

\$2,890,000
Village of Hampshire
Kane County, Illinois
Special Service Area Number Nine
Special Tax Refunding Bonds, Series 2006

Annual Continuing Disclosure Report
For the Year Ending December 31, 2008

Prepared by
MUNICAP, INC.
February 10, 2009

**Village of Hampshire
Annual Continuing Disclosure Report
For the Year Ending December 31, 2008**

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I. UPDATED INFORMATION

Information provided below is updated as of December 31, 2008:

- There have been two rating changes on Radian Asset Assurance Inc., the Series 2006 Special Tax Refunding Bonds insurer, by Standard & Poor's and Fitch Ratings since December 31, 2007. Radian Asset Assurance, Inc. insured ratings went from 'AA' to 'BBB+'.
- Special taxes were levied in 2006 for collection in 2007 in the amount of \$207,200. As of January 27, 2009, the village has reported collecting \$207,200 in special taxes, representing 100 percent of special taxes to be collected in 2007. Of the total amount of special taxes collected, \$3,924 was collected on two parcels at tax sale on October 16, 2008.
- Special taxes were levied in 2007 for collection in 2008 in the amount of \$245,000. As of January 27, 2009, the Village of Hampshire has reported collecting special taxes in the amount of \$242,076 for calendar year 2007, representing 98.8 percent of special taxes for calendar year 2007. Of the total amount of calendar year 2007 special taxes collected, \$4,844 was collected on two parcels at tax sale on October 16, 2008. The uncollected balance of \$2,924 remains outstanding on parcel number 01-02-152-004, which is owned by Debco Crane.
- As of January 27, 2009, the special service area counsel reports that there are no collection efforts underway at this time. If the special taxes remain unpaid, the delinquent parcel owned by Debco Crane is expected to go to tax sale in October 2009.
- Special taxes were levied in 2008 for collection in 2009 in the amount of \$245,000. Calendar year 2008 special taxes are due on June 1, 2009. As a result, there are no delinquent calendar year 2008 special taxes outstanding at this time.
- According to the Kane County Treasurer's Office, property taxes in the amount of \$684,041 were levied in calendar year 2007 for collection in 2008. Property taxes were due on June 2 and September 2, 2008. As of January 28, 2009, the treasurer's office reports that property taxes in the amount of \$682,667 have been collected, representing 99.8 percent of the total property taxes levied for calendar year 2007.
- According to the village, the representative calendar year 2007 tax rate for the village was 6.5465 per \$100 of assessed value.
- According to the U.S. Census Bureau's 2007 American Community Survey, the median family income for Kane County and the State of Illinois was \$75,851 and \$65,761, respectively. According to the U.S. Census Bureau's 2007 American Community Survey, the median household income for Kane County and the State of Illinois was \$67,219 and \$54,124, respectively.
- According to the U.S. Census Bureau's 2007 American Community Survey, per capita income for Kane County and the State of Illinois was \$28,579 and \$27,965, respectively.
- According to the U.S. Census Bureau's 2007 American Community Survey, the median age of residents of Kane County and the State of Illinois was 32.3 years and 35.9 years, respectively.
- According to the U.S. Census Bureau's 2007 American Community Survey, the median home values for Kane County and the State of Illinois were \$242,400 and \$208,800, respectively.
- According to the Village of Hampshire's Department of Building and Zoning, 295 building permits were issued in 2008 with an estimated construction cost of \$7,569,550.

- According to the Kane County Clerk, the equalized assessed value of the village for calendar year 2007 was \$171,620,628, compared to \$152,273,309 for calendar year 2006, representing a 12.7 percent increase from the prior year.
- According to the assessor for Hampshire Township, the 2007 equalized assessed value for the principal taxpayers was \$17,759,088, representing 10.3 percent of the total 2007 equalized assessed value of the village.
- According to the assessor for Hampshire Township, the calendar year 2007 market value of the special service area was \$39,236,715. As of December 31, 2008, the outstanding value of the bonds was \$2,680,000. As a result, the value to lien ratio was 14.6 to 1.00.

II. INTRODUCTION

The Village of Hampshire, Kane County, Illinois (the, “Village”) issued the \$2,890,000 Special Service Area Number Nine Special Tax Refunding Bonds, Series 2006, to refund and defease the Series 1997 Bonds, pursuant to and in accordance with (i) the Illinois Constitution of 1970, (ii) the Special Service Area Tax Law of the State of Illinois, (iii) the Illinois Local Government Debt Reform Act of the State of Illinois, (iv) Ordinance Number 06-73, which was approved by the village on December 14, 2006, providing for the issuance of the bonds, and (v) an Indenture of Trust, dated December 1, 2006 (the “Trust Indenture”), between the Village of Hampshire and Amalgamated Bank of Chicago, Chicago, Illinois, as trustee.

