000
Game Stop	2,000	\$830	July 7, 2007	2008	\$1,660,000
Marshall Wireless	2,000	\$250	July 13, 2007	2008	\$500,000
King's Beauty	6,000	\$100	August 1, 2007	2008	\$600,000
Sammy's Nails	1,500	\$10	July 31, 2007	2008	\$15,000
The Shoe Depot	5,500	\$100	January 25, 2008	2009	\$550,000
CATO	4,000	\$240	March 1, 2008	2009	\$950,000
Mattress Source	2,600	\$280	February 1, 2010	2011	\$725,000
Advance America	1,500	-	May 31, 2007	2008	-
Outparcels					
Jimmy John's	1,800	\$580	April 8, 2008	2009	\$1,040,000
Easy Buffet and Grill	6,130	\$170	December 6, 2008	2009	\$1,050,000
Burger King	2,400	\$540	January 3, 2008	2009	\$1,300,000
Hardees	2,300	\$370	July 29, 2008	2009	\$850,000
Wendy's ⁴	No Data	-	July 11, 2008	2009	\$1,625,000
Chick-Fil-A ⁴	No Data	-	July 1, 2012	2013	\$2,500,000
PNC Bank ⁴	No Data	-	April 26, 2007	2008	-
Total Estimated Taxable Sales					\$137,921,000
Total Estimated Business District Taxable Sales					\$98,923,600

¹ Tenant information provided by the Developer. All retailers are currently open and operational with the exception of Chick-Fil-A, which is projected to commence operations on July 1, 2012. This retailer will be included in Sub-Area B

² PGAV estimates. Any differences in math are due to rounding.

³ Average sales at a Clarkson Eyecare retailer are approximately \$975,000, which includes services such as eye exams. This table assumes that approximately one-third of total store sales are for taxable merchandise such as eyewear and related accessories. Prescription eyewear purchases are exempt from the Business District Sales tax, so these sales are excluded from

⁴ Building area information for Wendy's, Chick-Fil-A and PNC Bank has not been made available. Sales data is based on average annual sales data for these retailers at other locations.

2.3 TERM OF REDEVELOPMENT PLAN AND TIMING OF REVENUE FLOWS

Illinois law requires that real estate be valued and classified every January. The January assessment forms the basis for the following year's tax bill, which is typically mailed to property owners in the spring. The tax payable in 2011 (the "tax collection year") is based on the assessed value and classification as of January 2010 (the "tax assessment year"). The tax bill is paid in two installments in the "tax collection" year. In this Report, the year in which the valuation of the property is made is referred to as the "tax assessment year" and the following year in which the actual payments are made is referred to as the "tax collection year."

The City and the Redevelopment Area are located within St. Clair County, Illinois (the "County"). The County is the authority that assesses property and collects and distributes property taxes to the City and other taxing jurisdictions. The St. Clair County Treasurer's Department mails property tax bills by mid-June, which typically places the first installment due date in mid-July and the second installment in the first week of September. Any payer of property tax who fails to pay its property tax bill by the second installment due date has 60 days to pay their property tax and avoid a tax sale. This deadline is typically in November. In discussions with the St. Clair County Treasurer's Department, PGAV has learned that the County will likely be two months behind in mailing tax bills this year (2011), which could, in turn, delay the aforescribed schedule by approximately one month for 2011 tax collections.

Estimates of future revenues in this Report are presented on a cash basis (i.e., the year revenues are anticipated to be received by the City). As noted in Section I, the City adopted tax increment financing in the Redevelopment Area in 2006. While the District will expire in 2029, property taxes based on 2029 assessed values will be collected in 2030. Incremental property tax revenues may be captured and applied toward TIF obligations through the year 2030, the tax collection year for the 2029 tax assessment year. The City's obligation to transfer TIF Revenues to the Trustee (as such term is defined in Trust Indenture) presently terminates on December 31, 2030. However, the City may seek to extend of the TIF by an additional 12 years, from 23 to 35 years. This extension requires action by the Illinois State Legislature; action which has been taken over 90 times with respect to other TIF districts throughout the State of Illinois, including with respect to other TIF districts within the City.

Pursuant to Illinois law, retailers are required to report and remit their sales tax collections to the Illinois Department of Revenue ("IDOR") by the end of the calendar month following the month of collection. IDOR deposits the local portion of the sales taxes, consisting of EIA Revenues, the Business District Revenues and all other portions

of the sales taxes into a special fund called the Local Government Tax Fund. On or before the 25th day of each month, IDOR certifies the disbursement of such moneys and distributes the sales tax revenues to the various Illinois cities, villages and incorporated towns. As a result, such payment, made on or before the 25th of the month is with respect to retail sales that occurred during the second preceding calendar month.

The deposit of EIA Revenues to the City Sales Tax Allocation Fund and the transfer of the EIA Revenues to the Trustee each month is the administrative responsibility of the City. Per the Redevelopment Agreement, the Monthly Municipal Share must be subtracted from total EIA Revenues. The projections contained in this report represent taxes collected at the time of sale and do not represent when they are paid into the Local Government Tax Fund by IDOR, nor do these projections represent when funds are deposited into the City Sales Tax Allocation Fund by the City. The City's obligation to transfer EIA Revenues to the City Sales Tax Allocation Fund terminates on December 15, 2041.

2.4 INCREMENTAL REAL PROPERTY TAX REVENUES (TIF REVENUES)

TIF Revenues consist of the property taxes from property within the Redevelopment Area which are attributable to the increase in the assessed valuation of the property subsequent to the year in which the TIF is established. The TIF Act provides:

- (2) Except from a tax levied by a township to retire bonds issued to satisfy court-ordered damages, that portion, if any, of such taxes which is attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the redevelopment project area over and above the initial equalized assessed value of each property in the project area shall be allocated to and when collected shall be paid to the municipal treasurer who shall deposit said taxes into a special fund called the special tax allocation fund of the municipality for the purpose of paying redevelopment project costs and obligations incurred in the payment thereof.*

2.4.1 Base Equalized Assessed Value

The initial (2006) base EAV for the Carlyle Green Mount TIF has been certified by the St. Clair County Assessor to be \$32,370. A copy of the certification identifying the initial equalized assessed value is provided in the **Appendix**.

2.4.2 Real Property Tax Rate and Township Multiplier

The total real property tax rate is a composite of the individual tax rates set by multiple independent taxing districts. The tax rates are reset by each taxing district on an annual basis. The tax rate levies of each taxing district may be raised or lowered by such taxing districts within voter established limits. Taxing districts set their rate once the total assessed value within the taxing district is determined, based upon their budgeted revenue requirements. It is not possible to predict with exact specificity the rate that each taxing district will set each year over the remaining life of the TIF. Therefore, the most recent (2010 payable in 2011) tax rates have been utilized to project future tax revenues and are shown below in **Table 2-2 – 2010 Property Tax Rate Information**.

Table 2-2
2010 Property Tax Rate Information¹
Carlyle/Green Mount TIF Redevelopment Project Area
Belleville, IL

Taxing District	Tax Rate
City of Belleville Library	0.2628
City of Belleville	1.4567
Belleville Township	0.1028
Mascoutah Unit #19 School District	4.0832
St. Clair County	0.9158
Southwestern Illinois College #522	0.3689
Total for Tax Rate for TIF	7.1902

Properties in Illinois are assessed as of the first of each year. The Illinois Property Tax Code requires that property be assessed at thirty-three and one-third (33.3%) actual market value. The assessor's determination of assessed value is subject to an intra-county equalization process conducted by the Board of Review and an inter-county equalization process performed by the Illinois Department of Revenue, both of which are intended to ensure that property is equally assessed throughout the county and throughout the State. The results of this equalization process are reflected in the township multiplier, a ratio that is applied to the assessed value of every parcel of real property to adjust the assessed value upward or downward, as required to make each property's assessed value as close as possible to 33.3% of its true market value. The product of this adjustment is the equalized assessed value, which is the value upon which the actual property tax is based, by application of the tax rate for that year.

St. Clair County is further divided into townships and the multiplier is applied on a township by township basis. The Redevelopment Area is located within the Belleville Township of St. Clair County. **Table 2-3 – 8-Year History of Belleville Township Multipliers**, below, depicts the annual multiplier applied to parcels in the Belleville Township over the past eight years. The annual average adjustment of assessed value applied to properties within the township, as a result of the multiplier, is a little less than five-and-a-half percent (5.44%).

Table 2-3
8-Year History of Belleville Township Multipliers¹
Carlyle/Green Mount TIF Redevelopment Project Area
Belleville, IL

Year	Township Multiplier
2003	1.0627
2004	1.0645
2005	1.0722
2006	1.0701
2007	1.0601
2008	1.0450
2009	1.0229
2010	1.0378
Annual Avg.	1.0544

¹ Source: St. Clair County Board of Review Office.

Historically, the value of land and improvements in new or recently constructed commercial and residential districts has increased over time. As the improvements in the Redevelopment Project Area have been constructed either near the end of, or after, the recent recession, this Report assumes any ill effects from such recession would have already been felt and that property values will increase in the future. For guidance in estimating future values, this Report looks to the township multiplier used in St. Clair County to equalize assessed valuations throughout the County. Historically, even during the recession, the application of the township multiplier has had the effect of causing the assessed value of real property within the County to increase on an annual basis. From 2003 to 2010, real property assessed values increased at the rates in Table 2-3 in each year. For the purposes of this analysis, the value of land and improvements is projected to increase one and one-half percent (1.5%) annually.

2.4.3 Real Property Tax Revenues Generated To Date

Real property tax revenues generated within the Redevelopment Area and paid in 2008 based on the 2007 assessment is \$350,000. Real property tax revenues generated within the Redevelopment Area and received in 2009 based on the 2008 assessment is approximately \$575,000. The 2006 taxes collected in 2007 were of little consequence as the assessed value did not, at that time, yet reflect any improvements associated with the Redevelopment Project. As of the date of this Report, with respect to the values determined in the 2010 assessment year, the equalization process has been completed, the tax rates have been set, and the property tax bills have been mailed; however, property taxes have not yet been collected. **Table 2-4 - Incremental Real Property Tax Collection History** shows annual incremental equalized assessed value information and related incremental real property taxes collected to date for the entire Redevelopment Area.

Table 2-4
Incremental Real Property Tax Collection History¹
Carlyle/Green Mount TIF Redevelopment Project Area
Belleville, IL

Assessment Year	Tax Collection Year	Incremental EAV ²	Incremental Real Property Tax Collections	Less Revenues to Taxing Districts ³	Net Incremental Real Property Tax Collections
2007	2008	\$ 4,329,479	\$ 245,843	\$ (122,922)	\$ 122,922
2008	2009	\$ 14,957,755	\$ 1,004,357	\$ (502,178)	\$ 502,178
2009	2010	\$ 16,234,752	\$ 1,151,283	\$ (575,641)	\$ 575,641
Totals			\$ 2,401,483		\$ 1,200,742

¹ Source: City of Belleville Finance Department

² Incremental EAV is net of the Base EAV and any exemptions taken by homeowners within the Redevelopment Area.

³ Per the Amended and Restated Redevelopment Agreement (the "Agreement") dated November 1, 2007, 50% of incremental property taxes shall be distributed to the taxing districts.

2.4.4 Real Property Tax Increment Revenue Projections

Table 2-5 – Series 2011A Bonds TIF Revenue Projections presents the estimated future tax increment revenues associated with the Redevelopment Area which will be available for repayment of Series 2011A Bonds. With respect to Table 2-4, the following should be noted:

1. The projected revenues noted in a given "Tax Collection Year" reflect the revenues anticipated to be deposited into the Special Tax Allocation Fund prior to December 31 of the "Tax Collection Year";

2. The increase in Projected Equalized Assessed Valuation is based upon the combination of expected home sales and a one and one-half percent (1.5%) growth factor due to the County's application of the multiplier on an annual basis;
3. The analysis takes into account the projected amount of anticipated Homestead Exemptions claims;
4. The projection of total real property assessed value associated with the Series 2011B Bonds is shown. This projection includes anticipated growth in assessed valuation within the area shown as Sub-Area B on Plate 4 in the Appendix. These annual values are subtracted from the assessed value for the Redevelopment Project Area to determine the TIF Revenues available for repayment of Series 2011A Bonds;
5. The "Incremental EAV" reflects the Projected Assessed Valuation less the "Base EAV";
6. The Tax Rate per \$100 of EAV is based on the rate for the 2010 assessment year; and
7. The total TIF Revenues deposited into the Special Tax Allocation Fund reflects the Incremental Real Property Taxes less the fifty percent (50%) retained by the City and distributed to other taxing districts.

Table 2-5
Series 2011A TIF Revenue Projections¹
Carlyle/Green Mount TIF Redevelopment Project Area
Belleville, IL

Assessment Year	Tax Collection Year	Projected Equalized Assessed Valuation ²	Less Series 2011B Total Projected EAV ³	Series 2011A Total Projected EAV	Exemptions ⁴	Base EAV ⁵	Net Series 2011A Incremental EAV	Tax Rate per \$100 of EAV	Incremental Real Property Taxes	Revenues to Taxing Districts ⁶	Total Series 2011A TIF Revenues
2010	2011	\$19,053,802	(\$8,452)	\$19,045,350	\$ (437,084)	(\$30,876)	\$18,577,390	7.1902	\$1,335,751	(\$667,876)	\$667,875
2011	2012	\$19,569,071	(\$44,634)	\$19,524,437	\$ (447,110)	(\$30,876)	\$19,046,451	7.1902	\$1,369,478	(\$684,739)	\$684,739
2012	2013	\$21,103,498	(\$45,304)	\$21,058,194	\$ (482,233)	(\$30,876)	\$20,545,085	7.1902	\$1,477,233	(\$738,617)	\$738,616
2013	2014	\$23,789,450	(\$2,415,384)	\$21,374,066	\$ (489,466)	(\$30,876)	\$20,853,724	7.1902	\$1,499,424	(\$749,712)	\$749,712
2014	2015	\$26,515,692	(\$4,821,015)	\$21,694,677	\$ (496,808)	(\$30,876)	\$21,166,993	7.1902	\$1,521,949	(\$760,975)	\$760,974
2015	2016	\$29,282,827	(\$7,262,730)	\$22,020,097	\$ (504,260)	(\$30,876)	\$21,484,961	7.1902	\$1,544,812	(\$772,406)	\$772,406
2016	2017	\$29,722,069	(\$7,371,671)	\$22,350,398	\$ (511,824)	(\$30,876)	\$21,807,698	7.1902	\$1,568,017	(\$784,009)	\$784,008
2017	2018	\$30,167,900	(\$7,482,246)	\$22,685,654	\$ (519,501)	(\$30,876)	\$22,135,277	7.1902	\$1,591,571	(\$795,786)	\$795,785
2018	2019	\$30,620,419	(\$7,594,480)	\$23,025,939	\$ (527,294)	(\$30,876)	\$22,467,769	7.1902	\$1,615,478	(\$807,739)	\$807,739
2019	2020	\$31,079,725	(\$7,708,397)	\$23,371,328	\$ (535,203)	(\$30,876)	\$22,805,249	7.1902	\$1,639,743	(\$819,872)	\$819,871
2020	2021	\$31,545,921	(\$7,824,023)	\$23,721,898	\$ (543,231)	(\$30,876)	\$23,147,791	7.1902	\$1,664,372	(\$832,186)	\$832,186
2021	2022	\$32,019,110	(\$7,941,383)	\$24,077,727	\$ (551,380)	(\$30,876)	\$23,495,471	7.1902	\$1,689,371	(\$844,686)	\$844,685
2022	2023	\$32,499,397	(\$8,060,504)	\$24,438,893	\$ (559,651)	(\$30,876)	\$23,848,366	7.1902	\$1,714,745	(\$857,373)	\$857,372
2023	2024	\$32,986,888	(\$8,181,412)	\$24,805,476	\$ (568,045)	(\$30,876)	\$24,206,555	7.1902	\$1,740,500	(\$870,250)	\$870,250
2024	2025	\$33,481,691	(\$8,304,133)	\$25,177,558	\$ (576,566)	(\$30,876)	\$24,570,116	7.1902	\$1,766,640	(\$883,320)	\$883,320
2025	2026	\$33,983,916	(\$8,428,695)	\$25,555,221	\$ (585,215)	(\$30,876)	\$24,939,130	7.1902	\$1,793,173	(\$896,587)	\$896,586
2026	2027	\$34,493,675	(\$8,555,125)	\$25,938,550	\$ (593,993)	(\$30,876)	\$25,313,681	7.1902	\$1,820,104	(\$910,052)	\$910,052
2027	2028	\$35,011,080	(\$8,683,452)	\$26,327,628	\$ (602,903)	(\$30,876)	\$25,693,849	7.1902	\$1,847,439	(\$923,720)	\$923,719
2028	2029	\$35,536,246	(\$8,813,704)	\$26,722,542	\$ (611,946)	(\$30,876)	\$26,079,720	7.1902	\$1,875,184	(\$937,592)	\$937,592
2029	2030	\$36,069,290	(\$8,945,910)	\$27,123,380	\$ (621,125)	(\$30,876)	\$26,471,379	7.1902	\$1,903,345	(\$951,673)	\$951,672

¹ The TIF terminates in 2029 and property for assessment year 2029 will be collected in 2030.

² The amount shown for Assessment Year 2010 and Tax Collection Year 2011 is the actual, total EAV for Assessment Year 2010. EAV is projected to increase at an annual rate of one-and-a-half percent (1.5%). In 2011 the total EAV of the Redevelopment Project Area is projected to increase an additional amount to account for 6 homes which were fully constructed by January 1, 2011 but not included in the assessment of the Area for the 2010 tax year. The total EAV in 2012 includes additional value as a result of 23 homes constructed in 2011. Forty-four additional homes are expected to be constructed in each of the years 2012, 2013 and 2014. Estimated values assigned to these homes are included in the "Projected Total Assessed Valuation" for Assessment Years 2013, 2014 and 2015.

³ Each annual figure shown in this column represents total assessed valuation (including certified base values) for Sub-Area B, as shown on Plate 4 in the Appendix, which total accounts for the sale, construction and subsequent valuation by the County of 44 new single-family homes in 2012, 2013 and 2014 in this portion of the Redevelopment Project Area, which would be assessed in years 2013, 2014 and 2015. TIF Revenues generated within Sub-Area B will be available for the payment of Series 2011B Bonds.

⁴ The State of Illinois permits residents to claim a Homestead Exemption which may reduce the total assessed value of their primary residence by an amount of up to \$6,000. The State of Illinois also permits an exemption for Disabled Veterans which allows qualifying veterans to reduce the total assessed value of their primary residence by an amount of up to \$5,000 depending on their level of service-related disability. Currently, exemptions equal approximately 2.3% of the total taxable value, this ratio is applied throughout the projections under the assumption that, as new homes are built, new homeowners may qualify and take advantage property tax relief permitted by the State of Illinois.

⁵ The Base EAV shown is the total TIF Base EAV for each taxable lot, block, tract or parcel within Sub-Area A as shown on Plate 4 in the Appendix.

⁶ Per the Amended and Restated Redevelopment Agreement (the "Agreement") dated November 1, 2007, 50% of incremental property taxes shall be distributed to the taxing districts.

Table 2-6 – Series 2011B Bonds TIF Revenue Projections presents the estimated future tax increment revenues associated with the Redevelopment Project Area which will be available for repayment of Series 2011B Bonds. These incremental property tax revenues will be generated by that portion of the Redevelopment Project Area upon which construction has not yet occurred but upon which construction is expected to occur in the near-term. This portion of the Redevelopment Project Area is identified on Plate 4 – Sub-Area Map in the Appendix as Sub-Area B. With respect to Table 2-6, the following should be noted:

1. The projected revenues noted in a given “Tax Collection Year” reflect the revenues anticipated to be deposited into the Special Tax Allocation Fund prior to December 31 of the “Tax Collection Year”;
2. The increase in Projected Assessed Valuation is based upon the combination of expected home sales and remaining outlot development, as well as a one and a half percent (1.5%) annual growth factor due to appreciation in property values;
3. The analysis takes into account the projected amount of anticipated Homestead Exemptions claims;
4. The “Incremental EAV” reflects the Projected Assessed Valuation less the “Base EAV”;
5. The Tax Rate per \$100 of EAV is based on the rate for the 2010 assessment year; and
6. The total TIF Revenues deposited into the Special Tax Allocation Fund reflects the Incremental Real Property Taxes less the fifty percent (50%) retained by the City and distributed to other taxing districts.

Table 2-6
Series 2011B TIF Revenue Projections¹
Carlyle/Green Mount TIF Redevelopment Project Area
Belleville, IL

Assessment Year	Tax Collection Year	Projected Equalized Assessed Valuation ²	Exemptions ³	Base EAV ⁴	Incremental EAV	Tax Rate per \$100 of EAV	Incremental Real Property Taxes	Revenues to Taxing Districts ⁵	Total Series 2011B TIF Revenues
2010	2011	\$8,452	\$ -	(\$1,494)	\$6,958	7.1902	\$500	(\$250)	\$250
2011	2012	\$44,634	\$ -	(\$1,494)	\$43,140	7.1902	\$3,102	(\$1,551)	\$1,551
2012	2013	\$45,304	\$ (1,037)	(\$1,494)	\$42,773	7.1902	\$3,075	(\$1,538)	\$1,537
2013	2014	\$2,415,384	\$ (55,312)	(\$1,494)	\$2,358,578	7.1902	\$169,586	(\$84,793)	\$84,793
2014	2015	\$4,821,015	\$ (110,401)	(\$1,494)	\$4,709,120	7.1902	\$338,595	(\$169,298)	\$169,297
2015	2016	\$7,262,730	\$ (166,317)	(\$1,494)	\$7,094,919	7.1902	\$510,139	(\$255,070)	\$255,069
2016	2017	\$7,371,671	\$ (168,811)	(\$1,494)	\$7,201,366	7.1902	\$517,793	(\$258,897)	\$258,896
2017	2018	\$7,482,246	\$ (171,343)	(\$1,494)	\$7,309,409	7.1902	\$525,561	(\$262,781)	\$262,780
2018	2019	\$7,594,480	\$ (173,914)	(\$1,494)	\$7,419,072	7.1902	\$533,446	(\$266,723)	\$266,723
2019	2020	\$7,708,397	\$ (176,522)	(\$1,494)	\$7,530,381	7.1902	\$541,449	(\$270,725)	\$270,724
2020	2021	\$7,824,023	\$ (179,170)	(\$1,494)	\$7,643,359	7.1902	\$549,573	(\$274,787)	\$274,786
2021	2022	\$7,941,383	\$ (181,858)	(\$1,494)	\$7,758,031	7.1902	\$557,818	(\$278,909)	\$278,909
2022	2023	\$8,060,504	\$ (184,586)	(\$1,494)	\$7,874,424	7.1902	\$566,187	(\$283,094)	\$283,093
2023	2024	\$8,181,412	\$ (187,354)	(\$1,494)	\$7,992,564	7.1902	\$574,681	(\$287,341)	\$287,340
2024	2025	\$8,304,133	\$ (190,165)	(\$1,494)	\$8,112,474	7.1902	\$583,303	(\$291,652)	\$291,651
2025	2026	\$8,428,695	\$ (193,017)	(\$1,494)	\$8,234,184	7.1902	\$592,054	(\$296,027)	\$296,027
2026	2027	\$8,555,125	\$ (195,912)	(\$1,494)	\$8,357,719	7.1902	\$600,937	(\$300,469)	\$300,468
2027	2028	\$8,683,452	\$ (198,851)	(\$1,494)	\$8,483,107	7.1902	\$609,952	(\$304,976)	\$304,976
2028	2029	\$8,813,704	\$ (201,834)	(\$1,494)	\$8,610,376	7.1902	\$619,103	(\$309,552)	\$309,551
2029	2030	\$8,945,910	\$ (204,861)	(\$1,494)	\$8,739,555	7.1902	\$628,391	(\$314,196)	\$314,195

¹ The TIF terminates in 2029 and property for assessment year 2029 will be collected in 2030.

² Projected Assessed Valuation is assumed to increase at an annual rate of one-and-a-half percent (1.5%). Based on current trends, this analysis projects approximately 44 home sales in each year (average 3.7 monthly) are expected to be constructed in each of the years 2012, 2013 and 2014. Estimated values assigned to these homes are included in the "Projected Total Assessed Valuation" for Assessment Years 2013, 2014 and 2015.

