

\$3,990,000
Village of Huntley
McHenry and Kane Counties, Illinois
Special Service Area Number Seven
Special Tax Refunding Bonds, Series 2007

Annual Continuing Disclosure Report

For the Period Ending December 31, 2008

Prepared by
MUNICAP, INC.

July 10, 2009

Village of Huntley
Special Service Area Number Seven
Annual Continuing Disclosure Report
For the Period Ending December 31, 2008

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APPENDIX A

Village of Huntley Special Service Area Number Seven Special Tax Roll

I. UPDATED INFORMATION

Information provided below is updated from the Annual Continuing Disclosure Report dated July 16, 2008:

- Special taxes in the amount of \$280,000 were to be collected for calendar year 2007. Calendar year 2007 special taxes were due in June and September of 2008. According to the treasurer's office for McHenry County, special taxes in the amount of \$280,000 have been collected. As a result, there are no outstanding calendar year 2007 special taxes.
- Special taxes in the amount of \$280,000 are to be collected for calendar year 2008. Calendar year 2008 special taxes are due in two equal installments of \$140,000 each in June and September of 2009. As of July 9, 2009, the treasurer's office for McHenry County reports that special taxes in the amount of \$136,296 have been collected, representing 48.7 percent of the calendar year 2008 special taxes due. According to McHenry County, the outstanding first half special taxes for calendar year 2008 will be collected with the second half in September 2009 if not paid prior to that time by the property owner.
- According to village records, the 2008 estimated population for the village was 22,645. According to the U.S. Census Bureau's 2008 American Community Survey, the estimated populations of McHenry County, Kane County and the State of Illinois were 318,641, 507,579 and 12,901,563, respectively.
- According to the U.S. Census Bureau's 2007 American Community Survey, the median family incomes for McHenry County, Kane County and the State of Illinois were \$85,272, \$75,851 and \$65,504, respectively.
- According to the U.S. Census Bureau's 2007 American Community Survey, the median household income for McHenry County, Kane County and the State of Illinois were \$75,095, \$67,219 and \$53,745, respectively.
- According to the U.S. Census Bureau's 2007 American Community Survey, the median home values for McHenry County, Kane County, and the State of Illinois were \$250,500, \$242,400 and \$198,000, respectively.
- According to the Village of Huntley, the number of building permits issued for units located within the corporate limits of the village for 2008 were 1,904 permits. The estimated construction cost of the issued permits was \$1,860,117.
- According to the assessor's offices for McHenry and Kane Counties, the 2008 equalized assessed value for all property within McHenry and Kane Counties was \$877,072,847, representing a 13.13 percent increase from the previous year.
- As of June 15, 2009, according to the assessor's office for Grafton Township, the 2008 assessed value of the property within Special Service Area Number Seven was \$15,964,513. The estimated market value of the property within Special Service Area Number Seven was \$47,893,539. As of December 31, 2008, the outstanding amount on the Series 2007 Refunding Bonds was \$3,892,000. Accordingly, the 2008 estimated value-to-lien ratio is 12.31 to 1.00.

II. INTRODUCTION

The Village of Huntley, McHenry and Kane Counties, Illinois (the “Village”), Special Service Area Number Seven issued the \$3,990,000 Series 2007 Special Tax Refunding Bonds to refund and defease the \$4,635,000 Series 1999 Bonds. The Series 2007 Special Tax Refunding Bonds were issued by the village pursuant to and in accordance with (i) the Special Service Area Tax Law of the Sate of Illinois, (ii) the Illinois Local Government Debt Reform Act of the State of Illinois, (iii) Ordinance Number (O)2007-06.24 of the village adopted at a meeting held on June 14, 2007, providing for the issuance of the Special Service Area Number Seven Special Tax Refunding Bonds, and (iv) a trust indenture, dated as of June 1, 2007, between the village and LaSalle Bank National Association, Chicago, Illinois, as trustee.

The village is located approximately 45 minutes west of the Chicago Loop and encompasses approximately 13.4 square miles. The village is located in two different counties and townships. North of Kreutzer Road is McHenry County, part of Grafton Township. South of Kreutzer Road is Kane County, part of Rutland Township.

The property in the special service area was developed by Cambridge Homes Inc. (the “Developer”) and consists of approximately 79 acres of land located east of Route 47, west of Crystal Lake Road and north and adjacent to Reed Road in Huntley, Illinois, known as the second phase of the Southwind Subdivision. The development includes 191 single-family homes consisting of two model types (the Meadow and Prairie Series). According to the Official Statement, dated June 14, 2007, all 191 homes have been constructed and sold to homebuyers.

Pursuant to the Official Statement, \$3,990,000 in Series 2007 Special Tax Refunding Bonds were sold and used to refund and defease the \$4,635,000 in Series 1997 Special Tax Bonds. As provided for in the Acquisition Agreement, dated March 11, 1999, the Series 1997 Special Tax Bond proceeds were used to construct public improvements consisting of earthwork, sanitary sewer mains, storm sewer mains, water mains, streets, water facilities and engineering and consulting services related to the construction of these improvements.

The information provided herein is not intended to supplement or otherwise relate to the information provided in the Limited Offering Memorandum and any such intent is expressly disavowed. Rather, this report responds to the specific requirements of the continuing disclosure agreement.

No representation is made as to the materiality or completeness of the information provided herein or as to whether other relevant information exists with respect to the period covered by this report. Other matters or events may have occurred or become known during or since that period that may be material. All information is provided as of December 31, 2008, unless otherwise stated, and no representation is made that the information contained in this report is indicative of information that may pertain since the end of the period covered by this report or in the future.

III. TRUSTEE ACCOUNTS

The trustee for the Series 2007 Refunding Bonds is U.S Bank National Association. The balance as of December 31, 2007, interest paid, additional proceeds, disbursements and account balances as of December 31, 2008, are shown in the following table.

