EXCERPT OF MINUTES

At a regular meeting of the City Council of the City of South Haven, Van Buren and Allegan Counties, Michigan, held in City Hall located at 539 Phoenix Street, South Haven, Michigan, on the 17th day of August, 2009, commencing at 7:30 p.m.

Present: Andersen, Fitzgibbon, Kozlik Wall, Smith, Stegeman, Appleyard
Absent: Bemis

After concluding certain matters of the agenda, Mayor Appleyard announced that the next order of business was Item 16: City Council will be asked to consider Resolution 2009-42: A Resolution approving an amendment to the Development Plan and Tax Increment Financing Plan for Industrial Development District #2.

Background Information: LDFA 2 is a tax increment financing district which is intended to finance infrastructure for the industrial district which includes the Department of Public Works building, Compton's, Do-It and the former Canonie building. The current LDFA 2 Development Plan expires in October, 2009. The proposed amendment would extend the plan to 2022.

LDFA 2 is currently making bond payments for infrastructure improvements for the Department of Public Works building. These annual payments of $14,000 extend to 2022. LDFA 2 received approximately $40,000 in revenue in fiscal 2008-2009.

The projects which are desired for LDFA 2 in the future are:

- Coordinate with the County Road Commission to improve 8th Avenue to industrial standards (provide funding for project).
- Renewable Energy Project (wind turbine or solar power on Public Works site as a demonstration project).
- Administration and promotion of industrial parks, economic development activities.

The proposed text of the amendment starts with the original plan and adds a number of amendments and clarifications.

- The plan has been extended to 2022, which is the term of the bond payments for the new DPW building infrastructure project.
- Improve and repair roadway has been added as a project. Originally the plan allowed for construction of roadway, and this change clarifies that roadway may be repaired.
- A new map has been prepared for the district.
- The description of the district has been updated to the 1995 amended boundary.
- The project of "access drive to Blue Star Hwy" has been removed from the plan.
- A "Renewable Energy Project" has been added. The concept which was discussed is to place a wind turbine on the DPW building site, however, no plan is currently in place for this project.
- "Administration and Promotion" has been added as a project.
- Other minor clarifications and corrections have been made.

Moved by Smith to Resolution 2009-42: A Resolution approving an amendment to the Development Plan and Tax Increment Financing Plan for Industrial Development District #2. Seconded by Kozlik Wall.

Voted Yes: All. Motion carried.

EXCERPT OF MINUTES

The foregoing is a true and exact excerpt of minutes of a regular meeting of the City Council held on the 17th day of August, 2009.

CERTIFICATION

STATE OF MICHIGAN)
) ss.
COUNTIES OF ALLEGAN AND VAN BUREN)

I, Amanda Morgan, the duly qualified and acting Clerk of the City of South Haven, do hereby certify that the foregoing is a true and complete excerpt of the draft minutes of the City Council at a regular meeting held on August 17, 2009, the original of which is on file in the office of the City Clerk. Public notice of said meeting was given pursuant to and in compliance with Act No. 267, Public Acts of Michigan, 1976, as amended.

IN WITNESS WHEREOF, I have hereto affixed my official signature this 15th day of September, 2009.

Amanda Morgan

Amanda Morgan, City Clerk

CITY OF SOUTH HAVEN
VAN BUREN AND ALLEGAN COUNTIES, MICHIGAN

RESOLUTION NO. 2009-42

A RESOLUTION APPROVING AN AMENDMENT TO THE DEVELOPMENT PLAN AND TAX INCREMENT FINANCING PLAN FOR INDUSTRIAL DEVELOPMENT DISTRICT #2

Minutes of a regular meeting of the City Council of the City of South Haven, Van Buren and Allegan Counties, Michigan, held in the City Hall, 539 Phoenix Street, South Haven, Michigan 49090 on August 17, 2009 at 7:30 p.m. local time.

PRESENT: Andersen, Fitzgibbon, Kozlik Wall, Smith, Stegeman, Appleyard

ABSENT: Bemis

The following preamble and resolution was offered by Member Smith and supported by Member Kozlik Wall.

WHEREAS, pursuant to Act No. 281, Public Acts of Michigan, 1986, as amended (the "Act"), the City of South Haven did, on June 19, 1989, by Resolution No. 89-33, create and establish the City of South Haven Local Development Finance Authority (the "LDFA"); and

WHEREAS, the City adopted the LDFA Development Plan and Tax Increment Finance Plan for Industrial Development District #2 (the "Plan") on October 17, 1994 by Resolution No. 94-54; and

WHEREAS, the City amended the Plan on March 20, 1995 by Resolution 95-10 and on December 16, 1996 by Resolution 96-50; and

WHEREAS, in compliance with the provisions of the Act, the LDFA has prepared the amendment to the Plan attached to this Resolution as Exhibit A and recommended it to the City Council for approval (the "Amendment"); and

WHEREAS, on August 17, 2009, the City Council held a public hearing on the Amendment pursuant to the Act, notice of which was given by publication on July 26, 2009, and August 2, 2009 in the Herald Palladium; and

WHEREAS, the City Council has given the taxing jurisdictions in which the Development Area is located an opportunity to meet with the City Council and express their view and recommendations regarding the Amendment.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Findings.

