

VILLAGE OF LOMBARD
REQUEST FOR BOARD OF TRUSTEES ACTION
For Inclusion on Board Agenda

 X Resolution or Ordinance (Blue) X *Waiver of First Requested*
Recommendations of Boards, Commissions & Committees (Green)
Other Business (Pink)

TO: PRESIDENT AND BOARD OF TRUSTEES

FROM: David Hulseberg, Village Manager

DATE: June 19, 2012 (COW)(B of T) June 21, 2012

TITLE: An Ordinance Authorizing and Providing for an Installment Contract, the Issuance of an Aggregate \$10,000,000 General Obligation Limited Tax Debt Certificates, Series 2012 for the Village of Lombard (Route 53 Stormwater Pump Station, Finley Road and Roosevelt Road Watermain)

SUBMITTED BY: Timothy Sexton, Director of Finance

BACKGROUND/POLICY IMPLICATIONS:

The attached **draft** ordinance has been prepared by our bond counsel, James Shanahan of the firm of Shanahan & Shanahan, in the form necessary for the issuance of \$10,000,000 in General Obligation Limited Tax Debt Certificates, Series 2012 to fund a portion of Village costs for capital improvements for the Route 53 Stormwater Pump Station, Finley Road and Roosevelt Road Watermain projects.

The FYE 2012B-2021 Capital Improvements Budget anticipated the issuance of these certificates in order to provide a portion of the funding for these projects. The Village has negotiated this sale through our Financial Consultant, Speer Financial, Inc. The pricing will be received Thursday afternoon, and additional information will be provided to the Village Board at the meeting.

The attached ordinance is presented for information and review. The **final** ordinance will be completed for the Board of Trustees meeting, after the pricing is received on Thursday afternoon. Funding for the repayment of the debt related to these projects will come from the Capital Projects Fund and the Water and Sewer Capital Reserve Fund, and has likewise been provided for in the capital improvements budget.

Waiver of First reading is requested in order to lock in the pricing and expedite the bond closing process.

Review (as necessary):

Village Attorney X _____ Date _____
Finance Director X _____ Date _____
Village Manager X _____ Date _____

NOTE: All materials must be submitted to and approved by the Village Manager's Office by 12:00 noon, Wednesday, prior to the Agenda Distribution.

MINUTES of a regular public meeting of the Board of Trustees of the Village of Lombard, DuPage County, Illinois, held in the Board Room of the Village Hall, Lombard, Illinois, at 7:30 P.M., on the 21st day of June, 2012.

The Village President called the meeting to order and directed the Village Clerk to call the roll.

Upon the roll being called the following Trustees answered present:

The following Trustees were absent: _____

After a discussion of the necessity of the construction of street and other capital improvements for the benefit of the inhabitants of the Village, by installment purchase thereof, Trustee _____ presented and the Village Clerk read in by title an ordinance the complete text of which is set out below as follows:

ORDINANCE NUMBER _____

AN ORDINANCE authorizing and providing for an installment purchase agreement, the issuance of an aggregate \$10,000,000 General Obligation Debt Certificates, Series 2012, by and for the Village of Lombard, DuPage County, Illinois.

WHEREAS, it is deemed advisable, necessary, and in the best interests of the residents of the Village of Lombard, DuPage County, Illinois (the "Village") to fund (i) the construction of street and other capital improvements throughout the Village, and (ii) the costs of issuance of the Certificates (as defined herein), in accordance with the plans and specifications therefor, prepared for the Village President and Board of Trustees of the Village (the "Board"), approved by the Board and on file with the Village Clerk (such improvements to be referred to as the "Improvements"); and

WHEREAS, pursuant to the provisions of Local Government Debt Reform Act, 30 ILCS 350/17 (the "Act"), the Village has the power and authority to purchase any real and personal property for public purposes pursuant to contracts which provide for the consideration for such purchase to be paid in installments during a period not exceeding twenty (20) years; and

WHEREAS, it is deemed advisable, necessary and in the best interests of the Village and the residents thereof that portions of the Improvements be purchased by an installment purchase agreement entered into pursuant to said Act; and

WHEREAS, the Village shall enter into a contract with the Treasurer of the Village (the "Counter-party") to purchase or lease either real or personal property through an installment purchase agreement and issue certificates evidencing the indebtedness incurred under the agreement. The installment purchase agreement shall be in substantially the form set forth in Section 5 of this ordinance (such installment purchase agreement being referred to herein as the "Contract" or the "Installment Purchase Agreement"). Further, the Village may enter into

contracts with contractors to sell and construct the Improvements, all as more fully identified in the agreements between the Village and said contractors attached to the Contract as Exhibit A. The Contract, including costs, is for the sum of \$10,000,000, and it provides for the completion and transfer of said Improvements to the Village; and

WHEREAS, the Village will issue the aggregate \$10,000,000 General Obligation Debt Certificates, Series 2012 of the Village evidencing the indebtedness incurred pursuant to the Contract (the "Certificates") and will deposit the principal proceeds of the sale of the Certificates relating to the construction into a certain construction fund held by the Village, whereby the Counter-party will receive a portion of the payment for the Improvements as they are acquired and completed and the principal proceeds of sale of the Certificates relating to the costs of issuance will be deposited with the Village to pay for costs; and

WHEREAS, it is necessary for the Board to approve the form of Contract, including the form, terms and provisions of the Certificates, and authorize and direct the execution thereof:

NOW, THEREFORE, Be It Ordained by the President and Board of Trustees of the Village of Lombard, DuPage County, Illinois, as follows:

Section 1. Incorporation of Preambles. The preambles to this ordinance are hereby incorporated into this text as if set out herein in full.