Table III-1
Account Balances

Fund	Balance 12/31/07	Interest Paid	Additional Proceeds	Disburse- ments	Balance 12/31/08
Bond & Interest Account	\$347,354	\$4,635	\$276,299	\$293,461	\$334,828
Costs of Issuance Fund	\$3,334	\$57	\$0	\$0	\$3,391
Administrative Expense Fund	\$14,625	\$178	\$700	\$14,055	\$1,448
Reserve Fund	\$199,226	\$3,591	\$0	\$0	\$202,817
Special Redemption Fund	\$18,438	\$332	\$0	\$0	\$18,770
Escrow Account	\$4,048,459	\$202,836	\$0	\$271,190	\$3,980,105
Total	\$4,631,436	\$211,629	\$276,999	\$578,706	\$4,541,359

Additional proceeds to the Bond and Interest Account represent special tax collections transferred from McHenry County, and transfers from the Series 1999 Bonds Cost of Issuance Fund and the Series 1999 Bonds Special Redemption Account to close the accounts. The additional proceeds to the Administrative Expense Fund were special taxes transferred from the Bond and Interest Account to pay administrative expenses. Disbursements from the Bond and Interest Fund were for the payment of debt service on the Series 2007 Bonds. Disbursements from the Escrow Account represent the payment of debt service on the Series 1999 Bonds.

Bond proceeds are invested in a money market fund, which pays interest of approximately 0.32 percent. Proceeds in the Escrow Account are invested in U.S. Treasury Time Deposits, which pays interest at 5.03 percent per annum. Table III-2 shows the rate of return on the funds and accounts held by the trustee as of December 31, 2008.

All interest and other investment earnings on the Bond and Interest Fund shall become, when received, a part of the Bond and Interest Fund and be used exclusively for paying principal of, interest on and redemption premium on the Series 2007 Refunding Bonds. Investment income in the Reserve Fund will be made available, first, to replenish the Reserve Fund, if the balance in the fund is at less than the reserve requirement; and second, applied to the payment of debt service. Investment income in the Special Redemption Fund will be used to redeem Series 2007 Bonds pursuant to Section 4.4 of the Trust Indenture or to pay debt service on the Series 2007 Bonds pursuant to Section 7.1 of the Trust Indenture. Investment income in the Administrative Expense Fund will be used to pay administrative expenses. Interest and investment earnings in the Escrow Account will be applied to the principal and accrued interest owing on the Series 1997 Bonds when due and to the payment of the redemption price of the Series 1997 Bonds on the redemption date.

Table III-2
Rate of Return

Account	Rate of Return
Bond & Interest Fund	0.32%
Administrative Expense Fund	0.32%
Reserve Fund	0.32%
Special Redemption Fund	0.32%
Escrow Account	5.03%

IV. DISTRICT OPERATIONS AND FINANCIAL INFORMATION

A. VILLAGE'S AUDITED FINANCIAL STATEMENTS

A copy of the village's audited financial statements for the fiscal year ending December 31, 2008 will be provided in a separate document entitled the "Comprehensive Annual Financial Report" for the Village of Huntley.

B. SPECIAL TAX REQUIREMENT

The Series 1999 Bonds were defeased and Series 2007 Refunding Bonds were issued on June 17, 2007. The amended special tax roll for the 2008 calendar year is included herein as Appendix A. The special tax roll includes the special taxes to be levied in 2008 for collection in 2009. Special taxes are to be abated such that the amount to be collected in 2009 is equal to \$280,000. The methodology used to calculate the special taxes to be abated and to amend the special tax roll is explained below.

The special tax is to be abated each year within the Village of Huntley Special Service Area Number Seven such that the special taxes collected are sufficient to fund the "Special Tax Requirement." The special tax requirement, generally, is equal to (i) annual debt service and administration expenses, less (ii) investment income and prior year surpluses.

Special taxes are collected in June and September in the year after they are levied. The special taxes due in June 2009 are applied to the payment due on the bonds on September 1, 2009 and the special taxes due in September 2009 are applied to the payment due on the bonds on March 1, 2010.

Table IV-1 provides a summary of the special tax requirement for 2008. The administrative expenses, annual debt service and funding of any reserve funds for the special service area are expected to exceed the available revenues, excluding special taxes, by \$280,000. Accordingly, the special tax requirement for 2008 is \$280,000. An explanation of the estimated expenses and revenues follows.

Table IV-1
2008 Special Tax Requirement

Debt Service:	
Interest Sept. 1, 2009	\$94,943
Interest March 1, 2010	\$94,943
Principal March 1, 2010	\$101,000
<i>Total Debt Service</i>	\$290,885
Administrative Expenses	\$13,150
Special Reserve Fund	\$0
Contingency	\$137,726
<i>Sub-total Expenses</i>	\$441,761
Reserve Fund Investment Income	(\$2,404)
Surplus from Prior Year	(\$159,358)
Special Tax Requirement for 2008	\$280,000

Debt Service

Debt service includes the payments due on September 1, 2009 and March 1, 2010. The interest payments for calendar year 2008 are calculated based on an annual coupon rate of 4.60 percent on the outstanding Term 2017 Bonds of \$1,140,000 and an annual coupon rate of 5.10 percent on the outstanding Term 2028 Bonds of \$2,695,000. Accordingly, the interest payments due on September 1, 2009 and March 1, 2010 will be \$94,943 each. There is a principal payment due on March 1, 2010 of \$101,000, resulting in total debt service for the year of \$290,885.

Administrative Expenses

Administrative expenses generally include the annual expenses of the trustee, the administrator and the legal expenses for the village associated with the special service area. The annual charge of the trustee is estimated to be \$1,750. The cost of the administrator for 2008 is estimated to be \$10,250 (including charges

for continuing disclosure and arbitrage rebate services). The annual legal fees for the bond counsel are estimated to be \$750. Increasing these amounts for inflation results in total estimated administrative expenses for calendar year 2008 of \$13,150.

Special Reserve Fund

As per Section 7.3 of the Trust Indenture for the Series 2007 Refunding Bonds for Special Service Area Number Seven, special tax proceeds were to be deposited into the Special Reserve Fund until the amounts on deposit in the Special Reserve Fund equal the Special Reserve Requirement. According to Section 1.3 of the Trust Indenture for the Series 2007 Refunding Bonds, the Special Reserve Requirement for Special Service Area Number Seven is equal to \$20,000. The special reserve fund was to be funded with calendar year 2007 special taxes. Special taxes in the amount of \$20,000 will be transferred from the Bond and Interest Fund to the Special Reserve Fund once the second installment of calendar year 2007 special taxes are transferred to the trustee. Accordingly, the Special Reserve Fund will be fully funded with calendar year 2007 special taxes. As a result, calendar year 2008 special taxes will not be required to fund the Special Reserve Requirement.