   (a) The Amendment to Plan constitutes a public purpose.

   (b) The changes to the development plan contained in the Amendment meet the requirements set forth in Section 15(2) of the Act, and the changes to the tax increment financing plan contained in the Amendment meet the requirements set forth in section 12 (1), (2) and (3) of the Act.

(c) The proposed method of financing the public facilities is feasible and the authority has the ability to arrange the financing.

(d) The development is reasonable and necessary to carry out the purposes of the Act.

(e) The amount of captured assessed value estimated to result from adoption of the plan is reasonable.

(f) No land is to be acquired under the Amendment.

(g) The development plan is in reasonable accord with the approved master plan of the municipality.

(h) Public services are adequate to serve the property.

(i) Changes to zoning, streets, street levels, intersections, and utilities are reasonably necessary for the project and for the City of South Haven.

2. Approval. The Amendment, attached and marked as Exhibit A, is hereby approved by the South Haven City Council.

BE IT FURTHER RESOLVED, that this resolution shall take effect upon passage by the City Council.

RECORD OF VOTE:

Yeas: Andersen, Fitzgibbon, Kozlik Wall, Smith, Stegeman, Appleyard

Nays: None

RESOLUTION DECLARED ADOPTED.

Dorothy Appleyard, Mayor

Amanda Morgan, City Clerk

CERTIFICATION

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council at a meeting held on the 17th day of August, 2009, at which meeting a quorum was present, and that this resolution was ordered to take immediate effect. Public notice of said meeting was given pursuant to and in compliance with the Open Meetings Act, Act No. 167 of the Public Acts of Michigan 1976 (MCL 15.261 *et seq*).

Amanda Morgan, City Clerk

EXHIBIT A

LOCAL DEVELOPMENT FINANCE AUTHORITY
OF THE CITY OF SOUTH HAVEN
COUNTIES OF VAN BUREN AND ALLEGAN, MICHIGAN

RESOLUTION NO. 02-2009

A RESOLUTION RECOMMENDING AN AMENDMENT TO THE DEVELOPMENT PLAN AND TAX INCREMENT FINANCE PLAN FOR INDUSTRIAL DEVELOPMENT DISTRICT #2 TO THE CITY COUNCIL OF THE CITY OF SOUTH HAVEN

Minutes of a regular meeting of the Board of Directors of the Local Development Finance Authority of the City of South Haven, Allegan and Van Buren Counties, State of Michigan, held in the City Hall, 539 Phoenix Street, South Haven, Michigan, on July 13, 2009, at 4:00 p.m., local time.

Present, Boardmembers: Appleyard, Bolt, Erdmann, Gawzelink, Hartgerink, Kerber, Mezak, Valentine, Varney.

Absent, Boardmembers: Black, Gillett.

The following preamble and resolution were offered by Boardmember Bolt and supported by Boardmember Kerber.

WHEREAS, pursuant to Act No. 281 of the Public Acts of Michigan, 1986, as amended (the "Act"), the City of South Haven did, on June 19, 1989, by Resolution No. 89-33, create and establish the City of South Haven Local Development Finance Authority (the "LDFA"); and

WHEREAS, the City adopted the LDFA Development Plan and Tax Increment Finance Plan for Industrial Development District #2 (the "Plan") on October 17, 1994 by Resolution No. 94-54, ; and

WHEREAS, the City amended the Plan on March 20, 1995 by Resolution 95-10 and on December 16, 1996 by Resolution 96-50; and

WHEREAS, in compliance with the provisions of the Act, the LDFA has prepared the amendment to the Plan attached to this Resolution as Exhibit A (the "Amendment").

5865752.1 26369/129040

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Amendment, attached as Exhibit A, is hereby approved by the Board of the LDFA and recommended to the City Council for its approval.

2. This resolution hereby rescinds and replaces LDFA Resolution 01-2009, as approved on June 8, 2009.

3. The Amendment shall be submitted to the South Haven City Council for approval and adoption in accordance with the provisions of the Act.

AYES: Appleyard, Bolt, Erdmann, Gawrelink, Hartgerink, Kerber, Mezak, Valentine, Varney.

NAYS: - none. -

RESOLUTION DECLARED ADOPTED.