Section 2. Contract a General Obligation, Pledge of Funds to Pay Amounts Due under the Contract. The Village hereby represents, warrants and agrees that the obligation to make the payments due under the Contract shall be a direct general obligation of the Village payable from the corporate funds of the Village and such other sources of payment as are herein pledged or otherwise lawfully available. For the purpose of providing the funds necessary to pay

the installments of interest and principal due under the Contract, the Village irrevocably covenants to appropriate funds of the Village annually and in a timely manner so as to provide for the making of all payments when due under the terms of the Contract.

Section 3. Issuance of Certificates. It is hereby found and determined that the Village has been authorized by law to issue, and that it is necessary and in the best interests of the Village to authorize the issuance of, the Certificates upon the terms and subject to the conditions set forth in the form of Contract hereinafter set forth.

Section 4. Further Acts. From and after the effective date of this ordinance, the Village President and Village Clerk be and they are hereby authorized and directed to execute the Contract and the Certificates herein provided for and to do all things necessary and essential, including the execution of any documents and certificates necessary to carry out the provisions thereof.

Section 5. Forms Approved. The Contract and the Certificates shall be in substantially the following forms. The Village President and Village Clerk are hereby authorized to agree to such additions, modifications, amendments or clarifications as may be appropriate prior to execution of such documents, their execution to constitute their approval of any such additions, modifications, amendments or clarifications and further to constitute conclusive and binding approval hereunder:

INSTALLMENT PURCHASE AGREEMENT FOR THE CONSTRUCTION OF
CERTAIN INFRASTRUCTURE PROJECTS FOR THE
VILLAGE OF LOMBARD, DUPAGE COUNTY, ILLINOIS

THIS INSTALLMENT PURCHASE AGREEMENT, made as of this ___ day of June, 2012 (the "Contract"), by and between the Treasurer of the Village of Lombard (hereinafter called the "Counter-party"), and the Village of Lombard, DuPage County, Illinois, a municipal corporation of the State of Illinois (hereinafter called the "Village");

WITNESSETH:

WHEREAS, the Village has determined to construct street and other capital improvements and to pay the costs of issuance of the Certificates (as hereinafter defined), all in accordance with the plans and specifications therefor, prepared for the Board of Trustees of the Village (the "Board"), approved by the Village President and Board of the Village and on file with the Village Clerk (such Improvements to be collectively referred to as the "Improvements"); and

WHEREAS, pursuant to the Local Government Debt Reform Act, 30 ILCS 350/17 (the "Act"), the Village has the power and authority to purchase any real and personal property for public purposes pursuant to a contract which provides for the consideration for such purchase to be paid in installments during a period not exceeding twenty (20) years; and

WHEREAS, it is deemed advisable, necessary and in the best interests of the Village and the residents thereof that the Improvements be purchased by an installment purchase agreement entered into pursuant to said Act; and

WHEREAS, the Counter-party has offered to perform its contract obligations which will result in the construction and installation of the Improvements on the terms as hereinafter provided and to convey said Improvements to the Village; and

WHEREAS, the Village will issue the aggregate \$10,000,000 General Obligation Debt Certificates, Series 2012 of the Village evidencing the indebtedness incurred pursuant to this Contract (the "Certificates") and will deposit the principal proceeds of sale of the Certificates relating to the Improvements into a certain construction fund established by the Village, whereby the Counter-party will receive payment for the Improvements as they are acquired and completed and the principal proceeds of sale of Certificates relating to the costs of issuance will be deposited with the Village to pay for costs;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter contained, and other valuable consideration, it is mutually agreed by and between the Counter-party and the Village as follows:

1. Counter-party agrees to cause the Improvements to be constructed and acquired and sold to the Village, all in accordance with the contract documents enumerated in the

agreement between the Village and the list of contractors attached hereto as Exhibit A (the "Contract Document"), all of which Contract Document is made a part hereof by reference, the same as if set out in full herein. The Contract Document constitutes a contract with the respective contractors which are, respectively, individually responsible for the acquisition, construction and installation of their portion of the Improvements.

2. Counter-party agrees to cause the completion and transfer of the Improvements to the Village, and Village agrees to purchase the Improvements from Counter-party and to pay for costs directly and to pay therefor the principal sum of \$10,000,000 (the "Deferred Payment Amount"), to be paid in semi-annual installments on January 1 and on July 1 of each of the years, and in the aggregate amounts and bearing interest on the unpaid balance from the date of this Contract as set forth above at the rates per annum as follows:

| <u>Year</u> | <u>Amount</u> | <u>Rate of Interest</u> |
|-----------------|---------------|-------------------------|
| July 1, 2013 | | |
| January 1, 2014 | | |
| July 1, 2014 | | |
| January 1, 2015 | | |
| July 1, 2015 | | |
| January 1, 2016 | | |
| July 1, 2016 | | |
| January 1, 2017 | | |
| July 1, 2017 | | |
| January 1, 2018 | | |
| July 1, 2018 | | |
| January 1, 2019 | | |
| July 1, 2019 | | |
| January 1, 2020 | | |

The Deferred Payment Amount unpaid and outstanding from time to time shall bear interest from the date of this Contract. Interest calculated as provided herein from the date of this Contract is the maximum amount which may become due under this Contract.

3. Ownership in and to the Improvements, whether or not completed, during all stages of construction and installation, shall and does vest immediately in the Village, and, in the event of a default hereunder by Village, Counter-party shall not remove or take any action to remove any part or all of the materials theretofore delivered or erected in connection with the Improvements. Counter-party shall deliver to the Village all necessary contractors' and sub-contractors' affidavits and all necessary waivers and releases from all persons who have performed work and labor on or in connection with, furnished services in connection with, or supplied equipment, materials or supplies to or in connection with the construction and installation of the Improvements. Counter-party shall not be restricted from filing claims against the funds held by the Village pursuant to the provisions of applicable state law.