The Village of Hampshire is located approximately 53 miles northwest of downtown Chicago on Illinois Route 72, west of Illinois Route 47, and extends northward to the Northwest Tollroad (I-90). The village encompasses approximately 4.5 square miles in Kane County. The Special Service Area originally consisted of three parcels totaling 261 acres. The property in the area was developed by three parcel owners. The Eligiloy site was partially developed in 1997-1998 to house the Eligiloy manufacturing plant for processing stainless steel and other specialty metals. The Arrowhead Business Park site was developed by Keith Holden and Jerome A. Shinkay. The Flannigan site or Hampshire Woods Subdivision is owned and is being developed by NBD Trust Company of Illinois. There are currently forty-one parcels of taxable property within the Special Service Area, which are owned by sixteen separate entities.

Pursuant to the Official Statement, \$2,890,000 in Special Tax Refunding Bonds (Series 2006) were sold and used to defease the Series 1997 Bonds. The Series 1997 Bonds were issued and used to construct water improvements to serve the special service area, consisting of water mains, water wells, pumps and a pump house and tower to serve the Special Service Area. According to the Official Statement, dated December 14, 2006, all public improvements in the special service area have been completed.

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 2006 Special Tax Refunding Bonds is Amalgamated Bank of Chicago. The account balances 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 Fund	\$7,566	\$798	\$247,693	\$240,925	\$15,132
Reserve Fund	\$290,052	\$7,035	\$0	\$5,617	\$291,471
Administrative Expense Fund	\$11,619	\$283	\$0	\$5,593	\$6,309
Total	\$309,237	\$8,116	\$247,693	\$252,135	\$312,912

Additional proceeds to the Bond and Interest Fund represent the receipt of special taxes from the village and transfers of investment income in excess of the reserve requirement from the Reserve Fund for the payment of debt service. Disbursements from the Administrative Expense Fund were for the payment of administrative expenses.

Bond proceeds are invested in a money market fund currently paying 0.87 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.

Investment income in the Reserve Fund will be made available, first, to maintain the reserve requirement; and second, to pay principal of and interest on the Series 2006 Refunding Bonds as the same become due at any time when there are insufficient funds available for such purpose in the Bond and Interest Fund. All interest and other investment earnings on the Bond and Interest Fund shall become, when received, a part of the Bond and Interest Fund to be used exclusively for paying principal of, interest on and redemption premium on the bonds, or for transfers to the Reserve Fund or the Administrative Expense Fund as permitted. Investment income in the Administrative Expense Fund will remain in that fund and be used for the purposes of that fund.

**Table III-2
Rate of Return**

Account	Rate of Return
Bond & Interest Fund	0.87%
Reserve Account	0.87%
Administrative Expense Fund	0.87%

IV. DISTRICT OPERATIONS

A. VILLAGE FINANCIAL STATEMENTS

A copy of the village's audited financial statements for the period ending April 30, 2008 has been provided under separate cover.

B. ANNUAL SPECIAL TAXES

The Series 1997 Bonds were defeased and refunded with Series 2006 Refunding Bonds in December 2006. Special tax revenues of \$245,000 must be collected in 2009. The methodology used to calculate the special tax requirement and to amend the special tax roll is explained in the balance of this report.

(i) Assigned Special Tax

The assigned special tax is equal to \$1,825 per acre for developed property and \$410 per acre for undeveloped property. According to the special tax roll attached hereto, there are 71.29 acres of developed property and 173.44 acres of undeveloped property. At the tax rates stated above, this results in assigned special taxes of \$201,215.

(ii) Special Tax Requirement

A special tax is to be imposed each year within the Village of Hampshire Special Service Area Number Nine equal to the greater of (i) the assigned special tax, and (ii) an amount up to the maximum special tax sufficient to fund the special tax requirement. The special tax requirement, generally, is equal to (i) annual debt service and administrative expenses, less (ii) investment income and available capitalized interest.

Table IV-1 provides a summary of the special tax requirement for calendar year 2008. The annual debt service requirement and administrative expenses are expected to exceed the Reserve Fund investment income and the available surplus from the previous year by \$245,000. Accordingly, the special tax requirement is equal to \$245,000. Each of these numbers is explained in the following sections.