Paul VandenBosch, Secretary

CERTIFICATION

STATE OF MICHIGAN)
) ss.
COUNTY OF VAN BUREN)

I, Paul VandenBosch, the duly qualified and acting Secretary of the Board of the Local Development Finance Authority of the City of South Haven, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Board at a meeting held on July 13, 2009, the original of which is on file in the office of the Local Development Finance Authority. Public notice of said meeting was given pursuant to and in compliance with Act No. 267, Public Acts of Michigan, 1976, as amended.

IN WITNESS WHEREOF, I have hereto affixed my official signature this July 13, 2009.

Paul VandenBosch, Secretary

5865752.1 26369/129040

EXHIBIT A

5865752.1 26369/129040

SOUTH HAVEN LOCAL DEVELOPMENT FINANCE AUTHORITY

Industrial Development

District #2

I. DEVELOPMENT PLAN

Under Act 281, Public Acts of Michigan, 1986 ("Act 281"), the Authority must prepare a Development Plan if it intends to finance a project under the Act. This document constitutes the Development Plan, consistent with the format described in Section 15 of Act 281.

Overview of the Development: The community of South Haven has determined that in its own interest of economic growth and stability of employment, it is important that an ongoing program of industrial development, job creation and job retention be created, supported and expanded. This is an overall program of industrial development, retention and expansion, reclamation of vacant industrial buildings and sites, environmental corrections, industrial park expansion, infrastructure improvements as well as industrial and community promotion.

The projects to be undertaken by the Local Development Finance Authority can be summarized as follows:

Land and Infrastructure Improvements

- Acquire and develop new lands for industrial growth purposes.
- Perform environmental assessments
- Install infrastructure, including water, sanitary sewer, storm sewer, electric, gas, renewable energy and telecommunications.
- Improve and repair roadway.
- Improve land for development.

Promotion of the Authority District

- Promotion of the district in conjunction with other agencies.
- Administration costs to oversee the programs.

A. A description of the property to which the plan applies in relation to the boundaries of the authority district and a legal description of the property. Section 15 (2) (a).

The Development Plan applies to the property described on Exhibit A, the boundaries of which are coterminous with the boundaries of the Local Development Finance Authority Development District #2.

B. The designation of boundaries of the property to which the plan applies in relation to highways, streets, or otherwise. Section 15 (2) (b).

The Development Plan applies to the Authority's entire Development District #2 . The Authority District is approximately 62 acres, east of Blue Star Highway, west of I-196, and north of M-43 in the City. The entire area is designated as a business development area.

A legal description and a survey showing the boundaries of the Authority District are

attached as **Exhibit A**. The Authority District is generally bound on the north by private property, on the east by private property and I-196 at a point, on the south by M-43, and on the west by private property and Blue Star Highway.

A map of the Authority District is provided in **Exhibit B**.

C. The location and extent of existing streets and other public facilities in the vicinity of the property to which the plan applies; the location, character, and extent of the categories of public and private land uses then existing and proposed for the property to which the plan applies, including residential, recreational, commercial, industrial, educational, and other uses. Section 15 (2) (c).

1. Streets: The Authority District presently has three roadways serving the area. Blue Star Highway provides access at the northwest corner of the District, 8th Avenue provides access to the central part, and M-43 provides access to the south end of the property. New land developed will meet the Michigan certified industrial park standards.

2. Public Facilities: Water mains, sanitary sewers, storm sewers, underground electric utilities, and other utilities will be extended into the Authority District. Water mains currently run along Blue Star Highway and could be extended into the Authority District from its northwest corner or down 8th Avenue into the south end of the District. The existing water main on Blue Star Highway will be extended north to connect to an existing water main on Blue Star Highway near Phoenix Road to complete a system loop which will improve water pressure to serve the District. Sanitary sewer mains exist approximately 100 feet east of the intersection of 8th Avenue and Blue Star Highway, and could be extended down 8th Avenue into the south end of the District, or could be extended north along Blue Star Highway, and then east through a private property easement into the western side of the authority District. Open storm sewer drainage exists along Blue Star Highway at the northwest corner of the Authority District, and along 8th Avenue on the south end of the Authority District. All other infrastructure is adjacent to the Authority District at points along Blue Star Highway and 8th Avenue.

3. Current Land Uses: The majority of the District is used for industrial uses and is zoned for industrial use. There is a church with property fronting on Blue Star Highway which is zoned as Multiple Family Residential.

4. Proposed Land Uses: The land will remain zoned for industrial purposes to be developed with new industrial buildings.

D. A description of public facilities to be acquired for the property to which the plan applies, a description of any repairs and alterations necessary to make those improvements, and an estimate of the time required for completion of the improvements. Section 15(2)(d).

This Development Plan calls for the following facility improvements:

1. Engineering/Planning: The Authority will reimburse the City of South Haven for preliminary engineering costs incurred for site planning/layout and infrastructure feasibility studies performed prior to creation of the Authority District.