³ The State of Illinois permits residents to claim a Homestead Exemption which may reduce the total assessed value of their primary residence by an amount of up to \$6,000. The State of Illinois also permits an exemption for Disabled Veterans which allows qualifying veterans to reduce the total assessed value of their primary residence by an amount of up to \$5,000 depending on their level of service-related disability. Currently, exemptions equal approximately 2.3% of the total taxable value, this ratio is applied throughout the projections under the assumption that, as new homes are built, new homeowners may qualify and take advantage property tax relief permitted by the State of Illinois.

⁴ The Base EAV shown is the total TIF Base EAV for each taxable lot, block, tract or parcel within Sub-Area B as shown on Plate 4 in the Appendix.

⁵ Per the Amended and Restated Redevelopment Agreement (the "Agreement") dated November 1, 2007, states that 50% of incremental property taxes shall be distributed to the taxing districts.

2.5 ECONOMIC INCENTIVE ACT REVENUES

Series 2011A EIA Revenues are all revenues that the City receives (net of collection fees and applicable early payment discounts) from the one percent (1%) sales tax levied by the State of Illinois and collected on the City's behalf from the Redevelopment Area by the Department of Revenue pursuant to the Illinois Retailers' Occupation Tax Act, 35 ILCS 120/1 et seq. and the Illinois Service Occupation Tax Act, 35 ILCS 115/1 et seq. (the 1% local portion) less the Monthly Municipal Share and less any Series 2011B EIA Revenues.

Table 2-7 – Taxable Sales in St. Clair County and the City of Belleville (2001 - 2010) shows annual retail sales in the City and St. Clair County for the period 2001 through 2010.

Table 2-7
Taxable Sales in St. Clair County and the City of Belleville (2001 - 2010) ¹
St. Clair County, IL

Year	Countywide Sales ²	Annual % Change in Adj. Sales	Citywide Sales ³	Annual % Change in Adj. Sales	CPI Index	Annual % Change in CPI
2001	2,370,479,874	N/A	558,477,842	N/A	177.04	1.4%
2002	2,370,213,541	0.0%	566,408,515	1.4%	179.87	1.6%
2003	2,411,977,291	1.8%	577,114,518	1.9%	184.00	2.3%
2004	2,493,184,163	3.4%	597,554,046	3.5%	188.91	2.7%
2005	2,587,823,043	3.8%	597,920,170	0.1%	195.27	3.4%
2006	2,721,338,830	5.2%	618,080,157	3.4%	201.56	3.2%
2007	2,790,251,216	2.5%	674,729,157	9.2%	207.34	2.9%
2008	2,661,812,955	-4.6%	704,263,826	4.4%	215.25	3.8%
2009	2,524,440,273	-5.2%	729,657,434	3.6%	214.55	-0.3%
2010	2,670,425,559	5.8%	709,932,440	-2.7%	218.08	1.6%
Average Annual Percent Increase in Countywide Taxable Sales						1.33%
Average Annual Percent Increase in Citywide Taxable Sales						2.70%
Average Annual Percent Change in CPI						2.34%

¹ Source: Illinois Department of Revenue

² Based on Countywide sales tax collections. Based on collections of the County's portion of the total state sales tax rate (6.25%), which portion is 0.25% and is referred to as the "Countywide Sales Tax."

³ Based on collections of the City's portion of the total state sales tax rate (6.25%), which portion is 1% and is referred to as the "Municipal Tax."

As Table 2-7 shows, though the local market has experienced some recent dips in retail sales it is recovering and has maintained a positive growth trajectory over the preceding ten years. Furthermore, while not reflected in the above data from IDOR, the 14 of the last 17 months have reflected a positive growth in City retail sales when compared against the same month from the prior year.

The level of growth in Citywide taxable sales shown on Table 2-7 indicates that the City retail market is expanding and continuing to capture more Countywide retail sales activity. Based on 2010 retail sales information, retail activity in the City accounts for approximately 27% of all retail activity in the County, which is an increase from 24% in 2001. In light of historical retail sales information, and the fact that the City continues to draw consumers from the surrounding County and beyond, this report assumes an annual average rate of growth of one and one-half percent (1.5%) in retail sales within the Redevelopment Project Area.

Projections of future retail sales are based on information provided by the City and other information available to PGAV. PGAV has developed assumptions concerning the projected average annual rate of growth based partly on past performance and future development activity expectations.

Table 2-8 – EIA Revenue Collection History shows the history of collected EIA Revenues.

(The remainder of this page has been intentionally left blank.)

Table 2-8
EIA Revenue Collection History^{1,2,3}
Carlyle/Green Mount Business District
Belleville, IL

Sales Month	Collection Month	Disbursement Month	Monthly EIA Revenue Collections	EIA Revenue Generated Annually
September-07	October-07	December-07	\$ 198,629	\$ 234,604
October-07	November-07	January-08	\$ 15,401	
November-07	December-07	February-08	\$ 17,684	
December-07	January-08	March-08	\$ 2,890	
January-08	February-08	April-08	\$ 1,526	
February-08	March-08	May-08	\$ 107,525	
March-08	April-08	June-08	\$ 59,576	
April-08	May-08	July-08	\$ 71,528	
May-08	June-08	August-08	\$ 54,601	
June-08	July-08	September-08	\$ 52,240	
July-08	August-08	October-08	\$ 43,204	
August-08	September-08	November-08	\$ 30,298	
September-08	October-08	December-08	\$ 32,320	\$ 648,104
October-08	November-08	January-09	\$ 40,091	
November-08	December-08	February-09	\$ 79,639	
December-08	January-09	March-09	\$ 75,556	
January-09	February-09	April-09	\$ 40,793	
February-09	March-09	May-09	\$ 41,096	
March-09	April-09	June-09	\$ 56,006	
April-09	May-09	July-09	\$ 64,654	
May-09	June-09	August-09	\$ 63,492	
June-09	July-09	September-09	\$ 57,470	
July-09	August-09	October-09	\$ 49,252	
August-09	September-09	November-09	\$ 49,643	\$ 660,379
September-09	October-09	December-09	\$ 49,458	
October-09	November-09	January-10	\$ 51,999	
November-09	December-09	February-10	\$ 55,689	
December-09	January-10	March-10	\$ 80,827	
January-10	February-10	April-10	\$ 46,224	
February-10	March-10	May-10	\$ 47,707	
March-10	April-10	June-10	\$ 60,442	
April-10	May-10	July-10	\$ 64,290	
May-10	June-10	August-10	\$ 61,792	
June-10	July-10	September-10	\$ 58,749	
July-10	August-10	October-10	\$ 53,364	\$ 670,636
August-10	September-10	November-10	\$ 48,644	
September-10	October-10	December-10	\$ 46,794	
October-10	November-10	January-11	\$ 48,248	
November-10	December-10	February-11	\$ 56,453	
December-10	January-11	March-11	\$ 77,928	
January-11	February-11	April-11	\$ 45,081	
February-11	March-11	May-11	\$ 43,106	
March-11	April-11	June-11	\$ 53,880	
April-11	May-11	July-11	\$ 57,360	
May-11	June-11	August-11	\$ 57,167	
TOTALS			\$ 2,470,317	\$ 2,470,317

¹ Source: UMB Bank account statements.

² The December 2007 disbursement is larger than other months as this disbursement represents a correction for EIA Revenues which were, in 2007, erroneously deposited to the Business District Account.

³ The Collections in the first year may have been irregular as retailers and City staff became accustomed to proper reporting and collection methods.

Table 2-9 – Series 2011A EIA Revenue Projections, presents the estimated future EIA Revenues available for the repayment of Series 2011A Bonds. With respect to Table 2-9 on the following page, the following should be noted:

1. The projected 2011 retail sales figure in the second column are estimates based historical sales performance for the retailers currently active in Green Mount Commons.

The 2011 estimate starts with a baseline derived from information provided by the City and is then grown 1.5%. This report assumes growth through 2011 as any factor negatively affecting sales activity will have been resolved.

The slight decline in sales over the last year and a half, as indicated by the Monthly EIA Revenue Collections column in Table 2-8, is consistent with the decline in same-store sales experienced by Walmart, nationwide, over the past several quarters. This decline is widely recognized as having occurred as a result of an unsuccessful marketing campaign implemented a few years ago. The "Save Money – Live Better" marketing campaign involved both a reduction in item count, in order to de-clutter stores and improve the shopping experience, and a selective competitive pricing strategy focused on promoting only select items. While this campaign represented an effort to appeal to a broader segment of the market, the reduction in the assortment of merchandise and a straying from Walmart's comprehensive competitive pricing only served to disappoint the established customer base. In April 2011, Walmart announced its return to the "Every Day Low Prices" strategy that had been the foundation of its success.¹ Item count has been increased by 8,500 items, an eleven percent (11%) increase, and a renewed commitment to comprehensive competitive pricing has been made through a price matching policy on all items. While winning back former customers may take some time, the change in strategy has already been reflected in an improvement in same-store sales in each month of the second quarter of 2011 and a forecast by Walmart of positive same-store sales growth through the remainder of 2011.² As such, this Report reflects the belief that the recent decline in sales represents a temporary condition resulting from an unsuccessful strategy that has since been abandoned, and that, for the purposes of long-term projections, the growth assumptions used in this Report are reasonable;

¹ "Wal-Mart Ads Try To Woo Shoppers With 'Low Prices Every Day'," MSNBC. April 11, 2011

² "Wal-Mart U.S. Sales Start To Perk Up, As Do Shares," Reuters. August 16, 2011

2. Projected retail sales included projected sales for all retail operations within the Redevelopment Project Area, Series 2011B EIA Revenues are subtracted from the total EIA Revenues generated within the Redevelopment Project Area to arrive at projected annual Series 2011A EIA Revenues.
3. Sales are projected to grow at a rate of one-and-a-half percent (1.5%) annually;
In light of the fact that countywide retail sales have grown at an average annual rate of 1.33% over the previous 10 years, and citywide retail sales have grown at an average annual rate of 1.5% over the previous 10 years, an assumption of annual average growth at a rate of 1.5% seems reasonable as it is within the range of historical growth in retail sales indicated by the local economy.
4. All projections of EIA Revenues are net of the one and three-quarter percent (1.75%) retailer discount for tax preparation and record-keeping expenses permitted by IDOR and Illinois statutes.

(The remainder of this page has been intentionally left blank.)

Table 2-9
Series 2011A Bonds EIA Revenue Projections ¹
Carlyle/Green Mount TIF Redevelopment Project Area
Belleville, IL

Tax Collection Year ²	Projected Sales	Less Series 2011B Sales ³	Net Series 2011A EIA Sales	EIA Sales Tax Rate	Series 2011A EIA Sales Tax Revenues ⁴	Less Municipal Share ⁵	Series 2011A EIA Revenues
2011	\$137,452,315	\$0	\$137,452,315	1.00%	\$1,350,469	(\$648,000)	\$702,469
2012	\$140,764,102	(\$1,250,000)	\$139,514,102	1.00%	\$1,370,726	(\$648,000)	\$722,726
2013	\$144,106,814	(\$2,500,000)	\$141,606,814	1.00%	\$1,391,287	(\$648,000)	\$743,287
2014	\$146,268,416	(\$2,537,500)	\$143,730,916	1.00%	\$1,412,156	(\$648,000)	\$764,156
2015	\$148,462,442	(\$2,575,563)	\$145,886,879	1.00%	\$1,433,339	(\$648,000)	\$785,339
2016	\$150,689,379	(\$2,614,196)	\$148,075,183	1.00%	\$1,454,839	(\$648,000)	\$806,839
2017	\$152,949,720	(\$2,653,409)	\$150,296,311	1.00%	\$1,476,661	(\$648,000)	\$828,661
2018	\$155,243,966	(\$2,693,210)	\$152,550,756	1.00%	\$1,498,811	(\$648,000)	\$850,811
2019	\$157,572,625	(\$2,733,608)	\$154,839,017	1.00%	\$1,521,293	(\$648,000)	\$873,293
2020	\$159,936,214	(\$2,774,612)	\$157,161,602	1.00%	\$1,544,113	(\$648,000)	\$896,113
2021	\$162,335,257	(\$2,816,231)	\$159,519,026	1.00%	\$1,567,274	(\$648,000)	\$919,274
2022	\$164,770,286	(\$2,858,474)	\$161,911,812	1.00%	\$1,590,784	(\$648,000)	\$942,784
2023	\$167,241,840	(\$2,901,351)	\$164,340,489	1.00%	\$1,614,645	(\$648,000)	\$966,645
2024	\$169,750,468	(\$2,944,871)	\$166,805,597	1.00%	\$1,638,865	(\$648,000)	\$990,865
2025	\$172,296,725	(\$2,989,044)	\$169,307,681	1.00%	\$1,663,448	(\$648,000)	\$1,015,448
2026	\$174,881,176	(\$3,033,880)	\$171,847,296	1.00%	\$1,688,400	(\$648,000)	\$1,040,400
2027	\$177,504,394	(\$3,079,388)	\$174,425,006	1.00%	\$1,713,726	(\$648,000)	\$1,065,726
2028	\$180,166,960	(\$3,125,579)	\$177,041,381	1.00%	\$1,739,432	(\$648,000)	\$1,091,432
2029	\$182,869,464	(\$3,172,463)	\$179,697,001	1.00%	\$1,765,523	(\$648,000)	\$1,117,523
2030	\$185,612,506	(\$3,220,050)	\$182,392,456	1.00%	\$1,792,006	(\$648,000)	\$1,144,006
2031	\$188,396,694	(\$3,268,351)	\$185,128,343	1.00%	\$1,818,886	(\$648,000)	\$1,170,886
2032	\$191,222,644	(\$3,317,376)	\$187,905,268	1.00%	\$1,846,169	(\$648,000)	\$1,198,169
2033	\$194,090,984	(\$3,367,137)	\$190,723,847	1.00%	\$1,873,862	(\$648,000)	\$1,225,862
2034	\$197,002,349	(\$3,417,644)	\$193,584,705	1.00%	\$1,901,970	(\$648,000)	\$1,253,970
2035	\$199,957,384	(\$3,468,909)	\$196,488,475	1.00%	\$1,930,499	(\$648,000)	\$1,282,499
2036	\$202,956,745	(\$3,520,943)	\$199,435,802	1.00%	\$1,959,457	(\$648,000)	\$1,311,457
2037	\$206,001,096	(\$3,573,757)	\$202,427,339	1.00%	\$1,988,849	(\$648,000)	\$1,340,849
2038	\$209,091,112	(\$3,627,363)	\$205,463,749	1.00%	\$2,018,681	(\$648,000)	\$1,370,681
2039	\$212,227,479	(\$3,681,773)	\$208,545,706	1.00%	\$2,048,962	(\$648,000)	\$1,400,962
2040	\$215,410,891	(\$3,737,000)	\$211,673,891	1.00%	\$2,079,696	(\$648,000)	\$1,431,696
2041	\$218,642,054	(\$3,793,055)	\$214,848,999	1.00%	\$2,110,891	(\$648,000)	\$1,462,891

¹ Sales are projected to increase 1.5% on an average annual basis. Sales in 2012 and 2013 show an additional increase as Chick-Fil-A opens in July 2012 and its sales ramp-up.

² Pursuant to the Economic Incentive Act ("EIA") and Ordinance No. 6819 of the City, the City covenants and agrees to deposit all EIA Revenues to the City Sales Tax Allocation Fund and apply such monies to repayment of the Bonds. The EIA Revenues are the City's local, one percent (1%), portion of the state sales tax rate. The City's obligation to transfer EIA Revenues terminates December 15, 2041.

³ The projected Series 2011B Sales are those retail sales generated from Sub-Area B shown on the Sub-Area Map in the Appendix, a portion of which is planned for the development of a Chick-Fil-A restaurant which will be the only business generating EIA Revenues for the repayment of Series 2011B Bonds.

⁴ EIA Sales Tax Revenue is net of the State of Illinois' 1.75% retailer's allowance for tax preparation and record-keeping expenses.

⁵ The Municipal Share is an annual amount pledged from EIA Revenues of \$648,000.

Table 2-10 – Series 2011B EIA Revenue Projections, presents the estimated future EIA Revenues available for the repayment of Series 2011B Bonds. With respect to Table 2-5 on the following page, the following should be noted:

1. The projected 2011 retail sales figure in the second column are estimates based historical sales performance;
2. Projected retail sales shown are for a Chik-Fil-A restaurant which is expected to commence operations on July 1, 2012, and which will be built on the remaining outlot shown in Sub-Area B on Plate 4 in the Appendix.
3. Sales are projected to grow at a rate of one-and-a-half percent (1.5%) annually;
In light of the fact that countywide retail sales have grown at an average annual rate of 1.33% over the previous 10 years, and citywide retail sales have grown at an average annual rate of 1.5% over the previous 10 years, an assumption of annual average growth at a rate of 1.5% seems reasonable as it is within the range of historical growth in retail sales indicated by the local economy.
4. All projections of EIA Revenues are net of the one and three-quarter percent (1.75%) retailer discount for tax preparation and record-keeping expenses permitted by IDOR and Illinois statutes.

(The remainder of this page has been intentionally left blank.)

Table 2-10
Series 2011B Bonds EIA Revenue Projections ¹
Carlyle/Green Mount TIF Redevelopment Project Area
Belleville, IL

Tax Collection Year ²	Projected Sales	EIA Sales Tax Rate	EIA Sales Tax Revenues ³
2011	\$0	1.00%	\$0
2012	\$1,250,000	1.00%	\$12,281
2013	\$2,500,000	1.00%	\$24,563
2014	\$2,537,500	1.00%	\$24,931
2015	\$2,575,563	1.00%	\$25,305
2016	\$2,614,196	1.00%	\$25,684
2017	\$2,653,409	1.00%	\$26,070
2018	\$2,693,210	1.00%	\$26,461
2019	\$2,733,608	1.00%	\$26,858
2020	\$2,774,612	1.00%	\$27,261
2021	\$2,816,231	1.00%	\$27,669
2022	\$2,858,474	1.00%	\$28,085
2023	\$2,901,351	1.00%	\$28,506
2024	\$2,944,871	1.00%	\$28,933
2025	\$2,989,044	1.00%	\$29,367
2026	\$3,033,880	1.00%	\$29,808
2027	\$3,079,388	1.00%	\$30,255
2028	\$3,125,579	1.00%	\$30,709
2029	\$3,172,463	1.00%	\$31,169
2030	\$3,220,050	1.00%	\$31,637
2031	\$3,268,351	1.00%	\$32,112
2032	\$3,317,376	1.00%	\$32,593
2033	\$3,367,137	1.00%	\$33,082
2034	\$3,417,644	1.00%	\$33,578
2035	\$3,468,909	1.00%	\$34,082
2036	\$3,520,943	1.00%	\$34,593
2037	\$3,573,757	1.00%	\$35,112
2038	\$3,627,363	1.00%	\$35,639
2039	\$3,681,773	1.00%	\$36,173
2040	\$3,737,000	1.00%	\$36,716
2041	\$3,793,055	1.00%	\$37,267

¹ Sales are projected to increase 1.5% on an average annual basis. These sales projections are specific to the planned Chick-Fil-A restaurant only, which is projected to commence operations in July 2012, as this is the only planned retail establishment in Sub-Area B.

² Pursuant to the Economic Incentive Act ("EIA") and Ordinance No. 6819 of the City, the City covenants and agrees to deposit all EIA Revenues to the City Sales Tax Allocation Fund and apply such monies to repayment of the Bonds. The EIA Revenues are the City's local, one percent (1%), portion of the state sales tax rate.

³ EIA Sales Tax Revenue is net of the State of Illinois' 1.75% retailer's allowance for tax preparation and record-keeping expenses.

2.6 PROJECTED TOTAL STATUTORY REVENUES FOR SERIES 2011A BONDS AND SERIES 2011B BONDS

No private, independent market study has been prepared or provided to PGAV. Assumptions have been made regarding the performance of the occupants of the Redevelopment Area based on information provided to PGAV. The actual tax revenues generated will vary from these projections.

Table 2-11 - Summary of Revenues Available for the Retirement of Series 2011A Bonds displays the TIF Revenues and EIA Revenues that are projected to be available to be applied toward payment of debt service on the Series 2011A Bonds. The first column identifies the calendar year; the second column displays the projected TIF Revenues; the third column displays the projected EIA Revenues; the fourth column totals columns two and three; the fourth column shows the contribution to Series 2011A Bonds from Business District Revenues, and the final column sums the total of each stream of revenues available for the retirement of the Series 2011A Bonds.

EIA Revenues and TIF Revenues from Chick-Fil-A and from the undeveloped portion of the planned residential area are not available to pay debt service on Series 2011A Bonds. EIA Revenues and TIF Revenues from Chick-Fil-A and from the undeveloped portion of the residential area are available to pay debt service on Series 2011B Bonds. Revenues available to pay debt service on Series 2011B Bonds are shown in **Table 2-12 – Summary of Revenues Available for the Retirement of Series 2011B Bonds**.

(The remainder of this page has been intentionally left blank.)

Table 2-11
Summary of Revenues Available for the Retirement of Series 2011A Bonds¹
Carlyle/Green Mount TIF Redevelopment Project Area
Belleville, IL

Calendar Year	TIF Revenues	EIA Revenues	TIF + EIA Revenues	Business District Contribution ²	Total Revenues
2011	\$667,875	\$702,469	\$1,370,344	\$0	\$1,370,344
2012	\$684,739	\$722,726	\$1,407,465	\$133,709	\$1,541,174
2013	\$738,616	\$743,287	\$1,481,903	\$140,781	\$1,622,684
2014	\$749,712	\$764,156	\$1,513,868	\$143,817	\$1,657,685
2015	\$760,974	\$785,339	\$1,546,313	\$146,900	\$1,693,213
2016	\$772,406	\$806,839	\$1,579,245	\$150,028	\$1,729,273
2017	\$784,008	\$828,661	\$1,612,669	\$153,204	\$1,765,873
2018	\$795,785	\$850,811	\$1,646,596	\$156,427	\$1,803,023
2019	\$807,739	\$873,293	\$1,681,032	\$159,698	\$1,840,730
2020	\$819,871	\$896,113	\$1,715,984	\$160,000	\$1,875,984
2021	\$832,186	\$919,274	\$1,751,460	\$160,000	\$1,911,460
2022	\$844,685	\$942,784	\$1,787,469	\$160,000	\$1,947,469
2023	\$857,372	\$966,645	\$1,824,017	\$160,000	\$1,984,017
2024	\$870,250	\$990,865	\$1,861,115	\$160,000	\$2,021,115
2025	\$883,320	\$1,015,448	\$1,898,768	\$160,000	\$2,058,768
2026	\$896,586	\$1,040,400	\$1,936,986	\$160,000	\$2,096,986
2027	\$910,052	\$1,065,726	\$1,975,778	\$160,000	\$2,135,778
2028	\$923,719	\$1,091,432	\$2,015,151	\$160,000	\$2,175,151
2029	\$937,592	\$1,117,523	\$2,055,115	\$0	\$2,055,115
2030	\$951,672	\$1,144,006	\$2,095,678	\$0	\$2,095,678
2031	\$0	\$1,170,886	\$1,170,886	\$0	\$1,170,886
2032	\$0	\$1,198,169	\$1,198,169	\$0	\$1,198,169
2033	\$0	\$1,225,862	\$1,225,862	\$0	\$1,225,862
2034	\$0	\$1,253,970	\$1,253,970	\$0	\$1,253,970
2035	\$0	\$1,282,499	\$1,282,499	\$0	\$1,282,499
2036	\$0	\$1,311,457	\$1,311,457	\$0	\$1,311,457
2037	\$0	\$1,340,849	\$1,340,849	\$0	\$1,340,849
2038	\$0	\$1,370,681	\$1,370,681	\$0	\$1,370,681
2039	\$0	\$1,400,962	\$1,400,962	\$0	\$1,400,962
2040	\$0	\$1,431,696	\$1,431,696	\$0	\$1,431,696
2041	\$0	\$1,462,891	\$1,462,891	\$0	\$1,462,891
TOTAL	\$16,489,159	\$32,717,719	\$49,206,878	\$2,624,564	\$51,831,442

¹ These projections represent revenues generated by year-end, not time of receipt and deposit to the Special Tax Allocation Fund.

² Pursuant to the Indenture, the Business District contribution is the lesser of \$80,000 or 9.5% (not to exceed \$160,000 annually) of the sum of TIF Revenues and EIA Revenues transferred for the biannual payments of interest on the Series 2011A Bonds. The Business District terminates January 11, 2029.

