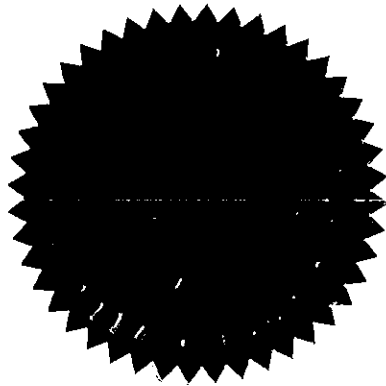


ORDINANCE 5078

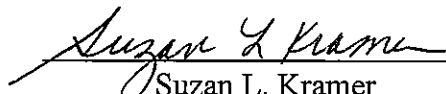
**PAMPHLET**

ORDINANCE AUTHORIZING AND PROVIDING FOR AN INSTALLMENT CONTRACT  
GENERAL OBLIGATION LIMITED TAX DEBT CERTIFICATES

PHASE II, SANITARY SEWER LIFT AND PUMP STATION REPLACEMENTS



PUBLISHED IN PAMPHLET FORM THIS 11<sup>28th</sup> DAY OF March, 2002.  
BY ORDER OF THE CORPORATE AUTHORITIES OF THE VILLAGE OF LOMBARD,  
DUPAGE COUNTY, ILLINOIS.

  
Suzan L. Kramer  
Village Clerk

MINUTES of a regular public meeting of the Board of Trustees of the Village of Lombard, DuPage County, Illinois, held at the Board Room, 255 East Wilson Avenue, Lombard, Illinois, in the Village Hall at 7:30 o'clock P.M., on the 7<sup>th</sup> day of March, 2002.

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The 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:

Trustees DeStephano, Tross, Koenig, Sebby, Florey

and Soderstrom

The following Trustees were absent: None

After a discussion of the necessity of replacing various sanitary lift stations and constructing road improvements by installment purchase thereof, Trustee DeStephano presented and the Village Clerk read in by title an ordinance the complete text of which is set out hereinbelow as follows:

ORDINANCE NUMBER 5078

AN ORDINANCE authorizing and providing for an installment contract, the issuance of an aggregate \$3,655,000 General Obligation Limited Tax Debt Certificates, Series 2002, by and for the Village of Lombard, DuPage County, Illinois.

WHEREAS, it is deemed advisable and necessary for the best interests of the residents of the Village of Lombard, DuPage County, Illinois (the "Village") to fund the construction of (a) Phase 2 of Sanitary Sewer Lift and Pump Station Replacements which consists of the removal and replacement of the Glen Oak, Finley Road, Westmore Avenue, and Harrison/Route 53 sanitary sewer lift stations, including the wet wells, valve vaults, pumps and appurtenances, sanitary sewer mains, storm sewer mains, force mains and electrical equipment, (b) Special Assessment 214A and B which consists of the reconstruction and improvement of portions of Harrison Road, from Illinois Route 53 (Columbine Avenue) to Finley Road and Pleasant Avenue, from Charlotte Street to Lombard Avenue, including watermain, storm and sanitary sewer replacements, asphalt pavement, gutter construction, street lighting, landscaping and sidewalks, and (c) to pay the costs of issuance of the Certificates (as defined herein), in accordance with the plans and specifications therefor, prepared for the President and Board of Trustees of the Village (the "Board"), approved by the Board and on file with the Clerk of the Village (such improvements to be referred to as the "Improvement"); and

WHEREAS, pursuant to the provisions of Section 11-61-3 of the Illinois Municipal Code (the "Code"), 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, there are insufficient funds on hand to pay for the Improvement, and it is deemed advisable, necessary and in the best interests of the Village and the residents thereof that

portions of the Improvement be purchased by installment contract entered into pursuant to said Section 11-61-3 of the Code; 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 installment agreements and issue certificates evidencing the indebtedness incurred under the agreement. The installment contract shall be in substantially the form set forth in Section 5 of this ordinance (such installment contract being referred to herein as the "Contract"). Further, the Village may enter into contracts with contractors to sell and construct the Improvement, 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 THREE MILLION SIX HUNDRED FIFTY-FIVE THOUSAND AND 00/100 DOLLARS (\$3,655,000), and it provides for the completion and transfer of said Improvement to the Village; and

WHEREAS, the Village will issue the aggregate \$3,655,000 General Obligation Limited Tax Debt Certificates, Series 2002 of the Village evidencing a portion of the indebtedness incurred pursuant to the Contract (the "Certificates") and will deposit the principal proceeds of 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 Improvement as it is 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 agrees 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 President and Clerk of the Village 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 President and Clerk of the Village 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 CONTRACT FOR THE RECONSTRUCTION  
OF CERTAIN INFRASTRUCTURE PROJECTS FOR THE  
VILLAGE OF LOMBARD, DUPAGE COUNTY, ILLINOIS.