**Table IV-1
Calendar Year 2008 Special Tax Requirement**

Debt service:	
Interest payment, June 30, 2009	\$60,591
Interest payment, December 30, 2009	\$60,591
Principal payment, December 30, 2009	\$135,000
Total debt service 2009	\$256,181
Administrative expenses	\$13,260
Contingency	\$34,596
Sub-total expenses	\$304,038
Reserve fund investment income	(\$2,890)
Surplus from prior year	(\$56,148)
Special tax requirement for CY08	\$245,000

Debt Service

Debt service includes the semi-annual interest payments due on June 30 and December 30, 2009 and the principal payment due on December 30, 2009. Each semi-annual interest payment is \$60,591 and represents interest at an annual coupon rate of 4.125 percent on the outstanding Term 2016 Bonds of

\$1,465,000 and 5.00 percent on the Term 2020 Bonds of \$1,215,000. A principal payment of \$135,000 is due on December 30, 2009. Accordingly, total debt service for calendar year 2008 is \$256,181.

Administrative Expenses

Administrative expenses generally include the trustee and administrator expenses. The annual charges of the trustee for calendar year 2008 are estimated to be \$3,000. The annual charge of the administrator for calendar year 2008 is estimated to be \$10,000 (including charges for annual continuing disclosure services). Increasing these amounts for inflation results in total estimated administrative expenses for calendar year 2008 of \$13,260.

Contingency

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

Reserve Fund Investment Income

As of October 31, 2008, the Reserve Fund balance was \$290,939, which included the reserve requirement for the Series 2006 Refunding Bonds of \$289,000 and investment income posted to the account in the amount of \$1,939. Bond proceeds in the Reserve Fund are invested in a Morgan Stanley Liquid Government Advisory money market fund currently earning 1.29 percent. Interest rates have been declining. As a result, annual investment income on the Reserve Fund will be estimated using an interest rate of 1.00 percent. At the current money market rate, an estimated \$2,890 in annual investment income is estimated to be earned on the current required balance of \$289,000 in the Reserve Fund, which may be made available to pay debt service and administrative expenses for the bond year ending December 30, 2009.

Surplus from Prior Year

Table IV-2 on the following page outlines the estimated surplus from the previous year. The debt service payment scheduled for December 30, 2007, consists of an interest payment of \$62,963 and a principal payment of \$115,000. Accordingly, total debt service is equal to \$177,963.

A special tax of \$245,000 was levied in 2007 to be collected in 2008. As of November 19, 2008, the village reported collecting \$242,076 in calendar year 2007 special taxes, of which \$61,480 was transferred to the trustee on June 17, 2008 to make the June 30, 2008 debt service payment. According to the village, \$2,924 in calendar year 2007 special taxes remains outstanding on the parcel owned by Debco Crane (PIN 01-02-152-004). The counsel for the special service area has mailed a delinquency notice to the property owner. For purposes of calculating the surplus from the prior year, however, the outstanding special taxes for calendar year 2007 have been excluded.

As of November 21, 2008, the village reports that they are holding \$209,305 in special taxes. Of this amount, \$28,709 represents special taxes collected in prior years by the village and investment income on those special taxes. Of the special taxes held by the village, \$180,596, representing the balance of the calendar year 2007 special taxes collected, will be transferred to the trustee in November 2008 and \$28,709, representing the balance of the special taxes collected in prior years, will be transferred to the trustee in December 2008.

As of October 31, 2008, the balance in the Bond and Interest Fund was \$12,475, which will be made available to pay debt service on December 30, 2008.

Bond proceeds in the Reserve Fund are currently earning 1.29 percent per annum. With the investment income previously earned of \$1,939 described above, the estimated Reserve Fund investment income earned through December 1, 2008, is \$241, which with the investment income previously posted to the fund will be made available to pay debt service on December 30, 2008.

Table IV-2
Surplus from Prior Year

Debt Service:	
Interest December 30, 2008	\$62,963
Principal December 30, 2008	\$115,000
Administrative Expenses	\$1,730
<i>Sub-total Expenses</i>	<i>\$179,693</i>
Funds Available:	
Balance of CY07 special taxes transferred in November 2008	(\$180,596)
Balance of prior years special taxes transferred in December 2008	(\$28,709)
Available Bond and Interest Fund at Oct. 31, 2008	(\$12,475)
Available Reserve Fund Investment Income at Oct. 31, 2008	(\$1,939)
Reserve Fund Interest Income thru Dec. 30, 2008	(\$241)
Available Administrative Expense Fund at Oct. 31, 2008	(\$11,880)
<i>Sub-total Available Funds</i>	<i>(\$235,841)</i>
Total Surplus	(\$56,148)

As of October 31, 2008, the balance in the Administrative Expense Fund was \$11,880. Administrative expenses for calendar year 2007 were estimated to be \$13,000. As of October 31, 2008, \$11,270 in administrative expenses had been paid for calendar year 2007, resulting in a balance of \$1,730 in unpaid administrative expenses that will have to be funded with the balance in the Administrative Expense Fund.