Table 2-12
Summary of Revenues Available for the Retirement of Series
2011B Bonds¹
Carlyle/Green Mount TIF Redevelopment Project Area
Belleville, IL

Calendar Year	TIF Revenues	EIA Revenues	TIF + EIA Revenues
2011	\$250	\$0	\$250
2012	\$1,551	\$12,281	\$13,832
2013	\$1,537	\$24,563	\$26,100
2014	\$84,793	\$24,931	\$109,724
2015	\$169,297	\$25,305	\$194,602
2016	\$255,069	\$25,684	\$280,753
2017	\$258,896	\$26,070	\$284,966
2018	\$262,780	\$26,461	\$289,241
2019	\$266,723	\$26,858	\$293,581
2020	\$270,724	\$27,261	\$297,985
2021	\$274,786	\$27,669	\$302,455
2022	\$278,909	\$28,085	\$306,994
2023	\$283,093	\$28,506	\$311,599
2024	\$287,340	\$28,933	\$316,273
2025	\$291,651	\$29,367	\$321,018
2026	\$296,027	\$29,808	\$325,835
2027	\$300,468	\$30,255	\$330,723
2028	\$304,976	\$30,709	\$335,685
2029	\$309,551	\$31,169	\$340,720
2030	\$314,195	\$31,637	\$345,832
2031	\$0	\$32,112	\$32,112
2032	\$0	\$32,593	\$32,593
2033	\$0	\$33,082	\$33,082
2034	\$0	\$33,578	\$33,578
2035	\$0	\$34,082	\$34,082
2036	\$0	\$34,593	\$34,593
2037	\$0	\$35,112	\$35,112
2038	\$0	\$35,639	\$35,639
2039	\$0	\$36,173	\$36,173
2040	\$0	\$36,716	\$36,716
2041	\$0	\$37,267	\$37,267
TOTAL	\$4,512,616	\$896,499	\$5,409,115

¹ These projections represent revenues generated by year-end, not time of receipt and deposit to the Special Tax Allocation Fund.

2.7 BUSINESS DISTRICT TAX REVENUES

As described in Section 1, the City established the Business District by ordinance on January 11, 2006. The City, by ordinance, imposed an additional one percent (1%) Business District Tax on all retail sales within the boundaries of the Business District. The first month in which collections were received was March 2007, which collections were based on sales conducted in February 2007. **Table 2-13 – Business District Sales Tax Collection History** shows historic monthly collections from March 2007 through July 2011.

(The remainder of this page has been intentionally left blank.)

Table 2-13
Business District Sales Tax Collection History¹
Carlyle/Green Mount Business District
Belleville, IL

Sales Month	Collection Month	Disbursement Month	Monthly Business District Sales Tax Collections	Business District Sales Taxes Generated Annually
February-07	March-07	May-07	\$ 14,784	
March-07	April-07	June-07	\$ 40,314	
April-07	May-07	July-07	\$ 23,200	
May-07	June-07	August-07	\$ 25,565	
June-07	July-07	September-07	\$ 29,262	
July-07	August-07	October-07	\$ 20,409	
August-07	September-07	November-07	\$ 17,792	
September-07	October-07	December-07	\$ 27,339	
October-07	November-07	January-08	\$ 15,401	
November-07	December-07	February-08	\$ 17,684	
December-07	January-08	March-08	\$ 2,890	
January-08	February-08	April-08	\$ 1,526	\$ 234,640
February-08	March-08	May-08	\$ 107,525	
March-08	April-08	June-08	\$ 69,576	
April-08	May-08	July-08	\$ 71,528	
May-08	June-08	August-08	\$ 82,504	
June-08	July-08	September-08	\$ 77,257	
July-08	August-08	October-08	\$ 71,896	
August-08	September-08	November-08	\$ 73,384	
September-08	October-08	December-08	\$ 69,276	
October-08	November-08	January-09	\$ 65,162	
November-08	December-08	February-09	\$ 79,639	
December-08	January-09	March-09	\$ 98,374	\$ 867,647
January-09	February-09	April-09	\$ 64,289	
February-09	March-09	May-09	\$ 66,868	
March-09	April-09	June-09	\$ 77,915	
April-09	May-09	July-09	\$ 80,937	
May-09	June-09	August-09	\$ 86,989	
June-09	July-09	September-09	\$ 82,396	
July-09	August-09	October-09	\$ 73,905	
August-09	September-09	November-09	\$ 73,226	
September-09	October-09	December-09	\$ 73,736	
October-09	November-09	January-10	\$ 73,793	
November-09	December-09	February-10	\$ 79,205	
December-09	January-10	March-10	\$ 101,884	\$ 935,142
January-10	February-10	April-10	\$ 66,902	
February-10	March-10	May-10	\$ 71,061	
March-10	April-10	June-10	\$ 82,322	
April-10	May-10	July-10	\$ 87,583	
May-10	June-10	August-10	\$ 83,357	
June-10	July-10	September-10	\$ 82,672	
July-10	August-10	October-10	\$ 75,624	
August-10	September-10	November-10	\$ 70,944	
September-10	October-10	December-10	\$ 71,246	
October-10	November-10	January-11	\$ 70,457	
November-10	December-10	February-11	\$ 80,231	
December-10	January-11	March-11	\$ 98,402	\$ 940,801
January-11	February-11	April-11	\$ 64,499	
February-11	March-11	May-11	\$ 67,820	
March-11	April-11	June-11	\$ 75,580	
April-11	May-11	July-11	\$ 79,502	
May-11	June-11	August-11	\$ 79,432	
June-11	July-11	September-11	\$ 79,498	\$ 446,331
			\$ 3,424,562	\$ 3,424,562

Source: Illinois Department of Revenue

Table 2-14 – Business District Sales Tax Revenue Projections presents the estimated future Business District Revenues and projects the estimated amount of Business District Revenues that will be available to be applied to the repayment of debt service on the Series 2011C Bonds. With respect to Table 2-7, the following points should be noted:

1. The projected 2011 retail sales figures in the second column are based on the trailing twelve-month period of sales tax collections through April 2011;
2. Sales are projected to grow at an average annual rate of one and a half percent (1.5%) annually;
3. All projections of Business District Revenues are net of the one and three-quarter percent (1.75%) retailer discount for tax preparation and record-keeping expenses permitted by IDOR and Illinois statutes.
4. All projections of Business District Revenues are net of the two percent (2%) collection fee retained by the State.
5. A portion of the Business District Revenues are pledged to the Series 2011A Bonds in the amount of nine and one-half percent (9.5%) of the total combined TIF Revenues and EIA Revenues collected in any one year, but not to exceed \$160,000 in any one year.

The Business District terminates January 11, 2029.

(The remainder of this page has been intentionally left blank.)

Table 2-14
Business District Sales Tax Revenue Projections ¹
Series 2011C Bonds
Carlyle/Green Mount TIF Redevelopment Project Area
Belleville, IL

Tax Collection Year	Estimated Annual Sales²	Business District Sales Tax Rate	Less Contribution to Series 2011A Bonds³	Business District Revenues⁴
2011	\$ 97,869,954	1.00%	\$ -	\$ 942,342
2012	\$ 100,588,006	1.00%	\$ (133,709)	\$ 834,802
2013	\$ 103,328,076	1.00%	\$ (140,781)	\$ 854,114
2014	\$ 104,877,997	1.00%	\$ (143,817)	\$ 866,000
2015	\$ 106,451,167	1.00%	\$ (146,900)	\$ 878,065
2016	\$ 108,047,935	1.00%	\$ (150,028)	\$ 890,312
2017	\$ 109,668,654	1.00%	\$ (153,204)	\$ 902,741
2018	\$ 111,313,684	1.00%	\$ (156,427)	\$ 915,357
2019	\$ 112,983,389	1.00%	\$ (159,698)	\$ 928,163
2020	\$ 114,678,140	1.00%	\$ (160,000)	\$ 944,178
2021	\$ 116,398,312	1.00%	\$ (160,000)	\$ 960,741
2022	\$ 118,144,287	1.00%	\$ (160,000)	\$ 977,553
2023	\$ 119,916,451	1.00%	\$ (160,000)	\$ 994,616
2024	\$ 121,715,198	1.00%	\$ (160,000)	\$ 1,011,935
2025	\$ 123,540,926	1.00%	\$ (160,000)	\$ 1,029,513
2026	\$ 125,394,040	1.00%	\$ (160,000)	\$ 1,047,356
2027	\$ 127,274,951	1.00%	\$ (160,000)	\$ 1,065,467
2028	\$ 129,184,075	1.00%	\$ (160,000)	\$ 1,083,849
TOTAL			\$ (2,624,564)	\$ 17,127,104

¹ Sales are projected to increase 1.5% on an average annual basis. Sales in 2012 and 2013 show an additional increase as Chick-Fil-A opens in July 2012 and its sales ramp-up.

² The Business District collects taxes paid on retail sales excluding food, drug and medical purchases. The Business District Sales Tax terminates January 11, 2029.

³ Pursuant to the Indenture, the Business District contribution is the lesser of \$80,000 or 9.5% (not to exceed \$160,000 annually) of the sum of TIF Revenues and EIA Revenues transferred for the biannual payments of interest on the Series 2011A Bonds.

⁴ Business District Sales Tax Revenues are net of both of the State of Illinois' 1.75% retailer's allowance for tax preparation and record-keeping expenses and 2% Business District administration fee.

SECTION 3

CONDITIONS AND ASSUMPTIONS

The conditions and assumptions that apply to the revenue projections in this document are stated throughout. A negative change in the conditions that form the basis of the assumptions used in developing the projections contained in this Report could adversely affect the estimates of the incremental revenue available to support the Bonds. In order to project future sales, and hence, the revenues that may be generated within the Redevelopment Project Area, certain assumptions must be made with regard to actions, both internal and external to the Redevelopment Project, such as actions by private businesses and land owners, national and local economic conditions, public support, and legislative changes. The contents of this document are forward-looking and involve certain assumptions and judgments regarding uncertainties in the future.

The ability to achieve the revenue projections presented in this evaluation is contingent upon the timing and probability of a number of complex conditions being met in the future and certain assumptions holding true. PGAV makes no assertions as to the degree of impact that changes in any of these conditions would have upon the revenue projections included herein. Any event or action that alters an assumed event, assumption, or condition used to achieve the projections contained herein shall be considered a cause to void all financial projections contained in this Report. These assumptions include such conditions as listed below.

3.1. REDEVELOPMENT PROJECT

It is assumed that the Redevelopment Project will continue to operate with the existing tenants or tenants of comparable quality and tax generation capacity throughout the life of the Bonds.

3.2. REAL PROPERTY TAX RATES AND THE BELLEVILLE TOWNSHIP MULTIPLIER

Real property tax rates are set by multiple independent taxing districts. Changes in a given jurisdiction rate that lowers the levy amount will negatively impact the amount of TIF Revenues generated by the Project. The Belleville Township multiplier is determined by other factors outside of the TIF boundary, and should this multiplier decrease, it could negatively impact the amount of TIF Revenues generated by the Redevelopment Project.

3.3. ASSESSED VALUE APPEALS

Any successful appeal of the assessed value of property located in the Redevelopment Project Area could have a negative impact on the amount of TIF Revenues generated.

3.4. FAILURE TO PAY

Any failure to pay the real property taxes owed on the property within the Redevelopment Project Area will have a negative impact on the amount of TIF Revenues generated by the Redevelopment Project.

3.5. CONTINUED PUBLIC SUPPORT

The successful ongoing implementation of the Redevelopment Project will require the commitment of the Belleville City Council, the Mayor, and City staff, without which many essential tasks of administering the TIF and allocating the funds towards the retirement of the Bonds would be hindered or brought to a halt. Likewise, it is assumed that the Illinois legislature will not make any changes to the TIF, EIA or Business District Acts or related statutes or pass other legislation that will negatively affect the Redevelopment Plan and/or Redevelopment Project in existence prior to such changes or legislation.

3.6. COURT ACTION

The results of future court decisions, unknown at this time, could impact, either positively or negatively, implementation of the Redevelopment Project as envisioned.

3.7. COMPETENT STAFF SUPPORT

The future success of the implementation of the Redevelopment Project will depend to a great degree on the presence of competent support of a number of entities to execute the administrative duties required by the Redevelopment Agreement and the City's own adopted procedures. These entities include:

- City management, staff and consultants;
- the Developer; and
- the State of Illinois Department of Revenue.

3.8. NATURAL DISASTERS

Future success of the Redevelopment Project could be affected by fires, floods, storms, or other "Acts of God" which could alter the value of existing physical improvements in the Redevelopment Project Area and have a negative impact on the revenue stream.

3.9. ECONOMIC AND MARKET STABILITY

National, regional, and local economic stability will need to prevail over the life of the TIF and continue to support the need for retail uses at this location. In addition, prolonged labor strikes or terrorist attacks at the national, regional, or local level could adversely affect the business environment or business productivity at this location.

3.10. REVENUE GROWTH ASSUMPTIONS

This document makes assumptions about the future growth of tax-generating values and related revenues of the Redevelopment Project Area. These assumptions are:

1. Total real property assessed values (for taxation purposes) are projected to increase one-and-a-half percent (1.5%) each year as a result of the application of the township multiplier; and
2. Retail sales are projected to increase one-and-a-half percent (1.5%) on an average annual basis.

APPENDIX

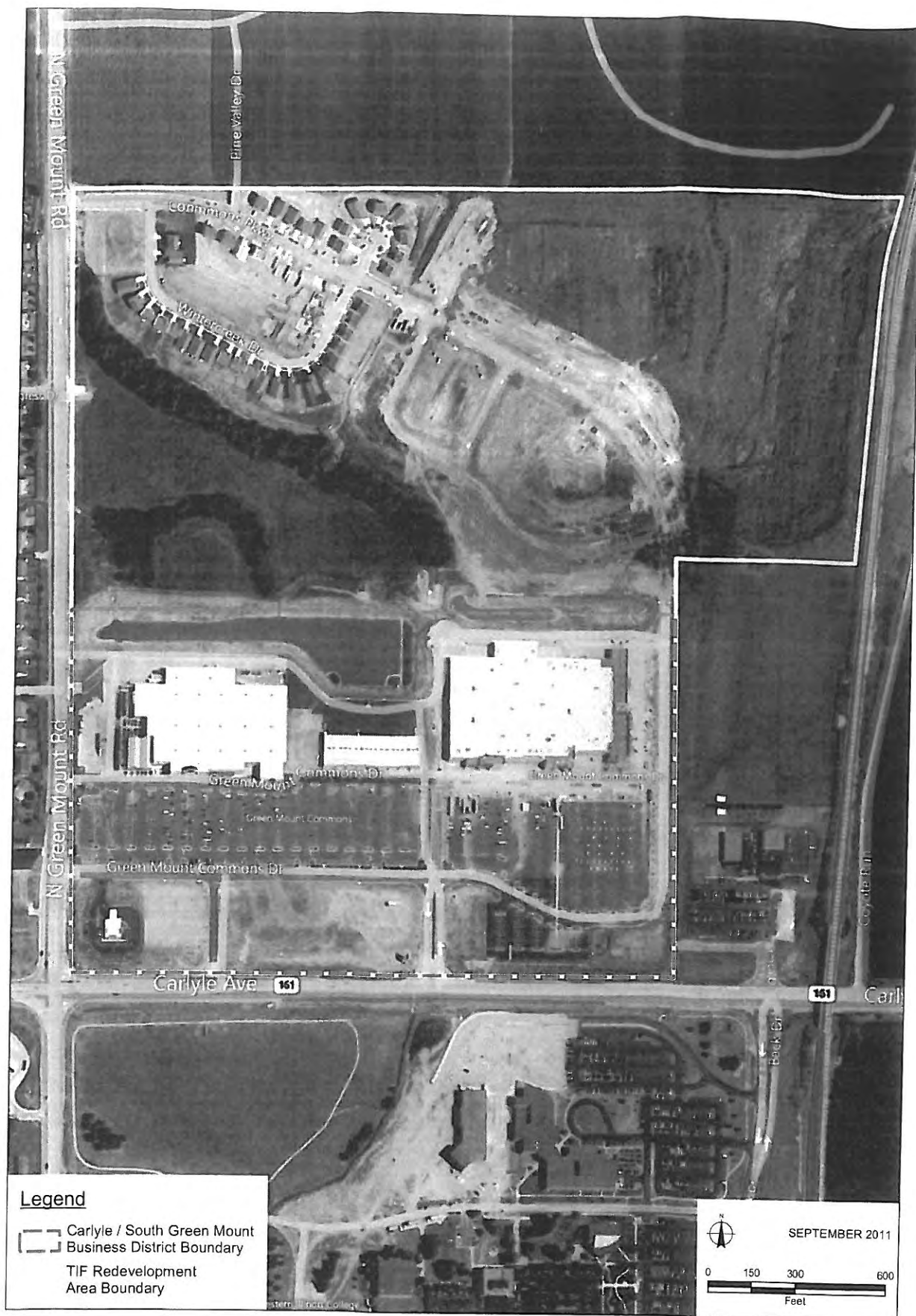


Plate 1 - Redevelopment Area &
Business District Boundaries
Carlyle / Green Mount Redevelopment Project
Bond Revenue Study

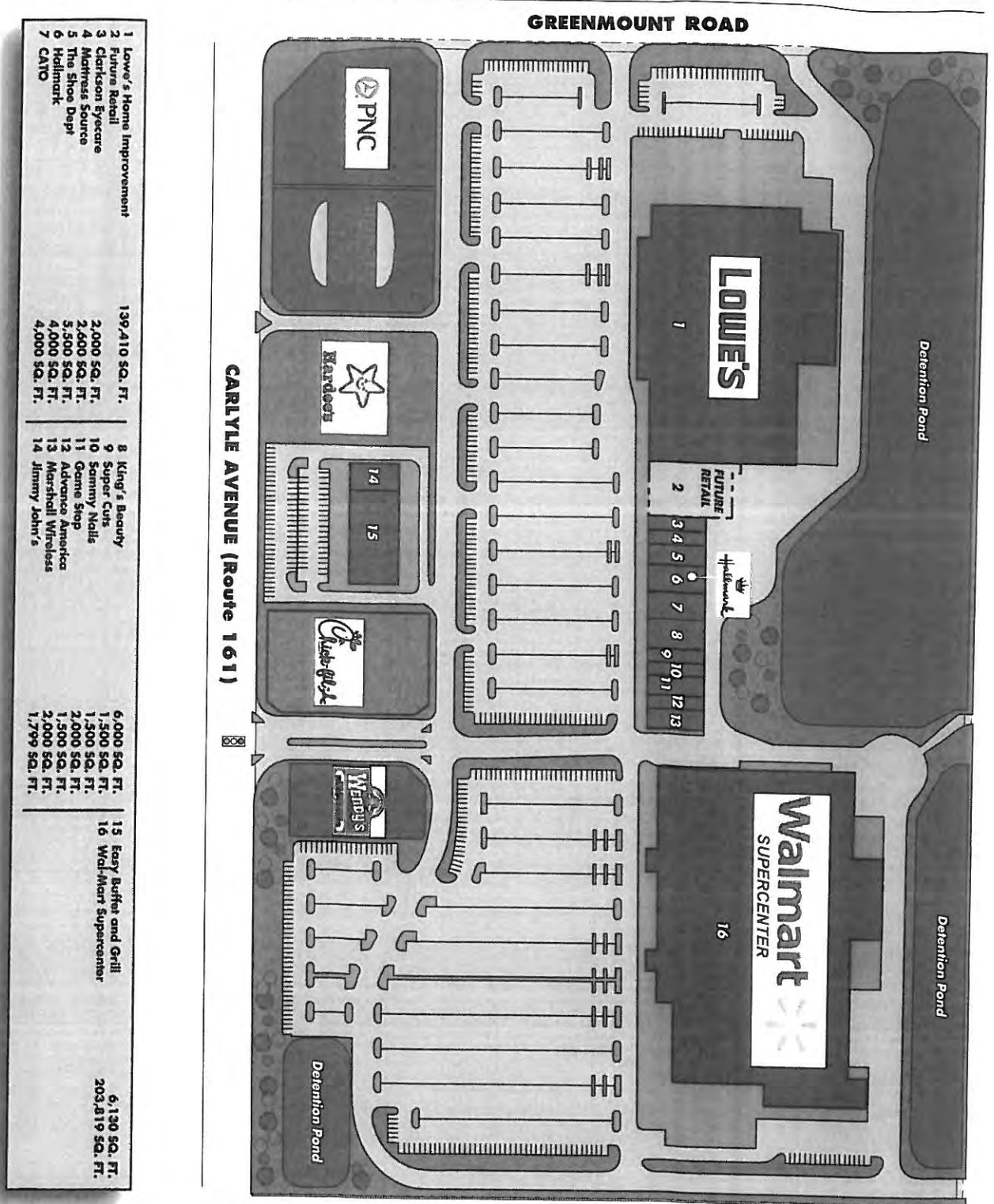


PGAVPLANNERS

GREEN MOUNT COMMONS

Belleville, Illinois

Updated: 04/08/11



1	Lowe's Home Improvement	139,410 SQ. FT.	8	Kling's Beauty	6,000 SQ. FT.	15	Easy Buffet and Grill	6,130 SQ. FT.
2	Future Retail		9	Super Cuts	1,500 SQ. FT.	16	Wal-Mart Supercenter	203,819 SQ. FT.
3	Clarkson Eyecare	2,000 SQ. FT.	10	Sunny Nails	1,500 SQ. FT.			
4	Matthias Source	2,600 SQ. FT.	11	Game Shop	2,000 SQ. FT.			
5	The Shoe Dept	3,500 SQ. FT.	12	Advance America	1,500 SQ. FT.			
6	Hollmark	4,000 SQ. FT.	13	Marshall Wireless	2,000 SQ. FT.			
7	CATD	4,000 SQ. FT.	14	Jimmy John's	1,799 SQ. FT.			

CARLYLE AVENUE (Route 161)



KEY
AVAILABLE
ANCHOR
LEASED

SITE SUMMARY
383,758 SQ. FT.