THIS CONTRACT, made as of this 7<sup>th</sup> day of March, 2002 (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");

W I T N E S S E T H:

WHEREAS, the Village has determined to construct the Village's public benefit share of (a) Phase 2 of Sanitary Sewer Lift and Pump Station Replacements which consists of the removal and replacement of the Glen Oak, Finley Road, Westmore Avenue, and Harrison/Route 53 sanitary sewer lift stations, including the wet wells, valve vaults, pumps and appurtenances, sanitary sewer mains, storm sewer mains, force mains and electrical equipment, (b) Special Assessment 214A and B which consists of the reconstruction and improvement of portions of Harrison Road, from Illinois Route 53 (Columbine Avenue) to Finley Road and Pleasant Avenue, from Charlotte Street to Lombard Avenue, including watermain, storm and sanitary sewer replacements, asphalt pavement, gutter construction, street lighting, landscaping and sidewalks and (c) to pay the costs of issuance of the Certificates, all in accordance with the plans and specifications therefor, prepared for the Board of Trustees, approved by the President and Board of Trustees of the Village and on file with the Clerk of the Village (such improvements to be collectively referred to as the "Improvement"); and

WHEREAS, pursuant to Section 11-61-3 of the Illinois Municipal Code (the "Code"), 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, there are insufficient funds on hand to pay for the Improvement and it is deemed advisable, necessary and in the best interests of the Village and the residents thereof that portions of the Improvement be purchased by installment contract entered into pursuant to said Section 11-61-3; and

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

WHEREAS, the Village will issue the aggregate \$3,655,000 General Obligation Limited Tax Debt Certificates, Series 2002 of the Village evidencing a portion of the indebtedness incurred pursuant to this Contract (the "Certificates") and will deposit the principal proceeds of sale of the Certificates relating to the construction into a certain construction fund established by the Village, whereby the Counter-party will receive payment for the Improvement as it is 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 Improvement to be constructed and sold to the Village, all in accordance with the contract document enumerated in the agreement between the Village and the contractors, and 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 Martam Construction, Inc. and R. W. Dunteman Company which are, respectively, individually responsible for the acquisition, construction and installation of a portion of the Improvement.

2. Counter-party agrees to cause the completion and transfer of the Improvement to the Village, and Village agrees to purchase said portions of the Improvement from Counter-party and to pay for costs directly and to pay therefor the principal sum of THREE MILLION SIX HUNDRED FIFTY-FIVE THOUSAND AND 00/100 DOLLARS (\$3,655,000) (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>January 1</u>	<u>Amount</u>	<u>Rate of</u> <u>Interest</u>	<u>Year</u> <u>July 1</u>	<u>Amount</u>	<u>Rate of</u> <u>Interest</u>
			2003	\$245,000	3.00%
2004	\$250,000	3.00%	2004	255,000	3.00
2005	260,000	3.00	2005	270,000	3.00
2006	275,000	3.25	2006	280,000	3.25
2007	285,000	3.50	2007	295,000	3.50
2008	300,000	4.00	2008	305,000	4.00
2009	315,000	4.00	2009	320,000	4.00

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 Improvement, 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 Improvement. 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 Improvement. 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 Improvement for and on behalf of the parties. The Consulting Engineer shall generally oversee the construction and installation of the Improvement 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 and interest on the Certificates directly to the Paying Agent (as such term is hereinafter defined). The Certificates shall be dated March 15, 2002, shall each be designated "General Obligation Limited Tax Debt Certificates, Series 2002" 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, 2002, 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 of twelve 30-day months) being payable on the first day of January and July of each year, commencing on January 1, 2003. Bank One Trust Company, N.A., Milwaukee, Wisconsin (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 person in whose name any such Certificate is registered at the close of business on the 15th day of the month next 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 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 and interest on the Contract 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 redemption prior to maturity.

The Certificates shall be signed by the manual signatures of the President and Clerk of the Village, 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 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 and showing the date of authentication. 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, CEDE & CO., or any Beneficial Owner with respect to ownership questions, (ii) the delivery to any certificateholder (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 certificateholder (including any Beneficial Owner) or any other person, other than the Depository Trust Company, of any amount with respect to the principal of, or 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 or CEDE & CO. to be the absolute certificateholder 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 certificateholders 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 certificateholders; (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 willing to undertake the functions of the Depository Trust Company hereunder 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 certificateholders 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 certificateholders 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 certificateholders by the Village or the Certificate Registrar with respect to any consent or other action to be taken by certificateholders, 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 certificateholders for purposes of this resolution and the Village and the Certificate Registrar and Paying Agent shall for such purposes treat the Beneficial Owners as the certificateholders. 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 President of the Village 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 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:

(Form of Certificate)

REGISTERED  
NO. \_\_\_\_\_

REGISTERED  
\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF ILLINOIS  
COUNTY OF DUPAGE