Accordingly, an estimated aggregate surplus of \$56,148 [(\$180,596 + \$28,709 + \$12,475 + \$1,939 + \$241 + \$11,880) – (\$62,963 + \$115,000 + \$1,730) = \$56,148] is projected to be 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 \$304,038. Funds available to pay these expenses, other than special taxes, are estimated to be \$59,038, resulting in a special tax requirement of \$245,000.

C. SPECIAL TAX COLLECTION

Special taxes were levied in 2006 for collection in 2007 in the amount of \$207,200. As of January 27, 2009, the village has reported collecting \$207,200 in special taxes, representing 100 percent of special taxes to be collected in 2007. Of the total amount of special taxes collected, \$3,924 was collected on two parcels at tax sale on October 16, 2008.

Special taxes were levied in 2007 for collection in 2008 in the amount of \$245,000. As of January 27, 2009, the Village of Hampshire has reported collecting special taxes in the amount of \$242,076 for calendar year 2007, representing 98.8 percent of special taxes for calendar year 2007. Of the total amount of calendar year 2007 special taxes collected, \$4,844 was collected on two parcels at tax sale on October 16, 2008. The uncollected balance of \$2,924 remains outstanding on parcel number 01-02-152-004, which is owned by Debco Crane.

Special taxes were levied in 2008 for collection in 2009 in the amount of \$245,000. Calendar year 2008 special taxes are due on June 1, 2009. As a result, there are no delinquent calendar year 2008 special taxes outstanding at this time.

D. COLLECTION EFFORTS

As of January 27, 2009, the special service area counsel reports that there are no collection efforts underway at this time. If the special taxes remain unpaid, the delinquent parcel owned by Debco Crane is expected to go to tax sale in October 2009.

V. DISTRICT INFORMATION

A. SOCIOECONOMIC INFORMATION

(i) Population Trend

Table V-1 below depicts the population trends for the Village of Hampshire, Kane County and the State of Illinois, as reported by the U.S. Census Bureau's 2007 American Community Survey.

Table V-1
Population Trend

Area	1990	2000	2007
Village of Hampshire	1,843	2,900	N/A
Kane County	317,471	404,119	489,641
State of Illinois	11,430,602	12,419,293	12,852,548

Source: US Census Bureau 2007 American Community Survey

(ii) Median Family Income

Table V-2 below shows the 2007 median family income for the Village of Hampshire, Kane County, and the State of Illinois. According to the U.S. Census Bureau's 2007 American Community Survey, the median family income for Kane County and the State of Illinois was \$75,851 and \$65,761, respectively. The distribution of family income for the Village of Hampshire is based on the 2000 Census with a median family income of \$65,069, as shown in the Official Statement.

Table V-2
Median Family Income

Income	The Village		Kane County		State of Illinois	
	Number	Percent	Number	Percent	Number	Percent
Under \$10,000	14	1.73%	3,364	2.8%	128,894	4.6%
\$10,000 to \$14,999	3	0.37%	2,025	1.7%	94,393	3.1%
\$15,000 to \$24,999	42	5.18%	6,476	5.4%	241,810	8.0%
\$25,000 to \$34,999	66	8.14%	9,594	7.9%	276,818	8.9%
\$35,000 to \$49,999	123	15.17%	14,117	11.7%	415,995	13.6%
\$50,000 to \$74,999	243	29.96%	24,121	19.9%	658,361	21.2%
\$75,000 to \$99,999	218	26.88%	19,429	16.1%	492,906	15.2%
\$100,000 to \$149,999	72	8.88%	24,003	19.8%	510,386	15.1%
\$150,000 to \$199,999	15	1.85%	10,315	8.5%	178,778	5.3%
\$200,000 or more	15	1.85%	7,550	6.2%	181,746	5.0%
Total	811	100.00%	120,994	100.0%	3,180,087	100.0%

Source: US Census Bureau 2007 American community Survey

(iii) Median Household Income

Table V-3 on the following page provides the 2007 projected household income distribution for the Village of Hampshire, Kane County, and the State of Illinois. According to the U.S. Census Bureau's 2007 American Community Survey, the median household income for Kane County and the State of Illinois was \$67,219 and \$54,124, respectively. The distribution of household income for the Village of Hampshire is based on the 2000 Census with a median income of \$58,519, as shown in the Official Statement.