4. A coordinator appointed by the Village, shall act as consulting engineer (the "Consulting Engineer") for the acquisition, construction and installation of the Improvements for and on behalf of the parties. The Consulting Engineer shall generally oversee the construction and installation of the Improvements and shall perform the duties and execute the certificates and other papers provided to be performed or executed by the Consulting Engineer as in this Contract provided.

5. Counter-party hereby assigns and transfers to the holders of the Certificates all of its right, title and interest in and to this Contract, including the right to payment of the Deferred Payment Amount and the interest payable thereon. The Village hereby consents to and approves the assignment of Counter-party's rights hereunder and agrees to issue the Certificates to evidence the indebtedness incurred and the amounts payable by the Village hereunder in an amount equal to the Deferred Payment Amount. The Certificates shall contain all the terms of the Contract, whether specifically stated in the Certificates or not, and the Counter-party and the Village shall make the Contract reasonably available to any holder of a Certificate. Upon the issuance of the Certificates, the Village shall make the payments required under this Contract to pay the principal of, premium, if any, and interest on the Certificates directly to the Paying Agent (as such term is hereinafter defined). The Certificates shall be dated the date of delivery thereof, shall each be designated "General Obligation Debt Certificates, Series 2012" and each of the Certificates shall also bear the date of authentication, shall be in fully registered form, shall be in denominations of \$5,000 each and integral multiples thereof (but no single Certificate shall represent installments of principal maturing on more than one date) and shall be numbered 1 and upward.

Interest on the Certificates shall be payable from the interest payment date to which interest has been paid next preceding the authentication date of the Certificates unless the Certificates are authenticated after the fifteenth day of the month next preceding an interest payment date and on or before such interest payment date in which case they shall bear interest from such interest payment date, or unless the Certificates are authenticated on or before December 15, 2012, in which case they shall bear interest from the original date, until the principal shall be fully paid. Such interest (computed upon the basis of a 360-day year consisting of twelve 30-day months) shall be payable on January 1 and July 1 of each year, commencing on January 1, 2013. Amalgamated Bank of Chicago, Chicago, Illinois (the "Certificate Registrar" or "Paying Agent") is hereby appointed to serve as Certificate Registrar and Paying Agent. Interest on each Certificate shall be paid by check or draft of the Paying Agent, payable in lawful money of the United States of America, to the address of the person in whose name any such Certificate is registered at the close of business on the 15th day of the month preceding the interest payment date or at such other address furnished in writing by such person to the Paying Agent. The principal of the Certificates shall be payable in lawful money of the United States of America at the principal corporate trust office of the Paying Agent.

Notwithstanding the foregoing, if payment of principal, premium, if any, or interest is made to a depository, payment shall be made by wire transfer on the payment date in same-day funds. If the payment date occurs on a date when financial institutions are not open for business, the wire transfer shall be made on the next succeeding business day. The Village shall make all

payments of principal, premium, if any, and interest on the Certificates to the Paying Agent so that they are received at the Paying Agent by 1:00 p.m. (New York City time) and the Paying Agent shall be instructed to wire transfer such payments so that they are received at the depository by 2:30 p.m. (New York City time).

The Certificates are not subject to optional redemption prior to maturity.

The Certificates shall be signed by the manual or facsimile signatures of the Village President and Village Clerk, and the seal of the Village shall be affixed thereto or printed thereon, and in case any officer whose signature shall appear on any Certificate shall cease to be such officer before the delivery of such Certificate, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

All Certificates shall bear the date of authentication and shall have thereon a certificate of authentication substantially in the form hereinafter set forth duly executed by the Certificate Registrar as authenticating agent of the Village. No Certificate shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Contract unless and until such certificate of authentication shall have been duly executed by the Certificate Registrar by manual signature, and such certificate of authentication upon any such certificate shall be conclusive evidence that such Certificate has been authenticated and delivered under this Contract. The certificate of authentication on any Certificate shall be deemed to have been executed by the Certificate Registrar if signed by an authorized officer of the Certificate Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Certificates issued hereunder.

The Village shall cause books (the "Certificate Register") for the registration and for the transfer of the Certificates as provided in this Contract to be kept at the principal corporate trust office of the Certificate Registrar, which is hereby constituted and appointed the registrar of the Village for the Certificates. The Village is authorized to prepare, and the Certificate Registrar shall keep custody of, multiple Certificate blanks executed by the Village for use in the transfer and exchange of Certificates.

The Village has determined that it may be beneficial to the Village to have the Certificates held by a central depository system pursuant to an agreement between the Village and The Depository Trust Company, New York, New York ("Depository Trust Company" or "DTC") and have transfers of the Certificates effected by book-entry on the books of the central depository system ("Book Entry System"). The Certificates may be initially issued in the form of a separate single authenticated fully registered Certificate for the aggregate principal amount of each separate maturity of the Certificates. In such case, upon initial issuance, the ownership of such Certificates shall be registered in the register kept by the Certificate Registrar in the name of CEDE & CO, as nominee of the Depository Trust Company.

With respect to the Certificates registered in the register kept by the Certificate Registrar in the name of CEDE & CO, as nominee of the Depository Trust Company, the Village and the Paying Agent shall have no responsibility or obligation to any other holders or owners (including

any beneficial owner ("Beneficial Owner")) of the Certificates with respect to (i) the accuracy of the records of the Depository Trust Company or any Beneficial Owner with respect to ownership questions, (ii) the delivery to any certificate holder (including any Beneficial Owner) or any other person, other than the Depository Trust Company, of any notice with respect to the Certificates including any notice of redemption, or (iii) the payment to any certificate holder (including any Beneficial Owner) or any other person, other than the Depository Trust Company, of any amount with respect to the principal of, premium, if any, or interest on the Certificates except as otherwise provided herein.