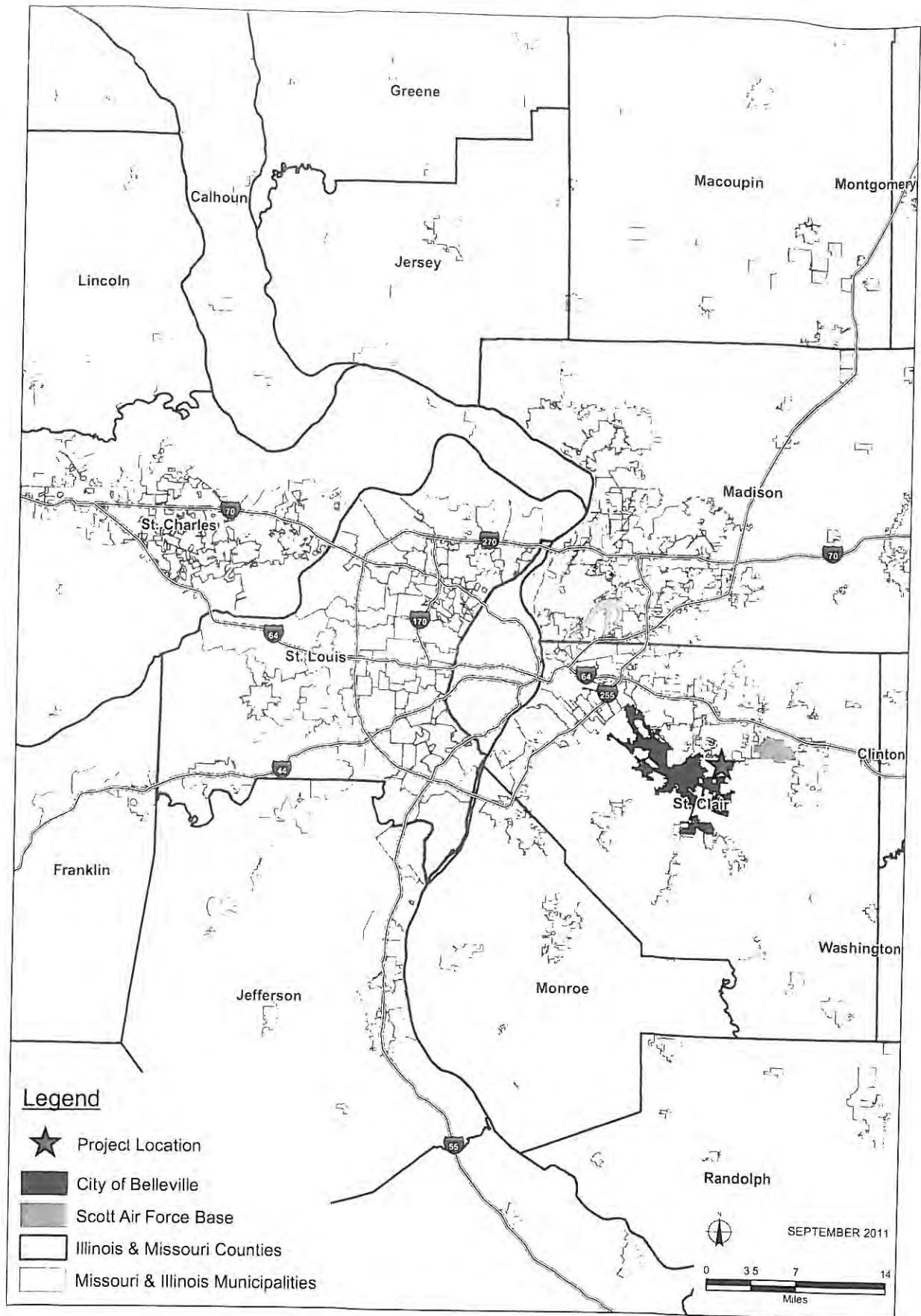


Plate 3 - Regional Context Map

Carlyle / Green Mount Redevelopment Project
Bond Revenue Study



PGAVPLANNERS

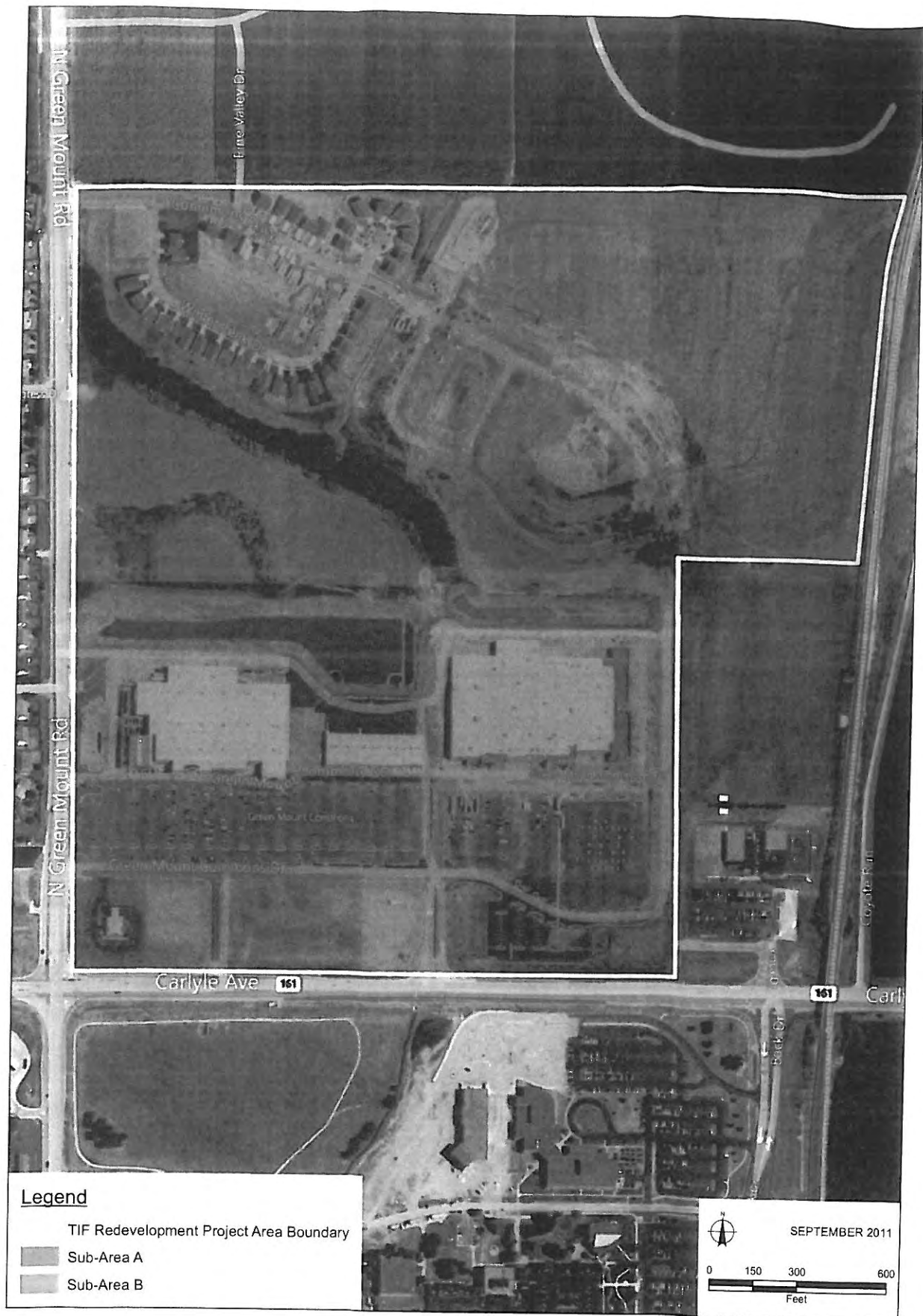


Plate 4 - Sub-Area Map

Carlyle / Green Mount Redevelopment Project
Bond Revenue Study

TIF Parcel Report by TIF District
ST. CLAIR County
Excludes Deleted Parcels
Current Values

16182778783

Parcel Number	Parcel Deleted Year	TIF Base Year	Taxable Value	Net Value	TIF Base Value	Value to Districts	TIF Increment	Exemption Amount	Total Assessment
TIFB15 - CARLYLE/GR MNT T.I.F.									
09-19.0-111-007	2011	02047	0	35,696	0	0	35,696	0	35,696
09-19.0-111-008		02047	0	51,336	44	44	51,292	0	51,336
09-19.0-111-009		02047	0	23,244	22	22	23,222	0	23,244
09-19.0-111-010		02047	0	17,230	22	22	17,208	2,153	19,383
09-19.0-111-011		02047	0	22,155	22	22	22,133	2,926	25,081
09-19.0-111-012		02047	0	14,591	22	22	14,569	0	14,591
09-19.0-111-013		02047	0	30,565	22	22	30,543	0	30,565
09-19.0-111-014		02047	0	12,008	22	22	11,987	0	12,008
09-19.0-111-015		02047	0	381	22	22	359	0	381
09-19.0-111-016		02047	0	35,883	14	14	35,869	0	35,883
Tax District Totals:	Parcel Count:	142	18,616,718		32,370	30,979	18,585,739	437,084	19,053,802
Report Grand Totals:	Parcel Count:	142	18,616,718		32,370	30,979	18,585,739	437,084	19,053,802

STATE OF ILLINOIS)
COUNTY OF ST. CLAIR) SS.

BOB DELANEY, COUNTY CLERK, IN AND FOR THE COUNTY AND STATE AFORESAID, DO HEREBY CERTIFY THE FOREGOING TO BE A TRUE AND CORRECT COPY OF THE RECORD OF TIF base value AS THE SAME APPEARS FROM THE FILES AND RECORD IN MY OFFICE.

IN WITNESS WHEREOF, I HERETO SET MY HAND AND AFFIX THE SEAL OF MY OFFICE AT BELLEVILLE, ILLINOIS, THIS 26th DAY OF July A.D., 2011

BOB DELANEY, COUNTY CLERK, BY: *[Signature]* DEPUTY



APPENDIX B

DEFINITIONS AND SUMMARY OF THE PRINCIPAL DOCUMENTS

DEFINITIONS

In addition to the words and terms defined elsewhere in this Official Statement, the following are definitions of certain words and terms as used in the Indenture and this Official Statement.

“Act” means the Southwestern Illinois Development Authority Act, 70 ILCS 520/1 *et seq.*, as supplemented and amended.

“Additional Bonds” means any Additional Bonds issued by the Authority pursuant to the Indenture.

“Authority” means the Southwestern Illinois Development Authority, a political subdivision, a body politic and a municipal corporation duly organized and existing under the laws of the State.

“Authorized City Representative” means the Mayor, the City Clerk, the City Treasurer, the Finance Director or such other person at the time designated to act on behalf of the City as evidenced by written certificate furnished to the Trustee containing the specimen signature of such person and signed on behalf of the City by its Mayor. Such certificate may designate an alternate or alternates, each of whom shall be entitled to perform all duties of the Authorized City Representative.

“Authorized Denominations” means for the Series 2011C Bonds, \$5,000 or any integral multiple thereof.

“Authorized Authority Representative” means the Chairman, the Vice Chairman, the Secretary or the Executive Director of the Authority or such other person at the time designated to act on behalf of the Authority as evidenced by written certificate furnished to the Trustee containing the specimen signature of such person and signed on behalf of the Authority by its Chairman. Such certificate may designate an alternate or alternates, each of whom shall be entitled to perform all duties of the Authorized Authority Representative.

“Bond Counsel” means Gilmore & Bell, P.C. or any other attorney or firm of attorneys with a nationally recognized standing in matters pertaining to the tax-exempt nature of interest on obligations issued by states and their political subdivisions duly admitted to the practice of law before the highest court of any state of the United States of America or the District of Columbia.

“Bond” or **“Bonds”** means the Series 2011 Bonds and any Additional Bonds.

“Business Day” means any day other than a Saturday, Sunday or any other day on which banking institutions in the city in which the principal corporate trust office of the Trustee is located are required or authorized by law to close.

“Business District” means the “Carlyle / Green Mount Business District” created by the City pursuant to the Business District Act and more particularly described in the Business District Plan.

“Business District Account” means the account within the Revenue Fund created in the Indenture.

“Business District Act” means the Business District Development and Redevelopment Law, 65 ILCS 5/11-74.3 *et seq.*, as supplemented and amended.

"Business District Plan" means the City's "Carlyle / Green Mount Business District Amended and Restated Business District Plan" dated November 5, 2007.

"Business District Sales Tax Revenues" means all sales tax revenues received by the City from the one percent (1.0%) retailers' occupation tax and service occupation tax and the hotel operators' occupation tax imposed by the City pursuant to the Business District Act within the Business District.

"Business District Tax Allocation Fund" means the fund created by the City pursuant to the Business District Act in which Business District Sales Tax Revenues are deposited.

"City" means the City of Belleville, Illinois, a home-rule unit of government and political subdivision of the State.

"Code" means the Internal Revenue Code of 1986, as amended, and the applicable regulations, temporary regulations and proposed regulations thereunder.

"Debt Service Fund" means the fund by that name created in the Indenture.

"Debt Service Reserve Fund" means the fund by that name created in the Indenture.

"Debt Service Reserve Requirement" means with respect to the Series 2011A Bonds, the sum of \$570,000.

"Developer" means THF Green Mount Development, L.L.C. and GMCR, L.L.C., and any successors or assigns thereto permitted under the Redevelopment Agreement.

"Event of Default" means any event or occurrence as defined in the Indenture or the Financing Agreement, as applicable.

"Financing Agreement" means the Financing Agreement dated as of October 1, 2011, by and between the Authority and the City, as supplemented and amended by Supplemental Financing Agreements from time to time in accordance with the terms of the Indenture.

"Government Securities" means direct obligations of, or obligations the payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America and backed by the full faith and credit thereof.

"Immediate Notice" means notice given no later than the close of business on the date required by the provisions of the Indenture by telegram, telex, telecopier or other telecommunication device to such phone numbers or addresses as are specified in the Indenture or such other phone number or address as the addressee shall have directed in writing, the receipt of which is confirmed by telephone, promptly followed by written notice by first-class mail postage prepaid to such addressees.

"Indenture" means the Trust Indenture dated as of October 1, 2011, by and between the Authority and the Trustee, as supplemented and amended by Supplemental Indentures.

"Interest Payment Date" means any date on which the principal of or interest on any Bonds is payable.

"Investment Securities" means any of the following securities purchased in accordance with the Indenture, if and to the extent the same are at the time legal for investment of the funds being invested: (i) Government Securities; (ii) interest-bearing savings accounts, interest-bearing certificates of deposit or interest-bearing time deposits of any bank, as defined by the Illinois Banking Act, including without limitation

the Trustee or any affiliate of the Trustee, which is (A) insured by the Federal Deposit Insurance Corporation (or any successor corporation) and (B) rated in one of the two (2) highest long-term rating classifications established by a national rating service (without regard to any rating refinement or gradation by numerical or other modifier); (iii) short-term obligations of corporations organized in the United States of America with assets exceeding \$500,000,000, if (A) such obligations are rated at the time of purchase within the three (3) highest classifications established by at least two (2) national rating services (without regard to any rating refinement or gradation by numerical or other modifier), and mature not later than 180 days from the date of purchase, and (B) such purchases do not exceed ten percent (10%) of such corporations' outstanding obligations; (iv) money market mutual funds registered under the Investment Company Act of 1940, as from time to time amended, provided that the portfolio of any such money market fund is limited to Government Securities or agreements to repurchase such Government Securities, including those for which the Trustee or an affiliate of the Trustee performs services for a fee, whether as a custodian, transfer agent, investment advisor or otherwise; (v) short-term discount obligations of the Federal National Mortgage Association; (vi) obligations issued by any state, unit of local government or school district, which obligations are rated at the time of purchase by a national rating service within the two (2) highest ratings classifications established by such rating service (without regard to any rating refinement or gradation by numerical or other modifier); (vii) equity securities of an investment company registered under the Investment Company Act of 1940, as from time to time amended, whose sole assets, other than cash and other temporary investments, are obligations which are Investment Obligations, as defined herein; (viii) repurchase agreements, provided that (A) said repurchase agreements are continuously and fully secured by any Government Securities which have a value, exclusive of accrued interest, at all times at least equal to the principal amount of such repurchase agreement; (B) the securities securing such repurchase agreements are held by the Trustee or a third party acting solely as agent for the Trustee; (C) said repurchase agreements are free and clear of third party liens; and (D) the Trustee has a first perfected security interest in the collateral; (ix) investment agreements with any bank satisfying the criteria set forth in clause (ii) above or which constitute repurchase agreements satisfying the criteria in clause (viii) above; and (x) any other investments permitted by law if such investments are rated at the time of purchase within the three (3) highest classifications established by a national rating service.

"Local Government Debt Reform Act" means the Local Government Debt Reform Act, *30 Illinois Compiled Statutes 2010, 350/1 et seq.* as supplemented and amended.

"Monthly Municipal Share" means a monthly amount to be paid to the City pursuant to Section 6.2.3 of the Redevelopment Agreement which amount shall equal, so long as a Wal-Mart store continues to operate in the Redevelopment Project Area, Fifty-Four Thousand Dollars (\$54,000), which shall be paid from the first dollars of Series 2011A Municipal Sales Tax Revenues collected each month.

"Municipal Sales Tax Account" means the account within the Revenue Fund created in the Indenture.

"Municipal Sales Tax Allocation Fund" means the fund created by the City in which the Municipal Sales Tax Revenues are deposited.

"Municipal Sales Tax Revenues" means all sales tax revenue the City is entitled to receive from the sales tax imposed by the State of Illinois pursuant to the Illinois Retailers' Occupation Tax Act, 35 ILCS 120/1 *et seq.*, the Illinois Service Occupation Tax Act, 35 ILCS 115/1 *et seq.*, and such other authority as shall be applicable pursuant to any successor statutes that result from retail sales of all businesses located in the Redevelopment Project Area.

"Opinion of Counsel" means a written opinion of an attorney or firm of attorneys addressed to the Trustee, who may be (except as otherwise expressly provided in the Indenture) counsel to the Authority, the Owners of the Bonds, the City or the Trustee, and who is acceptable to the Trustee.

“Outstanding” means when used with reference to Bonds, as of a particular date, all Bonds theretofore authenticated and delivered under the Indenture except:

- (a) Bonds theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;
- (b) Bonds which are deemed to have been paid in accordance with the Indenture;
- (c) Bonds alleged to have been mutilated, destroyed, lost or stolen for which indemnity has been received as provided in the Indenture; and
- (d) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered pursuant to the Indenture.

“Owner” means the Person in whose name any Bond is registered on the Register.

“Paying Agent” means the Trustee or any other bank or trust institution organized under the laws of any state of the United States of America or any national banking association designated by the Indenture as paying agent for the Bonds at which the principal of and interest on such Bonds shall be payable.

“Person” means any natural person, firm, partnership, association, corporation, limited liability company or public body.

“Pledged Municipal Sales Tax Revenues” means all Municipal Sales Tax Revenues less the amount of Municipal Sales Tax Revenues required to be transferred to the City each month to satisfy the Monthly Municipal Share.

“Pledged TIF Revenues” means fifty percent (50.0%) of TIF Revenues, which shall be deposited into the Series 2011A TIF Subaccount and the Series 2011B TIF Subaccount of the TIF Account of the Revenue Fund.

“Prior Notes” means the Authority’s (a) Amended and Restated Tax Increment Revenue Notes, Series 2006 (Carlyle / Green Mount Redevelopment Project) outstanding in the principal amount of \$10,836,407.40, and (b) Amended and Restated Special Obligation Notes, Series 2006 (Carlyle / Green Mount Redevelopment Project) outstanding in the principal amount of \$8,165,609.46.

“Project Fund” means the fund by that name created in the Indenture.

“Purchaser” means Stifel, Nicolaus & Company, Incorporated, the original purchaser of and placement agent for the Series 2011 Bonds.

“Rebate Fund” means the fund by that name created in the Indenture.

“Record Date” for the interest payable on any Interest Payment Date means the fifteenth day, whether or not a Business Day, of the calendar month immediately preceding such Interest Payment Date.

“Redevelopment Agreement” means the Amended and Restated Redevelopment Agreement dated as of November 1, 2007, by and between the City and the Developer, as amended or supplemented from time to time.

“Redevelopment Plan” means the City’s “Carlyle / Green Mount Redevelopment Project Area Tax Increment Financing Redevelopment Plan” dated October 17, 2005.

“Redevelopment Project” means the redevelopment project described in the Redevelopment Plan.

“Redevelopment Project Area” means the area legally described in Appendix A to the Redevelopment Plan.

“Register” means the registration books of the Authority kept by the Trustee to evidence the registration, transfer and exchange of Bonds.

“Registrar” means the Trustee when acting as such under the Indenture.

“Revenue Fund” means the fund by that name created in the Indenture.

“Series 2011 Bonds” means the Series 2011A Bonds, the Series 2011B Bonds and the Series 2011C Bonds.

“Series 2011A Bonds” means the Authority’s Local Government Program Revenue Bonds, Series 2011A (City of Belleville - Carlyle/Green Mount Redevelopment Project - Tax Increment and Sales Tax), in the original principal amount of \$16,150,000 and any Additional Bonds issued to refund all or any portion of the Series 2011A Bonds.

“Series 2011A Business District Revenues” means for each Interest Payment Date an amount of Business District Sales Tax Revenues equal to 9.5% of the amount of moneys to be transferred to the Series 2011A Debt Service Account and the Series 2011A Redemption Account for such Interest Payment Date but in no event to exceed \$160,000 for the twelve-month period ending as of the 40th day, or if such day is not a Business Day, the immediately preceding Business Day, prior to each July 1.

“Series 2011A Developer Owned Property” means the real property described in an exhibit to the Indenture which consists of approximately 31 acres of real property located in the commercial portion of the Redevelopment Project Area.

“Series 2011A Municipal Sales Tax Revenues” means all Pledged Municipal Sales Tax Revenues less the Series 2011B Municipal Sales Tax Revenues.

“Series 2011A Non-Developer Owned Property” means the real property depicted in an exhibit to the Indenture, which consists of approximately 21 acres of real property located in the commercial portion of the Redevelopment Project Area (which consists of the real property owned by Wal-Mart).

“Series 2011A Residential Property” means the real property described in an exhibit to the Indenture, which consists of approximately 36 acres of real property located in the residential portion of the Redevelopment Project Area.

“Series 2011A TIF Revenues” means all Pledged TIF Revenues less the Series 2011B TIF Revenues.

“Series 2011B Bonds” means the Authority’s Local Government Program Revenue Bonds, Series 2011B (City of Belleville - Carlyle/Green Mount Redevelopment Project - Tax Increment and Sales Tax), in the original principal amount of \$1,560,000 and any Additional Bonds issued to refund all or any portion of the Series 2011B Bonds.

“Series 2011B Commercial Property” means the real property described in an exhibit to the Indenture, which consists of approximately 1.491 acres of real property located in the commercial portion of the Redevelopment Project Area.

“Series 2011B Municipal Sales Tax Revenues” means all Pledged Municipal Sales Tax Revenues generated from the Series 2011B Commercial Property.

“Series 2011B Residential Property” means the real property described in an exhibit to the Indenture, which consists of approximately 45 acres of real property located in the residential portion of the Redevelopment Project Area.

“Series 2011B TIF Revenues” means all Pledged TIF Revenues generated from the Series 2011B Residential Property and the Series 2011B Commercial Property.

“Series 2011C Bonds” means the Authority’s Taxable Local Government Program Revenue Bonds, Series 2011C (City of Belleville - Carlyle/Green Mount Redevelopment Project – Business District), in the original principal amount of \$5,700,000 and any Additional Bonds issued to refund all or any portion of the Series 2011C Bonds.

“Series 2011C Business District Revenues” means all Business District Sales Tax Revenues less the Series 2011A Business District Revenues.

“Special Tax Allocation Fund” means the fund created by the City pursuant to the TIF Act for the deposit of TIF Revenues.

“State” means the State of Illinois.

“Supplemental Financing Agreement” means any financing agreement supplemental or amendatory to the Financing Agreement entered into by the Authority and the City pursuant to the Indenture.

“Supplemental Indenture” means any indenture supplemental or amendatory to the Indenture entered into by the Authority and the Trustee pursuant to the Indenture.

“Tax Compliance Agreement” means the Tax Compliance Agreement dated as of October 1, 2011, among the Authority, the City and the Trustee, as from time to time amended in accordance with the provisions thereof.

“Tax-Exempt Bonds” means the Series 2011A Bonds, the Series 2011B Bonds and any Additional Bonds the interest on which is excludable from gross income of the owners thereof for federal income tax purposes.

“TIF Account” means the account within the Revenue Fund created in the Indenture.

“TIF Act” means the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 *et seq.*, as amended and supplemented.

“TIF Revenues” means the ad valorem taxes, if any, arising from the tax levies upon taxable real property in the Redevelopment Project Area by any and all taxing districts or municipal corporations having the power to tax real property in the Redevelopment Project Area, which taxes are attributable to the increase in the then-current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the Redevelopment Project Area over and above the initial equalized assessed value of each such piece of property, all as determined by the County Clerk in accord with the TIF Act.

“Trust Estate” means the Trust Estate described in the granting clauses of the Indenture.

“Trustee” means UMB Bank, National Association, St. Louis, Missouri, and its successor or successors and any other association or corporation which at any time may be substituted in its place pursuant to and at the time serving as trustee under the Indenture.

“Unassigned Authority’s Rights” means the Authority’s rights under the Financing Agreement to payment of its fees and expenses, to be indemnified in certain events, to exercise its rights and remedies and to receive notices, reports and other statements and its rights to consent to certain matters, including, but not limited to, Supplemental Financing Agreements and Supplemental Indentures.

SUMMARY OF THE INDENTURE

The following, in addition to the information contained above under the heading “THE SERIES 2011C BONDS,” summarizes certain provisions of the Indenture. This summary does not purport to be complete, and reference is made to the Indenture for the complete provisions thereof.

Creation of Funds and Accounts

The following funds of the Authority are created and established with the Trustee:

(1) Revenue Fund, which shall contain a TIF Account, a Business District Account and a Municipal Sales Tax Account.

(A) The TIF Account shall contain a Series 2011A TIF Subaccount and a Series 2011B TIF Subaccount with the Series 2011A TIF Subaccount containing a Series 2011A Residential Property Account, a Series 2011A Developer Owned Property Account and a Series 2011A Non-Developer Owned Property Account.

(B) The Business District Account shall contain a Series 2011A Business District Subaccount and a Series 2011C Business District Subaccount.

(C) The Municipal Sales Tax Account shall contain a Series 2011A Municipal Sales Tax Subaccount and a Series 2011B Municipal Sales Tax Subaccount.

(2) Debt Service Fund, which shall contain a Series 2011A Debt Service Account, a Series 2011B Debt Service Account, a Series 2011C Debt Service Account, a Series 2011A Redemption Account, a Series 2011B Redemption Account, and a Series 2011C Redemption Account.

(3) Project Fund, which shall contain a Costs of Issuance Account, a Project Account and a Refunding Account.