2. Streets: Roadway will be repaired as needed.

3. Public Facilities: Water mains, sanitary sewers, storm sewers, underground electric utilities, and other utilities will be extended into the Authority District. Water mains will be extended into the Authority District from its northwest corner or down 8th Avenue into the south end of the District. The existing water main on Blue Star Highway will be extended north to connect to an existing water main on Blue Star Highway near Phoenix Road to complete a system loop which will improve water pressure for developments in the District. Sanitary sewer will be extended down 8th Avenue into the south end of the District, or will be extended north along Blue Star Highway, and then east through a private property easement into the Authority District through the west boundary. A storm sewer system will be constructed along the new access roadway, and will connect with off-site drainage systems on Blue Star Highway and 8th avenue. All other utilities including gas, telecommunications, and electric will be extended along the new access roads from existing locations along Blue Star Highway and 8th Avenue to serve new development sites. Roadways will be improved and maintained. Renewable energy projects serving customers within the district will be constructed.

4. Land Improvements: Land in the Authority District will be cleared, graded, and maintained for planned developments.

5. Park Signs and Landscaping: Signage and landscaping will be constructed at the Authority District's entrance point(s), including Blue Star Highway and/or 8th Avenue, and within the Industrial Development District.

6. Property Acquisition: The Authority will acquire the property from the City of South Haven. The Authority will purchase, improve and develop additional lands adjacent to the Authority District.

Time estimates for the components of the Plan are as follows:

	Completion:
1. Engineering Report	1994
2. Land and Site Preparation	1995
3. Park Signs and Landscaping	1995
4. Existing Additional Access Drives and Utility Extensions	1996
5. Roadway Construction and Repair	1996 - 2022
6. New Land Development	
-Land Purchases	1996 - 2022
-Engineering Report	1996
-Roadways and Utilities	1997 - 2022
7. Renewable Energy Project	2012
8. Administration and Promotion	1994 - 2022

E. The location, extent, character, and estimated cost of the public facilities for the property to which the plan applies, and estimate of the time required for completion. Section 15 (2) (e).

The public facilities to be extended include streets, water, sanitary sewer, storm sewer, renewable energy, and all other utilities. Public facilities also include the acquisition and development of new land, engineering, infrastructure installation, and site preparation for industrial development purposes. The estimated costs and timing of the projects are as shown on **Exhibit C**.

F. A statement of the construction or stages of construction planned, and the estimated time of completion of each stage. Section 15 (2) (f).

Construction planned and estimated time of completion are shown on **Exhibit C**.

G. A description of any portions of the property to which the plan applies, which the authority desires to sell, donate, exchange, or lease to or from the municipality and the proposed terms. Section 15 (2) (g).

The Authority may enter into an agreement with the City to purchase and sell industrial property.

H. A description of desired zoning changes and changes in streets, street levels, intersections, and utilities. Section 15 (2) (h).

Zoning: The Authority District is currently zoned for industrial purposes with no changes anticipated.

Streets: Public roadway will be constructed and repaired.

Utilities: All utilities will be extended to service property in the Authority District. An existing water main on Blue Star Highway will be extended north to connect with an existing water main at a point south of Phoenix Street to complete a water system loop to improve water pressure in Authority District.

I. An estimate of the cost of the public facility or facilities, a statement of the proposed method of financing the public facility or facilities, and the ability of the authority to arrange the financing. Section 15 (2) (i).

The costs of the facilities encompassed by this plan (the "Development") are set forth in **Exhibit C**. Financing for the public improvements to be undertaken to develop and benefit the Authority District will come from three potential sources:

1. Tax Increment Financing Revenues used for development costs as such revenues are available.

2. City general funds and public and private utility funds.

3. Grants, loans and bonds.

J. Designation of the person or persons, natural or corporate to whom all or a portion of the public facility or facilities is to be leased, sold, or conveyed and for whose benefit the project is being undertaken, if that information is available to the authority. Section 15 (2) (j).

Information on the potential purchasers or lessees of industrial property is not available at this time.

K. The procedures for bidding for the leasing, purchasing, or conveying of all or a portion of the public facility or facilities upon its completion, if there is no express or implied agreement between the authority and persons, natural or corporate, that all or a portion of the development will be leased, sold, or conveyed to those persons. Section 15 (2) (k).

Property will be leased or sold through a written agreement between the Authority or City and the industrial developer. Agreements will be discussed and approved at public meetings of the Authority or City Council.

L. Estimates of the number of persons residing on the property to which the plan applies and the number of families and individuals to be displaced. If occupied residences are designated for acquisition and clearance by the Authority, a development plan shall include a survey of the families and individuals to be displaced, including their income and racial composition, a statistical description of the housing supply in the community, including the number of private and public units in existence or under construction, the condition of those in existence, the number of owner-or under construction, the condition of those in existence, the number of owner-occupied and renter-occupied units, the annual rate of turnover of the various types of housing and the range of rents and sale prices, an estimate of the total demand for housing in the community, and the estimated capacity of private and public housing available to displaced families and individuals. Section 15 (2) (l).