VILLAGE OF LOMBARD

GENERAL OBLIGATION LIMITED TAX  
DEBT CERTIFICATE, SERIES 2002

<u>Interest Rate</u>	<u>Maturity Date</u> _____, 2002	<u>Original Date</u> _____, 2002	<u>Authentication Date</u>	<u>CUSIP</u>
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REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM:

KNOW ALL MEN BY THESE PRESENTS, that 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 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 bond unless this bond 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 bond is authenticated on or before December 15, 2002, 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, 2003, 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 Bank One Trust Company, N.A., Milwaukee, Wisconsin, 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 in the Certificate Registrar. Notwithstanding the foregoing, if payment of principal 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 Certificate Registrar 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 the construction of (a) Phase 2 of Sanitary Sewer Lift and Pump Station Replacements which consists of the removal and replacement of the Glen Oak, Finley Road, Westmore Avenue, and Harrison/Route 53 sanitary sewer lift stations, including the wet wells, valve vaults, pumps and appurtenances, sanitary sewer mains, storm sewer mains, force mains and electrical equipment, (b) Special Assessment 214A and B which consists of the reconstruction and improvement of portions of Harrison Road, from Illinois Route 53 (Columbine Avenue) to Finley Road and Pleasant Avenue, from Charlotte Street to Lombard Avenue, including watermain, storm and sanitary sewer replacements, asphalt pavement, gutter construction, street lighting, landscaping and sidewalks and (c) to pay the costs of issuance of the Certificates, and has been issued in evidence of the indebtedness incurred pursuant to a certain Installment Contract, dated as of the 7th day of March, 2002 (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 Section 11-61-3 of the Illinois Municipal Code as in effect on the date of delivery of the certificates, and is authorized by said President and Board of Trustees, 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 Milwaukee, Wisconsin, 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 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 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.

The Village has designated the certificates as qualified tax-exempt obligations to qualify the certificates for the \$10,000,000 exception from the provisions of Section 265(b) of the Internal Revenue Code of 1986 relating to the disallowance of 100% of the deduction for interest expense allocable to tax-exempt obligations.

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; and that the Village shall annually take all necessary action to appropriate such funds as are necessary to pay the interest hereon as it falls due and also to pay and discharge the principal hereof at maturity. Such principal and interest are payable from any funds of the Village legally available and annually appropriated for such purpose. 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 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 President and Clerk of said Village, and the seal of the Village to be affixed hereto or printed hereon, all as of the Dated Date identified above.

[SEAL]

\_\_\_\_\_  
President

\_\_\_\_\_  
Village Clerk

#### CERTIFICATE OF AUTHENTICATION

This certificate is one of the certificates described in the within mentioned Installment Contract and is one of the General Obligation Limited Tax Debt Certificates, Series 2002, of the Village of Lombard, DuPage County, Illinois.

Bank One Trust Company, N.A.,  
as Certificate Registrar

By \_\_\_\_\_  
Authorized Officer

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, Legg Mason Wood Walker Inc. (the "Purchaser") upon receipt of the purchase price thereof, the same being \$3,657,558.50 plus accrued interest to the date of delivery, 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) Accrued interest received by the Village upon the sale of the Certificates shall be deposited in a separate and special fund which is irrevocably pledged to and shall be used only for the purpose of paying the first interest coming due on the Certificates.

(b) Proceeds relating to the construction shall be set aside in a separate fund hereby created and designated as the Series 2002 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 Improvement 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.

(c) 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 President and Board of Trustees of the Village (the "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 Improvement. 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 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 represents that:

(i) The Certificates are not private activity bond as defined in Section 141 of the Code;

(ii) The Village hereby designates the Certificates as qualified tax-exempt obligations for purposes of Section 265(b) of the Code;

(iii) The reasonably anticipated amount of qualified tax-exempt obligations (including qualified 501(c)(3) obligations and tax-exempt leases, but excluding other private activity certificates) which will be issued by the Village and all entities subordinate to the Village during 2002 does not exceed \$10,000,000; and

(iv) The Village has not designated and will not designate more than \$10,000,000 of qualified tax-exempt obligations during 2002.

Therefore, the Certificates qualify for the exception in the Code from the disallowance of 100% of the deduction by financial institutions of interest expense allocable to newly acquired tax-exempt obligations.

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 certificates" 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 and to comply with such advice as may be given; (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 attached hereto as Exhibit A 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 Ice Miller, 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 Ice Miller 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 East Wilson Avenue  
Lombard, Illinois 60148  
Attention: Finance Director

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

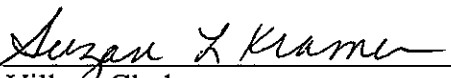
IN WITNESS WHEREOF, Counter-party has caused this Contract to be executed by its duly authorized officers and the Village, by its Board of Trustees, has caused this Contract to be executed by the President of said Village and attested by the Clerk of said Village, and the seal of the Village to be hereunto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

VILLAGE OF LOMBARD,  
DUPAGE COUNTY, ILLINOIS

(SEAL)

By   
Its President

Attest:

By   
Its Village Clerk

VILLAGE OF LOMBARD,  
DUPAGE COUNTY, ILLINOIS

By \_\_\_\_\_  
Its Treasurer

Section 6. Duties of Certificate Registrar. If requested by the Certificate Registrar, the President and Clerk of the Village 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. Official Statement. Distribution of an Official Statement and the Final Official Statement prepared by Speer Financial, Inc., as Financial Advisor, on behalf of the District, is hereby approved and the President and the Secretary are authorized and directed to execute the Official Statement and Final Official Statement on behalf of the District in a form consistent with this ordinance. The President and the Secretary are hereby authorized to designate the Final Official Statement as "final" for purposes of Rule 15c2-12 promulgated by the Securities and Exchange Commission.

