

ORDINANCE NUMBER 02 - 08

**ORDINANCE GRANTING VARIATION TO INCREASE
THE FRONT YARD SETBACK ON THE PROPERTY COMMONLY
KNOWN AS 15 LINCOLN AVENUE, EAST DUNDEE, ILLINOIS**

WHEREAS, the Zoning Board of the Village of East Dundee, pursuant to notice, held a hearing on June 13, 2002, on Petition No. PZ-02-05-04 requesting a variation for the property commonly known as 15 Lincoln Avenue, East Dundee, Illinois, as follows: A variation to increase the front yard setback from the existing 15.50 feet to 20.50 feet to construct a porch on the front of the house; and

WHEREAS, pursuant to said hearing, the Zoning Board of Appeals may findings of Facts and Recommendations and by a vote of 8 ayes, 0 nays, and 1 absent, recommended a variation be granted to permit the requested front yard building setback to be increased to a 20.50 foot front yard setback.

NOW THEREFORE BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF EAST DUNDEE, KANE AND COOK COUNTIES, ILLINOIS, AS FOLLOWS:

Section One. That the Findings of Fact of the Zoning Board of Appeals are hereby approved and adopted and a variation be granted for the property commonly known as 15 Lincoln Avenue, East Dundee, to permit the front yard setback to be increased from 15.50 feet to 20.50 feet.

Section Two. Severability. If any section, paragraph or provision of this ordinance shall be held to be invalid or unenforceable for any reason, the

invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this ordinance.

Section Three. Repeal. All ordinances, resolutions, motions or parts thereof in conflict herewith shall be and the same are hereby repealed.

Section Four. Publication. This ordinance shall be in full force and effect forthwith upon its adoption, approval and publication in pamphlet form as provided by law.

Adopted this ^{1st} 15th day of July, 2002, pursuant to a roll call vote as follows:

AYES: Stall, Zaeske, Amone, Ruffolo, Bartels, Schock.

NAYES: None.

ABSENT: None.

Approved by me this ^{1st} 15th day of July, 2002.

Roger Ahrens
ROGER AHRENS, President

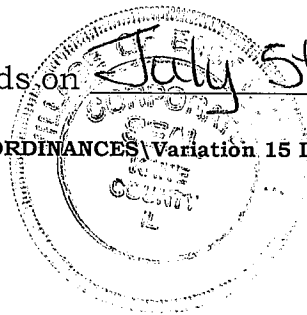
Published in pamphlet form this ^{5th} 5th day of July, 2002, under the authority of the President and Board of Trustees.

ATTEST:

Jane E. Theis
JANE THEIS, Village Clerk

Recorded in the Village Records on July 5th, 2002.

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June 12, 2002

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VIA UPS

Mr. John Regan
Early, Collison, Tousey, Regan, Wlodek & Morrow
2400 Big Rimber Road
Suite 201A
Elgin, Illinois 60123

Re: Village of East Dundee, Kane and Cook Counties, Illinois
Tax Increment Revenue Bonds, Series 2002

Dear John:

We are pleased to provide an engagement letter for our services as bond counsel for the captioned transaction. You have advised us that the Village expects to issue a series of tax increment revenue bonds (the "2002 Bonds") to pay the costs of a public capital infrastructure improvement program (the "2002 Project") in and for the Prairie Lakes redevelopment project area (the "Project Area") heretofore designated by the Village pursuant to the Tax Increment Allocation Redevelopment Act, as amended (the "TIF Act"), and costs of issuing the 2002 Bonds and that we are to be retained for the purpose of rendering our customary approving legal opinion.

I. DESCRIPTION OF SERVICES

As Bond Counsel, we will work with the Village and any parties who may become participants in the financing, including designated Village officers and employees, general counsel to the Village, its financial advisers, the purchasers of the 2002 Bonds and other parties to the transaction and to provide the following services as necessary:

1. Review the proposed timetable and consult with the other parties to the transaction as necessary in order to implement the financing in accordance with that timetable.
2. Review all relevant Illinois statutory and constitutional provisions, including all pending legislation and any other recent developments, relating to the issuance of the 2002 Bonds.

3. Obtain detailed information about the proposed bond issue and review the nature of use of and the private and public ownership of the 2002 Project.

4. Consider the issues arising under the Internal Revenue Code of 1986, as amended (the "Code"), and all applicable tax regulations relating to the issuance of the 2002 Bonds on a tax-exempt basis in view of the use of the 2002 Project and prepare all necessary tax compliance documents.