Table V-3
Median Household Income

Income	The Village		Kane County		State of Illinois	
	Number	Percent	Number	Percent	Number	Percent
Under \$10,000	39	3.82%	5,905	3.7%	325,405	6.8%
\$10,000 to \$14,999	24	2.35%	5,491	3.4%	239,256	5.0%
\$15,000 to \$24,999	68	6.65%	11,681	7.3%	493,401	10.4%
\$25,000 to \$34,999	101	9.88%	13,892	8.7%	472,212	9.9%
\$35,000 to \$49,999	185	18.10%	20,358	12.7%	659,735	13.9%
\$50,000 to \$74,999	268	26.22%	32,499	20.3%	925,550	19.4%
\$75,000 to \$99,999	212	20.74%	23,884	14.9%	623,176	13.1%
\$100,000 to \$149,999	95	9.30%	27,138	16.9%	603,011	12.7%
\$150,000 to \$199,999	15	1.47%	10,994	6.9%	209,448	4.4%
\$200,000 or more	15	1.47%	8,560	5.3%	208,385	4.4%
Total	1,022	100.00%	160,402	100.0%	4,759,579	100.0%

Source: US Census Bureau 2007 American Community Survey

(iv) Income Statistics

Table V-4 below provides the 2007 income statistics for the Village of Hampshire, Kane County, and the State of Illinois. According to the U.S. Census Bureau's 2007 American Community Survey, per capita income for Kane County and the State of Illinois was \$28,579 and \$27,965, respectively. The statistics provided for the Village of Hampshire are based on the 2000 Census with per capita income of \$22,143, as shown in the Official Statement.

Table V-4
Income Statistics

	Hampshire	Kane County	State of Illinois
2007 per capita income	\$22,143	\$28,579	\$27,965
2007 median household income	\$58,519	\$67,219	\$54,124
2007 median family income	\$65,069	\$75,851	\$65,761
Median contract Rent	\$724	\$875	\$783
Median value owner occupied housing	\$157,700	\$242,400	\$208,800

Source: US Census Bureau 2007 American Community Survey

(v) Age Statistics

Table V-5 below shows the median age statistics for the Village of Hampshire, Kane County and the State of Illinois. According to the U.S. Census Bureau's 2007 American Community Survey, the median age of residents of Kane County and the State of Illinois was 32.3 years and 35.9 years, respectively. The statistics provided for the Village of Hampshire are based on the 2000 Census with a median age of 35.0 years, as shown in the Official Statement.

Table V-5
Age Statistics

Area	Median Age
Village of Hampshire	35.0 years
Kane County	32.3 years
State of Illinois	35.9 years

Source: US Census Bureau 2007 American Community Survey

(vi) Median Home Value

Table V-6 below shows the 2007 median home values for Kane County and the State of Illinois. According to the U.S. Census Bureau's 2007 American Community Survey, the median home values for Kane County and the State of Illinois were \$242,400 and \$208,800, respectively. The 2007 median home value for the village was unavailable as of January 27, 2009.

**Table V-6
Median Home Value**

	1980	1990	2000	2007
Village of Hampshire	N/A	\$62,900	\$104,500	N/A
Kane County	\$92,300	\$102,500	\$103,400	\$242,400
State of Illinois	\$157,700	\$160,400	\$130,800	\$208,800

Source: US Census Bureau 2007 American Community Survey

(vii) Village Building Permits

Table V-7 below presents the number of privately owned residential building permits issued by the village from 2000 to 2008 and the estimated cost of construction. According to the Village of Hampshire's Department of Building and Zoning, 295 building permits were issued in 2008 with an estimated construction cost of \$7,569,550.

**Table V-7
Village Building Permits**

Calendar Year	Number	Value of Permits
2000	168	\$12,933,012
2001	242	\$18,629,697
2002	276	\$21,247,091
2003	267	\$18,446,414
2004	303	\$24,029,645
2005	292	\$26,369,295
2006	314	\$35,504,772
2007	564	\$35,216,905
2008	295	\$7,569,550

Source: The Village of Hampshire

(viii) Village Equalized Assessed Valuation

Table V-8 on the following page provides the equalized assessed value of the property located in the village. According to the Kane County Clerk, the equalized assessed value of the village for calendar year 2007 was \$171,620,628, compared to \$152,273,309 for calendar year 2006, representing a 12.7 percent increase from the prior year.

Table V-8
Equalized Assessed Value

Property Class	Levy Year	
	2006	2007
Residential	\$116,131,579	\$133,830,352
Farm	\$1,490,206	\$1,560,814
Commercial	\$12,719,698	\$13,558,655
Industrial	\$21,916,842	\$22,643,060
Railroad	\$14,984	\$27,747
Total	\$152,273,309	\$171,620,628
Percent Change	13.0%	12.7%

Source: Kane County Clerk

(ix) Principal Village Taxpayers

Table V-9 below provides a list of the principal taxpayers of the village as of January 2008. According to the assessor for Hampshire Township, the 2007 equalized assessed value for principal taxpayers was \$17,759,088, representing 10.3 percent of the total equalized assessed value for the village.