Section 8. Continuing Disclosure. The Continuing Disclosure Undertaking (the "Undertaking") in substantially the form which has been presented to and is hereby approved by the Board, and the President and the Village Clerk are hereby authorized and directed to complete, execute and attest the same on behalf of the District. Notwithstanding any other

provisions of this ordinance, failure of the District 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. 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 forthwith upon its adoption.

First reading waived by action of the Board of Trustees this 7<sup>th</sup> day of March, 2002.

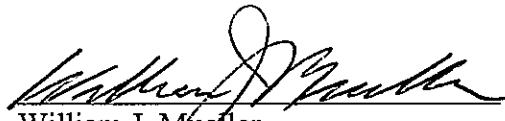
Passed on second reading this 7th day of March, 2002.

AYES: Trustees DeStephano, Tross, Koenig, Sebby, Florey, Soderstrom


NAYS: None

ABSENT: None

APPROVED by me this 7th day of March, 2002.

  
William J. Mueller  
Village President

ATTEST:

  
Suzan L. Kramer  
Village Clerk

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

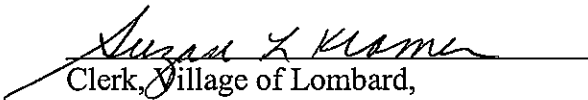
After a full discussion thereof, the President directed that the roll be called for a vote upon the motion to adopt the ordinance as read.

Upon the roll being called the following Trustees voted AYE:  
Trustess DeStephano, Tross, Koenig, Sebby, Florey, Soderstrom  
\_\_\_\_\_ and the  
following Trustees voted NAY: None.

Whereupon the 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 President and Board of Trustees of the Village of Lombard, Illinois, 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.

  
Clerk, Village of Lombard,  
DuPage County, Illinois



STATE OF ILLINOIS        )  
  ) SS  
COUNTY OF DUPAGE        )

CERTIFICATION OF ORDINANCE AND MINUTES

I, the undersigned, do hereby certify that I am the duly qualified and acting Clerk of the Village of Lombard, Illinois, DuPage County, Illinois (the "Village"), and as such official I am the keeper of the records and files of the Village and the 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 7th day of March, 2002, insofar as same relates to the adoption of an ordinance entitled:

AN ORDINANCE authorizing and providing for an installment contract, the issuance of an aggregate \$3,655,000 General Obligation Limited Tax Debt Certificates, Series 2002, by and for the Village of Lombard, Illinois, 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 where 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.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of the Village, this 21st day of March, 2002.

  
Village Clerk

(SEAL)

## CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the "Disclosure Undertaking") is executed and delivered by the Village of Lombard, DuPage County, Illinois (the "Village") in connection with the issuance of \$3,655,000 General Obligation Limited Tax Debt Certificates, Series 2002 (the "Certificates"). The Certificates are being issued pursuant to an Ordinance adopted March 7, 2002 (the "Ordinance"). The Village covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Undertaking. This Disclosure Undertaking is being executed and delivered by the Village for the benefit of the Certificateholders and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12.

SECTION 2. Definitions. In addition to the definitions set forth in the Ordinance, which apply to any capitalized term used in this Disclosure Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Village pursuant to, and as described in, Sections 3 and 4 of this Disclosure Undertaking.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Certificates (including persons holding Certificates through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Certificates for federal income tax purposes.

"Dissemination Agent" shall mean the Treasurer of the Village, or any successor Dissemination Agent designated in writing by the Village and which has filed with the Village a written acceptance of such designation.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Undertaking.

"National Repository" shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. The National Repositories currently approved by the Securities and Exchange Commission are set forth in Exhibit B.

"Participating Underwriter" shall mean any of the original underwriters of the Certificates required to comply with the Rule in connection with offering of the Certificates.

"Repository" shall mean each National Repository and each State Repository.

"Rule" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of Illinois.

“State Repository” shall mean any public or private repository or entity designated by the State as a state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. As of the date of this Undertaking, there is no State Repository.

SECTION 3. Provision of Annual Reports.