No person other than the Depository Trust Company shall receive an authenticated Certificate evidencing an obligation of the Village to make payments of the principal of and premium, if any, and interest on the Certificates pursuant to this Contract. The Village, the Certificate Registrar and Paying Agent may treat as and deem the Depository Trust Company to be the absolute owner of each of the Certificates for the purpose of (i) payment of the principal of and premium, if any, and interest on such Certificates; (ii) giving notices of redemption and other notices permitted to be given to owners with respect to such Certificates; (iii) registering transfers with respect to such Certificates; (iv) obtaining any consent or other action required or permitted to be taken of or by owners; (v) voting; and (vi) for all other purposes whatsoever. The Paying Agent shall pay all principal of and premium, if any, and interest on the Certificates only to or upon the order of the Depository Trust Company, and all such payments shall be valid and effective fully to satisfy and discharge the Village's and the Paying Agent's obligations with respect to principal of and premium, if any, and interest on the Certificates to the extent of the sum or sums so paid. Upon delivery by the Depository Trust Company to the Village of written notice to the effect that the Depository Trust Company has determined to substitute a new nominee in place of CEDE & CO, and subject to the provisions herein with respect to consents, the words "CEDE & CO" in this Contract shall refer to such new nominee of the Depository Trust Company. Notwithstanding any other provision hereof to the contrary, so long as any Certificate is registered in the name of CEDE & CO, as nominee of the Depository Trust Company, all payments with respect to the principal of and premium, if any, and interest on such Certificates and all notices with respect to such Certificates shall be made and given, respectively, to the Depository Trust Company as provided in a representation letter from the Village to the Depository Trust Company.

Upon receipt by the Village of written notice from the Depository Trust Company to the effect that the Depository Trust Company is unable or unwilling to discharge its responsibilities and no substitute depository can be found which is willing and able to undertake such functions upon reasonable and customary terms, then the Certificates shall no longer be restricted to being registered in the register of the Village kept by the Certificate Registrar in the name of CEDE & CO, as nominee of the Depository Trust Company, but may be registered in whatever name or names the certificate holders transferring or exchanging the Certificates shall designate, in accordance with the provisions of this Contract.

If the Village determines that it is in the best interest of the certificate holders that they be able to obtain certificates for the fully registered Certificates, the Village may notify the Depository Trust Company and the Certificate Registrar, whereupon the Depository Trust

Company will notify the Beneficial Owners of the availability through the Depository Trust Company of certificates for the Certificates. In such event, the Certificate Registrar shall prepare, authenticate, transfer and exchange certificates for the Certificates as requested by the Depository Trust Company and any Beneficial Owners in appropriate amounts, and whenever the Depository Trust Company requests the Village and the Certificate Registrar to do so, the Certificate Registrar and the Village will cooperate with the Depository Trust Company by taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the fully registered Certificates of any Beneficial Owner's Depository Trust Company account or (ii) to arrange for another securities depository to maintain custody of certificates for and evidencing the Certificates.

If the Certificates shall no longer be restricted to being registered in the name of the Depository Trust Company, the Certificate Registrar shall cause said Certificates to be printed in blank in such number as the Certificate Registrar shall determine to be necessary or customary; provided, however, that the Certificate Registrar shall not be required to have such Certificates printed until it shall have received from the Village indemnification for all costs and expenses associated with such printing.

In connection with any notice or other communication to be provided to certificate holders by the Village or the Certificate Registrar with respect to any consent or other action to be taken by certificate holders, the Village or the Certificate Registrar, as the case may be, shall establish a record date for such consent or other action and give the Depository Trust Company notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible.

So long as said Certificates are registered in the name of the Depository Trust Company or CEDE & CO or any substitute nominee, the Village and the Certificate Registrar and Paying Agent shall be entitled to request and to rely upon a certificate or other written representation from the Beneficial Owners of the Certificates or from the Depository Trust Company on behalf of such Beneficial Owners stating the amount of their respective beneficial ownership interests in the Certificates and setting forth the consent, advice, direction, demand or vote of the Beneficial Owners as of a record date selected by the Certificate Registrar and the Depository Trust Company, to the same extent as if such consent, advice, direction, demand or vote were made by the certificate holders for purposes of this agreement and the Village and the Certificate Registrar and Paying Agent shall for such purposes treat the Beneficial Owners as the certificate holders. Along with any such certificate or representation, the Certificate Registrar may request the Depository Trust Company to deliver, or cause to be delivered, to the Certificate Registrar a list of all Beneficial Owners of the Certificates, together with the dollar amount of each Beneficial Owner's interest in the Certificates and the current addresses of such Beneficial Owners.

The Village President is authorized to execute and deliver, on behalf of the Village, such letters to or agreements with DTC as shall be necessary to effectuate the Book-Entry System.

The Certificate Registrar shall not be required to transfer or exchange any certificate during the period commencing at the close of business on the 15th day of the month next

preceding any interest payment date on any such Certificate and in any event ending at the opening of business on such interest payment date, nor to transfer or exchange any Certificate after notice calling such Certificate for redemption has been mailed, nor during a period of fifteen days next preceding mailing of a notice of redemption of any Certificate.