(4) Debt Service Reserve Fund, which shall contain a Series 2011A Reserve Account and a Series 2011C Reserve Account.

(5) Rebate Fund.

(6) Extraordinary Costs Fund.

Each fund, account or subaccount shall be maintained by the Trustee as a separate and distinct trust fund and the moneys therein shall be held, managed, invested, disbursed and administered as provided in the Indenture. All moneys deposited in the funds, accounts or subaccounts shall be used solely for the purposes set forth in the Indenture. The Trustee shall keep and maintain adequate records pertaining to each fund and all disbursements therefrom.

Security for the Series 2011C Bonds

The Series 2011C Bonds and the interest thereon shall be special, limited obligations of the Authority payable solely from payable solely from the Series 2011C Business District Revenues and other moneys pledged thereto and held by the Trustee as provided in the Indenture, and are secured by a transfer, pledge and assignment of and a grant of a security interest in the Trust Estate to the Trustee and in favor of the Owners of the Series 2011C Bonds, as provided in the Indenture.

The Bonds and the premium, if any, and the interest thereon do not constitute a debt of the Authority, the State or any political subdivision thereof, and do not constitute an indebtedness within the meaning of any constitutional, charter or statutory debt limitation or restriction.

Revenue Fund

On or before the 15th calendar day of each month (or the next Business Day thereafter if the 15th day is not a Business Day) while the Bonds remain Outstanding, commencing October 15, 2011, the Authority shall cause the City to transfer:

(1) all Pledged TIF Revenues within the Special Tax Allocation Fund to the Trustee for deposit into the TIF Account with (A) all Series 2011A TIF Revenues generated from the Series 2011A Residential Property deposited into the Series 2011A Residential Property Account, (B) all Series 2011A TIF Revenues generated from the Series 2011A Developer Owned Property deposited into the Series 2011A Developer Owned Property Account, (C) all Series 2011A TIF Revenues generated from the Series 2011A Non-Developer Owned Property deposited into the Series 2011A Non-Developer Owned Property Account and (D) all Series 2011B TIF Revenues deposited into the Series 2011B TIF Subaccount;

(2) all Business District Sales Tax Revenues within the Business District Tax Allocation Fund to the Trustee for deposit into the Business District Account with (A) all Series 2011A Business District Revenues deposited into the Series 2011A Business District Subaccount, and (B) all Series 2011C Business District Revenues deposited into the Series 2011C Business District Subaccount; and

(3) all Pledged Municipal Sales Tax Revenues within the Municipal Sales Tax Allocation Fund to the Trustee for deposit into the Municipal Sales Tax Account with (A) all Series 2011A Municipal Sales Tax Revenues deposited into the Series 2011A Municipal Sales Tax Subaccount, and (B) all Series 2011B Municipal Sales Tax Revenues deposited into the Series 2011B Municipal Sales Tax Subaccount.

Each such transfer shall be accompanied by a written report in substantially the form attached as an exhibit to the Financing Agreement. If the City has no moneys to transfer to the Trustee pursuant to this section, the City shall so notify the Trustee in writing. If the Trustee has not received moneys on or before the 17th calendar day of each month (or the next Business Day thereafter if the 17th is not a Business Day), then the Trustee shall notify the Authority, the City and the Purchaser of such non-receipt.

On the 40th day prior to each Interest Payment Date, or the immediately preceding Business Day if such day is not a Business Day, moneys on deposit in the Series 2011C Business District Subaccount shall be applied, paid, transferred or deposited by the Trustee, for the purposes and in the amounts in the following order as follows:

- (1) To the Series 2011C Debt Service Account, an amount sufficient to pay interest becoming due on the Series 2011C Bonds on such Interest Payment Date.

- (2) To the Trustee or any Paying Agent, the pro rata (based on the principal amount of each series of Bonds Outstanding) share of any fees, charges and expenses which are due and owing (not to exceed, including the amount otherwise paid for such fees, charges and expenses pursuant to the Indenture, \$5,600 per year for ordinary fees and expenses), upon delivery to the City of an invoice for such amounts, and to the City, an amount sufficient to reimburse the City for fees and expenses incurred by the City in the administration of the Redevelopment Plan (not to exceed, including the amount otherwise paid for such fees and expenses pursuant to the Indenture, \$13,000 per year), upon delivery to the Trustee of an invoice for such amount.
- (3) To the Series 2011C Debt Service Account an amount sufficient to pay the principal due on the Series 2011C Bonds on the next succeeding July 1 by reason of stated maturity.
- (4) To the Series 2011C Reserve Account, an amount sufficient to restore any deficiency in the Series 2011C Reserve Account if the amount on deposit in such account is less than the Debt Service Reserve Requirement for the Series 2011C Bonds.
- (5) To the Series 2011C Redemption Account, all moneys then remaining which shall be applied to the payment of the principal of and accrued interest on all Series 2011C Bonds which are subject to redemption on the next succeeding Interest Payment Date pursuant to the Indenture. See **"THE SERIES 2011C BONDS – Redemption Provisions – Special Mandatory Redemption"** herein.

After payment in full of the principal of and interest on the Bonds (or provision has been made for the payment thereof as specified in this Indenture) and the fees, charges and expenses of the Trustee and any Paying Agents, and any other amounts required to be paid under this Indenture, all amounts remaining on deposit in (1) the TIF Account of the Revenue Fund shall be paid to the City for deposit into the Special Tax Allocation Fund, (2) the Business District Account of the Revenue Fund shall be paid to the City for deposit into the Business District Tax Allocation Fund, and (3) the Municipal Sales Tax Account of the Revenue Fund shall be paid to the City for deposit into the Municipal Sales Tax Allocation Fund.

The Indenture further provides that once there are no Series 2011A Bonds, Series 2011B Bond or any additional bonds issued on a parity therewith Outstanding, Pledged TIF Revenues, Pledged Municipal Sales Tax Revenues and Series 2011A Business District Revenues will be applied as set forth above, after application of Series 2011C Business District Revenues. It is **not** anticipated that the Series 2011A Bonds or Series 2011B Bonds will be repaid prior to the repayment of the Series 2011C Bonds and therefore it is **not** anticipated that the Pledged TIF Revenues, Pledged Municipal Sales Tax Revenues and Series 2011A Business District Revenues will be a source of repayment of the Series 2011C Bonds.

Debt Service Fund

Except as otherwise provided in the Indenture, all amounts paid and credited to the Series 2011C Debt Service Account of the Debt Service Fund shall be expended solely for the payment of the principal of, redemption premium, if any, and interest on the Series 2011C Bonds as the same mature and become due or upon the redemption thereof.

The Authority authorizes and directs the Trustee to withdraw sufficient moneys from the Series 2011C Debt Service Account of the Debt Service Fund to pay the principal of and interest on the Series 2011C Bonds as the same become due and payable and to make said moneys so withdrawn available to the Paying Agent for the purpose of paying said principal of and interest on the Series 2011C Bonds.

The Trustee shall use any moneys remaining in the Series 2011C Debt Service Account of the Debt Service Fund to redeem all or part of the Series 2011C Bonds Outstanding and interest to accrue thereon prior to such redemption, in accordance with and to the extent permitted by the Indenture, so long as said moneys are in excess of the amount required for payment of Series 2011C Bonds theretofore matured or called for redemption. The Trustee, upon the written instructions from the City shall use moneys in the Series 2011C Debt Service Account of the Debt Service Fund on a best efforts basis for the purchase of Series 2011C Bonds in the open market to the extent practical for the purpose of cancellation at prices not exceeding the principal amount thereof plus accrued interest thereon to the date of such purchase.

Project Fund

Moneys in the Refunding Account of the Project Fund shall be used by the City for the sole purpose of prepaying the Prior Notes on the date of issuance of the Series 2011 Bonds. The Trustee is directed, without further authorization, on the date of issuance of the Series 2011 Bonds to forward all moneys in the Refunding Account of the Project Fund to or at the direction of the owner of the Prior Notes, which moneys shall be used on the date of issuance of the Series 2011 Bonds to pay the principal of and interest on the Prior Notes.

Moneys in the Costs of Issuance Account of the Project Fund shall be disbursed from time to time by the Trustee, upon receipt of a written request of the City signed by the Authorized City Representative and containing the statements, representations and certifications set forth in the form of such request attached as an exhibit to the Indenture and otherwise substantially in such form, for the sole purpose of paying costs of issuance of the Series 2011 Bonds. Any moneys remaining in the Costs of Issuance Account of the Project Fund on March 1, 2012 shall be deposited, without further authorization, on a pro rata basis based on the then Outstanding principal amounts of the Series 2011A Bonds, the Series 2011B Bonds and Series 2011C Bonds, into the applicable Redemption Account of the Debt Service Fund and used to redeem Bonds pursuant to the Indenture on the earliest possible date. See **"THE SERIES 2011A BONDS – Redemption Provisions – Special Mandatory Redemption"** herein.

Moneys in the Project Account of the Project Fund shall be disbursed by the Trustee from time to time, upon receipt from the City of (i) a Certificate of Reimbursable Redevelopment Project Costs, substantially in the form set forth in the Redevelopment Agreement, which has been approved by the City and (ii) written instructions directing the Trustee to disburse the amount set forth in the Certificate to or at the direction of the Developer. Any moneys remaining on deposit in the Project Account of the Project Fund on September 1, 2014 shall be deposited, without further authorization, into the Series 2011A Redemption Account of the Debt Service Fund and used to redeem Series 2011A Bonds on the earliest possible date. See **"THE SERIES 2011A BONDS – Redemption Provisions – Special Mandatory Redemption"** herein.

In making such payments and disbursements, the Trustee may rely upon the written requests and accompanying certificates and statements. The Trustee is not required to make any independent inspection or investigation in connection with the matters set forth in the written requests. The approval of each disbursement request by an Authorized City Representative shall constitute unto the Trustee an irrevocable determination that all conditions precedent to the payment of the specified amounts from the Costs of Issuance Account have been completed.

Debt Service Reserve Fund

Except as otherwise provided in the Indenture, moneys in the Series 2011C Reserve Account of the Debt Service Reserve Fund shall be used by the Trustee without further authorization solely for the payment of the principal of and interest on the Series 2011C Bonds if moneys otherwise available for such purpose as provided in the Indenture are insufficient to pay the same as they become due and payable, and to make the final payment on the Series 2011C Bonds. The amount on deposit in the Series 2011C Reserve Account of the Debt Service Reserve Fund shall be valued by the Trustee 45 days prior to each Interest Payment Date (or if such date is not a Business Day, the immediately preceding Business Day) and the Trustee shall give

immediate written notice to the Authority and the City if such amount is less than the Debt Service Reserve Requirement. For the purpose of determining the amount on deposit in the Debt Service Reserve Fund, the value of any investments shall be valued at the lower of their original cost or their fair market value (inclusive of accrued interest thereon) on the date of valuation. Moneys in the Series 2011C Reserve Account of the Debt Service Reserve Fund that are in excess of the Debt Service Reserve Requirement for the Series 2011C Bonds on any valuation date shall be deposited by the Trustee without further authorization in the Series 2011C Debt Service Account of the Debt Service Fund.

Extraordinary Costs Fund

Moneys in the Extraordinary Costs Fund may be used by the City, in its sole discretion, for the payment (including reimbursement to the City) of (a) extraordinary expenses related to the Redevelopment Plan, the Redevelopment Agreement, the Financing Agreement, the Indenture or the Bonds, including but not limited to the costs of defending audits initiated by the Internal Revenue Service, assessed value contests concerning property within the Redevelopment Project Area, or other litigation initiated or threatened against the City, (b) the reasonable costs, fees, and expenses of the Authority that are directly related to the Financing Agreement, the Indenture, the Tax Compliance Agreement, the Bonds and the Redevelopment Project, or (c) debt service on the Bonds. Moneys in the Extraordinary Costs Fund shall be disbursed from time to time by the Trustee, upon receipt of a written request of the City signed by an Authorized City Representative and containing the statements, representations and certifications set forth in the form of such request attached as an exhibit to the Indenture and otherwise substantially in such form. **No Series 2011C Business District Revenues will be used to fund the Extraordinary Costs Fund.**

Nonpresentment of Bonds

If any Bond is not presented for payment when the principal thereof becomes due, either at maturity or at the date fixed for redemption thereof, and provided the Trustee is holding sufficient funds for the payment thereof, all liability of the Authority to the Owner thereof for the payment of such Bond shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such moneys, without liability for interest thereon, for the benefit of the Owner of such Bond who shall thereafter be restricted exclusively to such moneys, for any claim or whatever nature on such Owner's part under the Indenture or on, or with respect to, said Bond.

Any moneys so deposited with and held by the Trustee not so applied to the payment of Bonds within one year after the date on which the same have become due shall be paid by the Trustee to the City, free from the trusts created by the Indenture. Thereafter, Owners shall be entitled to look only to the City for payment, and then only to the extent of the amount so repaid by the Trustee. The City shall not be liable for any interest on the sums paid to it pursuant to this provision of the Indenture and shall not be regarded as a trustee of such money.

Investment of Moneys

Moneys in all funds and accounts under any provision of the Indenture (other than the Refunding Account of the Project Fund) shall be continuously invested and reinvested by the Trustee in Investment Securities at the written direction of the City or, if such written directions are not received, then the Trustee is authorized to invest such moneys in Investment Securities described in subparagraph (f) of the definition thereof. The Trustee is specifically authorized to implement its automated cash investment system to assure that cash on hand is invested and to charge its normal cash management fees, which may be deducted from income earned on investments. Moneys on deposit in all funds and accounts may be invested only in Investment Securities which mature or are subject to redemption at the option of the owner thereof prior to the date such funds are expected to be needed. The Trustee may make investments through its investment division or short-term investment department.

All investments shall constitute a part of the fund or account from which the moneys used to acquire such investments have come. The Trustee shall sell and reduce to cash a sufficient amount of investments in a fund or account whenever the cash balance therein is insufficient to pay the amounts required to be paid therefrom. The Trustee may transfer investments from any fund or account to any other fund or account in lieu of cash when required or permitted by the provisions of the Indenture. In determining the balance in any fund or account, investments shall be valued at the lower of their original cost or their fair market value on the most recent Interest Payment Date, except as otherwise provided in the Indenture. The Trustee shall not be liable for any loss resulting from such investments.

Events of Default; Acceleration

If any one or more of the following events occur, it is defined as and declared in the Indenture to be and to constitute an "Event of Default":

(a) Default in the performance or observance of any of the covenants, agreements or conditions on the part of the Authority in the Indenture or in the Bonds contained, and the continuance thereof for a period of 30 days after written notice thereof has been given (i) to the Authority by the Trustee, or (ii) to the Trustee (which notice of default the Trustee shall be required to accept) and the Authority by the Owners of not less than 25% in aggregate principal amount of Bonds then Outstanding; provided, however, if any default is such that it cannot be corrected within such 30-day period, it shall not constitute an Event of Default if corrective action is instituted by the Authority within such period and diligently pursued until the default is corrected; or

(b) The occurrence of an Event of Default as specified in the Financing Agreement.

Notwithstanding anything in the Indenture to the contrary, an Event of Default with respect to one or more series of Bonds (the "Affected Series of Bonds") which is not an Event of Default with respect to any other series of Bonds shall not constitute an Event of Default with respect to such series of Bonds. The Trustee shall give written notice of any Event of Default to the Authority as promptly as practicable after the occurrence of an Event of Default of which the Trustee has notice as provided in the Indenture.

If an Event of Default has occurred and is continuing, the Trustee may, and shall upon the written request of a majority in aggregate principal amount of the Affected Series of Bonds then, by notice in writing delivered to the Authority, declare the principal of all the Affected Series of Bonds then Outstanding and the interest accrued thereon immediately due and payable.

Exercise of Remedies by the Trustee

If an Event of Default has occurred and is continuing, the Trustee may pursue any available remedy at law or equity by suit, action, mandamus or other proceeding to enforce the payment of the principal of, premium, if any, and interest on the Affected Series of Bonds then Outstanding, and to enforce and compel the performance of the duties and obligations of the Authority as set forth in the Indenture.

If an Event of Default has occurred and is continuing, and if requested so to do by the Owners of not less than 25% in aggregate principal amount of the Affected Series of Bonds then Outstanding and indemnified as provided in the Indenture, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by the Indenture as the Trustee, being advised by counsel, deems most expedient in the interests of the Owners; provided, however, that the Trustee shall not be required to take any action which in its good faith conclusion could result in personal liability to it.

All rights of action under the Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee

without the necessity of joining as plaintiffs or defendants any Owner, and any recovery or judgment shall, subject to the provisions of the Indenture governing the application of moneys upon an Event of Default, be for the equal benefit of all the Owners of the Outstanding Affected Series of Bonds.

Limitation on Exercise of Remedies by Owners

No Owner shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Indenture or for the execution of any trust under the Indenture or for the appointment of a receiver or any other remedy under the Indenture, unless:

(i) a default has occurred of which the Trustee has notice or is deemed to have notice as provided in the Indenture, and

(ii) such default has become an Event of Default, and

(iii) the Owners of not less than 25% in aggregate principal amount of the Affected Series of Bonds then Outstanding shall have made written request to the Trustee, shall have offered it reasonable opportunity either to proceed to exercise the powers granted in the Indenture or to institute such action, suit or proceeding in its own name, and shall have provided to the Trustee indemnity as provided in the Indenture, and

(iv) the Trustee shall thereafter fail or refuse to exercise the powers granted in the Indenture or to institute such action, suit or proceeding in its own name;

and such notification, request and indemnity are declared in the Indenture in every case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of the Indenture, and to any action or cause of action for the enforcement of the Indenture, or for the appointment of a receiver or for any other remedy under the Indenture, it being understood and intended that no one or more Owners shall have any right in any manner whatsoever to affect, disturb or prejudice the Indenture by its, his or their action or to enforce any right under the Indenture except in the manner provided in the Indenture, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner provided in the Indenture and for the equal benefit of the Owners of all Bonds then Outstanding. Nothing in the Indenture, however, shall affect or impair the right of any Owner to payment of the principal of and interest on any Bond at and after its maturity or the obligation of the Authority to pay the principal of and interest on each of the Bonds to the respective Owners thereof at the time, place, from the source and in the manner expressed in the Indenture and in such Bond.

Remedies Cumulative

No remedy conferred by the Indenture upon or reserved to the Trustee or to the Owners is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Owners under the Indenture or now or hereafter existing at law or in equity or by statute.

Supplemental Indentures and Supplemental Financing Agreements

Without Consent of the Owners

The Authority and the Trustee may from time to time, without the consent of or notice to any of the Owners, enter into such Supplemental Indenture or Supplemental Indentures as are not inconsistent with the terms and provisions of the Indenture, and the Authority and the City may from time to time, without the consent of or notice to any of the Owners, enter into Supplemental Financing Agreements as are not inconsistent with the terms and provisions thereof, for any one or more of the following purposes:

(a) To cure any ambiguity or formal defect or omission in the Indenture or the Financing Agreement or to release property from the Trust Estate which was included by reason of an error or other mistake;

(b) To grant to or confer upon the Trustee for the benefit of the Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners or the Trustee or either of them;

(c) To subject to the Indenture or the Financing Agreement additional revenues, properties or collateral;

(d) To modify, amend or supplement the Indenture or any indenture supplemental thereto in such manner as to permit the qualification of the Indenture under the Trust Indenture Act of 1939, as then amended, or any similar federal statute hereafter in effect, or to permit the qualification of the Bonds for sale under the securities laws of any state of the United States;

(e) To evidence the appointment of a separate trustee or the succession of a new trustee under the Indenture;

(f) To authorize the issuance of any series of Additional Bonds and make such other provisions as provided in the Indenture with respect to the issuance of Additional Bonds; or

(g) To make any other change which, in the sole judgment of the Trustee, does not materially adversely affect the interests of the Owners. In exercising such judgment the Trustee may rely on an Opinion of Counsel.

With Consent of the Owners

In addition to Supplemental Indentures and Supplemental Financing Agreements permitted as described above and subject to the terms and provisions contained in the Indenture, and not otherwise, with the consent of the Owners of not less than a majority in aggregate principal amount of the Affected Series of Bonds then Outstanding, the Authority and the Trustee may from time to time enter into such other Supplemental Indenture or Supplemental Indentures as shall be deemed necessary and desirable by the Authority for the purpose of modifying, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture or in any Supplemental Indenture and the Authority and the City may from time to time enter into such other Supplemental Financing Agreement or Supplemental Financing Agreements as shall be deemed necessary and desirable by the Authority and the City for the purpose of modifying, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Financing Agreement or in any Supplemental Indenture or Supplemental Financing Agreement; provided, however, that nothing contained in the indenture shall permit or be construed as permitting:

(a) an extension of the maturity of the principal of, any change in the optional or mandatory redemption of or the scheduled date of payment of interest on any Bond;

(b) a reduction in the principal amount, redemption premium or any interest payable on any Bond;

(c) a privilege or priority of any Bond or Bonds over any other Bond or Bonds except as provided in the Indenture;

(d) a reduction in the aggregate principal amount of Bonds the Owners of which are required for consent to any such Supplemental Indenture; or

(e) the modification of the rights, duties or immunities of the Trustee, without the written consent of the Trustee.

If at any time the Authority requests the Trustee to enter into any such Supplemental Indenture or the City or the Authority advise the Trustee of their desire to enter into any such Supplemental Financing Agreement for any of such purposes, the Trustee shall cause notice of the proposed execution of such Supplemental Indenture or Supplemental Financing Agreement to be mailed by first-class mail, postage prepaid, to each Owner. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture or Supplemental Financing Agreement and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Owners. If within 60 days or such longer period as shall be prescribed by the Authority following the mailing of such notice, the Owners of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such Supplemental Indenture or Supplemental Financing Agreement have consented to and approved the execution thereof as provided in the Indenture, no Owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Authority from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental Indenture or Supplemental Financing Agreement as permitted and provided in the Indenture, the Indenture or the Financing Agreement shall be and be deemed to be modified and amended in accordance therewith.

Opinion of Bond Counsel

Notwithstanding anything to the contrary in the Indenture, before the Authority and the Trustee enter into any Supplemental Indenture or the Authority and the City enter into any Supplemental Financing Agreement, there shall have been delivered to the Trustee an opinion of Bond Counsel stating that such Supplemental Indenture or Supplemental Financing Agreement is authorized or permitted by the Indenture or the Financing Agreement, as applicable, and the Act, the TIF Act or the Business District Act, as applicable, complies with their respective terms, will, upon the execution and delivery thereof, be valid and binding upon the Authority in accordance with its terms and will not adversely affect the exclusion from federal gross income of interest on any Tax-Exempt Bonds then Outstanding.

Resignation or Removal of the Trustee

The Trustee and any successor Trustee may at any time resign from the trusts created in the Indenture by giving 30 days' written notice to the Authority and the Owners, and such resignation shall take effect upon the appointment of and acceptance by a successor Trustee pursuant to the Indenture. If at any time the Trustee ceases to be eligible in accordance with the provisions of the Indenture, it shall resign immediately in the manner provided in the Indenture. The Trustee may be removed for cause or without cause at any time by an instrument or concurrent instruments in writing delivered to the Trustee and signed by the Owners of a majority in aggregate principal amount of Bonds then Outstanding. If no Event of Default has occurred and is continuing, the Trustee may be removed for cause (including the failure of the Trustee and the Authority to agree on the reasonableness of the fees and expenses of the Trustee under the Indenture) at any time by an instrument or concurrent instruments in writing delivered to the Trustee and the Owners and signed by the Authority. The Authority or the Owners of a majority in aggregate principal amount of the Bonds then Outstanding may at any time petition any court of competent jurisdiction for the removal for cause of the Trustee. No resignation or removal of the Trustee shall become effective until a successor Trustee has accepted its appointment under the Indenture.

Appointment of Successor Trustee

If the Trustee resigns or is removed, or otherwise becomes incapable of acting under the Indenture, or if it is taken under the control of any public officer or officers or of a receiver appointed by a court, a successor Trustee may be appointed by the Owners of a majority in aggregate principal amount of Bonds then

Outstanding, by an instrument or concurrent instruments in writing; provided, nevertheless, that in case of such vacancy the Authority, by an instrument executed and signed by the Authorized Authority Representative, may appoint a temporary Trustee to fill such vacancy until a successor Trustee is appointed by the Owners in the manner above provided; and any such temporary Trustee so appointed by the Authority shall immediately and without further acts be superseded by the successor Trustee so appointed by such Owners. If a successor Trustee or a temporary Trustee has not been so appointed and accepted such appointment within 30 days of a notice of resignation or removal of the current Trustee, the Trustee may petition a court of competent jurisdiction for the appointment of a successor Trustee to act until such time, if any, as a successor has so accepted its appointment.