Contingency

A contingency, equal to approximately forty-five percent of annual expenses has been added in the event there are special tax delinquencies, unanticipated expenses or investment income is less than estimated.

Reserve Fund Investment Income

The reserve requirement is currently \$390,832. As per Section 7.2(b) of the Trust Indenture for the Series 2007 Refunding Bonds for Special Service Area Number Seven, the Reserve Requirement may be satisfied with (1) one or more Reserve Fund Credit Instruments, (2) Qualified Investments, or (3) a combination thereof. At the time of delivery of the Series 2007 Refunding Bonds, a Surety Bond, which constitutes a Reserve Fund Credit Instrument, was deposited to the credit of the Reserve Fund in the amount of \$195,416, which with the initial deposit to the Reserve Fund of \$195,416, established a balance in the Reserve Fund equal to the Reserve Requirement of \$390,832. As of September 30, 2008, the balance in the Reserve Fund was \$202,531, which included half of the Reserve Requirement funded with bond proceeds and \$7,115 in investment income previously posted to the account. Bond proceeds in the amount of \$195,416 are invested in a First American Treasury Money Market Fund earning 1.23 percent per annum. At the yield of 1.23 percent per annum, \$1,038 in investment income is estimated to be earned on the Reserve Fund prior to the next debt service payment on March 1, 2009. Together with the investment income previously posted to the Reserve Fund, these funds will be made available to pay a portion of the debt service on the Series 2007 Refunding Bonds on March 1, 2009. An additional \$2,404 in annual investment income is estimated to be earned on the bond proceeds invested in the Reserve Fund by March 1, 2010, which may be applied to the payment of debt service on September 1, 2009 and March 1, 2010.

Surplus from Prior Year

Table IV-2 below shows the estimated surplus from the prior year that may be applied to the budget for calendar year 2008. Special taxes in the amount of \$280,000 were levied in 2007 for collection in 2008. Special taxes were due on June 5th and September 5th of 2008. As of October 7, 2008, McHenry County had reported collecting and transferring to the Village of Huntley \$264,875 in special taxes, of which \$155,987 had previously been transferred by the village to the trustee between August and September 2008. The remaining collected balance of \$108,889 will be transferred to the trustee in October 2008. The village anticipates transferring the uncollected balance of \$15,125 when collected and made available by McHenry County. The tax sale is scheduled for December 2, 2008 and the final distribution of special taxes to the village will take place in January 2009. For purposes of calculating the surplus from the prior year, the uncollected balance has been excluded.

As of September 30, 2008, the balance in the Bond and Interest Fund was \$218,896. A portion of this balance, together with calendar year 2007 special taxes to be transferred in October and November, will be made available to pay debt service on the Series 2007 Refunding Bonds in the aggregate amount of \$153,253 on March 1, 2009. As mentioned above, as of September 30, 2008, there was \$7,115 in investment income in the Reserve Fund. An additional \$1,038 in investment income is estimated to be earned on the bond proceeds invested in the Reserve Fund by March 1, 2009. These funds will be made available to pay debt service on March 1, 2009. The debt service payment due on March 1, 2009 includes an interest payment of \$96,254, which is based on an annual coupon rate of 4.60 percent on the outstanding Term 2017 Bonds of \$1,197,000 and an annual coupon rate of 5.10 percent on the outstanding Term 2028 Bonds of \$2,695,000, and a principal payment of \$57,000.

Table IV-2
Surplus from Prior Year

Available Funds:	
Special taxes to be transferred in October and November 2008	(\$108,889)
Available Bond & Interest Fund at September 30, 2008	(\$218,896)
Available Reserve Fund Investment Income at September 31, 2008	(\$7,115)
Reserve Fund Investment Income at March 1, 2009	(\$1,038)
Available Administrative Expense Fund at September 30, 2008	(\$3,318)
<i>Sub-total Funds Available:</i>	(\$339,256)
Debt Service:	
Interest March 1, 2009	\$96,254
Principal March 1, 2009	\$57,000
Administrative Expenses	\$6,645
Special Reserve Fund	\$20,000
<i>Sub-total Expenses</i>	\$179,899
Surplus from Prior Year	(\$159,358)

As of September 30, 2008, the balance in the Administrative Expense Fund was \$3,318. The administrative expense budget for calendar year 2007 was \$12,750. Administrative expenses totaling \$6,645 remain outstanding for calendar year 2007. As shown by Table IV-2, the available funds exceed the remaining expenses for the year, resulting in an estimated aggregate surplus of \$159,358 that will be made available to pay debt service and administrative expenses for calendar year 2008.

Summary

Total special service area expenses to be paid from special taxes collected in 2009 are estimated to be \$441,761. Funds available to pay these expenses, other than special taxes, are estimated at \$161,761, resulting in a special tax requirement of \$280,000.

C. DELINQUENT SPECIAL TAXES

Special taxes in the amount of \$280,000 were to be collected for calendar year 2007. Calendar year 2007 special taxes were due in June and September of 2008. According to the treasurer's office for McHenry County, special taxes in the amount of \$280,000 have been collected. As a result, there are no outstanding calendar year 2007 special taxes.

Special taxes in the amount of \$280,000 are to be collected for calendar year 2008. Calendar year 2008 special taxes are due in two equal installments of \$140,000 each in June and September of 2009. As of July 9, 2009, the treasurer's office for McHenry County reports that special taxes in the amount of \$136,296 have been collected, representing 48.7 percent of the calendar year 2008 special taxes due. According to

McHenry County, the outstanding first half special taxes for calendar year 2008 will be collected with the second half in September 2009 if not paid prior to that time by the property owner.

D. COLLECTION EFFORTS

There are no collection efforts underway at this time.

V. THE VILLAGE

A. SOCIOECONOMIC INFORMATION

Population

Table V-1 below depicts the populations of the Village of Huntley, McHenry and Kane Counties, and the State of Illinois. According to village records and the American Community Survey conducted by the U.S. Census Bureau, the estimated 2008 populations of the village, McHenry County, Kane County and the State of Illinois were 22,645, 318,641, 507,579 and 12,901,563, respectively.