Table V-9
Principal Village Taxpayers

Taxpayer Name	2007 EAV	Percent of Total
Sysco Foods	\$3,833,425	2.2%
Combined Metals	\$3,345,140	1.9%
TRZ Hampshire LLC	\$2,030,130	1.2%
W.R. Meadows, Inc.	\$1,853,027	1.1%
Minerallac	\$1,799,383	1.0%
Poli Film	\$1,702,971	1.0%
Hampshire, LLC	\$1,489,828	0.9%
Hampshire Partners, LLC	\$924,518	0.5%
National Auto/Truckstops	\$780,666	0.5%
Total	\$17,759,088	10.3%
2007 Village EAV	\$171,620,628	100.0%

Source: Hampshire Township Assessor

(x) Major Area Employers

Table V-10 on the following page depicts the major area employers for Kane County, as reported in the 2007 Kane County Comprehensive Annual Financial Report.

Table V-10
Major Area Employers

Employer	Type of Business	2007 Number of Employees
School District U-46	Public School District	4,820
Caterpillar, Inc.	Construction Machinery	3,000
Fermi National Accelerator Lab.	High Energy Physics Research Laboratory	2,200
Sherman Hospital	General Hospital	1,705
Harper-Wyman Co.	Thermostatic Controls & Gas Combustion Products	1,400
Delnor Community Hospital	General Hospital	1,022
Dreyer Medical Clinic	Medical Services	1,000
Provena St. Joseph Hospital	General Hospital	950
Provena Mercy Center	Medical and Psychiatric Hospital	945
Rush Copely Medical Center	Hospital & Medical Center	925

Source: Kane County Comprehensive Annual Financial Report

(xi) Tax Extension and Collection

Table V-11 below provides the total property tax levied and collected for the Village of Hampshire. According to the Kane County Treasurer's Office, property taxes in the amount of \$684,041 were levied in calendar year 2007 for collection in 2008. Property taxes were due on June 2 and September 2, 2008. As of January 28, 2009, the treasurer's office reports that property taxes in the amount of \$682,667 have been collected, representing 99.8 percent of the total property taxes levied for calendar year 2007.

Table V-11
Tax Extensions and Collections

Levy Year	Collection Year	Taxes Extended	Total Collections	
			Amount	Percent
1995	1996	\$289,263	\$288,348	99.7%
1996	1997	\$304,943	\$304,360	99.8%
1997	1998	\$322,105	\$320,914	99.6%
1998	1999	\$336,688	\$336,073	99.8%
1999	2000	\$367,932	\$366,847	99.7%
2000	2001	\$280,798	\$280,102	99.8%
2001	2002	\$320,879	\$320,114	99.8%
2002	2003	\$352,533	\$351,456	99.7%
2003	2004	\$401,680	\$400,986	99.8%
2004	2005	\$445,148	\$444,326	99.8%
2005	2006	\$498,940	\$498,833	100.0%
2006	2007	\$644,093	\$644,093	100.0%
2007	2008	\$684,041	\$682,667	99.8%

Source: Kane County Treasurer

(xii) Representative Tax Rates

Table V-12 below presents the representative tax rates for a typical taxpayer living in the Village of Hampshire Special Service Area Number Nine. Property taxes are expressed in dollars per \$100 of equalized assessed value. Please note: the representative tax rate does not include the calendar year 2007 assigned special tax, which was equal to \$1,825 per acre for developed property and \$410 per acre for undeveloped property. According to the treasurer's office for Kane County, the calendar year 2008 tax rates had not been finalized.

Table V-12
Representative Tax Rates

Taxing Agency	2006	2007
Village Rates:		
Corporate	0.1247	0.1294
Police Protection	0.0371	0.0646
Audit	0.0099	0.0087
Social Security	0.0727	0.0591
Bonds & Interest		
Liability Insurance	0.0575	0.0408
Illinois Municipal Retirement Fund	0.0790	0.0645
<i>Subtotal Village Rates</i>	0.3809	0.3671
District Rates:		
Kane County	0.3452	0.3322
Kane County Forest Preserve District	0.1747	0.1974
Northwest Kane Airport Authority		
Hampshire Township	0.0871	0.0835
Hampshire Township Road District	0.1654	0.1586
Hampshire Cemetery District	0.0086	0.0082
Hampshire Village	0.3592	0.3467
Hampshire Park District	0.1474	0.1411
Ella Johnson Library District	0.1087	0.1024
Hampshire Fire District	0.6283	0.6141
Dundee School District Number 300	3.9788	3.8673
Elgin Community College District Number 509	0.3398	0.3280
Total Rate	6.7239	6.5465

Source: Kane County Treasurer

(xiii) General Obligation Bonded and Debt Certificated Debt

Table V-13 below provides the total outstanding and cumulative retired principal schedule for general obligation alternate bonds and certificated debt issued by the Village of Hampshire as provided by the village treasurer on January 29, 2009.