Upon surrender for transfer of any Certificate at the principal corporate trust office of the Certificate Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Certificate Registrar and duly executed by the registered owner or such owner's attorney duly authorized in writing, the Village shall execute and the Certificate Registrar shall authenticate, date and deliver in the name of the transferee or transferees a new fully registered Certificate or Certificates of the same maturity and interest rate of authorized denominations, for a like aggregate principal amount. Any fully registered Certificate or Certificates may be exchanged at said office of the Certificate Registrar for a like aggregate principal amount of Certificate or Certificates of the same maturity and interest rate and in authorized denominations. The execution by the Village of any fully registered Certificate shall constitute full and due authorization of such Certificate and the Certificate Registrar shall thereby be authorized to authenticate, date and deliver such Certificate, provided, however, the principal amount of outstanding Certificates of each maturity authenticated by the Certificate Registrar shall not exceed the authorized principal amount of Certificates for such maturity less previous retirements.

The person in whose name any Certificate shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of, premium, if any, or interest on any Certificate shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Certificate to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Certificates, but the Village or the Certificate Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Certificates.

6. The Certificates shall be in substantially the following form:

REGISTERED
NO. _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF DUPAGE

VILLAGE OF LOMBARD

GENERAL OBLIGATION DEBT CERTIFICATE, SERIES 2012

Interest Rate Maturity Date Dated Date Authentication Date CUSIP

REGISTERED OWNER:

PRINCIPAL SUM:

THE VILLAGE OF LOMBARD, DUPAGE COUNTY, ILLINOIS (the "Village"), hereby acknowledges itself to owe and for value received hereby promises to pay from the source and as hereinafter provided, to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date set forth above, the Principal Sum set forth above and to pay interest hereon (computed on the basis of a 360 day year consisting of twelve 30-day months) at the Interest Rate per annum stated above from the interest payment date to which interest has been paid next preceding the Authentication Date of this certificate unless this certificate is authenticated after the fifteenth day of the month next preceding an interest payment date and on or before such interest payment date in which case it shall bear interest from such interest payment date or unless this certificate is authenticated on or before December 15, 2012, in which case it shall bear interest from the Original Date, until the principal is paid, which interest is payable semiannually on January 1 and July 1 in each year, beginning on January 1, 2013, until said Principal Sum is paid.

Principal of this certificate is payable in lawful money of the United States of America at the principal corporate trust office of Amalgamated Bank of Chicago, Chicago, Illinois, as certificate registrar and paying agent (the "Certificate Registrar" or "Paying Agent"). Payment of the installments of interest shall be made to the Registered Owner hereof as shown on the registration books of the Village maintained by the Certificate Registrar at the close of business on the 15th day of the month next preceding each interest payment date and shall be paid by check or draft of the Certificate Registrar, payable in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books of the Certificate Registrar or at such other address furnished in writing by such Registered Owner to the Paying Agent. Notwithstanding the foregoing, if payment of principal,

premium, if any, or interest is made to a depository, payment shall be made by wire transfer on the payment date in same-day funds. If the payment date occurs on a date when financial institutions are not open for business, the wire transfer shall be made on the next succeeding business day. The Paying Agent shall be instructed to wire transfer payments so such payments are received at the depository by 2:30 p.m. (New York City time).

This certificate is one of a series of certificates issued by the Village in connection with (i) the construction of street and other capital improvements throughout the Village and (ii) the payment of the costs of issuance of the \$10,000,000 General Obligation Debt Certificates, Series 2012 of the Village (the "Certificates"), and has been issued in evidence of the indebtedness incurred pursuant to a certain Installment Purchase Agreement, dated as of the ___ day of June, 2012 (the "Contract"), entered into by and among the Village and the Treasurer of the Village (the "Counter-party"), to which reference is hereby expressly made for further definitions and terms and to all the provisions of which the holder by the acceptance of this certificate assents. This certificate is issued by the Village in full compliance with the provisions of the Local Government Debt Reform Act, 30 ILCS 350/17, as in effect on the date of delivery of the certificates, and is authorized by said Village President and Board of Trustees of the Village, in all respects as provided by law.

This certificate is transferable by the registered holder hereof in person or by his attorney duly authorized in writing at the principal corporate trust office of the Certificate Registrar in Chicago, Illinois, but only in the manner, subject to the limitations and upon payment of the charges provided in the Contract, and upon surrender and cancellation of this certificate. Upon such transfer a new certificate or certificates of authorized denominations of the same maturity and interest rate and for the same aggregate principal amount will be issued to the transferee in exchange therefor.

The Certificates are not subject to optional redemption prior to maturity.

The certificates are issued in fully registered form in the denomination of \$5,000 each or authorized integral multiples thereof. This certificate may be exchanged at the principal corporate trust office of the Certificate Registrar for a like aggregate principal amount of certificates of the same maturity and interest rate and in authorized denominations, upon the terms set forth in the Contract.

The Village and the Certificate Registrar may deem and treat the registered holder hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal and premium, if any, hereof and interest due hereon and for all other purposes and neither the Village nor the Certificate Registrar shall be affected by any notice to the contrary.

The certificates shall be initially issued in a Book Entry System (as defined in the Contract). The provisions of this Certificate and of the Contract are subject in all respects to the provisions of the Blanket Issuer Letter of Representations between the Village and The Depository Trust Company, or any substitute agreement, effecting such Book Entry System.