Qualifications of Trustee and Successor Trustees

The Trustee and every successor Trustee appointed under the Indenture shall be a trust institution or commercial bank with its principal corporate trust office located in the State, shall be in good standing and qualified to accept such trusts, shall be subject to examination by a federal or state bank regulatory authority, and shall have a reported capital and surplus of not less than \$50,000,000. If such institution publishes reports of conditions at least annually pursuant to law or regulation, then for the purposes of the Indenture the capital and surplus of such institution shall be deemed to be its capital and surplus as set forth in its most recent report of condition so published.

FINANCING AGREEMENT

The following is a summary of certain other provisions contained in the Financing Agreement and is qualified in its entirety by reference to the Financing Agreement.

Issuance of Series 2011 Bonds

The Authority agrees that it will issue, sell and deliver the Series 2011 Bonds as provided in the Indenture. The net proceeds of the sale of the Series 2011 Bonds shall be paid over to the Trustee for the account of the Authority and shall be administered, disbursed and applied upon the terms and in the manner as provided in the Indenture and in the Financing Agreement.

Transfer of Revenues

On the 15th calendar day of each month (or the next Business Day thereafter if the 15th is not a Business Day) while the Series 2011 Bonds are Outstanding, the City shall transfer to the Trustee pursuant to the Indenture all TIF Revenues, Municipal Sales Tax Revenues and Business District Revenues, together with a written report in substantially the form attached as an exhibit to the Financing Agreement. The City pledges to the timely payment of all amounts due and owing under the Indenture all TIF Revenues, Municipal Sales Tax Revenues and Business District Revenues.

WHETHER OR NOT THE PRINCIPAL AMOUNT OR INTEREST ON THE SERIES 2011 BONDS HAS BEEN PAID IN FULL, THE OBLIGATIONS OF THE CITY TO TRANSFER (1) PLEDGED TIF REVENUES TERMINATES ON DECEMBER 31, 2030, (2) BUSINESS DISTRICT SALES TAX REVENUES TERMINATES ON THE EARLIER OF (A) JUNE 15, 2029, OR (B) FULL PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES 2011C BONDS, AND (3) PLEDGED MUNICIPAL SALES TAX REVENUES TERMINATES ON DECEMBER 15, 2041.

Payment of Fees

The City shall pay solely from proceeds of the Series 2011 Bonds a one-time issuance fee to the Authority and the fees of its counsel prior to or contemporaneously with the issuance of the Series 2011

Bonds. The City also agrees to pay to the Authority, from moneys on deposit in the Extraordinary Cost Fund or other moneys that may be appropriated by the Corporate Authorities of the City, the Indenture, the Tax Compliance Agreement, the Bonds and the Redevelopment Project at any time while this Financing Agreement is in effect, including the fees and expenses of its counsel within thirty (30) days after receipt of a bill therefore.

Collection of Revenues

The City shall, at the expense of the Trust Estate and take all lawful action within its control to cause the (a) St. Clair County Collector to collect all TIF Revenues, and (b) Illinois Department of Revenue to collect the Business District Sales Tax Revenues and the Municipal Sales Tax Revenues.

The Authority shall cause the City, at the expense of the Trust Estate, to take all lawful action within its control to cause the (a) St. Clair County to collect all TIF Revenues, and (b) Illinois Department of Revenue to collect the Business District Sales Tax Revenues and the Municipal Sales Tax Revenues.

Assignment by the Authority

The Authority, by means of the Indenture and as security for the payment of the principal of, and redemption premium, if any, and interest on the Series 2011 Bonds, will assign, pledge and grant a security interest in all of its rights, title and interests in, to and under the Financing Agreement for the benefit of the Owners (reserving its Unassigned Authority's Rights).

Restriction on Transfer of Authority's Interests

The Authority will not sell, assign, transfer or convey its interests in the Financing Agreement, the Pledged TIF Revenues, the Pledged Municipal Sales Tax Revenues and the Business District Sales Tax Revenues except pursuant to the Indenture and the Financing Agreement.

Restriction on Transfer of City's Interests

The City will not sell, assign, transfer or convey its interests in the Pledged TIF Revenues, the Pledged Municipal Sales Tax Revenues, the Business District Sales Tax Revenues or the Financing Agreement.

Events of Default Defined

The term "Event of Default" shall mean any one or more of the following events:

(a) Failure by the City to timely transfer the Pledged TIF Revenues, the Pledged Municipal Sales Tax Revenues and the Business District Sales Tax Revenues to the Trustee pursuant to the Financing Agreement.

(b) Failure by the City to observe and perform any covenant, condition or agreement on the part of the City under the Financing Agreement, other than as referred to in the preceding subparagraph (a) above, for a period of 30 days after written notice of such default has been given to the City by the Trustee or the Authority, during which time such default is neither cured by the City nor waived in writing by the Trustee, provided that, if the failure stated in the notice cannot be corrected within said 30-day period, the Trustee may consent in writing to an extension of such time prior to its expiration if corrective action is instituted by the City within the 30-day period and diligently pursued to completion and if such consent, in the judgment of the Trustee, does not materially adversely affect the interests of the Owners of the Series 2011 Bonds.

(c) Any representation or warranty by the City in the Financing Agreement or in any certificate or other instrument delivered under or pursuant to the Financing Agreement or the Indenture or in connection with the financing of the Redevelopment Project shall prove to have been false, incorrect, misleading or breached in any material respect on the date when made, unless waived in writing by the Trustee or cured by the City within 30 days after notice thereof has been given to the City.

(d) The occurrence of an Event of Default as specified in the Indenture.

(e) The filing by the City of a voluntary petition in bankruptcy, or failure by the City to promptly lift any execution, garnishment or attachment of such consequence as would impair the ability of the City to carry on its operations, or adjudication of the City as a bankrupt, or assignment by the City for the benefit of creditors, or the entry by the City into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the City in any proceedings instituted under the provisions of federal bankruptcy law, or under any similar acts which may hereafter be enacted.

Remedies on an Event of Default

Whenever any Event of Default has occurred and is continuing, the Trustee, as the assignee of the Authority, may take any one or more of the remedial steps set forth in the Indenture; provided that if the principal of all Series 2011 Bonds then Outstanding and the interest accrued thereon has been declared immediately due and payable pursuant to the Indenture, the Trustee may immediately proceed to take whatever other action at law or in equity is necessary and appropriate to exercise or to cause the exercise of the rights and powers set forth in the Financing Agreement or in the Indenture, as may appear necessary or desirable to collect the amounts payable pursuant to the Financing Agreement then due and thereafter to become due or to enforce the performance and observance of any obligation, agreement or covenant of the City under the Financing Agreement or the Indenture.

Any amount so collected pursuant to action taken under the Financing Agreement shall be paid to the Trustee and applied, first, to the payment of any reasonable costs, expenses and fees incurred by the Trustee as a result of taking such action and, next, any balance shall be transferred to the Revenue Fund and applied in accordance with the Indenture.

Notwithstanding the foregoing, the Trustee shall not be obligated to take any step that in its opinion will or might cause it to expend time or money or otherwise incur liability, unless and until indemnity satisfactory to it has been furnished to the Trustee at no cost or expense to the Trustee, except as otherwise provided in the Indenture.

The City expressly agrees that the Trustee may exercise such rights and remedies under the Indenture, including without limitation the appointment of a receiver of any Pledged TIF Revenues, any Pledged Municipal Sales Tax Revenues and any Business District Sales Tax Revenues held by the City.

No Remedy Exclusive

No remedy conferred or reserved in the Financing Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Financing Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon an Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Trustee to

exercise any remedy reserved to it in the Financing Agreement, it shall not be necessary to give any notice, other than such notice as may be expressly required in the Financing Agreement.

Remedial Rights Assigned to the Trustee

Upon the execution and delivery of the Indenture, the Authority will thereby have assigned to the Trustee all rights and remedies conferred upon or reserved to the Authority by the Financing Agreement, reserving only the Unassigned Authority's Rights. The Trustee shall have the exclusive right to exercise such rights and remedies conferred upon or reserved to the Authority by the Financing Agreement in the same manner and to the same extent, but under the limitations and conditions imposed thereby and by the Financing Agreement. The Owners of the Series 2011 Bonds shall be deemed third party creditor beneficiaries of all representations, warranties, covenants and agreements contained in the Financing Agreement.

Term of Financing Agreement

The Financing Agreement shall be effective from and after its execution and delivery and shall continue in full force and effect until the Series 2011 Bonds are deemed to be paid within the meaning of the Indenture and provision has been made for paying all other sums payable under the Financing Agreement and the Indenture.

CONTINUING DISCLOSURE

The following is a summary of certain other provisions contained in the Continuing Disclosure Agreement and is qualified in its entirety by reference to the Continuing Disclosure Agreement.

In accordance with the requirements of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission, the City shall, or shall cause the Dissemination Agent to, not later than 180 days after the end of the City's Fiscal Year, commencing with the year ending April 30, 2012, file with the MSRB, through EMMA, the following financial information and operating data (the "Annual Report"):

(1) The audited financial statements of the City for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles. If audited financial statements are not available by the time the Annual Report is required to be filed pursuant to this Section, the Annual Report shall contain unaudited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report promptly after they become available.

The City shall provide a Semi-Annual Report to the Dissemination Agent not later than each Semi-Annual Report Date, and the Dissemination Agent shall provide the Semi-Annual Report to the MSRB within 5 Business Days after receipt thereof from the City.

"Semi-Annual Report" means a document or set of documents which contains (a) updated information to the information contained in this Official Statement under the captions **"SUMMARY OF LEASES; OCCUPANTS,"** (b) the amount, listed by property owner, of any Series 2011A TIF Revenues paid since the last Semi-Annual Report, (c) the aggregate amount of any Series 2011B TIF Revenues and Series 2011B Municipal Sales Tax Revenues paid since the last Semi-Annual Report, (d) the amount by month of Series 2011A Municipal Sales Tax Revenues deposited into the Revenue Fund since the last Semi-Annual Report, (e) the amount by month of Series 2011A Business District Revenues deposited into the Revenue Fund since the last Semi-Annual Report and (f) the amount by month of Series 2011C Business District Revenues deposited into the Revenue Fund since the last Semi-Annual Report.

"Semi-Annual Report Date" means the date which is not later than the 60th day following each April 30 and October 31, commencing on the date which is not later than 60 days following April 30, 2012.

No later than 10 Business days after the occurrence of any of the following events, the City shall give, or cause to be given to the MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the Bonds ("Material Events"):

- (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 Bonds, or other material events affecting the tax status of the Bonds;
- (7) modifications to rights of bondholders, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the City;
- (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) appointment of a successor or additional trustee or the change of name of the trustee, if material.

The City and the Dissemination Agent may amend the Continuing Disclosure Agreement and any provision of the Continuing Disclosure Agreement may be waived, provided that Bond Counsel or other counsel experienced in federal securities law matters provides the City and the Dissemination Agent with its written opinion that the undertaking of the City contained therein, as so amended or after giving effect to such waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to the Continuing Disclosure Agreement.

If the City or the Dissemination Agent fails to comply with any provision of the Continuing Disclosure Agreement, any Participating Underwriter or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City or the Dissemination Agent, as the case may be, to comply with its obligations under the Continuing Disclosure Agreement. A default under the Continuing Disclosure Agreement shall not be deemed an event of default under the Indenture or the Bonds, and the sole remedy under the Continuing Disclosure Agreement in the event of any failure of the City or the Dissemination Agent to comply with the Continuing Disclosure Agreement shall be an action to compel performance.

In a separate acknowledgement, THF Green Mount Development, L.L.C. has agreed to provide to the City the information required under clause (a) of the definition of Semi-Annual Report not later than each April 10 and October 10, commencing April 10, 2012.

* * * * *

APPENDIX C

FORM OF OPINION OF BOND COUNSEL

Gilmore & Bell, P.C., St. Louis, Missouri, Bond Counsel, proposes to issue its approving opinion upon the issuance of the Series 2011C Bonds in substantially the following form:

Mayor and City Council
Belleville, Illinois

Southwestern Illinois Development Authority
Collinsville, Illinois

Stifel, Nicolaus & Company, Incorporated
St. Louis, Missouri

UMB Bank, National Association, as Trustee
St. Louis, Missouri

Re: \$5,700,000 Taxable Local Government Program Revenue Bonds, Series 2011C (City of Belleville - Carlyle/Green Mount Redevelopment Project - Business District)

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Southwestern Illinois Development Authority (the "Authority") of the above-captioned bonds (the "Bonds"), pursuant to a Trust Indenture dated as of October 1, 2011 (the "Indenture"), by and between the Authority and UMB Bank, National Association, as trustee (the "Trustee"). Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Indenture.

The proceeds of the Bonds are being made available to the City of Belleville, Illinois (the "City") pursuant to a Financing Agreement dated as of October 1, 2011 (the "Financing Agreement") between the Authority and the City. Under the Financing Agreement, the City has agreed to transfer all Series 2011C Business District Revenues to the Trustee to be applied to the principal of and premium, if any, and interest on the Bonds. Such payments and the rights of the Authority under the Financing Agreement (except certain retained rights as specified therein) are pledged and assigned by the Authority under the Indenture as security for the Bonds.

We have examined the law and such certified proceedings and other documents as we deem necessary to render this opinion. As to questions of fact material to our opinion we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon and subject to the foregoing, we are of the opinion, under existing law, as follows:

I. The Bonds have been duly authorized, executed and delivered by the Authority and are valid and legally binding special obligations of the Authority, payable solely from Series 2011C Business District Revenues and other moneys pledged thereto and held by the Trustee pursuant to the Indenture.

2. The Indenture and the Financing Agreement have been duly authorized, executed and delivered by the Authority and constitute the valid and legally binding agreements of the Authority enforceable against the Authority in accordance with the provisions thereof.

3. Interest on the Bonds is exempt from present Illinois income taxes, except for estate, transfer and inheritance taxes.

We express no opinion regarding the perfection or priority of the lien on revenues or other funds pledged under the Indenture or tax consequences arising with respect to the Bonds other than as expressly set forth herein.

The rights of the owners of the Bonds and the enforceability of the Bonds, the Financing Agreement and the Indenture may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

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.

Very truly yours,

SUPPLEMENT TO THE OFFICIAL STATEMENT DATED OCTOBER 26, 2011

RELATING TO

\$16,150,000

SOUTHWESTERN ILLINOIS DEVELOPMENT AUTHORITY
LOCAL GOVERNMENT PROGRAM REVENUE BONDS, SERIES 2011A
(CITY OF BELLEVILLE - CARLYLE/GREEN MOUNT REDEVELOPMENT PROJECT
- TAX INCREMENT AND SALES TAX)

This Supplement to the Official Statement dated October 26, 2011, supplements and amends the Official Statement dated October 19, 2011 (the "Official Statement") relating to the above-referenced bonds (the "Bonds").

The correct CUSIP numbers for the Bonds are as follows:

<u>Due</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>	<u>CUSIP Number</u>
07/1/28	\$5,600,000	6.00%	99.25%	84552Y MB4
07/1/31	1,500,000	6.50	99.50	84552Y LW9
07/1/41	9,050,000	7.00	99.25	84552Y LX7

Additionally, in the caption entitled "CONTINUING DISCLOSURE" in Appendix B to the Official Statement, the date "April 20, 2012" should be "April 30, 2012."

Except as expressly supplemented or amended hereby, the terms of the offering of the Bonds set forth in the Official Statement remain in full force and effect.

* * * * *

SUPPLEMENT TO THE OFFICIAL STATEMENT DATED OCTOBER 26, 2011

RELATING TO

\$5,700,000

SOUTHWESTERN ILLINOIS DEVELOPMENT AUTHORITY
TAXABLE LOCAL GOVERNMENT PROGRAM REVENUE BONDS, SERIES 2011C
(CITY OF BELLEVILLE - CARLYLE/GREEN MOUNT REDEVELOPMENT PROJECT -
BUSINESS DISTRICT)

This Supplement to the Official Statement dated October 26, 2011, supplements and amends the Official Statement dated October 19, 2011 (the "Official Statement") relating to the above-referenced bonds (the "Bonds").

The correct CUSIP numbers for the Bonds are as follows:

<u>Due</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>	<u>CUSIP Number</u>
07/1/22	\$1,700,000	7.125%	100.00%	84552Y LY5
07/1/25	1,000,000	8.125	100.00	84552Y MA6
07/1/29	3,000,000	9.250	100.00	84552Y LZ2

Except as expressly supplemented or amended hereby, the terms of the offering of the Bonds set forth in the Official Statement remain in full force and effect.

* * * * *

ATTACHMENT K



CITY OF BELLEVILLE, ILLINOIS
TAX INCREMENT FINANCING DISTRICTS
ANNUAL REPORT
FINANCIAL STATEMENTS
APRIL 30, 2012

233 East Center Drive
P.O. Box 416
Alton, Illinois 62002
(618) 465-7717 St. Louis (314) 355-2586
Fax (618) 465-7710



PCPS
THE AICPA ALLIANCE FOR CPA FIRMS
www.cjsco.com

One Westbury Drive
Suite 420
St. Charles, Missouri 63301-2567
(636) 723-7611 St. Louis (636) 947-1008
Fax (636) 947-4558

CITY OF BELLEVILLE, ILLINOIS

TABLE OF CONTENTS
APRIL 30, 2012

	<u>Page</u>
Part I – Financial Information	
Independent Auditor’s Report	1 - 2
Combining Statement of Assets, Liabilities and Fund Balance Arising from Cash Transactions – All Tax Increment Financing Districts	3 - 5
Combining Statement of Receipts, Disbursements and Changes In Fund Balance Arising from Cash Transactions - All Tax Increment Financing Districts	6 - 8
Notes to Financial Statements	9 - 12
Supplementary Information:	
Analysis of Special Allocation Funds	13 - 14
Analysis of Fund Balances By Source	15 - 24
Independent Auditor’s Report on Compliance With Laws and Regulations	25 - 26
Part II – Activities	27
Part III – Obligations	28

PART I – FINANCIAL INFORMATION

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
City Council of
City of Belleville, Illinois

We have audited the financial statements of the City of Belleville, Illinois' Tax Increment Financing District #1, Tax Increment Financing District #2, Tax Increment Financing District #3, Tax Increment Financing District #4, Tax Increment Financing District #5, Tax Increment Financing District #6, Tax Increment Financing District #7, Tax Increment Financing District #8 Downtown South, Tax Increment Financing District #9 Southwinds Estate, Tax Increment Financing District #10 Lower Richland Creek, Tax Increment Financing District #11 Industrial Jobs Recovery, Tax Increment Financing District #12 Sherman Street, Tax Increment Financing District #13 Drake Road, Tax Increment Financing District #14 Route 15 East, Tax Increment Financing District #15 Carlyle/Greenmount, Tax Increment Financing District #16 Route 15 Corridor, Tax Increment Financing District #17 East Main Street, Tax Increment Financing District #18 Scheel Street, Tax Increment Financing District #19 Frank Scott Parkway, Tax Increment Financing District #20 Route 15/South Green Mount Road, Tax Increment Financing District #21 Belle Valley III, and the Sales Tax Increment Financing District as of and for the year ended April 30, 2012, as listed in the table of contents. These financial statements are the responsibility of City of Belleville, Illinois' management. Our responsibility is to express an opinion 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. 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 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 opinion.

As described in Note 1, these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As discussed in Note 1, the financial statements present only the Tax Increment Financing Districts, as referred to in the first paragraph, and are not intended to present fairly the financial position and results of operations of the City of Belleville, Illinois in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the City of Belleville, Illinois' Tax Increment Financing Districts, as referred to in the first paragraph, as of April 30, 2012 and the revenues it received and expenditures it paid for the year then ended on the basis of accounting described in Note 1.

Our audit was made for the purpose of forming an opinion on the financial statements of the City of Belleville, Illinois' Tax Increment Financing Districts taken as a whole. The other supplementary data on pages 13 and 14 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. This other supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. This other supplementary information 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 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 themselves, and other 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 financial statements taken as a whole.

The supplementary information on Pages 15 through 24 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

C. J. Schuman & Co., L.L.C.
Certified Public Accountants

September 10, 2012

CITY OF BELLEVILLE, ILLINOIS
TAX INCREMENT FINANCING DISTRICTS

COMBINING STATEMENT OF ASSETS, LIABILITIES
AND FUND BALANCE ARISING FROM CASH TRANSACTIONS -
ALL TAX INCREMENT FINANCING DISTRICTS
APRIL 30, 2012

	Tax Increment Financing							
	District #1	District #2	District #3	District #4	District #5	District #6	District #7	District #8
<u>Assets</u>								
Cash	\$ 53,402	\$ 34,465	\$ 4,965,205	\$ 16,744	\$ -	\$ -	\$ -	\$ 169,491
Due Between TIF Funds	-	-	350,000	-	-	-	-	-
Due From (To) General Fund	-	-	797,198	-	-	-	-	-
Notes Receivable	-	-	87,083	-	-	-	-	-
Total Assets	<u>\$ 53,402</u>	<u>\$ 34,465</u>	<u>\$ 6,199,486</u>	<u>\$ 16,744</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 169,491</u>
<u>Liabilities and Fund Balance</u>								
Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance:								
Nonspendable	-	-	87,083	-	-	-	-	-
Restricted for Debt Service	-	-	-	-	-	-	-	-
Restricted	53,402	34,465	6,112,403	16,744	-	-	-	169,491
Total Fund Balance	<u>53,402</u>	<u>34,465</u>	<u>6,199,486</u>	<u>16,744</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>169,491</u>
Total Liabilities and Fund Balance	<u>\$ 53,402</u>	<u>\$ 34,465</u>	<u>\$ 6,199,486</u>	<u>\$ 16,744</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 169,491</u>

CITY OF BELLEVILLE, ILLINOIS
TAX INCREMENT FINANCING DISTRICTS

COMBINING STATEMENT OF ASSETS, LIABILITIES
AND FUND BALANCE ARISING FROM CASH TRANSACTIONS -
ALL TAX INCREMENT FINANCING DISTRICTS
APRIL 30, 2012

	Tax Increment Financing							
	District #9	District #10	District #11	District #12	District #13	District #14	Carlyle/ Greenmont	District #16
Assets								
Cash	\$ 247,859	\$ 656,380	\$ 67,987	\$ 104,523	\$ 40,419	\$ 112,619	\$ 3,285,076	\$ 414,148
Due Between TIF Funds	-	-	-	-	-	-	-	(350,000)
Due From (To) General Fund	-	-	-	-	-	-	-	-
Notes Receivable	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 247,859</u>	<u>\$ 656,380</u>	<u>\$ 67,987</u>	<u>\$ 104,523</u>	<u>\$ 40,419</u>	<u>\$ 112,619</u>	<u>\$ 3,285,076</u>	<u>\$ 64,148</u>
Liabilities and Fund Balance								
Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted for Debt Service	-	-	-	-	-	-	-	-
Restricted	247,859	656,380	67,987	104,523	40,419	112,619	3,285,076	64,148
Total Fund Balance	<u>247,859</u>	<u>656,380</u>	<u>67,987</u>	<u>104,523</u>	<u>40,419</u>	<u>112,619</u>	<u>3,285,076</u>	<u>64,148</u>
Total Liabilities and Fund Balance	<u>\$ 247,859</u>	<u>\$ 656,380</u>	<u>\$ 67,987</u>	<u>\$ 104,523</u>	<u>\$ 40,419</u>	<u>\$ 112,619</u>	<u>\$ 3,285,076</u>	<u>\$ 64,148</u>

CITY OF BELLEVILLE, ILLINOIS
TAX INCREMENT FINANCING DISTRICTS

COMBINING STATEMENT OF ASSETS, LIABILITIES
AND FUND BALANCE ARISING FROM CASH TRANSACTIONS -
ALL TAX INCREMENT FINANCING DISTRICTS
APRIL 30, 2012