(a) The Village shall, or shall cause the Dissemination Agent to, at least annually not later than 210 days after the end of the Village’s fiscal year (presently May 31), commencing with the report for the 2001 Fiscal Year, provide to each National Repository and to the State Repository, if any, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Undertaking. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Undertaking; provided that the audited financial statements of the Village may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Village’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

(b) Not later than fifteen (15) Business Days prior to said date, the Village shall provide the Annual Report to the Dissemination Agent (if other than the Village). If the Village is unable to provide to the Repositories an Annual Report by the date required in subsection (a), the Village shall send a notice to each Repository in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of each National Repository and each State Repository, if any; and

(ii) (if the Dissemination Agent is other than the Village), file a report with the Village certifying that the Annual Report has been provided pursuant to this Disclosure Undertaking, stating the date it was provided and listing all the Repositories to which it was provided.

SECTION 4. Content of Annual Reports. The Village’s Annual Report shall contain or include by reference the following:

1. The table under the heading of Retailer's Occupation, Service Occupation and Use Tax within the Final Official Statement relating to the Certificates (the "Official Statement");

2. All of the tables under the heading PROPERTY ASSESSMENT AND TAX INFORMATION within the Official Statement;

3. All of the tables under the heading DEBT INFORMATION within the Official Statement;

4. All of the tables under the heading FINANCIAL INFORMATION within the Official Statement;

5. The financial statements of the Village as audited annually by independent public accountants for the prior fiscal year, prepared currently in accordance with generally accepted accounting principles as promulgated to apply to governmental entities and as anticipated but not covenanted from time to time by the Governmental Accounting Standards Board. If the Village's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

Any or all of the items listed above may be included by reference from other documents, including official statements of debt issues of the Village or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Village shall clearly identify each such other document so incorporated by reference.

#### SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Village shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Certificates, if material:

1. principal and interest payment delinquencies.
2. non-payment related defaults.
3. unscheduled draws on the debt service reserves reflecting financial difficulties.
4. unscheduled draws on the credit enhancements reflecting financial difficulties.
5. substitution of the credit or liquidity providers or their failure to perform.
6. adverse tax opinions or events affecting the tax-exempt status of the Certificates.

7. modifications to rights of Certificateholders.
8. optional, contingent or unscheduled certificate calls.
9. defeasances.
10. release, substitution or sale of property securing repayment of the Certificates.
11. rating changes.

(b) Whenever the Village obtains knowledge of the occurrence of a Listed Event, the Village shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If the Village determines that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the Village shall promptly file a notice of such occurrence with the Municipal Securities Rulemaking Board, the National Repository and each State Repository. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(4) and (5) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Certificates pursuant to the Ordinance.

SECTION 6. Termination of Reporting Obligation. The Village's obligations under this Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Certificates. If such termination occurs prior to the final maturity of the Certificates, the Village shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

SECTION 7. Dissemination Agent. The Village may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Undertaking, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Village pursuant to this Disclosure Undertaking. The initial Dissemination Agent shall be the Treasurer of the Village.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Undertaking, the Village by resolution or ordinance authorizing such amendment or waiver, may amend this Disclosure Undertaking, and any provision of this Disclosure Undertaking may be waived, provided that the following conditions are satisfied:

(a) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Village, or the type of business conducted;

(b) The undertaking, as amended, or the provision, as waived would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not materially impair the interests of the holders or Beneficial Owners of the Certificates as determined by parties unaffiliated with the Village (such as nationally recognized bond counsel).

In the event of any amendment or waiver of a provision of this Disclosure Undertaking, the Village shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Village. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Undertaking shall be deemed to prevent the Village from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Undertaking. If the Village chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Undertaking, the Village shall have no obligation under this Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Village to comply with any provision of this Disclosure Undertaking any Certificateholder or Beneficial Owner of the Certificates may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Village to comply with its obligations under this Disclosure Undertaking. A default under this Disclosure Undertaking shall not be deemed an Event of Default under the Ordinance or the Installment Contract relating to the Certificates, and the sole remedy under this Disclosure Undertaking in the event of any failure of the Village to comply with this Disclosure Undertaking shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Undertaking, and the Village agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or wilful misconduct. The obligations of the Village under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Certificates.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Village, the Dissemination Agent, the Participating Underwriters, Certificateholders and Beneficial Owners from time to time of the Certificates and the ultimate beneficial holder of the Certificates, and shall create no rights in any other person or entity.

Date: March 7, 2002

VILLAGE OF LOMBARD, DUPAGE  
COUNTY, ILLINOIS

By   
President

Attest:

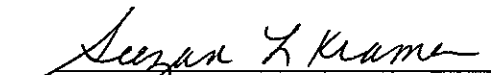
  
Village Clerk

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Village: Village of Lombard, DuPage County, Illinois (the "Village").

Name of Bond Issue: \$3,655,000 General Obligation Limited Tax Debt  
Certificates, Series 2002

Date of Issuance: March 25, 2002

NOTICE IS HEREBY GIVEN that the Village has not provided an Annual Report with respect to the above-named Certificates as required by the Ordinance adopted March 7, 2002. [The Village anticipates that the Annual Report will be filed by \_\_\_\_\_.]