It is hereby certified and recited that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this certificate did exist, have happened, been done and performed in regular and due form and time as required by law; that the indebtedness of the Village, including the issue of certificates of which this is one, does not exceed any limitation imposed by law. The Village irrevocably covenants to appropriate sufficient moneys on an annual basis to pay the interest hereon as it falls due and also to pay and discharge the principal hereof at maturity. Such principal, premium, if any, and interest are payable from any funds of the Village legally available for such purpose. Any failure by the Village to make such annual appropriation shall not release the Village from its obligation to pay the debt service on the Certificates. THERE IS NO STATUTORY AUTHORITY FOR THE LEVY OF A SEPARATE TAX IN ADDITION TO OTHER VILLAGE TAXES OR THE LEVY OF A SPECIAL TAX UNLIMITED AS TO RATE OR AMOUNT TO PAY SUCH PRINCIPAL, PREMIUM, IF ANY, AND INTEREST. -

This certificate shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Certificate Registrar.

IN WITNESS WHEREOF, said Village of Lombard, DuPage County, Illinois, by its Board of Trustees, has caused this certificate to be signed by the manual or facsimile signatures of the Village President and Village Clerk, and the seal of the Village to be affixed hereto or printed hereon, all as of the Dated Date identified above.

(SEAL)

Village President

Village Clerk

CERTIFICATE OF AUTHENTICATION

This certificate is one of the certificates described in the within mentioned Installment Purchase Agreement and is one of the General Obligation Debt Certificates, Series 2012, of the Village of Lombard, DuPage County, Illinois.

AMALGAMATED BANK OF CHICAGO,
as Certificate Registrar

By _____
Authorized Officer

(End of Form of Certificate)

7. The Certificates hereby authorized shall be executed as in this Contract provided, and thereupon be deposited with the Treasurer who receives the taxes of the Village, and be by said Treasurer delivered to the purchaser of the Certificates, namely, Robert W. Baird & Co., Incorporated (the "Purchaser"), upon receipt of the purchase price thereof, the same being \$_____, the agreement for the sale of the Certificates heretofore entered into is in all respects ratified, approved and confirmed, it being hereby found and determined that the execution and delivery of this Contract and the Certificates is in the best interests of the Village and that no person holding any office of the Village either by election or appointment, is in any manner interested, either directly or indirectly, in his own name or in the name of any other person, association, trust or corporation, in this Contract or in the agreement for the purchase of the Certificates contained herein.

8. The proceeds derived from the sale of the Certificates shall be used as follows:

(a) Proceeds relating to the construction and acquisition shall be set aside in a separate fund hereby created and designated as the Series 2012 Construction Fund (the "Construction Fund"), which the Village shall maintain as a separate and segregated account. Money in such fund shall be withdrawn from time to time as needed for the payment of the costs of the Improvements and said money shall be disbursed by the Village from time to time as authorized by the Village. Funds on deposit in the Construction Fund may be invested by the Village Treasurer. All investment earnings in the Construction Fund shall be credited to the Construction Fund.

(b) Proceeds relating to the costs of issuance shall be deposited with the Village to pay for the costs.

9. By acceptance of the Certificates, the certificate holders shall have no obligation or liability under this Contract, nor shall any certificate holder be obligated to perform any of the Counter-party's or Village's obligations or duties hereunder, or make any payment hereunder, or make any inquiry as to the sufficiency of any payment made to the Counter-party or present or

file any claim or take any other action to enforce performance under this Contract or collect or enforce payment due hereunder or under the Certificates, except as provided in the Certificates.

10. The Village hereby represents, warrants and agrees that the obligation to make the payments due under the Contract shall be a direct general obligation of the Village payable from (a) the corporate funds of the Village, and (b) such other sources of payment as are herein pledged or otherwise lawfully available. The Village represents and warrants that (i) the total principal amounts due Counter-party, together with all other general obligations of Village, are within all statutory and constitutional debt limitations; (ii) this Contract and the Certificates are the legal, valid and binding obligations of the Village, enforceable in accordance with the terms hereof and thereof and that the execution and delivery of this Contract and the Certificates have been duly authorized by all necessary action of the Village President and Board; and (iii) it will not take any action so as to adversely affect the tax-exempt status of the interest on the Certificates.

The Village agrees that it will appropriate funds of the Village annually and in a timely manner so as to provide for the making of all payments when due under the terms of the Contract. Such funds shall be deposited into the Certificate Fund (the "Certificate Fund") which is hereby created. The proceeds of the Certificate Fund shall be used solely and only for paying the Certificates. Interest received from deposits in the Certificate Fund shall be retained in the Certificate Fund for the payment of the Certificates on the interest payment date next after such interest is received.

11. The Village covenants that the principal proceeds from the sale of the Certificates shall be devoted to and used with due diligence for the completion of the Improvements. In order to preserve the exclusion of interest on the Certificates from gross income for federal tax purposes under Section 103 of the Internal Revenue Code of 1986 as existing on the date of issuance of the Certificates (the "Code") and as an inducement to purchasers of the Certificates, the Village represents, covenants and agrees that:

(a) The Improvements will be available for use by members of the general public. Use by a member of the general public means use by natural persons not engaged in a trade or business. No person or entity, other than the Village or another state or local governmental unit, will use more than 10% of the proceeds of the Certificates or property financed by the Certificate proceeds other than as a member of the general public. No person or entity other than the Village or another state or local governmental unit will own property financed by Certificate proceeds or will have actual or beneficial use of such property pursuant to a lease, a management or incentive payment contract, an arrangement such as a take-or-pay or output contract or any other type of arrangement that conveys other special legal entitlements and differentiates that person's or entity's use of such property from the use by the general public, unless such uses in the aggregate relate to no more than 10% of the proceeds of the Certificates. If the Village enters into a management contract for the Improvements, the terms of the contract will comply with IRS Revenue Procedure 97-13, as it may be amended, supplemented or superseded from time to time, so that the contract will not give rise to private business use under the Code

and the Regulations, unless such use in aggregate relates to no more than 10% of the proceeds of the Certificates.