No people are residing on the property to which the plan applies. No people are to be displaced by the project. The Authority does not plan to acquire or demolish any occupied residences.

M. A plan for establishing priority for the relocation of persons displaced by the development. Section 15 (2) (m).

Not applicable. No relocation is planned.

N. Provision for the costs of relocating persons displaced by the development, and financial assistance and reimbursement of expenses, including litigation expenses and expenses incident to the transfer of title, in accordance with the standards and provisions of the federal uniform relocation assistance and real property acquisition policies act of 1970, 42 U.S.C. 4601 to 4655. Section 15 (2) (n).

Not applicable. No relocation is planned.

O. A plan for compliance with Act No. 227 of the Public Acts of 1972, being sections 213.321 to 213.332 of the Michigan Compiled Laws (an act to provide financial assistance, advisory services and reimbursement of certain expenses to persons displaced from real property or deprived of certain rights in real property). Section 15 (2) o).

Not applicable.

P. Other material which the authority or governing body considers pertinent. Section 15 (2) (p).

Not applicable.

II. TAX INCREMENT FINANCE PLAN

A. A statement of the reasons that the plan will result in the development of captured assessed value which could not otherwise be expected. The reasons may include, but are not limited to, activities of the municipality, authority or others undertaken before formulation or adoption of the plan in reasonable anticipation that the objectives of the plan would be achieved by some means. Section 12 (2) (a).

Implementation of the tax increment financing plan will allow the Authority to improve and fully service the land to make it marketable for new industrial development. The land in the Authority is currently the only publicly-owned land available for industrial purposes in the City.

B. An estimate of the captured assessed value for each year of the plan. The plan may provide for the use of part or all of the captured assessed value, or subject to section 12 (3) of Act 281, of the tax increment revenues attributable to the levy of any taxing jurisdiction, but the portion intended to be used shall be clearly stated in the plan. The authority or municipality creating the authority may exclude from captured assessed value a percentage of captured assessed value as specified in the plan or growth in property value resulting solely from inflation. If excluded, the plan shall set forth the method for excluding growth in property value resulting solely from inflation. Section 12 (2) (b).

The estimated captured assessed values for each plan year are as shown on **Exhibit D.**

C. The estimated tax increment revenues for each year of the plan. Section 12 (2) (c).

The estimated tax increment revenues for each year are as shown on **Exhibit D**.

D. A detailed explanation of the tax increment procedure. Section 12 (2) (d).

The Act permits the Authority to undertake a broad range of activities which will promote economic growth. These activities include the adoption and implementation of

a plan of development necessary to achieve the purposes of the Act. One of the Authority's means of implementing a plan of development is tax increment financing. A tax increment financing plan must be prepared, submitted to, and approved by the governing body of the municipality through a resolution adopting a tax increment financing plan.

The purpose of tax increment financing is to capture tax revenues attributable to increases in value of real and personal property within the boundaries of the development area. The increases in property value may be attributable to new construction, rehabilitation, remodeling, alterations, additions, inflation or other factors the assessor may deem appropriate.

All of the land in the Authority District will be used for industrial development purposes. The most recently assessed values, as finally equalized by the State Board of Equalization, of all the eligible property located within the boundaries of the authority district (based on assessed values as of December 31, 1993) at the time the resolution establishing the tax increment financing plan is approved will become what is called the "initial assessed value." At the time the resolution adopting the tax increment financing plan is approved, property exempt from taxation is given an initial assessed value of zero.

In each year after the tax increment financing plan is approved, the total assessed value of the eligible real and personal property within the boundaries of the authority district is referred to as the "current assessed value." The difference between the current assessed value and the initial assessed value in each year is known as "the captured assessed value."

During the period the development plan and tax increment financing plan are in force, the local taxing jurisdictions continue to receive the full amount of tax revenue based on the initial-assessed value. However, the portion allocable to the captured assessed value is transmitted to the Authority for use according to the tax increment financing plan for all taxing jurisdictions whose taxes are eligible for capture under Act 281. This portion is known as "tax increment revenue." The tax increment revenue will be used for the purposes set forth in this tax increment financing plan and, if bonds are issued to finance a project in the development plan, the tax increment revenues will be pledged to the repayment of such bonds.

The amount of tax increment revenue to be transmitted to the Authority by the City and County Treasurers will be that portion of the tax levy of all taxing jurisdictions whose taxes are eligible for capture under Act 281 paid each year on the captures assessed value of each eligible property included in the tax increment financing plan excluding millage specifically levied for the payment of principal and interest of obligations approved by electors or obligations pledging the unlimited taxing power of the local governmental unit. The Authority will expend the tax increments revenue received for the development program only pursuant to this tax increment financing plan.