	Tax Increment Financing					Debt Service Fund	Total
	District #17	District #18	Frank Scott Parkway	District #20	District #21	Sales Tax District	
<u>Assets</u>							
Cash	\$ 238,766	\$ 24,984	\$ 2,364,221	\$ 19,686	\$ 125	\$ 3,718,631	\$ 17,279,930
Due Between TIF Funds	-	-	-	-	-	-	-
Due From (To) General Fund	-	-	-	-	-	-	797,198
Notes Receivable	-	-	-	-	-	-	87,083
Total Assets	<u>\$ 238,766</u>	<u>\$ 24,984</u>	<u>\$ 2,364,221</u>	<u>\$ 19,686</u>	<u>\$ 125</u>	<u>\$ 3,718,631</u>	<u>\$ 18,164,211</u>
<u>Liabilities and Fund Balance</u>							
Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance:							
Nonspendable	-	-	-	-	-	-	87,083
Restricted for Debt Service	-	-	2,364,221	-	-	-	6,394,496
Restricted	238,766	24,984	-	19,686	125	3,718,631	11,682,632
Total Fund Balance	<u>238,766</u>	<u>24,984</u>	<u>2,364,221</u>	<u>19,686</u>	<u>125</u>	<u>3,718,631</u>	<u>18,164,211</u>
Total Liabilities and Fund Balance	<u>\$ 238,766</u>	<u>\$ 24,984</u>	<u>\$ 2,364,221</u>	<u>\$ 19,686</u>	<u>\$ 125</u>	<u>\$ 3,718,631</u>	<u>\$ 18,164,211</u>

See the accompanying independent auditor's report and notes to combining financial statements

CITY OF BELLEVILLE, ILLINOIS
TAX INCREMENT FINANCING DISTRICTS

COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCE ARISING FROM CASH TRANSACTIONS -
ALL TAX INCREMENT FINANCING DISTRICTS
FOR THE YEAR ENDED APRIL 30, 2012

	Tax Increment Financing							
	District #1	District #2	District #3	District #4	District #5	District #6	District #7	District #8
Receipts:								
Property Taxes	\$ 47,781	\$ 73,315	\$ 9,712,506	\$ 5,905	\$ 256,534	\$ 56,064	\$ -	\$ 164,245
Intergovernmental	-	-	265,457	-	-	-	-	-
Interest	77	58	8,189	22	335	67	4	321
Reimbursements/Other	-	-	66,180	-	-	-	-	-
Total Receipts	47,858	73,373	10,052,332	5,927	256,869	56,131	4	164,566
Disbursements:								
Contractual Services	3,076	433	415,206	-	2,368	-	-	576
Capital Outlay	-	5,000	4,628,874	-	-	-	-	32,560
TIF Termination Payment	-	-	-	-	686,849	104,245	6,014	-
Tax Rebates	-	30,000	4,498,374	-	65,890	-	-	-
Principal	-	-	1,067,638	-	-	-	-	-
Interest and Fiscal Charges	-	-	34,015	-	-	-	-	-
Total Disbursements	3,076	35,433	10,644,107	-	755,107	104,245	6,014	33,136
Excess of Receipts Over (Under) Disbursements	44,782	37,940	(591,775)	5,927	(498,238)	(48,114)	(6,010)	131,430
Other Financing Sources (Uses)								
Proceeds of Debt	-	-	-	-	-	-	-	-
Operating Transfers In	-	-	635,000	-	-	-	-	-
Operating Transfers Out	(50,000)	(50,000)	(1,525,982)	(10,000)	-	(75,000)	-	(300,000)
Total Other Financing Sources (Uses)	(50,000)	(50,000)	(890,982)	(10,000)	-	(75,000)	-	(300,000)
Excess of Receipts and Other Financing Sources Over (Under) Disbursements and Financing Uses	(5,218)	(12,060)	(1,482,757)	(4,073)	(498,238)	(123,114)	(6,010)	(168,570)
Fund Balance, Beginning of Year	58,620	46,525	7,682,243	20,817	498,238	123,114	6,010	338,061
Fund Balance, End of Year	\$ 53,402	\$ 34,465	\$ 6,199,486	\$ 16,744	\$ -	\$ -	\$ -	\$ 169,491

See the accompanying independent auditor's report and notes to combining financial statements

CITY OF BELLEVILLE, ILLINOIS
TAX INCREMENT FINANCING DISTRICTS

COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCE ARISING FROM CASH TRANSACTIONS -
ALL TAX INCREMENT FINANCING DISTRICTS
FOR THE YEAR ENDED APRIL 30, 2012

	Tax Increment Financing							Carlyle/ Greenmont	District #16
	District #9	District #10	District #11	District #12	District #13	District #14	District #15		
Receipts:									
Property Taxes	\$ 89,813	\$ 1,099,291	\$ 27,292	\$ 205,102	\$ 55,893	\$ 57,410	\$ 1,330,919	\$ 191,272	
Intergovernmental	-	-	-	-	-	-	1,500,861	-	
Interest	286	1,362	114	202	62	84	414	507	
Reimbursements/Other	-	-	-	-	-	-	-	-	
Total Receipts	90,099	1,100,653	27,406	205,304	55,955	57,494	2,832,194	191,779	
Disbursements:									
Contractual Services	575	475,554	-	7,972	129,264	-	20,445,188	20,000	
Capital Outlay	154,821	-	74,349	39,936	-	-	-	82,218	
TIF Termination Payment	-	-	-	-	-	-	-	-	
Tax Rebates	-	-	-	-	-	-	665,460	52,645	
Principal	-	-	-	-	-	-	-	200,000	
Interest and Fiscal Charges	-	297,560	-	-	-	-	1,848,059	-	
Total Disbursements	155,396	773,114	74,349	47,908	129,264	-	22,958,707	354,863	
Excess of Receipts Over (Under) Disbursements	(65,297)	327,539	(46,943)	157,396	(73,309)	57,494	(20,126,513)	(163,084)	
Other Financing Sources (Uses)									
Proceeds of Debt	-	-	-	-	-	-	23,410,000	-	
Operating Transfers In	-	-	-	-	-	-	-	200,000	
Operating Transfers Out	-	(600,000)	(50,000)	(200,000)	-	(9,391)	-	-	
Total Other Financing Sources (Uses)	-	(600,000)	(50,000)	(200,000)	-	(9,391)	23,410,000	200,000	
Excess of Receipts and Other Financing Sources Over (Under) Disbursements and Financing Uses	(65,297)	(272,461)	(96,943)	(42,604)	(73,309)	48,103	3,283,487	36,916	
Fund Balance, Beginning of Year	313,156	928,841	164,930	147,127	113,728	64,516	1,589	27,232	
Fund Balance, End of Year	\$ 247,859	\$ 656,380	\$ 67,987	\$ 104,523	\$ 40,419	\$ 112,619	\$ 3,285,076	\$ 64,148	

See the accompanying independent auditor's report and notes to combining financial statements

CITY OF BELLEVILLE, ILLINOIS
TAX INCREMENT FINANCING DISTRICTS

COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCE ARISING FROM CASH TRANSACTIONS -
ALL TAX INCREMENT FINANCING DISTRICTS
FOR THE YEAR ENDED APRIL 30, 2012

	District #17	District #18	Frank Scott Parkway	District #20	District #21	Sales Tax District	Debt Service Fund	Total
Receipts:								
Property Taxes	\$ 67,056	\$ 42,964	\$ 1,054,105	\$ 44,354	\$ 32	\$ 2,993,546	\$ -	\$ 17,575,399
Intergovernmental	-	-	1,164,874	-	-	-	-	2,931,192
Interest	216	19	434	11	-	2,503	967	16,254
Reimbursements/Other	-	-	-	20,000	-	8,215	-	94,395
Total Receipts	67,272	42,983	2,219,413	64,365	32	3,004,264	967	20,617,240
Disbursements:								
Contractual Services	9,155	27,827	-	-	-	77,104	-	21,614,298
Capital Outlay	9,891	-	-	-	-	110,978	-	5,138,627
TIF Termination Payment	-	-	-	-	-	-	-	797,108
Tax Rebates	-	-	527,052	22,177	-	1,264,738	-	7,126,336
Principal	-	-	-	-	-	-	-	1,487,638
Interest and Fiscal Charges	-	-	1,394,658	-	-	-	220,000	3,821,991
Total Disbursements	19,046	27,827	1,921,710	22,177	-	1,452,820	467,699	39,985,998
Excess of Receipts Over (Under) Disbursements	48,226	15,156	297,703	42,188	32	1,551,444	(466,732)	(19,368,758)
Other Financing Sources (Uses)								
Proceeds of Debt	-	-	-	-	-	-	-	23,410,000
Operating Transfers In	-	-	-	-	-	-	263,800	1,098,800
Operating Transfers Out	-	-	-	-	-	(510,000)	-	(3,380,373)
Total Other Financing Sources (Uses)	-	-	-	-	-	(510,000)	263,800	21,128,427
Excess of Receipts and Other Financing Sources Over (Under) Disbursements and Financing Uses	48,226	15,156	297,703	42,188	32	1,041,444	(202,932)	1,759,669
Fund Balance, Beginning of Year	190,540	9,828	2,066,518	(22,502)	93	2,677,187	948,131	16,404,542
Fund Balance, End of Year	\$ 238,766	\$ 24,984	\$ 2,364,221	\$ 19,686	\$ 125	\$ 3,718,631	\$ 745,199	\$ 18,164,211

See the accompanying independent auditor's report and notes to combining financial statements

CITY OF BELLEVILLE, ILLINOIS
TAX INCREMENT FINANCING DISTRICTS

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. Special Revenue Funds are used to account for the financing of public improvements or services deemed to benefit properties within a specific area. The City established the Tax Increment Financing Districts in the fiscal years ended April 30 as follows:

Districts #1 and #2	1984
Districts #3 and #4	1986
Districts #5, #6 and #7	1987
Sales Tax District	1992
Districts #8, #9, #10 and #11	2000
District #12	2003
District #13	2004
District #14	2006
Districts #15, #16, #17, #18 and #19	2008
District #20	2009
District #21	2010

The statements reflect the modified cash basis of accounting. Accordingly, revenue is recognized when cash is received and expenditures are recognized when paid.

The accompanying financial statements were prepared for the Tax Increment Financing Districts only, to reflect their cash balances as of April 30, 2012 and revenues received and expenditures paid for the year then ended. These statements are not intended to present the financial position and results of operations of the entire City of Belleville, Illinois as of April 30, 2012.

NOTE 2: CASH

The City is authorized by state statute to invest in: obligations of the United States of America; interest bearing accounts of banks; savings and loan associations or credit unions which are insured by the Federal Deposit Insurance Corporation, the Savings Association Insurance Fund or other applicable law, respectively; certain short-term obligations of corporations

CITY OF BELLEVILLE, ILLINOIS TAX INCREMENT FINANCING DISTRICTS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

organized in the United States; money market mutual funds; and in a fund managed, operated and administered by a bank.

The carrying amounts and the bank balances of the Tax Increment Financing Districts' deposits were \$17,279,930, and are entirely insured or collateralized by securities held by the City's agent in the City's name.

NOTE 3: LONG-TERM DEBT

Outstanding bonds payable and notes payable for the Tax Increment Financing Districts are presented in the City's combined financial statements.

The following is a summary of Tax Increment Financing bonds outstanding for the year ended April 30, 2012:

General Obligation Refunding Bonds, Series 2003C dated September 1, 2003, interest ranging from 3.80% to 4.00% payable June 1 and December 1, with principal payments of \$225,000 to \$235,000 due on December 1 through 2013. The balance due on these bonds as of April 30, 2012 is \$460,000.

Tax Increment Refunding Revenue Bonds, Series 2007A Bonds, dated September 28, 2007, interest ranging from 5.00% to 5.70% payable May 1 and November 1, with principal payments of \$5,000 through \$1,955,000 due on May 1 and November 1 through 2024. The balance due on these bonds as of April 30, 2012 is \$15,950,000.

Taxable Business District Revenue Bonds, Series 2007B Bonds, dated September 28, 2007, interest at 7.875% payable May 1 and November 1, with principal payments of \$165,000 to \$790,000 due on May 1 and November 1 through 2021. The balance due on these bonds as of April 30, 2012 is \$6,560,000.

General Obligation Bonds, Series 2011, dated February 7, 2011, interest ranging from 5.00% to 5.25% payable January 1 and July 1, with principal payments of \$905,000 to \$1,100,000 beginning in January 2027 through 2031. The balance due on these bonds as of April 30, 2012 is \$5,000,000.

Local Government Program Revenue Bonds, Series 2011A, dated October 27, 2011, interest ranging from 6.00% to 7.00% payable January 1 and July 1, with principal payments of \$95,000 to \$2,025,000 due on January 1 and July 1 through 2027. The balance due on these bonds as of April 30, 2012 is \$16,150,000.

CITY OF BELLEVILLE, ILLINOIS TAX INCREMENT FINANCING DISTRICTS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 3: LONG-TERM DEBT (Continued)

Local Government Program Revenue Bonds, Series 2011B, dated October 27, 2011, interest at 8.75% payable January 1 and July 1, with principal payments of \$49,929 to \$266,277 due on January 1 beginning in 2019 through 2026. The balance due on these bonds as of April 30, 2012 is \$1,560,000.

Local Government Program Revenue Bonds, Series 2011C, dated October 27, 2011, interest ranging from 7.125% to 9.25% payable January 1 and July 1, with principal payments of \$120,000 to \$845,000 due on January 1 and July 1 through 2022. The balance due on these bonds as of April 30, 2012 is \$5,700,000.

The following is a summary of Tax Increment Financing notes and leases outstanding for the year ended April 30, 2012:

General Obligation (Limited Tax) Notes, dated September 12, 2008, variable rate interest of 63.169% of 30-day LIBOR plus 75.6 basis points payable March 1 and September 1, with a single principal payment on August 1, 2013. The balance due on this note as of April 30, 2012 is \$1,800,000.

Capital Lease dated March 4, 2011, interest rate of 3.25 percent payable in six semiannual installments of \$44,241 through November 1, 2013. The balance due on this lease as of April 30, 2012 is \$128,524.

Note Payable, dated November 3, 2009, zero interest rate payable in four annual installments of \$200,000 through November 1, 2013. The balance due on this note as of April 30, 2012 is \$400,000.

The annual requirements to amortize Tax Increment Financing related debt as of April 30, 2012 are as follows:

<u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2013	\$ 1,819,991	\$ 3,386,133	\$ 5,206,124
2014	4,123,534	2,999,976	7,123,510
2015	2,090,000	2,940,421	5,030,421
2016	2,340,000	2,893,081	5,233,081
2017	2,570,000	2,826,431	5,396,431
2018-2022	19,233,396	10,535,576	29,768,972
2023-2027	17,436,603	4,116,221	21,552,824
2028-2031	4,095,000	538,650	4,633,650
	<u>\$ 53,708,524</u>	<u>\$ 30,236,489</u>	<u>\$ 83,945,013</u>

CITY OF BELLEVILLE, ILLINOIS TAX INCREMENT FINANCING DISTRICTS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 4: REDEVELOPMENT AGREEMENT

The City entered into a redevelopment agreement to develop an area within a tax increment financing boundary by which the developer would incur reimbursable costs which would be submitted for payment through Tax Increment Finance Notes. The debt would then be retired with tax revenues generated from the increase in values of the developed properties. The notes are payable solely from the new revenues and do not constitute a debt of the City.

The City made payments to reduce the principal amount of the Tax Increment Financing notes for the Reunion Development Project agreement by \$471,944 during the year ended April 30, 2012. These payments are being reported as development expense in the financial statements. The note balances related to this project in the total amount of \$18,636,929 are still outstanding and not reflected in the debt of the City as of April 30, 2012.

CITY OF BELLEVILLE, ILLINOIS
TAX INCREMENT FINANCING DISTRICTS

ANALYSIS OF SPECIAL ALLOCATION FUNDS
FOR THE YEAR ENDED APRIL 30, 2012

	Tax Increment Financing											
	District #1	District #2	District #3	District #4	District #5	District #6	District #7	District #8	District #9	District #10	District #11	District #12
Beginning Balance - Adjusted	\$ 58,620	\$ 46,525	\$ 7,682,243	\$ 20,817	\$ 498,238	\$ 123,114	\$ 6,010	\$ 338,061	\$ 313,156	\$ 928,841	\$ 164,930	\$ 147,127
Receipts:												
Property Taxes	47,781	73,315	9,712,506	5,905	256,534	56,064	-	164,245	89,813	1,099,291	27,292	205,102
Local Sales Tax	-	-	-	-	-	-	-	-	-	-	-	-
Interest	77	58	8,189	22	335	67	4	321	286	1,362	114	202
Reimbursements/Other	-	-	331,637	-	-	-	-	-	-	-	-	-
Total Receipts	47,858	73,373	10,052,332	5,927	256,869	56,131	4	164,566	90,099	1,100,653	27,406	205,304
Disbursements:												
Professional Fees/Plan	3,076	433	415,206	-	2,368	-	-	576	575	475,554	-	7,972
Administration/Development	-	-	1,101,653	-	-	-	-	-	-	297,560	-	-
Financing Costs	-	5,000	4,628,874	-	-	-	-	32,560	154,821	-	74,349	39,936
Capital Costs	-	30,000	4,498,374	-	752,739	104,245	6,014	-	-	-	-	-
Tax Rebates	-	35,433	10,644,107	-	755,107	104,245	6,014	33,136	155,396	773,114	74,349	47,908
Total Disbursements	3,076	35,433	10,644,107	-	755,107	104,245	6,014	33,136	155,396	773,114	74,349	47,908
Other Financing Sources (Uses)												
Proceeds From Debt	-	-	-	-	-	-	-	-	-	-	-	-
Operating Transfer In	-	-	635,000	-	-	-	-	-	-	-	-	-
Operating Transfer Out	(50,000)	(50,000)	(1,525,982)	(10,000)	-	(75,000)	-	(300,000)	-	(600,000)	(50,000)	(200,000)
Total Other Financing Sources (Uses)	(50,000)	(50,000)	(890,982)	(10,000)	-	(75,000)	-	(300,000)	-	(600,000)	(50,000)	(200,000)
Excess of Receipts Over (Under) Disbursements	(5,218)	(12,060)	(1,482,757)	(4,073)	(498,238)	(123,114)	(6,010)	(168,570)	(65,297)	(272,461)	(96,943)	(42,604)
Ending Fund Balance (Deficit) - Unadjusted	53,402	34,465	6,199,486	16,744	-	-	-	169,491	247,859	656,380	67,987	104,523
Less: Appropriated for Debt Service	-	-	(11,045,686)	-	-	-	-	-	-	(18,636,929)	-	-
Ending Fund Balance (Deficit) - Adjusted	\$ 53,402	\$ 34,465	\$ (4,846,200)	\$ 16,744	\$ -	\$ -	\$ -	\$ 169,491	\$ 247,859	\$ (17,980,549)	\$ 67,987	\$ 104,523
Property Tax	\$ 52,528	\$ 34,465	\$ -	\$ 16,744	\$ -	\$ -	\$ -	\$ 169,491	\$ 247,859	\$ -	\$ 67,987	\$ 104,523
State Sales Tax	\$ 158	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local Sales Tax	\$ 716	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF BELLEVILLE, ILLINOIS
TAX INCREMENT FINANCING DISTRICTS

ANALYSIS OF SPECIAL ALLOCATION FUNDS
 FOR THE YEAR ENDED APRIL 30, 2012

	Tax Increment Financing										Sales Tax District	Total
	District #13	District #14	Carlyle/ Greenmont	District #16	District #17	District #18	Frank Scott Parkway	District #20	District #21	Sales Tax District		
Beginning Balance - Adjusted	\$ 113,728	\$ 64,516	\$ 1,589	\$ 27,232	\$ 190,540	\$ 9,828	\$ 2,066,518	\$ (22,502)	\$ 93	\$ 3,625,318	\$ 16,404,542	
Receipts:												
Property Taxes	55,893	57,410	1,330,919	191,272	67,056	42,964	1,054,105	44,354	32	2,993,546	17,575,399	
Local Sales Tax	-	-	1,500,861	-	-	-	1,164,874	-	-	-	2,665,735	
Interest	62	84	414	507	216	19	434	11	-	3,470	16,254	
Reimbursements/Other	-	-	-	-	-	-	-	20,000	-	8,215	359,832	
Total Receipts	55,955	57,494	2,832,194	191,779	67,272	42,983	2,219,413	64,365	32	3,005,231	20,617,240	
Disbursements:												
Professional Fees/Plan												
Administration/Development	129,264	-	20,445,188	20,000	9,155	27,827	-	-	-	77,104	21,614,298	
Financing Costs	-	-	1,848,059	200,000	-	-	1,394,658	-	-	467,699	5,309,629	
Capital Costs	-	-	-	82,218	9,891	-	-	-	-	110,978	5,138,627	
Tax Rebates	-	-	665,460	52,645	-	-	527,052	22,177	-	1,264,738	7,923,444	
Total Disbursements	129,264	-	22,958,707	354,863	19,046	27,827	1,921,710	22,177	-	1,920,519	39,985,998	
Other Financing Sources (Uses)												
Proceeds From Debt	-	-	23,410,000	-	-	-	-	-	-	-	23,410,000	
Operating Transfer In	-	-	-	200,000	-	-	-	-	-	263,800	1,098,800	
Operating Transfer Out	-	(9,391)	-	-	-	-	-	-	-	(510,000)	(3,380,373)	
Total Other Financing Sources (Uses)	-	(9,391)	23,410,000	200,000	-	-	-	-	-	(246,200)	21,128,427	
Excess of Receipts Over (Under) Disbursements	(73,309)	48,103	3,283,487	36,916	48,226	15,156	297,703	42,188	32	838,512	1,759,669	
Ending Fund Balance (Deficit) - Unadjusted	40,419	112,619	3,285,076	64,148	238,766	24,984	2,364,221	19,686	125	4,463,830	18,164,211	
Less: Appropriated for Debt Service	-	(336,443)	(39,599,317)	(400,000)	-	-	(32,132,906)	-	-	(487,350)	(102,638,631)	
Ending Fund Balance (Deficit) - Adjusted	\$ 40,419	\$ (223,824)	\$ (36,314,241)	\$ (335,852)	\$ 238,766	\$ 24,984	\$ (29,768,685)	\$ 19,686	\$ 125	\$ 3,976,480	(84,474,420)	
Property Tax	\$ 40,419	\$ -	\$ -	\$ -	\$ 238,766	\$ 24,984	\$ -	\$ 19,686	\$ 125	\$ 3,931,391	\$ 4,948,968	
State Sales Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,544	\$ 34,702	
Local Sales Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,545	\$ 11,261	

CITY OF BELLEVILLE, ILLINOIS
TAX INCREMENT FINANCING DISTRICTS

ANALYSIS OF FUND BALANCES BY SOURCE
 (UNAUDITED)
 APRIL 30, 2011

	Tax Increment Financing										
	District #1	District #2	District #3	District #4	District #5	District #6	District #7	District #8	District #9	District #10	District #11
Ending Fund Balance (Deficit) - Unadjusted	\$ 58,620	\$ 46,525	\$ 7,682,243	\$ 20,817	\$ 498,238	\$ 123,114	\$ 6,010	\$ 338,061	\$ 313,156	\$ 928,841	\$ 164,930
Less: Appropriated for Debt Service	-	-	(11,893,767)	-	-	-	-	-	-	(18,481,614)	-
Ending Fund Balance (Deficit) - Adjusted	\$ 58,620	\$ 46,525	\$ (4,211,524)	\$ 20,817	\$ 498,238	\$ 123,114	\$ 6,010	\$ 338,061	\$ 313,156	\$ (17,552,773)	\$ 164,930
Property Tax	\$ 57,444	\$ 46,525	\$ -	\$ 20,817	\$ 498,238	\$ 123,114	\$ 6,010	\$ 338,061	\$ 313,156	\$ -	\$ 164,930
Local Sales Tax	212	-	-	-	-	-	-	-	-	-	-
State Sales Tax	964	-	-	-	-	-	-	-	-	-	-
	\$ 58,620	\$ 46,525	\$ -	\$ 20,817	\$ 498,238	\$ 123,114	\$ 6,010	\$ 338,061	\$ 313,156	\$ -	\$ 164,930
Ending Fund Balance (Deficit) - Unadjusted	\$ 147,127	\$ 113,728	\$ 64,516	\$ 1,589	\$ 27,232	\$ 190,540	\$ 9,828	\$ 2,066,518	\$ (22,502)	\$ 93	\$ 3,625,318
Less: Appropriated for Debt Service	-	-	(344,556)	(19,567,269)	(600,000)	-	-	(33,456,728)	-	-	(733,220)
Ending Fund Balance (Deficit) - Adjusted	\$ 147,127	\$ 113,728	\$ (280,040)	\$ (19,565,680)	\$ (572,768)	\$ 190,540	\$ 9,828	\$ (31,390,210)	\$ (22,502)	\$ 93	\$ 2,892,098
Property Tax	\$ 147,127	\$ 113,728	\$ -	\$ -	\$ -	\$ 190,540	\$ 9,828	\$ -	\$ -	\$ 93	\$ 2,848,275
Local Sales Tax	-	-	-	-	-	-	-	-	-	-	33,574
State Sales Tax	-	-	-	-	-	-	-	-	-	-	10,249
	\$ 147,127	\$ 113,728	\$ -	\$ -	\$ -	\$ 190,540	\$ 9,828	\$ -	\$ -	\$ 93	\$ 2,892,098

NOTE: Schedules for the ten years ended April 30, 2002 through 2011 are being included to report which surplus funds had been generated to April 30, 2012.