5. Prepare or review major transaction documents, including tax compliance certificates, review the Bond purchase agreement, if applicable, and draft descriptions of the documents which we have drafted as necessary. As Bond Counsel, upon request, we will assist the Village in reviewing (only) those sections of the official statement or any other disclosure document to be disseminated in connection with the sale of the 2002 Bonds involving the description of the 2002 Bonds, the security for the 2002 Bonds, and matters pertaining to tax exemption.

6. Prepare or review all pertinent proceedings to be considered by the President and Board of Trustees of the Village; confirm the necessary quorum, meeting and notice requirements, and draft pertinent excerpts of minutes of the meetings relating to the financing; and supervise the filing of all necessary state and/or federal reporting or notice requirements for the 2002 Bonds.

7. Prepare, revise as necessary and coordinate the distribution and execution of necessary closing documents and the 2002 Bonds, opinions and document transcripts.

8. Attend or host such drafting sessions and other conferences necessary to implement the financing, including the preclosing, if needed, and closing.

9. Render our customary approving legal opinion regarding the validity of the 2002 Bonds, the sources of payment therefor and the federal income tax treatment of interest thereon (the "Bond Opinion"), which opinion will be delivered by us in written form on the date the 2002 Bonds are exchanged for their purchase price (the "Closing"). The Bond Opinion will be based on facts and law existing as of its date. In rendering the Bond Opinion, we will rely upon the certified proceedings and other certifications of Village officials and other persons furnished to us. We are not engaged and will not provide services intended to verify the truth or accuracy of these proceedings or certifications. We understand that you and necessary members of the Village staff and other employees of and consultants to the Village will cooperate with us in this regard. Please note that our opinion represents our legal judgment based upon our review of the law and the facts so supplied to us that we deem relevant and is not a guarantee of result.

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II. LIMITATIONS

Our duties as Bond Counsel are limited to those expressly set forth above in this letter. Among other things, our duties *do not* include:

1. Except as described in Paragraph 5 above, assisting in the preparation or review of an official statement or any other disclosure document with respect to the 2002 Bonds, or performing an independent investigation to determine the accuracy, completeness or sufficiency of any such document or rendering any advice, view or comfort that the official statement or other disclosure document does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading;
2. Preparing requests for tax rulings from the Internal Revenue Service (the "Service");
3. Preparing blue sky or investment surveys with respect to the 2002 Bonds;
4. Drafting state legislative amendments;
5. Pursuing test cases or other litigation;
6. Making an investigation or expressing any view as to the sufficiency or accuracy of any feasibility study prepared in connection with the offering and issuance of the 2002 Bonds or of the creditworthiness of the Village or of the 2002 Bonds;
7. Opining on a continuing disclosure undertaking pertaining to the 2002 Bonds and, after the execution and delivery of the 2002 Bonds, providing advice concerning any actions necessary to assure compliance with any continuing disclosure undertaking;
8. Responding to Service audits or Securities and Exchange Village investigations;
9. After Closing, providing continuing advice to the Village or any other party concerning any actions necessary to assure that interest paid on the 2002 Bonds will continue to be excluded from gross income for federal income tax purposes, e.g., we will not undertake rebate calculations for the 2002 Bonds without a separate engagement for that purpose, nor will we monitor the use by the Village of the proceeds of the 2002 Bonds;
10. Providing any advice, opinion or representation as to the financial feasibility or the fiscal prudence of issuing the 2002 Bonds or to any other aspect of the financing, such as the investment of proceeds of the 2002 Bonds or the use of the 2002 Project.

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11. Any other matter not specifically set forth above that is not required to render the Bond Opinion.

The Bond Opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion. The Service has an ongoing program of auditing tax-exempt 2002 Bonds to determine whether, in the view of the Service, interest on such tax-exempt 2002 Bonds is includible in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether or not the Service will commence an audit of the 2002 Bonds, or as to whether the Service would agree with the Bond Opinion. If an audit is commenced, the Service will treat the Village as the taxpayer, and the holders of the 2002 Bonds may have no right to participate in such procedure. As Bond Counsel we are neither obligated to defend the tax-exempt status of the 2002 Bonds nor responsible to pay or reimburse the costs of the Village or the holders of the 2002 Bonds with respect to any audit or litigation relating to the 2002 Bonds.

III. ATTORNEY-CLIENT RELATIONSHIP

Upon execution of this engagement letter the Village will be our client, and an attorney-client relationship will exist between us. However, our services as Bond Counsel are limited to those as set forth in this engagement letter, and the Village's execution of this engagement letter will constitute an acknowledgment of those limitations. We will not act as an intermediary among the parties to the transaction.