This tax increment financing plan shall be administered in full compliance with Sections 12, 13, and 14 and all other provisions of the Act.

E. The maximum amount of note or bonded indebtedness to be incurred, if any. Section 12 (2) (e).

The Authority anticipates that maximum amount of note or bonded indebtedness to be incurred under this tax increment financing plan shall be $888,000. The actual amount of bonded indebtedness will be affected on the Authority's ability to receive state and federal grants to fund a portion of the Development Plan costs.

F. The amount of operating and planning expenditures of the authority and municipality, the amount of advances extended by or indebtedness incurred by the municipality, and the amount of advances by others to be repaid from tax increment revenues. Section 12 (2) (f).

The City funded the original acquisition of land within the Authority in the amount of $50,000 which will be reimbursed by the Authority through tax increment revenues. The City will fund preliminary engineering for $3,000 and legal and publication costs of $500 which will be reimbursed by the Authority through tax increment revenues. The City anticipates funding the design and construction engineering for $20,000 for initial infrastructure improvements which will be reimbursed by the Authority through tax increment revenues. The Local Development Finance Authority will reimburse the City of South Haven for administrative expenses not to exceed $10,000 per year.

G. The costs of the plan anticipated to be paid from tax increment revenues as received. Section 12(2)(g).

Please see Exhibit C for a list of projects expected to be paid from the tax increment revenues as they are generated.

H. The duration of the development plan and the tax increment plan. Section 12 (2) (h).

The Development Plan of the Tax Increment Financing Plan shall remain in effect until December 31, 2022 or until such time as all debts and obligations of the Authority are paid in full. However, the Authority and the City of South Haven may amend or alter the Plan to the extent to do so is permitted by the Articles of Incorporation and the Act.

I. An estimate of the impact of tax increment financing on the revenues of all taxing jurisdictions in which the eligible property is located. Section 12 (2) (i).

The land to be developed currently does not generate tax revenues for any taxing jurisdictions since the land is tax exempt and publicly-owned by the City. Taxing jurisdictions will not be negatively impacted by tax increment financing. If revenues exceed that which is needed to complete the Development Plan, "pass-throughs" to taxing jurisdictions could occur in years 8 through 15 of the plan, or sooner if the rate of industrial development exceeds the current projections.

J. A legal description of the eligible property to which the tax increment financing plan applies or shall apply upon qualification as eligible property. Section 12 (2) (j).

The eligible property comprises all of the area described in Exhibit A.

K. An estimate of the number of jobs to be created as a result of implementation of the tax increment financing plan. Section 12 (2) (k).

It is estimated that the tax increment financing plan, when implemented to promote development of industrial lands, will result in the creation of approximately 500 jobs.

If the construction of eligible property has, or may reasonably be expected to have, the effect of transferring employment of 50 or more full-time jobs from one or more local governmental units of this state to the municipality in which the eligible property is located, that eligible property shall be considered excluded from the authority district or districts unless the legislative body of each local governmental unit from which 50 or more full-time jobs are to be transferred consents, by resolution, to the inclusion of that eligible property in the authority district for purposes of the tax increment financing plan.

Exhibit A

INDUSTRIAL DEVELOPMENT DISTRICT
BOUNDARIES AND LEGAL DESCRIPTION

BEGINNING ON SOUTH LINE 01 SECTION 11, TOWN 1 SOUTH, RANGE 17 WEST AT A POINT 839.86 FEET WEST OF THE SOUTH QUARTER POST OF THE SECTION; THENCE WEST ON THE SECTION LINE, 481.21 FEET: THENCE NORTH 01' 32' 00" EAST ON THE NORTH AND SOUTH EIGTH LINE IN THE SOUTHWEST QUARTER, 1250.87 FEET; THENCE SOUTH 89' 58' 40" WEST, 86.83 FEET TO THE EASTERLY LINE OF BLUE STAR MEMORIAL HIGHWAY (FORMERLY u.s. 31): THENCE NORTH 09' 50' 57" EAST ON SAID EASTERLY LINE, 67.00 FEET: THENCE NORTH 89' 58' 40" EAST, 77.14 FEET TO THE CENTER OF THE SOUTHWEST QUARTER; THENCE NORTH 89' 59' 22" EAST ON THE EAST AND WEST EIGTH LINE IN SAID SOUTHWEST QUARTER, 991.38 FEET: THENCE SOUTH 01' 33' 30" WEST ON THE EAST LINE OF THE WEST 30 ACRES OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER, 965.65 FEET TO THE WESTERLY LINE OF 1-196 HIGHWAY: THENCE SOUTH 20' 54' 00" WEST ON SAID WESTERLY LINE, 1.40 FEET: THENCE WEST, 518.65 FEET; THENCE SOUTH, 350.00 FEET TO THE PLACE OF BEGINNING.