Dated: \_\_\_\_\_

VILLAGE OF LOMBARD, DUPAGE  
COUNTY, ILLINOIS

By \_\_\_\_\_  
Its \_\_\_\_\_



## EXHIBIT B

Nationally Recognized Municipal Securities Information Repositories approved by the Securities and Exchange Commission:

Bloomberg Municipal Repository  
100 Business Park Drive  
Skillman, New Jersey 08558  
Phone: (609) 279-3225  
Fax: (609) 279-5962  
Email: Munis@Bloomberg.com

DPC Data Inc.  
One Executive Drive  
Fort Lee, NJ 07024  
Phone: (201) 346-0701  
Fax: (201) 947-0107  
Email: nrmsir@dpcdata.com

FT Interactive Data  
Attn: NRMSIR  
100 William Street  
New York, New York 10038  
Phone: (212) 771-6999  
Fax: (212) 771-7390 (Secondary Market Information)  
(212) 771-7391 (Primary Market Information)  
Email: NRMSIR@FTID.com

Standard & Poor's J. J. Kenny Repository  
55 Water Street  
45th Floor  
New York, NY 10041  
Phone: (212) 438-4595  
Fax: (212) 438-3975  
Email: nrmsir\_repository@sandp.com

18541.1

INDEX OF DOCUMENTS

RE: VILLAGE OF LOMBARD, DUPAGE COUNTY,  
ILLINOIS, \$3,655,000 GENERAL OBLIGATION  
LIMITED TAX DEBT CERTIFICATES, SERIES 2002

1. Issuer's Organization and General Certificate.
2. Certified copy of Ordinance No. \_\_\_\_\_ adopted March 7, 2002, authorizing issuance of the certificates, together with certified copy of minutes of the meeting.
3. Executed copy of the Installment Contract.
4. Assessed Valuation Certificate.
5. Debt Certificate.
6. Signature and No Litigation Certificate, together with Signature Identification Certificate.
7. Specimen Certificate.
8. Certificate of Delivery and Payment.
9. Certificate of Village of Lombard re: Arbitrage and Federal Tax Matters.
10. Receipt for Certificates.
11. Form 8038-G and evidence of mailing.
12. Official Statement dated February 27, 2002.
13. Addendum to Official Statement dated March 7, 2002.
14. Continuing Disclosure Undertaking.
15. Authentication and Signature Identification Certificate.
16. Financial Advisor's Certificate.
17. Rating Letter of Standard & Poor's Ratings Group.
18. Opinion of Klein, Thorpe and Jenkins, Ltd., Chicago, Illinois.
19. Opinion of Ice Miller, Chicago, Illinois.

ISSUER'S ORGANIZATION AND GENERAL CERTIFICATE

STATE OF ILLINOIS        )  
  ) SS  
COUNTY OF DUPAGE        )

We, the undersigned, hereby certify that we are the qualified and acting President and Village Clerk of the Village of Lombard, DuPage County, Illinois (the "Village"), and as such officers we further certify as follows:

1. The Village was organized in the year 1869, under and pursuant to the laws of the State of Illinois.
2. The present governing body of the Village is composed of a duly qualified and elected President and six Trustees, who comprise the President and Board of Trustees, whose names and terms, together with those of the Village Clerk, Treasurer and Village Manager, and their respective terms, are as follows:

<u>Office</u>	<u>Name</u>	<u>Began</u>	<u>Term</u> <u>Ends</u>
President	William J. Mueller	2001	2005
Village Clerk	Susan L. Kramer	2001	2005
Treasurer	Leonard J. Flood	Appointed	
Village Manager	William T. Lichter	Appointed	
Trustee	Steven D. Sebby	1999	2003
Trustee	Kenneth M. Florey	1999	2003
Trustee	Richard J. Tross	1999	2003
Trustee	Joan Destephano	2001	2005
Trustee	Karen S. Koenig	2001	2005
Trustee	Rick Soderstrom	2001	2005

3. All of said officers of the Village as hereinabove described have been duly elected or appointed and qualified for their respective offices, and all of said officers are now in lawful incumbency of their respective offices.
4. The regular meetings of the President and Board of Trustees are held the first and third Thursday of each month.
5. The Village has not adopted and is not now operating under the provisions of Article IV of the Illinois Municipal Code relating to the commission form of municipal government but it has adopted and it is now operating under the village manager form of municipal government.

6. All meetings of legislative, executive, administrative and advisory bodies of the Village, including committees and subcommittees, which are supported in whole or in part by tax revenues or which expend tax revenues, are open to the public, subject to the exceptions of 5 ILCS 120/2 (2000 State Bar Edition); and public notice of all such meetings is given pursuant to the procedures of 5 ILCS 120/2.02 (2000 State Bar Edition).

