



FOR IMMEDIATE RELEASE

CONTACT: Gina Slechta, SCMD
Director of Marketing
PH: (402) 991-0875
marketing@horizongroup.com

Huntley TIF Bonds Refinanced Litigation Settled

Rosemont, IL – June 1, 2009. Horizon Group Properties, Inc. (OTC:HGPI.PK), announced today that the Village of Huntley (the “Village”) had refinanced its Tax Increment Revenue Bonds (Huntley Redevelopment Project), Series A-1995 and Series B-1995 (collectively, the “TIF Bonds”) with the proceeds from newly issued bonds that carry a substantially lower interest rate. The Village of Huntley and Horizon had previously entered into a settlement agreement to end legal proceedings brought by both parties which was contingent on the TIF Bonds being refinanced by June 1, 2009. Horizon owns the Series C-1995 Bonds, which remain outstanding and are subordinate to the new bonds.

At the time of the refinancing, the Series B-1995 TIF Bonds were secured by a mortgage on approximately 26 acres of undeveloped land owned by Horizon and \$2.9 million of cash in an escrow account. In connection with the refinancing, the funds in the escrow account were delivered to Horizon and the mortgage on the land was released. The settlement agreement also reaffirmed Horizon’s right to the use of its reserved water

-more-

Huntley TIF Bonds Refinanced

Page 2

and sewer capacity and prohibits the Village from requiring developers of any part of Horizon's original property in Huntley to pay contributions to the Village related to water and sewer utilities. Horizon agreed to share certain portions of the future cash flows allocable to the Series C-1995 bonds with the Village, subject to Horizon's right to receive all of the distributions related to the debt service reserve established in connection with the issuance of the new TIF bonds, which totals approximately \$1.8 million.

Said Gary Skoien, Chairman of the Board, President, and Chief Executive Officer of Horizon, "We are pleased to have reached agreement with the Village to take advantage of the opportunity to refinance the TIF bonds at a substantially reduced interest rate, which reflects both current market conditions and the tax increment generated by all of the development that has occurred within the TIF district since the bonds were originally issued. Horizon benefits not only from the release of the collateral related to the old bonds, but from the expected future cash that should flow to the Series C bonds due to the reduced interest rate on the new bonds. Perhaps most importantly, we look forward to an improved working relationship with the Village and the alignment of our mutual interests related to the development of the remaining land."

Based in Norton Shores, MI with executive offices in Rosemont, IL, Horizon Group Properties, Inc. is an owner and developer of factory outlet shopping centers and is the developer of a master planned community in suburban Chicago. For more information, please visit www.horizongroup.com.

###

Safe Harbor Statement: The statements contained herein, which are not historical facts, are forward-looking statements based upon economic forecasts, budgets, and other factors which, by their nature, involve known risks, uncertainties and other factors which may cause the actual results, performance or achievements of Horizon Group Properties, Inc. to be materially different from any future results implied by such statements. In particular, among the factors that could cause actual results to differ materially are the following: business conditions and the general economy, competitive factors, interest rates and other risks inherent in the real estate business.