Table V-1
Population

Area	1980	1990	2000	2008 (Estimated)
Village of Huntley	1,646	2,453	5,730	22,645
McHenry County	147,897	183,241	260,077	318,641
Kane County	278,405	317,471	404,119	507,579
State of Illinois	11,427,414	11,460,602	12,419,293	12,901,563

Source: Village Records and U.S. Census Bureau

Median Family Income

Table V-2 below depicts the 2007 median family income for the Village of Huntley, McHenry and Kane Counties, and the State of Illinois. According to the 2007 American Community Survey conducted by the U.S. Census Bureau, the median family incomes for McHenry County, Kane County and the State of Illinois were \$85,272, \$75,851 and \$65,504, respectively. The distributions of the family income for the Village of Huntley are based on the 2000 Census with a median family income of \$60,456, as shown in the Official Statement.

Table V-2
Median Family Income

Income	The Village		McHenry County		Kane County		State of Illinois	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under \$10,000	23	1.29%	1,601	2.0%	3,364	2.8%	137,112	4.3%
\$10,000 to \$14,999	20	1.12%	1,286	1.6%	2,025	1.7%	91,842	2.9%
\$15,000 to \$24,999	78	4.38%	2,773	3.4%	6,476	5.4%	236,074	7.5%
\$25,000 to \$34,999	127	7.13%	4,317	5.4%	9,594	7.9%	276,402	8.8%
\$35,000 to \$49,999	288	16.16%	7,533	9.4%	14,117	11.7%	416,419	13.2%
\$50,000 to \$74,999	636	35.69%	15,612	19.4%	24,121	19.9%	651,918	20.7%
\$75,000 to \$99,999	317	17.79%	16,632	20.7%	10,315	16.1%	491,957	15.6%
\$100,000 to \$149,999	217	12.18%	19,200	23.9%	24,003	19.8%	505,818	16.0%
\$150,000 to \$199,999	30	1.68%	6,664	8.3%	10,315	8.5%	178,312	5.7%
\$200,000 or more	46	2.58%	4,816	6.0%	7,550	6.2%	169,516	5.4%
Total	1,782	100.00%	80,434	100.0%	120,994	100.0%	3,155,370	100.0%

Source: US Census Bureau

Median Household Income

Table V-3 below provides the 2007 projected household income distributions for the Village of Huntley, McHenry County, Kane County, and the State of Illinois. According to the U.S. Census Bureau's 2007 American Community Survey, the median household incomes for McHenry County, Kane County and the State of Illinois were \$75,095, \$67,219 and \$53,745, respectively. The distributions of the household income for the Village of Huntley are based on the 2000 Census with a median income of \$65,433, as shown in the Official Statement.

**Table V-3
Median Household Income**

Income	The Village		McHenry County		Kane County		State of Illinois	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under \$10,000	56	2.39%	3,227	3.0%	5,905	3.7%	338,262	7.2%
\$10,000 to \$14,999	77	3.29%	2,580	2.4%	5,491	3.4%	242,887	5.1%
\$15,000 to \$24,999	145	6.19%	6,341	6.0%	11,681	7.3%	482,305	10.2%
\$25,000 to \$34,999	231	9.86%	7,772	7.3%	13,892	8.7%	476,295	10.1%
\$35,000 to \$49,999	416	17.76%	11,929	11.3%	20,358	12.7%	655,974	13.9%
\$50,000 to \$74,999	703	30.00%	21,015	19.8%	32,499	20.3%	916,436	19.4%
\$75,000 to \$99,999	331	14.13%	19,237	18.2%	23,884	14.9%	615,300	13.0%
\$100,000 to \$149,999	290	12.38%	21,442	20.2%	27,138	16.9%	597,473	12.6%
\$150,000 to \$199,999	38	1.62%	7,186	6.8%	10,994	6.9%	205,598	4.4%
\$200,000 or more	56	2.39%	5,172	4.9%	8,560	5.3%	193,932	4.1%
Total	2,343	100.00%	105,901	100.0%	160,402	100.0%	4,724,462	100.0%

Source: US Census Bureau

Median Home Values

Table V-4 below illustrates the 2007 median home value of homes in McHenry County, Kane County and the State of Illinois. According to the U.S. Census Bureau's 2007 American Community Survey, the median home values for McHenry County, Kane County, and the State of Illinois were \$250,500, \$242,400 and \$198,000, respectively. As of June 15, 2009, the median value of homes in the Village of Huntley was unavailable.

**Table V-4
Median Home Values**

Area	1990	2000	2007
Village of Huntley	\$102,600	\$191,600	NA
McHenry County	\$110,600	\$168,100	\$250,500
Kane County	\$101,700	\$160,400	\$242,400
State of Illinois	\$80,900	\$130,800	\$198,000

Source: US Census Bureau

Building Permits

Table V-5 on the following page provides the number of building permit requests received by the village from 2003 through 2008.

Table V-5
Building Permits

Year	Number of New Privately-Owned Residential Building Permits	Construction Value
2003	2,578	\$3,903,302
2004	2,796	\$3,980,745
2005	2,965	\$3,944,066
2006	2,612	\$2,865,789
2007	2,021	\$4,303,813
2008	1,904	\$1,860,117

Source: Village of Huntley Department of Development Services

Average Annual Unemployment Rates

The 2007 average annual unemployment rates for the village, McHenry County, Kane County, and the State of Illinois are presented in Table V-6 below.

Table V-6
Average Annual Unemployment Rates

Year	Village	McHenry County	Kane County	State of Illinois
2001	6.7%	4.6%	5.2%	5.4%
2002	8.2%	5.7%	6.7%	6.5%
2003	9.2%	6.3%	7.0%	6.7%
2004	6.9%	4.8%	5.2%	6.2%
2005	6.8%	5.1%	5.7%	6.2%
2006	5.4%	4.8%	4.3%	6.2%
2007	8.1%	4.4%	4.4%	5.0%

Source: US Census Bureau and Village of Huntley Comprehensive Annual Financial Report

Major Area Employers

Table V-7 below depicts the major employers in the Village of Huntley in 2007. The percentage of population represents the proportion of McHenry County population employed by the listed firms.