(b) No more than 10% of the payment of the principal of, premium on, if any, or interest on the Certificates will be (under the terms of the Certificates, this ordinance or any underlying arrangement), directly or indirectly, (i) secured by any interest in property used or to be used for a private business use or payments in respect of such property or (ii) derived from payments (whether or not to the Village) in respect of such property or borrowed money used or to be used for a private business use.

(c) No more than 5% of the Certificate proceeds will be loaned to any entity or person other than a state or local governmental unit. No more than 5% of the Certificate proceeds will be transferred, directly or indirectly, or deemed transferred to a nongovernmental person in any manner that would in substance constitute a loan of the Certificate proceeds.

(d) The Village reasonably expects, as of the date hereof, that the Certificates will not meet either the private business use test described in paragraph (a) and (b) above or the private loan test described in paragraph (c) above during the entire term of the Certificates.

(e) No more than 5% of the proceeds of the Certificates will be attributable to private business use as described in (a) and private security or payments described in (b) attributable to unrelated or disproportionate private business use. For this purpose, the private business use test is applied by taking into account only use that is not related to any government use of proceeds of the issue (Unrelated Use) and use that is related but disproportionate to any governmental use of those proceeds (Disproportionate Use).

(f) Neither the Village nor the Board will take any action or fail to take any action with respect to the Certificates that would result in the loss of the exclusion from gross income for federal tax purposes on the Certificates pursuant to Section 103 of the Code, nor will the Village or the Board act in any other manner which would adversely affect such exclusion.

(g) It shall not be an event of default under this ordinance if the interest on any Certificate is not excludable from gross income for federal tax purposes or otherwise pursuant to any provision of the Code which is not currently in effect and in existence on the date of issuance of the Certificates.

(h) These covenants are based solely on current law in effect and in existence on the date of delivery of such Certificates.

(i) The Village also certifies and further covenants with the purchasers and holders of the Certificates from time to time outstanding, that so long as any of the Certificates remain outstanding, moneys on deposit in any fund or account in connection with the Certificates, whether or not such moneys were derived from the proceeds of the

sale of the Certificates or from any other sources, will not be used in a manner which will cause the Certificates to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code and any lawful regulations promulgated thereunder, as the same presently exist. It shall not be an event of default under this Contract if the interest on any Certificate is not excludable from gross income for federal tax purposes or otherwise pursuant to any provisions of the Internal Revenue Code which is not currently in effect and in existence on the date of issuance of the Certificates. The Village reserves the right, however, to make any investment of such moneys permitted by Illinois law if, when and to the extent that said Section 148 or regulations promulgated thereunder shall be repealed or relaxed or shall be held void by final decision of a court of competent jurisdiction, but only if any investment made by virtue of such repeal, relaxation or decision would not, in the opinion of counsel of recognized competence in such matters, result in making the interest on the Certificates subject to federal income taxation.

12. The Village agrees to comply with all provisions of the Internal Revenue Code, which if not complied with by the Village, would cause the interest on the Certificates not to be tax exempt in the hands of a holder who is a natural person. The Village further agrees: (a) through its officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (b) to consult with counsel approving the Certificates; (c) to file such forms, statements, and supporting documents as may be required and in a timely manner; and (d) if deemed necessary or advisable by its officers, to employ and pay fiscal agents, financial advisors, attorneys, and other persons to assist the Village in such compliance.

13. Counter-party and Village further agree to the terms in the contracts for the Improvements and incorporated herein by this reference, except as limited or modified by the terms hereof. In event of conflict between such contracts and this Contract, this Contract shall be deemed to control.

14. Village agrees to supply the Purchaser, at no expense to the Purchaser, the opinion of Shanahan & Shanahan LLP, Chicago, Illinois, that, assuming compliance with certain covenants, interest paid pursuant to the Contract is, under federal statutes, decisions, regulations and rulings, existing on the date of issuance, excludable from gross income for purposes of federal income taxation under Section 103 of the Internal Revenue Code.

In addition, Village agrees to supply, at no expense to the Purchaser, the opinion of Counsel to the Village in such form as required by Shanahan & Shanahan LLP to enable said firm to render its opinion, as aforesaid.

15. Village recognizes that Section 149(a) of the Internal Revenue Code requires the Certificates to be issued and to remain in fully registered form in order for the interest thereon to be exempt from federal income taxation under laws in force at the time the Certificates are delivered. In this connection, the Village agrees that it will not take any action to permit the Certificates to be issued in, or converted into, bearer or coupon form.

16. The Certificate Registrar shall, at the direction of the Village, maintain a list of the names and addresses of the holders of all Certificates and upon any transfer shall add the name and address of the new certificate holder and eliminate the name and address of the transferor certificate holder. In addition, the Certificate Registrar shall perform such duties as are agreed to between the Certificate Registrar and the Village pursuant to a separate agreement or agreements.

17. All notices and demands required hereunder shall be in writing and shall be deemed to have been given or made when delivered personally or when mailed by registered or certified mail, postage prepaid, addressed as follows:

If to Counter-party, at Village of Lombard
255 E. Wilson Avenue
Lombard, Illinois 60148
Attention: Treasurer

If to Village, at Village of Lombard
255 E. Wilson Avenue
Lombard, Illinois 60148
Attention: Village Manager

IN WITNESS WHEREOF, Counter-party has caused this Contract to be executed by its duly authorized officers and the Village, by its Board of Trustees, has caused this Contract to be executed by the Village President and attested by the Village Clerk, and the seal of the Village to be hereunto affixed, all as of the day and year first above written.