7. The representations, warranties, and covenants of the Village in the Installment Contract dated as of March 7, 2002 by and between the Village and the Village Treasurer and the construction contracts attached thereto, by and between the Village and each of Martam Construction, Inc. and R. W. Dunteman Company (the "Installment Contract") is true and correct in all material respects on and as of the date hereof, and the Village has complied with all covenants and agreements and satisfied all conditions and terms on its part to be performed or satisfied at or prior to the date of issuance of the Village's General Obligation Limited Tax Debt Certificates, Series 2002 (the "Certificates").

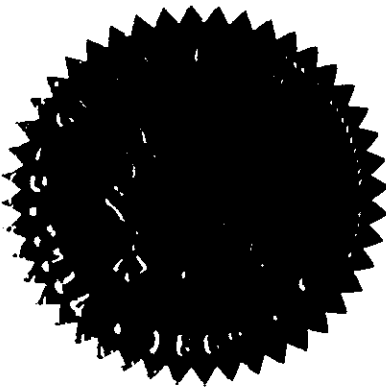
8. The Official Statement in connection with the Certificates (the "Official Statement"), including any amendment or supplement thereto, does not contain any untrue statement of a material fact or omit to state any fact that should be included therein for the purposes for which such Official Statement is intended to be used or which is necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading.

9. No action, suit, inquiry, investigation, or other proceeding is pending, or, to our knowledge, threatened in or before any court, governmental agency, authority, body, or arbitrator in any way affecting the existence of the Village or the title of any official of the Village to his or her office that would affect the validity or enforceability of the Installment Contract and the Ordinance adopted by the Village on March 7, 2002 (the "Ordinance") or the Certificates, or seeking to restrain or to enjoin the issuance, sale, or delivery of the Certificates or in any way contesting or affecting the validity or enforceability of the Installment Contract, the Ordinance or the Certificates, or contesting in any way the completeness or accuracy of the Official Statement, or the powers or authority of the Village with respect to the Installment Contract, the Ordinance or the Certificates, or the exclusion from gross income of interest on the Certificates for federal income tax purposes.

10. The Village has an official seal which is affixed hereon.

We, the undersigned, do hereby direct Bank One Trust Company NA, Milwaukee Wisconsin, as Certificate Registrar, to authenticate the Certificates to The Depository Trust Company.

WITNESS our official signatures and the seal of the Village this 25th day of March, 2002.



CHICAGO 18728v1

*William J. Smith*  
\_\_\_\_\_  
President

*Suzanne L. Kramer*  
\_\_\_\_\_  
Village Clerk

INSTALLMENT CONTRACT FOR THE RECONSTRUCTION  
OF CERTAIN INFRASTRUCTURE PROJECTS FOR THE  
VILLAGE OF LOMBARD, DUPAGE COUNTY, ILLINOIS.

THIS CONTRACT, made as of this 7<sup>th</sup> day of March, 2002 (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 the Village's public benefit share of (a) Phase 2 of Sanitary Sewer Lift and Pump Station Replacements which consists of the removal and replacement of the Glen Oak, Finley Road, Westmore Avenue, and Harrison/Route 53 sanitary sewer lift stations, including the wet wells, valve vaults, pumps and appurtenances, sanitary sewer mains, storm sewer mains, force mains and electrical equipment, (b) Special Assessment 214A and B which consists of the reconstruction and improvement of portions of Harrison Road, from Illinois Route 53 (Columbine Avenue) to Finley Road and Pleasant Avenue, from Charlotte Street to Lombard Avenue, including watermain, storm and sanitary sewer replacements, asphalt pavement, gutter construction, street lighting, landscaping and sidewalks and (c) to pay the costs of issuance of the Certificates, all in accordance with the plans and specifications therefor, prepared for the Board of Trustees, approved by the President and Board of Trustees of the Village and on file with the Clerk of the Village (such improvements to be collectively referred to as the "Improvement"); and

WHEREAS, pursuant to Section 11-61-3 of the Illinois Municipal Code (the "Code"), 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, there are insufficient funds on hand to pay for the Improvement and it is deemed advisable, necessary and in the best interests of the Village and the residents thereof that portions of the Improvement be purchased by installment contract entered into pursuant to said Section 11-61-3; and

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

WHEREAS, the Village will issue the aggregate \$3,655,000 General Obligation Limited Tax Debt Certificates, Series 2002 of the Village evidencing a portion of the indebtedness incurred pursuant to this Contract (the "Certificates") and will deposit the principal proceeds of sale of the Certificates relating to the construction into a certain construction fund established by the Village, whereby the Counter-party will receive payment for the Improvement as it is 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 Improvement to be constructed and sold to the Village, all in accordance with the contract document enumerated in the agreement between the Village and the contractors, and 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 Martam Construction, Inc. and R. W. Dunteman Company which are, respectively, individually responsible for the acquisition, construction and installation of a portion of the Improvement.