Table V-7
Major Area Employers

Employer	Number Employed	Percentage of Population
Huntley Community Consolidated School District #158	1,600	9.57%
Prime Outlet Mall	400	2.99%
Huntley Park District	313	1.87%
Union Special Corporation	230	1.38%
Weber-Stephens Products Company	200	1.20%
Tek Packaging Group also Esco Technologies, Inc.	130	0.78%
Village of Huntley	95	0.57%
Schawk Inc./Robingson Industries	90	0.54%
Sun City/Huntley Community Assn	80	0.48%
Crocker Co. Inc./Huntley Specialty	75	0.45%

Source: County of McHenry Comprehensive Annual Financial Report

B. EQUALIZED ASSESSED VALUE

Table V-8 below shows the equalized assessed values for different property categories of McHenry and Kane Counties. According to the assessor’s office for McHenry and Kane Counties, the 2008 equalized assessed value for all property within McHenry and Kane Counties was \$877,072,847, representing a 13.13 percent increase from the previous year.

Table V-8
Equalized Assessed Values

Property Class	2004	2005	2006	2007	2008
Residential	\$410,694,301	\$502,879,237	\$615,900,845	\$712,496,553	\$773,926,630
Farm	\$1,213,550	\$1,313,286	\$1,210,324	\$1,399,896	\$1,611,435
Commercial	\$24,258,790	\$29,565,194	\$32,214,846	\$34,942,950	\$59,847,152
Industrial	\$19,438,630	\$23,557,364	\$25,211,734	\$26,339,096	\$41,596,588
Pollution Control	\$15	\$15	\$15	\$0	\$0
Railroad	\$129,086	\$121,819	\$121,545	\$83,388	\$91,042
Total	\$455,734,372	\$557,436,915	\$674,659,309	\$775,261,883	\$877,072,847
Percent Change	27.35%	22.32%	21.03%	14.91%	13.13%

Source: Clerks of McHenry and Kane County

C. EXPECTED SPECIAL TAX AND DEBT SERVICE COVERAGE

The debt service schedule on the following page is adjusted to reflect the budgeted debt service and debt service reserve earnings as per the Continuing Disclosure Agreement. The Reserve Fund earnings, trustee and administrative fees, and adjusted debt service for the bond years ending 2009 and 2010 are budgeted figures. As of December 31, 2008, the outstanding Series 2007 Refunding Bonds are equal to \$3,892,000.

Table V-9
Expected Special Tax and Debt Service Coverage

Bond Year Ending Mar.1	Debt Service	Trustee & Admin. Fees	DSRF Interest Earnings	Adjusted Debt Service	Maximum Aggregate Annual Special Tax	Debt Service Coverage
2009	\$249,507	\$12,750	(\$8,207)	\$254,050	\$368,039	1.45
2010	\$290,885	\$13,150	(\$2,404)	\$301,631	\$375,400	1.24
2011	\$297,239	\$18,125	(\$7,187)	\$308,178	\$382,908	1.24
2012	\$303,087	\$18,488	(\$7,187)	\$314,388	\$390,566	1.24
2013	\$308,429	\$18,858	(\$7,187)	\$320,100	\$398,378	1.24
2014	\$315,265	\$19,235	(\$7,187)	\$327,313	\$406,345	1.24
2015	\$321,503	\$19,620	(\$7,187)	\$333,936	\$414,472	1.24
2016	\$328,143	\$20,012	(\$7,187)	\$340,968	\$422,761	1.24
2017	\$335,139	\$20,412	(\$7,187)	\$348,365	\$431,217	1.24
2018	\$341,445	\$20,820	(\$7,187)	\$355,079	\$439,841	1.24
2019	\$349,041	\$21,237	(\$7,187)	\$363,091	\$448,638	1.24
2020	\$355,719	\$21,662	(\$7,187)	\$370,194	\$457,611	1.24
2021	\$363,479	\$22,095	(\$7,187)	\$378,387	\$466,763	1.23
2022	\$370,219	\$22,537	(\$7,187)	\$385,569	\$476,098	1.23
2023	\$349,939	\$22,987	(\$7,187)	\$365,740	\$485,620	1.33
2024	\$385,435	\$23,447	(\$7,187)	\$401,696	\$495,332	1.23
2025	\$393,860	\$23,916	(\$7,187)	\$410,589	\$505,239	1.23
2026	\$403,010	\$24,394	(\$7,187)	\$420,218	\$515,344	1.23
2027	\$95,783	\$24,882	(\$178,232)	(\$57,567)	\$525,651	(9.13)
2028	\$46,244	\$25,380	(\$26,000)	\$45,624	\$536,164	11.75

D. SECURITY AND SOURCE OF PAYMENT

Value to Lien Ratio

The value to lien ratio is based on the 2008 assessed value within the special service area. According to the assessor's office for Grafton Township, the 2008 assessed value of the property within Special Service Area Number Seven was \$15,964,513. The estimated market value of the village's Special Service Area Number Seven was \$47,893,539. As of December 31, 2008, the outstanding principal amount on the Series 2007 Refunding Bonds for Special Service Area Number Seven was \$3,892,000.

Table V-10 below sets forth the estimated value-to-lien ratio with respect to the Special Service Area Number Seven.

Table V-10
Value to Lien Ratio

	SSA Number Seven
Estimated Market Value	\$47,893,539
Bonds Outstanding	\$3,892,000
Value-to-Lien Ratio	12.31 to 1.00

Historical Collections

Special taxes in the amount of \$280,000 were to be collected for calendar year 2007. Calendar year 2007 special taxes were due in June and September of 2008. According to the treasurer's office for McHenry County, special taxes in the amount of \$280,000 have been collected. As a result, there are no outstanding calendar year 2007 special taxes.

Special taxes in the amount of \$280,000 are to be collected for calendar year 2008. Calendar year 2008 special taxes are due in two equal installments of \$140,000 each in June and September of 2009. As of July 9, 2009, the treasurer's office for McHenry County reports that special taxes in the amount of \$136,296 have been collected, representing 48.7 percent of the calendar year 2008 special taxes due. According to McHenry County, the outstanding first half special taxes for calendar year 2008 will be collected with the second half in September 2009 if not paid prior to that time by the property owner.