VILLAGE OF LOMBARD
DUPAGE COUNTY, ILLINOIS

(SEAL)

By _____
Village President

Attest:

By _____
Village Clerk

VILLAGE OF LOMBARD,
DUPAGE COUNTY, ILLINOIS

By _____
Timothy K. Sexton, Treasurer

[End of Form of Installment Purchase Agreement]

Section 6. Duties of Certificate Registrar. If requested by the Certificate Registrar, the Village President and Village Clerk are authorized to execute the Certificate Registrar's standard form of agreement between the Village and the Certificate Registrar with respect to the obligations and duties of the Certificate Registrar hereunder which may include the following:

(a) to act as certificate registrar, authenticating agent and transfer agent as provided herein;

(b) to maintain a list of certificate holders as set forth herein and to furnish such list to the Village upon request, but otherwise to keep such list confidential;

(c) to cancel and/or destroy Certificates which have been redeemed or paid at maturity or submitted for exchange or transfer;

(d) to furnish the Village at least annually a certificate with respect to Certificates cancelled and/or destroyed; and

(e) to furnish the Village at least annually an audit confirmation of Certificates paid or redeemed, Certificates outstanding and payments made with respect to interest on the Certificates.

Section 7. Bank Qualification. The Village hereby designates each of the Certificates as a "qualified tax-exempt obligation" for the purposes and within the meaning of Section 265(b)(3) of the Code. In support of such designation, the Village hereby certifies that (i) none of the Certificates will be at any time a "private activity bond" (as defined in Section 141 of the Code) other than a "qualified 501(c)(3) bond" (as defined in Section 145 of the Code) and (ii) not more than \$10,000,000 of obligations of any kind (including the Certificates) issued by or on behalf of the Village during calendar year 2012 will be designated for purposes of Section 265(b)(3) of the Code.

Section 8. Continuing Disclosure. The Continuing Disclosure Undertaking (the "Undertaking") in substantially the form which has been presented to the Board is hereby

approved by the Board, and the Village President and the Village Clerk are hereby authorized and directed to complete, execute and attest the same on behalf of the Village. Notwithstanding any other provisions of this ordinance, failure of the Village to comply with the Undertaking shall not be considered an event of default under the Certificates or this ordinance.

Section 9. 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 10. Headings. The headings or titles of the several sections shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this ordinance.

Section 11. Publication. This Ordinance shall be published in pamphlet form.

Section 12. Repealer and Effective Date. All ordinances, resolutions, orders or parts thereof in conflict herewith be and the same are hereby repealed, and this ordinance shall be in full force and effect from and after its passage, approval and publication in pamphlet form as provided by law.

First reading waived by action of the Board of Trustees this __ day of June, 2012.

Passed on second reading this 21st day of June, 2012, pursuant to a roll call vote as follows:

AYES: _____

NAYS: _____

ABSENT: _____

APPROVED by me this 21st day of June, 2012.

Village President, Village of Lombard,
DuPage County, Illinois

ATTEST:

Village Clerk, Village of Lombard,
DuPage County, Illinois

Published by me in pamphlet form this 21st day of June, 2012.

Village Clerk, Village of Lombard,
DuPage County, Illinois

Trustee _____ moved and Trustee _____ seconded the motion that said ordinance as presented and read by the Village Clerk be adopted.

After a full discussion thereof, the Village President directed that the roll be called for a vote upon the motion to adopt the ordinance as read.

Upon the roll being called the following Trustees voted AYE:

_____ and the following Trustees voted NAY: _____.

Whereupon the Village President declared the motion carried and the ordinance adopted and henceforth did approve and sign the same in open meeting and did direct the Village Clerk to record the same in full in the records of this meeting of the Village President and Board of Trustees of the Village of Lombard, DuPage County, Illinois.

Other business not pertinent to the adoption of said ordinance was duly transacted at said meeting.

Upon motion duly made and seconded, the meeting was adjourned.

Village Clerk, Village of Lombard,
DuPage County, Illinois

STATE OF ILLINOIS)
) SS
COUNTY OF DUPAGE)

CERTIFICATION OF ORDINANCE, MINUTES
AND PUBLICATION IN PAMPHLET FORM

I, the undersigned, do hereby certify that I am the duly qualified and acting Village Clerk of the Village of Lombard, DuPage County, Illinois (the "Village"), and as such official I am the keeper of the records and files of the Village and the Village President and Board of Trustees of said Village (the "Board").

I do further certify that the foregoing constitutes a full, true and complete transcript of the minutes of the meeting of the Board held on the 21st day of June, 2012, insofar as same relates to the adoption of an ordinance entitled:

AN ORDINANCE authorizing and providing for an installment purchase agreement, the issuance of an aggregate \$10,000,000 General Obligation Debt Certificates, Series 2012, by and for the Village of Lombard, DuPage County, Illinois.

a true, correct and complete copy of which said ordinance as adopted at said meeting appears in the foregoing transcript of the minutes of said meeting.

I do further certify that the deliberations of the Board on the adoption of said ordinance were conducted openly, that the vote on the adoption of said ordinance was taken openly, that said meeting was called and held at a specified time and place convenient to the public, that notice of said meeting was duly given to all news media requesting such notice, that said meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, and with the provisions of the Illinois Municipal Code, and that the Board has complied with all of the provisions of said Acts and with all of the procedural rules of the Board in the passage of said ordinance.

I do further certify that said ordinance was published by authority of the Board in pamphlet form on the ___ day of June, 2012, and said ordinance as so published was on said date readily available for public inspection and distribution, in sufficient number to meet the needs of the general public, at my office as Village Clerk located in the Village.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of the Village, this _____ day of June, 2012.

Village Clerk, Village of Lombard
DuPage County, Illinois

(SEAL)