**Table V-13
General Obligation Bonded and Debt Certificated Debt**

Calendar Year	Series 2003 (1)	Series 2003 (2)	Series 2006 (1)	Total Outstanding Debt	Cumulative Principal Retired	
					Amount	Percent
2008	\$70,000	\$50,000	\$65,000	\$185,000	\$410,000	10.55%
2009	\$70,000	\$55,000	\$70,000	\$195,000	\$605,000	15.57%
2010	\$75,000	\$55,000	\$70,000	\$200,000	\$805,000	20.72%
2011	\$80,000	\$55,000	\$75,000	\$210,000	\$1,015,000	26.13%
2012	\$90,000	\$60,000	\$80,000	\$230,000	\$1,245,000	32.05%
2013	\$90,000	\$60,000	\$85,000	\$235,000	\$1,480,000	38.10%
2014	\$105,000	\$55,000	\$90,000	\$250,000	\$1,730,000	44.53%
2015	\$115,000	\$55,000	\$90,000	\$260,000	\$1,990,000	51.22%
2016		\$180,000	\$95,000	\$275,000	\$2,265,000	58.30%
2017		\$185,000	\$100,000	\$285,000	\$2,550,000	65.64%
2018		\$195,000	\$105,000	\$300,000	\$2,850,000	73.36%
2019		\$205,000	\$110,000	\$315,000	\$3,165,000	81.47%
2020		\$215,000	\$115,000	\$330,000	\$3,495,000	89.96%
2021			\$125,000	\$125,000	\$3,620,000	93.18%
2022			\$130,000	\$130,000	\$3,750,000	96.53%
2023			\$135,000	\$135,000	\$3,885,000	100.00%
Total	\$760,000	\$1,450,000	\$1,600,000	\$3,810,000		

- (1) General obligation alternate bonds
- (2) Debt certificates

B. THE SPECIAL SERVICE AREA AND SPECIAL TAX

(i) Annual Assigned Special Tax by Property Class

The maximum annual special tax for each parcel classified as (developed) commercial property or undeveloped property shall be equal to the product of the number of acres of the parcel, rounded to the nearest one-hundredth of an acre, multiplied by the maximum special tax rates for (developed) commercial property and undeveloped property.

The per acre annual assigned special tax, the assigned special tax for calendar year 2008 (collected in 2009), the per acre maximum annual special tax, the maximum special tax for calendar year 2008, and the maximum special tax that can be levied in any year on (developed) commercial and undeveloped property are shown in Table V-14 on the following page.

Table V-14
Special Taxes by Property Class

Property Class	Acres	CY08 Annual Assigned Special Tax (per Acre)	CY08 Annual Assigned Special Tax	CY08 Maximum Special Tax (per Acre)	CY08 Maximum Annual Special Tax	Maximum Annual Special Tax (in any year)
Commercial	71.29	\$1,825	\$130,104	\$3,133	\$223,337	\$173,248
Undeveloped	173.44	\$410	\$71,110	\$705	\$122,285	\$94,862
Total	244.73		\$201,215		\$345,624	\$268,110

The maximum annual special tax levied by the village with the area shall not exceed \$345,624 in calendar year 2008. The maximum annual special tax that may be levied and extended (and collected in the following year) shall be increased by four percent (4.0%) of the amount of the maximum annual special tax in effect in the previous calendar year. The maximum annual special tax rates for calendar year 1997 were \$2,035 and \$458 for (developed) commercial property and undeveloped property, respectively.

Notwithstanding the forgoing, the maximum annual special tax levied and extended in the area shall not exceed \$268,110 in any one calendar year. In the event the sum of the maximum annual special tax that may be levied on all of the parcels of taxable property would exceed the maximum annual special tax that can be levied in any year (\$268,110), the maximum special tax on each parcel of taxable property shall be reduced by an equal amount such that the maximum annual special tax that may be levied and extended in a calendar year equals the maximum annual special tax that can be levied in any year (\$268,110).