ANALYSIS OF FUND BALANCES BY SOURCE
(UNAUDITED)
APRIL 30, 2010

16

CITY OF BELLEVILLE, ILLINOIS
TAX INCREMENT FINANCING DISTRICTS

ANALYSIS OF FUND BALANCES BY SOURCE
(UNAUDITED)
APRIL 30, 2009

	Tax Increment Financing									
	District #1	District #2	District #3	District #4	District #5	District #6	District #7	District #8	District #9	District #10
Ending Fund Balance (Deficit) - Unadjusted	\$ 120,057	\$ 121,696	\$ 3,465,575	\$ 10,378	\$ 331,260	\$ 152,539	\$ 6,239	\$ 300,915	\$ 226,784	\$ 584,211
Less: Appropriated for Debt Service	-	-	(5,435,000)	-	-	-	-	-	-	-
Ending Fund Balance (Deficit) - Adjusted	\$ 120,057	\$ 121,696	\$ (1,969,425)	\$ 10,378	\$ 331,260	\$ 152,539	\$ 6,239	\$ 300,915	\$ 226,784	\$ 584,211
Property Tax	\$ 115,827	\$ 121,696	\$ -	\$ 10,378	\$ 331,260	\$ 152,539	\$ 6,239	\$ 300,915	\$ 226,784	\$ 584,211
Local Sales Tax	763	-	-	-	-	-	-	-	-	-
State Sales Tax	3,467	-	-	-	-	-	-	-	-	-
	\$ 120,057	\$ 121,696	\$ -	\$ 10,378	\$ 331,260	\$ 152,539	\$ 6,239	\$ 300,915	\$ 226,784	\$ 584,211
Ending Fund Balance (Deficit) - Unadjusted	\$ 107,141	\$ 352,630	\$ 41,870	\$ 40,435	\$ 396	\$ 174,088	\$ 90,240	\$ 3,702,661	\$ 4,052,965	
Less: Appropriated for Debt Service	-	-	-	-	-	-	-	(36,624,781)	(1,230,665)	
Ending Fund Balance (Deficit) - Adjusted	\$ 107,141	\$ 352,630	\$ 41,870	\$ 40,435	\$ 396	\$ 174,088	\$ 90,240	\$ (32,922,120)	\$ 2,822,300	
Property Tax	\$ 107,141	\$ 352,630	\$ 41,870	\$ 40,435	\$ 54	\$ 174,088	\$ 90,240	\$ -	\$ 2,687,431	
Local Sales Tax	-	-	-	-	-	-	-	-	103,327	
State Sales Tax	-	-	-	-	342	-	-	-	31,542	
	\$ 107,141	\$ 352,630	\$ 41,870	\$ 40,435	\$ 396	\$ 174,088	\$ 90,240	\$ -	\$ 2,822,300	

Carlyle/
Greenmount

Frank Scott
Parkway

Sales Tax
District

CITY OF BELLEVILLE, ILLINOIS
TAX INCREMENT FINANCING DISTRICTS

ANALYSIS OF FUND BALANCES BY SOURCE
 (UNAUDITED)
 APRIL 30, 2008

	Tax Increment Financing									
	District #1	District #2	District #3	District #4	District #5	District #6	District #7	District #8	District #9	District #10
Ending Fund Balance (Deficit) - Unadjusted	\$ 99,818	\$ 101,072	\$ 5,962,415	\$ 25,162	\$ 395,993	\$ 240,108	\$ 6,170	\$ 277,323	\$ 160,141	\$ 254,333
Less: Appropriated for Debt Service	-	-	(1,097,700)	-	-	-	-	-	-	-
Ending Fund Balance (Deficit) - Adjusted	\$ 99,818	\$ 101,072	\$ 4,864,715	\$ 25,162	\$ 395,993	\$ 240,108	\$ 6,170	\$ 277,323	\$ 160,141	\$ 254,333
Property Tax	\$ 95,563	\$ 101,072	\$ 4,864,715	\$ 25,162	\$ 395,993	\$ 240,108	\$ 6,170	\$ 277,323	\$ 160,141	\$ 254,333
Local Sales Tax	768	-	-	-	-	-	-	-	-	-
State Sales Tax	3,487	-	-	-	-	-	-	-	-	-
	\$ 99,818	\$ 101,072	\$ 4,864,715	\$ 25,162	\$ 395,993	\$ 240,108	\$ 6,170	\$ 277,323	\$ 160,141	\$ 254,333
Ending Fund Balance (Deficit) - Unadjusted	\$ 81,626	\$ 225,775	\$ 5,784	\$ 25,134	\$ 75,785	\$ 71,683	\$ 21,945	\$ 4,297,598	\$ 3,314,626	
Less: Appropriated for Debt Service	-	-	-	-	-	-	-	(38,160,191)	(1,480,573)	
Ending Fund Balance (Deficit) - Adjusted	\$ 81,626	\$ 225,775	\$ 5,784	\$ 25,134	\$ 75,785	\$ 71,683	\$ 21,945	\$ (33,862,593)	\$ 1,834,053	
Property Tax	\$ 81,626	\$ 225,775	\$ 5,784	\$ 25,134	\$ -	\$ 71,683	\$ 21,945	\$ -	\$ 1,677,904	
Local Sales Tax	-	-	-	-	-	-	-	-	101,925	
State Sales Tax	-	-	-	-	75,785	-	-	-	54,224	
	\$ 81,626	\$ 225,775	\$ 5,784	\$ 25,134	\$ 75,785	\$ 71,683	\$ 21,945	\$ -	\$ 1,834,053	

	District #11	District #12	District #13	District #14	Carlyle/ Greenmount	District #16	District #17	Frank Scott Parkway	Sales Tax District
Ending Fund Balance (Deficit) - Unadjusted	\$ 81,626	\$ 225,775	\$ 5,784	\$ 25,134	\$ 75,785	\$ 71,683	\$ 21,945	\$ 4,297,598	\$ 3,314,626
Less: Appropriated for Debt Service	-	-	-	-	-	-	-	(38,160,191)	(1,480,573)
Ending Fund Balance (Deficit) - Adjusted	\$ 81,626	\$ 225,775	\$ 5,784	\$ 25,134	\$ 75,785	\$ 71,683	\$ 21,945	\$ (33,862,593)	\$ 1,834,053
Property Tax	\$ 81,626	\$ 225,775	\$ 5,784	\$ 25,134	\$ -	\$ 71,683	\$ 21,945	\$ -	\$ 1,677,904
Local Sales Tax	-	-	-	-	-	-	-	-	101,925
State Sales Tax	-	-	-	-	75,785	-	-	-	54,224
	\$ 81,626	\$ 225,775	\$ 5,784	\$ 25,134	\$ 75,785	\$ 71,683	\$ 21,945	\$ -	\$ 1,834,053

CITY OF BELLEVILLE, ILLINOIS
TAX INCREMENT FINANCING DISTRICTS

ANALYSIS OF FUND BALANCES BY SOURCE
 (UNAUDITED)
 APRIL 30, 2007

	Tax Increment Financing							
	District #1	District #2	District #3	District #4	District #5	District #6	District #7	District #8
Ending Fund Balance (Deficit) - Unadjusted	\$ 157,849	\$ 271,082	\$ 6,013,870	\$ 19,563	\$ 389,107	\$ 174,220	\$ 5,894	\$ 166,110
Less: Appropriated for Debt Service	-	(112,255)	(1,640,773)	-	-	-	-	-
Ending Fund Balance (Deficit) - Adjusted	\$ 157,849	\$ 158,827	\$ 4,373,097	\$ 19,563	\$ 389,107	\$ 174,220	\$ 5,894	\$ 166,110
Property Tax	\$ 149,498	\$ 158,827	\$ 4,373,097	\$ 19,563	\$ 389,107	\$ 174,220	\$ 5,894	\$ 166,110
Local Sales Tax	1,507	-	-	-	-	-	-	-
State Sales Tax	6,844	-	-	-	-	-	-	-
	\$ 157,849	\$ 158,827	\$ 4,373,097	\$ 19,563	\$ 389,107	\$ 174,220	\$ 5,894	\$ 166,110
Ending Fund Balance (Deficit) - Unadjusted	\$ 102,319	\$ 56,345	\$ 55,107	\$ 94,762	\$ 7,777	\$ 12,860	\$ 2,514,848	
Less: Appropriated for Debt Service	-	-	-	-	-	-	(1,725,062)	
Ending Fund Balance (Deficit) - Adjusted	\$ 102,319	\$ 56,345	\$ 55,107	\$ 94,762	\$ 7,777	\$ 12,860	\$ 789,786	
Property Tax	\$ 102,319	\$ 56,345	\$ 55,107	\$ 94,762	\$ 7,777	\$ 12,860	\$ 717,970	
Local Sales Tax	-	-	-	-	-	-	48,402	
State Sales Tax	-	-	-	-	-	-	23,414	
	\$ 102,319	\$ 56,345	\$ 55,107	\$ 94,762	\$ 7,777	\$ 12,860	\$ 789,786	

CITY OF BELLEVILLE, ILLINOIS
TAX INCREMENT FINANCING DISTRICTS

ANALYSIS OF FUND BALANCES BY SOURCE
(UNAUDITED)
APRIL 30, 2006

	Tax Increment Financing									
	District #1	District #2	District #3	District #4	District #5	District #6	District #7	District #8		
Ending Fund Balance (Deficit) - Unadjusted	\$ 224,884	\$ (1,106,435)	\$ 333,637	\$ (114,031)	\$ 184,699	\$ 167,557	\$ 5,599	\$ 61,646		
Less: Appropriated for Debt Service	-	(216,360)	(2,188,095)	-	-	-	-	-		
Ending Fund Balance (Deficit) - Adjusted	\$ 224,884	\$ (1,322,795)	\$ (1,854,458)	\$ (114,031)	\$ 184,699	\$ 167,557	\$ 5,599	\$ 61,646		
Property Tax	\$ 216,533	-	\$ -	\$ -	\$ 184,699	\$ 167,557	\$ 5,599	\$ 61,646		
Local Sales Tax	1,507	-	-	-	-	-	-	-		
State Sales Tax	6,844	-	-	-	-	-	-	-		
	\$ 224,884	\$ -	\$ -	\$ -	\$ 184,699	\$ 167,557	\$ 5,599	\$ 61,646		
Ending Fund Balance (Deficit) - Unadjusted	\$ 61,736	\$ 24,035	\$ 46,315	\$ 86,824	\$ 16,694	\$ 2,450	\$ (1,234,806)			
Less: Appropriated for Debt Service	-	-	-	-	-	-	(1,973,258)			
Ending Fund Balance (Deficit) - Adjusted	\$ 61,736	\$ 24,035	\$ 46,315	\$ 86,824	\$ 16,694	\$ 2,450	\$ (3,208,064)			
Property Tax	\$ 61,736	\$ 24,035	\$ 46,315	\$ 86,824	\$ 16,694	\$ 2,540	\$ -			
Local Sales Tax	-	-	-	-	-	-	-			
State Sales Tax	-	-	-	-	-	-	-			
	\$ 61,736	\$ 24,035	\$ 46,315	\$ 86,824	\$ 16,694	\$ 2,540	\$ -			

CITY OF BELLEVILLE, ILLINOIS

ANALYSIS OF FUND BALANCES BY SOURCE
(UNAUDITED)

APRIL 30, 2005

	Tax Increment Financing						
	District #1	District #2	District #3	District #4	District #5	District #6	District #7
Ending Fund Balance (Deficit) - Unadjusted	\$ 186,942	\$ (1,029,254)	\$ (907,252)	\$ (118,283)	\$ 66,796	\$ 465,595	\$ 5,390
Less: Appropriated for Debt Service	-	(321,965)	(1,696,628)	-	-	-	-
Ending Fund Balance (Deficit) - Adjusted	\$ 186,942	\$ (1,351,219)	\$ (2,603,880)	\$ (118,283)	\$ 66,796	\$ 465,595	\$ 5,390
Property Tax	\$ 178,591	\$ -	\$ -	\$ -	\$ 66,796	\$ 465,595	\$ 5,390
Local Sales Tax	1,507	-	-	-	-	-	-
State Sales Tax	6,844	-	-	-	-	-	-
	\$ 186,942	\$ -	\$ -	\$ -	\$ 66,796	\$ 465,595	\$ 5,390
Ending Fund Balance (Deficit) - Unadjusted	\$ 78,108	\$ 43,348	\$ 16,167	\$ 39,733	\$ 164,520	\$ 22,873	\$ (1,323,879)
Less: Appropriated for Debt Service	-	-	-	-	-	-	(738,540)
Ending Fund Balance (Deficit) - Adjusted	\$ 78,108	\$ 43,348	\$ 16,167	\$ 39,733	\$ 164,520	\$ 22,873	\$ (2,062,419)
Property Tax	\$ 78,108	\$ 43,348	\$ 16,167	\$ 39,733	\$ 164,520	\$ 22,873	\$ -
Local Sales Tax	-	-	-	-	-	-	-
State Sales Tax	-	-	-	-	-	-	-
	\$ 78,108	\$ 43,348	\$ 16,167	\$ 39,733	\$ 164,520	\$ 22,873	\$ -

CITY OF BELLEVILLE, ILLINOIS
TAX INCREMENT FINANCING DISTRICTS

ANALYSIS OF FUND BALANCES BY SOURCE
 (UNAUDITED)
 APRIL 30, 2004

	Tax Increment Financing									
	District #1	District #2	District #3	District #4	District #5	District #6	District #7			
Ending Fund Balance (Deficit) - Unadjusted	\$ 156,058	\$ (988,793)	\$ (951,981)	\$ (121,675)	\$ 9,250	\$ 419,968	\$ 5,304			
Less: Appropriated for Debt Service	-	(316,565)	(1,781,287)	-	-	-	-			
Ending Fund Balance (Deficit) - Adjusted	\$ 156,058	\$ (1,305,358)	\$ (2,733,268)	\$ (121,675)	\$ 9,250	\$ 419,968	\$ 5,304			
Property Tax	\$ 147,707	-	\$ -	\$ -	\$ -	\$ 419,968	\$ 5,304			
Local Sales Tax	1,507	-	-	-	-	-	-			
State Sales Tax	6,844	-	-	-	-	-	-			
	\$ 156,058	\$ -	\$ -	\$ -	\$ -	\$ 419,968	\$ 5,304			
Ending Fund Balance (Deficit) - Unadjusted	\$ 67,641	\$ 23,903	\$ 10,866	\$ 20,708	\$ 97,388	\$ 31	\$ (1,175,332)			
Less: Appropriated for Debt Service	-	-	-	-	-	-	(746,344)			
Ending Fund Balance (Deficit) - Adjusted	\$ 67,641	\$ 23,903	\$ 10,866	\$ 20,708	\$ 97,388	\$ 31	\$ (1,921,676)			
Property Tax	\$ 67,641	\$ 23,903	\$ 10,866	\$ 20,708	\$ 97,388	\$ 31	\$ -			
Local Sales Tax	-	-	-	-	-	-	-			
State Sales Tax	-	-	-	-	-	-	-			
	\$ 67,641	\$ 23,903	\$ 10,866	\$ 20,708	\$ 97,388	\$ 31	\$ -			

CITY OF BELLEVILLE, ILLINOIS
TAX INCREMENT FINANCING DISTRICTS

ANALYSIS OF FUND BALANCES BY SOURCE
 (UNAUDITED)
 APRIL 30, 2003

	Tax Increment Financing						
	District #1	District #2	District #3	District #4	District #5	District #6	District #7
Ending Fund Balance (Deficit) - Unadjusted	\$ 129,512	\$ (969,758)	\$ (851,989)	\$ (124,304)	\$ (52,872)	\$ 384,038	\$ 5,362
Less: Appropriated for Debt Service	-	(317,763)	(1,880,151)	-	-	-	-
Ending Fund Balance (Deficit) - Adjusted	\$ 129,512	\$ (1,287,521)	\$ (2,732,140)	\$ (124,304)	\$ (52,872)	\$ 384,038	\$ 5,362
Property Tax	\$ 121,161	\$ -	\$ -	\$ -	\$ -	\$ 384,038	\$ 5,362
Local Sales Tax	1,507	-	-	-	-	-	-
State Sales Tax	6,844	-	-	-	-	-	-
	\$ 129,512	\$ -	\$ -	\$ -	\$ -	\$ 384,038	\$ 5,362
Ending Fund Balance (Deficit) - Unadjusted	\$ 29,849	\$ 8,545	\$ 7,360	\$ 1,736	\$ 84,697	\$ (1,034,985)	
Less: Appropriated for Debt Service	-	-	-	-	-	(804,075)	
Ending Fund Balance (Deficit) - Adjusted	\$ 29,849	\$ 8,545	\$ 7,360	\$ 1,736	\$ 84,697	\$ (1,839,060)	
Property Tax	\$ 29,849	\$ 8,545	\$ 7,360	\$ 1,736	\$ 84,697	\$ -	
Local Sales Tax	-	-	-	-	-	-	
State Sales Tax	-	-	-	-	-	-	
	\$ 29,849	\$ 8,545	\$ 7,360	\$ 1,736	\$ 84,697	\$ -	

CITY OF BELLEVILLE, ILLINOIS
TAX INCREMENT FINANCING DISTRICTS

ANALYSIS OF FUND BALANCES BY SOURCE
 (UNAUDITED)
 APRIL 30, 2002

	Tax Increment Financing						
	District #1	District #2	District #3	District #4	District #5	District #6	District #7
Ending Fund Balance (Deficit) - Unadjusted	\$ 95,348	\$ (953,231)	\$ (1,439,942)	\$ (126,725)	\$ (75,343)	\$ 337,379	\$ 5,395
Less: Appropriated for Debt Service	-	(342,140)	(2,003,250)	-	-	-	-
Ending Fund Balance (Deficit) - Adjusted	\$ 95,348	\$ (1,295,371)	\$ (3,443,192)	\$ (126,725)	\$ (75,343)	\$ 337,379	\$ 5,395
Property Tax	\$ 95,348	\$ -	\$ -	\$ -	\$ -	\$ 337,379	\$ 5,395
Local Sales Tax	-	-	-	-	-	-	-
State Sales Tax	\$ 95,348	\$ -	\$ -	\$ -	\$ -	\$ 337,379	\$ 5,395

	District #8	District #9	District #10	District #11	Sales Tax District
Ending Fund Balance (Deficit) - Unadjusted	\$ 34,168	\$ 2,712	\$ 4,857	\$ 150	\$ (1,099,387)
Less: Appropriated for Debt Service	-	-	-	-	(810,768)
Ending Fund Balance (Deficit) - Adjusted	\$ 34,168	\$ 2,712	\$ 4,857	\$ 150	\$ (1,910,155)
Property Tax	\$ 34,168	\$ 2,712	\$ 4,857	\$ 150	\$ -
Local Sales Tax	-	-	-	-	-
State Sales Tax	\$ 34,168	\$ 2,712	\$ 4,857	\$ 150	\$ -

**INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE WITH LAWS AND REGULATIONS**

To the Honorable Mayor and
City Council of
City of Belleville, Illinois

We have audited the financial statements of City of Belleville, Illinois for the year ended April 30, 2012 and have issued our report thereon dated September 10, 2012. The financial statements are the responsibility of the management for City of Belleville, Illinois. Our responsibility is to express an opinion on the eligibility of expenditure for costs incurred incidental to the implementation of the redevelopment plan and redevelopment projects associated with the City of Belleville, Illinois' Tax Increment Financing District #1, Tax Increment Financing District #2, Tax Increment Financing District #3, Tax Increment Financing District #4, Tax Increment Financing District #5, Tax Increment Financing District #6, Tax Increment Financing District #7, Tax Increment Financing District #8 Downtown South, Tax Increment Financing District #9 Southwinds Estate, Tax Increment Financing District #10 Lower Richland Creek, Tax Increment Financing District #11 Industrial Jobs Recovery, Tax Increment Financing District #12 Sherman Street, Tax Increment Financing District #13 Drake Road, Tax Increment Financing District #14 Route 15 East, Tax Increment Financing District #15 Carlyle/Greenmount, Tax Increment Financing District #16 Route 15 Corridor, Tax Increment Financing District #17 East Main Street, Tax Increment Financing District #18 Scheel Street, Tax Increment Financing District #19 Frank Scott Parkway, Tax Increment Financing District #20 Route 15/South Green Mount Road, Tax Increment Financing District #21 Belle Valley III, and the Sales Tax Increment Financing District pursuant to subsection (q) of Section 11-74.4-3 of the Tax Increment Allocation Redevelopment Act.

We conducted our audit 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 the financial statements are free of material misstatement. 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 opinion.

The management of the City of Belleville, Illinois is responsible for the government's compliance with laws and regulations. In connection with our audit, referred to above, we selected and tested transactions and records to determine the government's compliance with 65 ILCS 5/11-74.4-3, "Tax Increment Allocation Redevelopment Act".



The results of our tests indicate that for the items tested, the City of Belleville, Illinois, complied with Subsection (q) of 65 ILCS 5/11-74.4-3, "Tax Increment Allocation Redevelopment Act". Nothing came to our attention that caused us to believe that, for the items not tested, the City of Belleville, Illinois was not in compliance with Subsection (q) of 65 ILCS 5/11-74.4-3, "Tax Increment Allocation Redevelopment Act".

C.J. Schlem & Co., L.L.C.

Certified Public Accountants

September 10, 2012

PART II - ACTIVITIES

During its Fiscal Year ending April 30, 2012, the City of Belleville undertook or assisted in the following activities within its Tax Increment Financing Districts:

TIF #1	No Material Activity.
TIF #2	\$30,000 of tax incentive rebates were issued to a business.
TIF #3	\$4,311,209 of tax incentive rebates were issued to school districts and \$187,165 of tax incentive rebates were issued to businesses. This District also completed several public works improvements as well as performed needed demolition activity.
TIF #4	No Material Activity.
TIF #5	Payments were made to terminate this TIF in this year.
TIF #6	Payments were made to terminate this TIF in this year.
TIF #7	Payments were made to terminate this TIF in this year.
TIF #8	\$32,560 of expenses were incurred for sidewalk improvements.
TIF #9	Engineering and consulting costs were incurred related to improvements. Work was also performed on a detention basin.
TIF #10	\$769,504 was paid a developer to reimburse for costs incurred for improvements that are part of a developer agreement.
TIF #11	\$74,349 of expenses were incurred for the Belle Valley lift station.
TIF #12	This District incurred expense of \$39,936 for street improvements.
TIF #13	This District incurred expense of \$129,264 for street improvements.
TIF #14	No Material Activity.
TIF #15	This District issued bonds of \$23,410,000 to pay off existing developer notes. The District also paid out tax incentive rebates of \$665,460 for costs incurred for improvements that are part of a developer agreement related to a retail complex located near Greenmount Road.
TIF #16	\$52,645 of tax incentive rebates were issued to a business.
TIF #17	No Material Activity.
TIF #18	This District incurred demolition costs of \$27,827 in the current year.
TIF #19	This District paid out tax incentive rebates of \$527,052 to a business as part of a developer agreement.
TIF #20	\$22,177 of tax incentive rebates were issued a business.
TIF #21	No Material Activity.
Sales Tax TIF	\$1,264,738 of tax incentive rebates were paid to school districts. \$110,978 was paid for equipment capital outlay projects.

PART III - OBLIGATIONS

During the fiscal year ending April 30, 2012, the City of Belleville issued Series 2011A, Series 2011B and Series 2011C Local Government Program Revenue Bonds of \$23,410,000 through SWIDA. The proceeds were used to pay off existing TIF note obligations in the Carlyle/Greenmount TIF area. Further descriptions of outstanding debt and future debt service requirements are detailed in the Notes to Financial Statements.

ATTACHMENT L

(See certified letter statement in Audited Financial Statements at Attachment K)

ATTACHMENT M

- 1.) Intergovernmental agreement between the City of Belleville and Mascoutah Community Unit School District 19. Real estate taxes received in the amount of \$665,459.56 were transferred out to District 19.**