Table V-11 below provides a summary of special tax collections for the village. The table includes the calendar year in which special taxes were to be collected, the amount of special taxes to be collected, the amount of special tax collected, and the percentage of total tax collected. Special taxes are due in June and September following the year in which special taxes are levied.

Table V-11
Historical Collections

Levy Year	Collection Year	Special Tax Amount	Special Taxes Collected	Percent Collected
2000	2001	\$327,059	\$327,059	100%
2001	2002	\$333,900	\$333,900	100%
2002	2003	\$360,000	\$360,000	100%
2003	2004	\$377,853	\$377,853	100%
2004	2005	\$367,000	\$367,000	100%
2005	2006	\$380,000	\$379,094	100%
2006	2007	\$380,000	\$380,000	100%
2007	2008	\$280,000	\$280,000	100%
2008	2009	\$280,000	\$136,296	49%

Source: McHenry County Treasurer's Office

VI. MATERIAL EVENTS

Pursuant to the continuing disclosure agreement, listed events include the following:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- (vii) Modifications to rights of Bondholders;
- (viii) Bond calls;
- (ix) Defeasances;
- (x) Release, substitution or sale of property (other than the sale of homes in the ordinary course) securing repayment of the bonds; and
- (xi) Rating changes.

As of July 10, 2009, the administrator is unaware of an occurrence of any of the aforementioned events.

APPENDIX A

Village of Huntley Special Service Area Number Seven Special Tax Roll

Appendix A
Special Tax Roll
Huntley SSA Number Seven
2008 Calendar Year

Parcel Identification Number	Lot Number	2008 Maximum Special Tax	2008 Special Tax Abated	Special Tax Collected in 2009
18-22-301-042	Outlot M	\$0.00	\$0.00	\$0.00
18-22-401-001	540	\$1,986.24	\$504.76	\$1,481.48
18-22-401-002	541	\$1,986.24	\$504.76	\$1,481.48
18-22-401-003	542	\$1,986.24	\$504.76	\$1,481.48
18-22-401-004	543	\$1,986.24	\$504.76	\$1,481.48
18-22-401-005	544	\$1,986.24	\$504.76	\$1,481.48
18-22-401-006	545	\$1,986.24	\$504.76	\$1,481.48
18-22-401-007	546	\$1,986.24	\$504.76	\$1,481.48
18-22-401-008	Outlot J	\$0.00	\$0.00	\$0.00
18-22-401-009	547	\$1,986.24	\$504.76	\$1,481.48
18-22-401-010	548	\$1,986.24	\$504.76	\$1,481.48
18-22-401-011	549	\$1,986.24	\$504.76	\$1,481.48
18-22-401-012	550	\$1,986.24	\$504.76	\$1,481.48
18-22-401-013	551	\$1,986.24	\$504.76	\$1,481.48
18-22-401-014	552	\$1,986.24	\$504.76	\$1,481.48
18-22-401-015	553	\$1,986.24	\$504.76	\$1,481.48
18-22-401-016	554	\$1,986.24	\$504.76	\$1,481.48
18-22-401-033	Ex W Pt 531	\$1,986.24	\$504.76	\$1,481.48
18-22-401-034	532	\$1,986.24	\$504.76	\$1,481.48
18-22-401-035	Outlot R	\$0.00	\$0.00	\$0.00
18-22-401-036	533	\$1,986.24	\$504.76	\$1,481.48
18-22-401-037	534	\$1,986.24	\$504.76	\$1,481.48
18-22-401-038	535	\$1,986.24	\$504.76	\$1,481.48
18-22-401-039	536	\$1,986.24	\$504.76	\$1,481.48
18-22-401-040	537	\$1,986.24	\$504.76	\$1,481.48
18-22-401-041	538	\$1,986.24	\$504.76	\$1,481.48
18-22-401-042	539	\$1,986.24	\$504.76	\$1,481.48
18-22-402-001	278	\$1,986.24	\$504.76	\$1,481.48
18-22-402-002	279	\$1,986.24	\$504.76	\$1,481.48
18-22-402-003	280	\$1,986.24	\$504.76	\$1,481.48
18-22-402-004	281	\$1,986.24	\$504.76	\$1,481.48
18-22-402-005	282	\$1,986.24	\$504.76	\$1,481.48
18-22-402-006	283	\$1,986.24	\$504.76	\$1,481.48
18-22-402-007	284	\$1,986.24	\$504.76	\$1,481.48
18-22-402-008	285	\$1,986.24	\$504.76	\$1,481.48
18-22-402-009	286	\$1,986.24	\$504.76	\$1,481.48
18-22-406-001	464	\$1,986.24	\$504.76	\$1,481.48
18-22-406-030	Ex W Pt 490	\$1,986.24	\$504.76	\$1,481.48
18-22-406-031	491	\$1,986.24	\$504.76	\$1,481.48
18-22-406-032	Outlot Q	\$0.00	\$0.00	\$0.00