This engagement letter will also serve to give express written notice to the Village that (a) from time to time we represent in a variety of capacities and/or consult with most underwriters, investment bankers, financial advisors and other persons active in Illinois public finance on a wide range of issues, (b) we act as general counsel to the Harris Trust & Savings Bank (the "Bank"), and (c) prior to the Village's execution of this engagement letter, we may have consulted with a number of such firms regarding the 2002 Bonds. Neither our representation of the Village nor such additional relationships or prior consultations will affect, however, our responsibility to render an objective bond counsel Bond Opinion. By executing this letter the Village will have consented to our representation of the Bank and will be deemed to have waived any conflict of interest claims you may have arising from our relationship with the Bank.

We assume that the Village will have you as its corporation counsel available as needed to provide advocacy in the transaction and that all other parties to the transaction will retain such counsel as they deem necessary and appropriate to represent their interests.

Our representation of the Village and the attorney-client relationship created by this engagement letter will be concluded upon the issuance of the 2002 Bonds. Nevertheless, subsequent to the Closing, we will prepare and provide a transcript of proceedings pertaining to

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the 2002 Bonds and, at your direction or request, make certain that a Federal Information Reporting Form 8038-G is filed for the 2002 Bonds.

IV. FEES

As is customary, we will bill our fees as Bond Counsel on a transactional basis instead of hourly. Disbursements are typically itemized and billed separately. Factors which affect our billing include: (a) our estimate of the risk involved in our writing our normal "unqualified" approving Bond Opinion (risk is related to the size, complexity and tax questions in the transaction); (b) an estimate of the time necessary to do the work; (c) the complexity of the issue (number of parties, timetable, type of financing and so forth); (d) recognition of the partially contingent nature of our fee, since it is customarily the case that if no financing is ever completed, we render a reduced statement of charges (the amount of reduction depends upon a number of factors, including the point at which the financing is cancelled and the amount of work and disbursements to the date we are notified that the issue will not go forward); and (e) a recognition that we carry the time for services rendered on our books until a financing is completed, rather than billing monthly or quarterly.

Based upon our understanding that (i) the principal amount of the 2002 Bonds will be approximately \$2,500,000, (ii) that the proceeds of the 2002 Bonds will be used to pay costs of the 2002 Project and related costs of issuance, (iii) that the 2002 Bonds will be issued as tax increment revenue bonds for which the revenue sources will be (i) incremental property taxes, if any, arising from the taxes levied in the Project Area by the affected taxing districts as provided under the TIF Act and (ii) certain distributions of utility taxes imposed by the Village pursuant to the Illinois Municipal Code, as amended, and (iv) that the 2002 Bonds will be issued in one series, we expect our aggregate fees as Bond Counsel to be \$29,500. If, at any time, we believe that circumstances require an adjustment of our original fee estimate, we will consult with you and prepare an amendment to this engagement letter.

Our fee is customarily paid at Closing, and we generally do not submit any statement for fees until the Closing, except in instances where there is a substantial delay from the expected timetable for the financing. In such instance, we reserve the right to present an interim statement of charges. We may submit a statement for charges following the Closing. If, for any reason, the financing is not consummated or is completed without the rendition of our Bond Opinion as bond counsel, or our services are otherwise terminated, we will expect to be compensated at our normal hourly rates and for client disbursements actually incurred to the date of termination. The undersigned will act as your primary contact for this issue, with assistance as needed from other members of our bond and tax departments.

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V. RECORDS

After Closing we will prepare and send to all parties in CD-Rom format what we have assembled as the financing transcript. In addition, at the Village's request, to be made at or prior to Closing, any other papers and property provided by the Village will be promptly returned to the Village upon receipt of payment for our outstanding fees and client disbursements. All other materials shall thereupon constitute our own files and property, and these materials, including lawyer work product pertaining to the transaction, will be retained or discarded by us at our sole discretion.

If the foregoing terms are acceptable, please have the Village so indicate by returning the enclosed copy of this engagement letter and dated and signed by an authorized officer, retaining the originals for your files. I look forward to working with you and the Village and to a successful transaction.

Very truly yours,

CHAPMAN AND CUTLER

By Patricia M. Curtner
Patricia M. Curtner

PMC:rw

Accepted and Approved:

VILLAGE OF EAST DUNDEE,
KANE AND COOK COUNTIES, ILLINOIS

By: _____
Title: _____

Date: _____, 2002

cc: Beth Ruyle

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