AND

BEGINNING ON THE NORTH LINE OF SECTION 14, TOWN 1 SOUTH, RANGE 17 WEST AT A POINT 726.66 FEET WEST OF THE NORTH QUARTER POST OF THE SECTION; THENCE SOUTH 660.00 FEET; THENCE NORTH 89 08' 00" EAST, 29.56 FEET TO THE WESTERLY LINE OF THE I-196 HIGHWAY; THENCE SOUTHERLY ALONG SAID LINE TO THE INTERSECTION OF THE WESTERLY LINE OF THE I-196 HIGHWAY AND THE EASTERLY LINE OF THE M-43 HIGHWAY; THENCE NORTHERLY ALONG THE EASTERLY LINE OF THE M-43 HIGHWAY AND THE EASTERLY LINE OF THE BLUE STAR HIGHWAY TO THE NORTH SECTION LINE OF SECTION 14; THENCE NORTH 89 09' 00" EAST ON THE SECTION LINE TO A POINT 1321.07 FEET WEST OF THE NORTH QUARTER POST OF SECTION 14; THENCE NORTH 01 32' 00" EAST, 548.61 FEET ON THE NORTH AND SOUTH EIGHTH LINE IN THE SOUTHWEST QUARTER OF SECTION 11, TOWN 1 SOUTH RANGE 17 WEST TO A POINT 110 FEET SOUTH OF THE SOUTH LINE OF THE NORTH HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 11; THENCE WESTERLY 196.18 FEET TO THE EAST LINE OF THE BLUE STAR HIGHWAY; THENCE NORTHERLY ALONG SAID ROW LINE TO THE EAST AND WEST EIGHTH LINE IN THE SOUTHWEST

QUARTER OF SECTION 11; THENCE NORTH 89 59' 22" EAST ON THE EAST AND WEST EIGHTH LINE, 991.38 FEET; THENCE SOUTH 01 33' 30" WEST ON THE EAST LINE OF THE WEST 30 ACRES OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER, 965.65 FEET TO THE WESTERLY LINE OF THE I-196 HIGHWAY; THENCE SOUTH 20 54' 00" WEST ON SAID WESTERLY LINE, 1.40 FEET; THENCE WEST 518.65 FEET; THENCE SOUTH 350 FEET TO THE NORTH SECTION LINE OF SECTION 14; THENCE EAST, 113.20 FEET ON SAID SECTION LINE TO THE PLACE OF BEGINNING.

EXHIBIT B

INDUSTRIAL DEVELOPMENT DISTRICT MAP

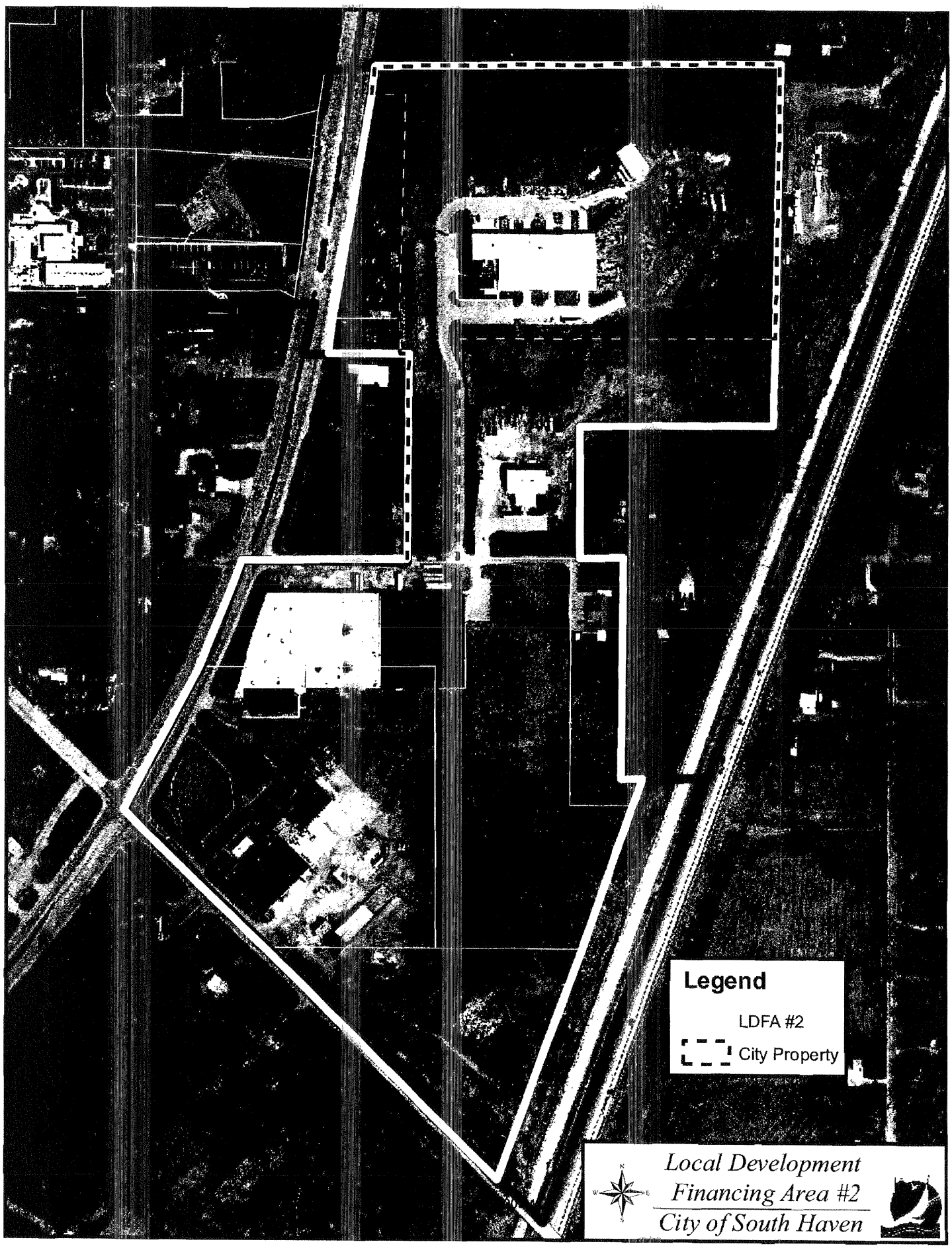
Legend
LDFA #2
City Property
Local Development
Financing Area #2
City of South Haven