Parcel Identification Number	Lot Number	2008 Maximum Special Tax	2008 Special Tax Abated	Special Tax Collected in 2009
18-22-406-033	492	\$1,986.24	\$504.76	\$1,481.48
18-22-406-034	493	\$1,986.24	\$504.76	\$1,481.48
18-22-406-035	494	\$1,986.24	\$504.76	\$1,481.48
18-22-406-036	495	\$1,986.24	\$504.76	\$1,481.48
18-22-406-037	496	\$1,986.24	\$504.76	\$1,481.48
18-22-406-038	497	\$1,986.24	\$504.76	\$1,481.48
18-22-406-039	498	\$1,986.24	\$504.76	\$1,481.48
18-22-426-004	333	\$1,986.24	\$504.76	\$1,481.48
18-22-426-005	332	\$1,986.24	\$504.76	\$1,481.48
18-22-426-006	331	\$1,986.24	\$504.76	\$1,481.48
18-22-426-007	330	\$1,986.24	\$504.76	\$1,481.48
18-22-426-008	334	\$1,986.24	\$504.76	\$1,481.48
18-22-426-009	335	\$1,986.24	\$504.76	\$1,481.48
18-22-426-010	336	\$1,986.24	\$504.76	\$1,481.48
18-22-426-011	360	\$1,986.24	\$504.76	\$1,481.48
18-22-426-012	359	\$1,986.24	\$504.76	\$1,481.48
18-22-426-013	358	\$1,986.24	\$504.76	\$1,481.48
18-22-426-014	357	\$1,986.24	\$504.76	\$1,481.48
18-22-426-015	356	\$1,986.24	\$504.76	\$1,481.48
18-22-426-016	355	\$1,986.24	\$504.76	\$1,481.48
18-22-426-017	Outlot L	\$0.00	\$0.00	\$0.00
18-22-426-018	354	\$1,986.24	\$504.76	\$1,481.48
18-22-426-019	353	\$1,986.24	\$504.76	\$1,481.48
18-22-426-020	352	\$1,986.24	\$504.76	\$1,481.48
18-22-426-021	351	\$1,986.24	\$504.76	\$1,481.48
18-22-426-022	350	\$1,986.24	\$504.76	\$1,481.48
18-22-426-029	343	\$1,986.24	\$504.76	\$1,481.48
18-22-426-030	342	\$1,986.24	\$504.76	\$1,481.48
18-22-426-031	341	\$1,986.24	\$504.76	\$1,481.48
18-22-426-032	340	\$1,986.24	\$504.76	\$1,481.48
18-22-426-033	339	\$1,986.24	\$504.76	\$1,481.48
18-22-426-034	Outlot N	\$0.00	\$0.00	\$0.00
18-22-426-035	338	Prepaid	Prepaid	Prepaid
18-22-426-036	337	\$1,986.24	\$504.76	\$1,481.48
18-22-427-004	South Part 393	\$0.00	\$0.00	\$0.00
18-22-427-005	North Part 393	\$1,986.24	\$504.76	\$1,481.48
18-22-427-006	392	Prepaid	Prepaid	Prepaid
18-22-427-007	391	\$1,986.24	\$504.76	\$1,481.48
18-22-427-008	390	\$1,986.24	\$504.76	\$1,481.48
18-22-427-009	389	\$1,986.24	\$504.76	\$1,481.48
18-22-427-010	388	\$1,986.24	\$504.76	\$1,481.48
18-22-427-011	Outlot K	\$0.00	\$0.00	\$0.00
18-22-427-012	387	\$1,986.24	\$504.76	\$1,481.48
18-22-427-013	386	\$1,986.24	\$504.76	\$1,481.48
18-22-427-014	385	\$1,986.24	\$504.76	\$1,481.48

Parcel Identification Number	Lot Number	2008 Maximum Special Tax	2008 Special Tax Abated	Special Tax Collected in 2009
18-22-427-015	384	\$1,986.24	\$504.76	\$1,481.48
18-22-427-016	383	\$1,986.24	\$504.76	\$1,481.48
18-22-427-023	376	\$1,986.24	\$504.76	\$1,481.48
18-22-427-024	375	\$1,986.24	\$504.76	\$1,481.48
18-22-427-025	374	\$1,986.24	\$504.76	\$1,481.48
18-22-427-026	373	\$1,986.24	\$504.76	\$1,481.48
18-22-427-027	372	\$1,986.24	\$504.76	\$1,481.48
18-22-427-028	371	\$1,986.24	\$504.76	\$1,481.48
18-22-427-029	370	\$1,986.24	\$504.76	\$1,481.48
18-22-427-030	369	\$1,986.24	\$504.76	\$1,481.48
18-22-427-031	368	\$1,986.24	\$504.76	\$1,481.48
18-22-427-032	367	\$1,986.24	\$504.76	\$1,481.48
18-22-427-033	366	\$1,986.24	\$504.76	\$1,481.48
18-22-428-005	SE part of 395	\$0.00	\$0.00	\$0.00
18-22-428-006	397	\$1,986.24	\$504.76	\$1,481.48
18-22-428-007	398	\$1,986.24	\$504.76	\$1,481.48
18-22-428-008	399	\$1,986.24	\$504.76	\$1,481.48
18-22-428-009	400	\$1,986.24	\$504.76	\$1,481.48
18-22-428-010	401	\$1,986.24	\$504.76	\$1,481.48
18-22-428-011	402	\$1,986.24	\$504.76	\$1,481.48
18-22-428-012	403	\$1,986.24	\$504.76	\$1,481.48
18-22-428-013	404	\$1,986.24	\$504.76	\$1,481.48
18-22-428-014	405	\$1,986.24	\$504.76	\$1,481.48
18-22-428-015	406	\$1,986.24	\$504.76	\$1,481.48
18-22-428-016	407	\$1,986.24	\$504.76	\$1,481.48
18-22-477-021	191	\$1,986.24	\$504.76	\$1,481.48
18-22-477-022	190	\$1,986.24	\$504.76	\$1,481.48
18-22-477-023	189	\$1,986.24	\$504.76	\$1,481.48
18-22-477-024	188	\$1,986.24	\$504.76	\$1,481.48
18-22-477-025	187	\$1,986.24	\$504.76	\$1,481.48
18-22-477-026	186	\$1,986.24	\$504.76	\$1,481.48
18-22-477-027	185	\$1,986.24	\$504.76	\$1,481.48
18-22-478-011	215	\$1,986.24	\$504.76	\$1,481.48
18-22-478-012	216	\$1,986.24	\$504.76	\$1,481.48
18-22-478-013	217	\$1,986.24	\$504.76	\$1,481.48
18-22-478-014	218	\$1,986.24	\$504.76	\$1,481.48
18-22-478-015	219	\$1,986.24	\$504.76	\$1,481.48
18-22-478-016	220	\$1,986.24	\$504.76	\$1,481.48
18-22-478-017	221	\$1,986.24	\$504.76	\$1,481.48
18-22-478-018	222	\$1,986.24	\$504.76	\$1,481.48
18-22-478-019	223	\$1,986.24	\$504.76	\$1,481.48
18-22-478-020	224	\$1,986.24	\$504.76	\$1,481.48
18-22-478-021	225	\$1,986.24	\$504.76	\$1,481.48
18-22-478-022	226	\$1,986.24	\$504.76	\$1,481.48
18-22-478-023	227	\$1,986.24	\$504.76	\$1,481.48