(ii) Value to Lien Ratio

The property in the area is currently owned by fourteen commercial, retail, and industrial property owners, as well as four property trusts. According to the assessor for Hampshire Township, the calendar year 2007 market value of the property was \$39,236,715. As of December 31, 2008, the outstanding value of the bonds was \$2,680,000. As a result, the value to lien ratio was 14.6 to 1.00.

(iii) Debt Service Coverage by Maximum Aggregate Annual Special Tax

Table V-15 on the following page shows the maximum annual aggregate annual special tax for each calendar year, the estimated gross annual debt service on the bonds to be paid with special taxes levied in each calendar year, and the debt service coverage for the calendar year.

Table V-15
Debt Service Coverage

Calendar Year	Maximum Aggregate Annual Special Tax	Gross Annual Debt Service on Bonds	Debt Service Coverage
2008	\$268,110	\$266,551	100.6%
2009	\$278,834	\$256,181	108.8%
2010	\$289,988	\$260,613	111.3%
2011	\$301,587	\$264,631	114.0%
2012	\$313,651	\$278,238	112.7%
2013	\$326,197	\$291,019	112.1%
2014	\$339,245	\$297,975	113.9%
2015	\$352,814	\$299,313	117.9%
2016	\$352,814	\$300,238	117.5%
2017	\$352,814	\$295,750	119.3%
2018	\$352,814	\$304,000	116.1%
2019	\$352,814	\$301,250	117.1%
2020	\$352,814	\$194,796	181.1%

(iv) Annual Assigned and Maximum Special Tax

Table V-16 below shows the annual assigned special taxes to be paid by property owners for calendar year 2008 and the maximum special tax that could be paid by property owners in any year.

Table V-16
Maximum and Assigned Special Tax

Property Owner	CY08 Assigned Special Tax	Percent of Assigned Special Tax	Maximum Special Tax (in any year)	Percent of Maximum Special Tax (in any year)
Ahmad Azmi, et al	\$3,743	1.5%	\$4,097	1.5%
Combined Metals of Chicago Limited Partnership	\$93,967	38.4%	\$102,831	38.4%
Cortez, Elias & Rosalba	\$1,274	0.5%	\$1,395	0.5%
Debco Crane	\$2,887	1.2%	\$3,159	1.2%
Flannigan, Timothy	\$54,218	22.1%	\$59,332	22.1%
Holden, Keith and Shinkay, Jerome	\$4,833	2.0%	\$5,289	2.0%
Minerallac Company	\$23,384	9.5%	\$25,589.91	9.5%
Podolosky Northstar	\$4,668	1.9%	\$5,108.44	1.9%
Polifilm America, Inc.	\$14,812	6.0%	\$16,209.37	6.0%
Shahid, Hussain	\$1,040	0.4%	\$1,137.64	0.4%
Shree Vishnu, Inc.	\$3,842	1.6%	\$4,204.23	1.6%
Super Mix, Inc.	\$7,351	3.0%	\$8,043.93	3.0%
Sysco Asian Foods	\$22,340	9.1%	\$24,447.72	9.1%
Voom Development, Inc.	\$3,997	1.6%	\$4,374.34	1.6%
Wendy's Old Fashioned Hamburgers of NY, Inc.	\$2,643	1.1%	\$2,891.93	1.1%
Total	\$245,000	100.0%	\$268,109.99	100.0%

(v) Summary of Area's Annual Budget

The annual budget for calendar year 2008 and the preceding two calendar years is provided in Table V-17 on the following page.

Table V-17
Annual Budget

	CY06	CY07	CY08
Debt Service	\$223,250	\$240,925	\$256,181
Administration Expenses	\$11,372	\$13,000	\$13,260
Contingency	\$12,957	\$13,994	\$34,597
<i>Subtotal Expenses</i>	\$247,579	\$267,919	\$304,038
Reserve Fund Investment Income	(\$6,038)	(\$11,560)	(\$2,890)
Surplus from Prior Year	(\$41,541)	(\$11,359)	(\$56,148)
Special Tax Requirement	\$200,000	\$245,000	\$245,000

VI. MATERIAL EVENTS

Pursuant to the continuing disclosure agreement, material 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 securing repayment of the bonds; and
- (xi) rating changes.

The notices listed below were filed with the NRMSIR on June 23, 2008 and August 28, 2008.

- (i) On June 16, 2008, Standard & Poor's downgraded Radian Asset Assurance Inc. insured ratings from 'AA' to 'A'.
- (ii) On August 26, 2008, Standard & Poor's downgraded Radian Asset Assurance Inc. insured ratings from 'A' to 'BBB+'.

Other than the rating changes described above, the administrator is not aware of the occurrence of any other material events as of the date of this report.