Exhibit C June, 2009

LDFA District 2
Public Facilities, Planned Construction and Infrastructure Improvements
1994 – 2022

	Estimated Cost	Year
1. Engineering Report	3,000	1994
2. Land and Site Preparation	65,000	1995
3. Park Signs and Landscaping	20,000	1995
4. Existing Additional Access Drives and Utility Extensions	80,000	1996
5. Roadway Construction and Repair	400,000	2012
6. New Land Development		
Land Purchases	75,000	2022
Engineering Report	10,000	1996
Roadways and Utilities	45,000	2022
7. Renewable Energy Project	250,000	2012
8. Administration and Promotion	270,000	1995-2022
TOTAL ESTIMATED COST:	1,218,000	

Exhibit D
LDFA District 2
Captured Assessed Values and TIF Revenues
1994 – 2022

June, 2009

Plan Year	Base Year Assessed Value	Plan Year Assessed Value	Captured Assessed Value	Annual Tax Increment Revenue at 22.3 mills	Cumulative Revenue
1994	-	-	-	-	-
1995	1,555,650		-	-	-
1996	1,263,564	1,279,259	15,695	350	350
1997	1,263,564	1,509,334	245,770	5,481	5,831
1998	1,263,564	1,784,775	521,211	11,623	17,454
1999	1,263,564	1,795,761	532,197	11,868	29,322
2000	1,263,564	1,868,990	605,426	13,501	42,823
2001	1,263,564	1,996,344	732,780	16,341	59,164
2002	1,263,564	1,983,654	720,090	16,058	75,222
2003	1,263,564	2,518,945	1,255,381	27,995	103,217
2004	1,263,564	2,630,290	1,366,726	30,478	133,695
2005	1,263,564	2,546,299	1,282,735	28,605	162,300
2006	1,263,564	2,753,743	1,490,179	33,231	195,531
2007	1,263,564	2,796,613	1,533,049	34,187	229,718
2008	1,263,564	2,768,721	1,505,157	33,565	263,283
2009	1,263,564	3,081,636	1,818,072	40,543	303,826
2010	1,263,564	3,117,997	1,854,433	41,354	345,180
2011	1,263,564	3,155,086	1,891,522	42,181	387,360
2012	1,263,564	3,192,916	1,929,352	43,025	430,385
2013	1,263,564	3,231,503	1,967,939	43,885	474,270
2014	1,263,564	3,270,862	2,007,298	44,763	519,033
2015	1,263,564	3,311,008	2,047,444	45,658	564,691
2016	1,263,564	3,351,957	2,088,393	46,571	611,262
2017	1,263,564	3,393,725	2,130,161	47,503	658,765
2018	1,263,564	3,436,328	2,172,764	48,453	707,217
2019	1,263,564	3,479,783	2,216,219	49,422	756,639
2020	1,263,564	3,524,108	2,260,544	50,410	807,049
2021	1,263,564	3,569,319	2,305,755	51,418	858,467
2022	1,263,564	3,615,434	2,351,870	52,447	910,914