Parcel Identification Number	Lot Number	2008 Maximum Special Tax	2008 Special Tax Abated	Special Tax Collected in 2009
18-22-478-024	228	\$1,986.24	\$504.76	\$1,481.48
18-22-479-001	237	\$1,986.24	\$504.76	\$1,481.48
18-22-479-002	238	\$1,986.24	\$504.76	\$1,481.48
18-22-479-003	239	\$1,986.24	\$504.76	\$1,481.48
18-22-479-004	240	\$1,986.24	\$504.76	\$1,481.48
18-22-479-005	241	\$1,986.24	\$504.76	\$1,481.48
18-22-479-006	242	\$1,986.24	\$504.76	\$1,481.48
18-22-479-007	243	\$1,986.24	\$504.76	\$1,481.48
18-22-479-008	244	\$1,986.24	\$504.76	\$1,481.48
18-22-479-009	245	\$1,986.24	\$504.76	\$1,481.48
18-22-479-010	246	\$1,986.24	\$504.76	\$1,481.48
18-22-479-011	247	\$1,986.24	\$504.76	\$1,481.48
18-22-479-012	Outlot G	\$0.00	\$0.00	\$0.00
18-22-480-001	327	\$1,986.24	\$504.76	\$1,481.48
18-22-480-002	328	\$1,986.24	\$504.76	\$1,481.48
18-22-480-003	329	\$1,986.24	\$504.76	\$1,481.48
18-22-480-004	Outlot H	\$0.00	\$0.00	\$0.00
18-22-480-005	287	\$1,986.24	\$504.76	\$1,481.48
18-22-480-006	288	\$1,986.24	\$504.76	\$1,481.48
18-22-480-007	289	\$1,986.24	\$504.76	\$1,481.48
18-22-480-008	290	\$1,986.24	\$504.76	\$1,481.48
18-22-480-009	291	\$1,986.24	\$504.76	\$1,481.48
18-22-480-010	292	\$1,986.24	\$504.76	\$1,481.48
18-22-480-011	293	\$1,986.24	\$504.76	\$1,481.48
18-22-480-012	294	\$1,986.24	\$504.76	\$1,481.48
18-22-480-013	295	\$1,986.24	\$504.76	\$1,481.48
18-22-480-014	296	\$1,986.24	\$504.76	\$1,481.48
18-22-480-015	297	\$1,986.24	\$504.76	\$1,481.48
18-22-480-016	298	\$1,986.24	\$504.76	\$1,481.48
18-22-480-017	299	\$1,986.24	\$504.76	\$1,481.48
18-22-480-018	300	\$1,986.24	\$504.76	\$1,481.48
18-22-480-019	301	\$1,986.24	\$504.76	\$1,481.48
18-22-480-020	302	\$1,986.24	\$504.76	\$1,481.48
18-22-480-021	303	\$1,986.24	\$504.76	\$1,481.48
18-22-480-022	304	\$1,986.24	\$504.76	\$1,481.48
18-22-481-001	264	\$1,986.24	\$504.76	\$1,481.48
18-22-481-002	265	\$1,986.24	\$504.76	\$1,481.48
18-22-481-003	266	\$1,986.24	\$504.76	\$1,481.48
18-22-481-004	267	\$1,986.24	\$504.76	\$1,481.48
18-22-481-005	268	\$1,986.24	\$504.76	\$1,481.48
18-22-481-006	269	\$1,986.24	\$504.76	\$1,481.48
18-22-481-007	270	\$1,986.24	\$504.76	\$1,481.48
18-22-481-008	271	\$1,986.24	\$504.76	\$1,481.48
18-22-481-009	272	\$1,986.24	\$504.76	\$1,481.48
18-22-481-010	273	\$1,986.24	\$504.76	\$1,481.48

Parcel Identification Number	Lot Number	2008 Maximum Special Tax	2008 Special Tax Abated	Special Tax Collected in 2009
18-22-481-011	274	\$1,986.24	\$504.76	\$1,481.48
18-22-481-012	275	\$1,986.24	\$504.76	\$1,481.48
18-22-481-013	276	\$1,986.24	\$504.76	\$1,481.48
18-22-481-014	277	\$1,986.24	\$504.76	\$1,481.48
18-22-481-025	253	\$1,986.24	\$504.76	\$1,481.48
18-22-481-026	252	\$1,986.24	\$504.76	\$1,481.48
18-22-481-027	251	\$1,986.24	\$504.76	\$1,481.48
18-22-481-028	250	\$1,986.24	\$504.76	\$1,481.48
18-22-481-029	249	\$1,986.24	\$504.76	\$1,481.48
18-22-481-030	248	\$1,986.24	\$504.76	\$1,481.48
18-22-481-033	Outlot I	\$0.00	\$0.00	\$0.00
18-22-482-001	305	\$1,986.24	\$504.76	\$1,481.48
18-22-482-002	306	\$1,986.24	\$504.76	\$1,481.48
18-22-482-003	307	\$1,986.24	\$504.76	\$1,481.48
18-22-482-004	308	\$1,986.24	\$504.76	\$1,481.48
18-22-482-005	309	\$1,986.24	\$504.76	\$1,481.48
18-22-482-006	310	\$1,986.24	\$504.76	\$1,481.48
18-22-482-007	311	\$1,986.24	\$504.76	\$1,481.48
18-22-482-008	312	\$1,986.24	\$504.76	\$1,481.48
18-22-482-009	313	\$1,986.24	\$504.76	\$1,481.48
18-22-482-010	314	\$1,986.24	\$504.76	\$1,481.48
18-22-482-011	315	\$1,986.24	\$504.76	\$1,481.48
18-22-482-017	321	\$1,986.24	\$504.76	\$1,481.48
18-22-482-018	322	\$1,986.24	\$504.76	\$1,481.48
18-22-482-019	323	\$1,986.24	\$504.76	\$1,481.48
18-22-482-020	324	\$1,986.24	\$504.76	\$1,481.48
18-22-482-021	325	\$1,986.24	\$504.76	\$1,481.48
18-22-482-022	326	\$1,986.24	\$504.76	\$1,481.48
18-23-301-042	Outlot	\$0.00	\$0.00	\$0.00
Total:		\$375,400.08	\$95,400.07	\$280,000.00