2. Counter-party agrees to cause the completion and transfer of the Improvement to the Village, and Village agrees to purchase said portions of the Improvement from Counter-party and to pay for costs directly and to pay therefor the principal sum of THREE MILLION SIX HUNDRED FIFTY-FIVE THOUSAND AND 00/100 DOLLARS (\$3,655,000) (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>January 1</u>	<u>Amount</u>	<u>Rate of</u> <u>Interest</u>	<u>Year</u> <u>July 1</u>	<u>Amount</u>	<u>Rate of</u> <u>Interest</u>
2003	\$250,000	3.00%	2002	\$245,000	3.00%
2004	260,000	3.00	2003	255,000	3.00
2005	275,000	3.25	2004	270,000	3.00
2006	285,000	3.50	2005	280,000	3.25
2007	300,000	4.00	2006	295,000	3.50
2008	315,000	4.00	2007	305,000	4.00
			2008	320,000	4.00

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 Improvement, 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 Improvement. 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 Improvement. 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 Improvement for and on behalf of the parties. The Consulting Engineer shall generally oversee the construction and installation of the Improvement 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 and interest on the Certificates directly to the Paying Agent (as such term is hereinafter defined). The Certificates shall be dated March 15, 2002, shall each be designated "General Obligation Limited Tax Debt Certificates, Series 2002" 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, 2002, 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 of twelve 30-day months) being payable on the first day of January and July of each year, commencing on January 1, 2003. Bank One Trust Company, N.A., Milwaukee, Wisconsin (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 person in whose name any such Certificate is registered at the close of business on the 15th day of the month next 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 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 and interest on the Contract 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 redemption prior to maturity.

The Certificates shall be signed by the manual signatures of the President and Clerk of the Village, 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 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 and showing the date of authentication. 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, CEDE & CO., or any Beneficial Owner with respect to ownership questions, (ii) the delivery to any certificateholder (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 certificateholder (including any Beneficial Owner) or any other person, other than the Depository Trust Company, of any amount with respect to the principal of, or 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 or CEDE & CO. to be the absolute certificateholder 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 certificateholders 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 certificateholders; (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 willing to undertake the functions of the Depository Trust Company hereunder 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 certificateholders 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 certificateholders 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 certificateholders by the Village or the Certificate Registrar with respect to any consent or other action to be taken by certificateholders, 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 certificateholders for purposes of this resolution and the Village and the Certificate Registrar and Paying Agent shall for such purposes treat the Beneficial Owners as the certificateholders. 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 President of the Village 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 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:

(Form of Certificate)

REGISTERED  
NO. \_\_\_\_\_

REGISTERED  
\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF ILLINOIS  
COUNTY OF DUPAGE

VILLAGE OF LOMBARD

GENERAL OBLIGATION LIMITED TAX  
DEBT CERTIFICATE, SERIES 2002

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Date</u>	<u>Authentication Date</u>	<u>CUSIP</u>
	_____, 200_	March 15, 2002		

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM:

KNOW ALL MEN BY THESE PRESENTS, that 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 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 bond unless this bond 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 bond is authenticated on or before December 15, 2002, 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, 2003, 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 Bank One Trust Company, N.A., Milwaukee, Wisconsin, 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 in the Certificate Registrar. Notwithstanding the foregoing, if payment of principal 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 Certificate Registrar 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 the construction of (a) Phase 2 of Sanitary Sewer Lift and Pump Station Replacements which consists of the removal and replacement of the Glen Oak, Finley Road, Westmore Avenue, and Harrison/Route 53 sanitary sewer lift stations, including the wet wells, valve vaults, pumps and appurtenances, sanitary sewer mains, storm sewer mains, force mains and electrical equipment, (b) Special Assessment 214A and B which consists of the reconstruction and improvement of portions of Harrison Road, from Illinois Route 53 (Columbine Avenue) to Finley Road and Pleasant Avenue, from Charlotte Street to Lombard Avenue, including watermain, storm and sanitary sewer replacements, asphalt pavement, gutter construction, street lighting, landscaping and sidewalks and (c) to pay the costs of issuance of the Certificates, and has been issued in evidence of the indebtedness incurred pursuant to a certain Installment Contract, dated as of the 7th day of March, 2002 (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 Section 11-61-3 of the Illinois Municipal Code as in effect on the date of delivery of the certificates, and is authorized by said President and Board of Trustees, 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 Milwaukee, Wisconsin, 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 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

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.

The Village has designated the certificates as qualified tax-exempt obligations to qualify the certificates for the \$10,000,000 exception from the provisions of Section 265(b) of the Internal Revenue Code of 1986 relating to the disallowance of 100% of the deduction for interest expense allocable to tax-exempt obligations.

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; and that the Village shall annually take all necessary action to appropriate such funds as are necessary to pay the interest hereon as it falls due and also to pay and discharge the principal hereof at maturity. Such principal and interest are payable from any funds of the Village legally available and annually appropriated for such purpose. 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 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 President and Clerk of said Village, and the seal of the Village to be affixed hereto or printed hereon, all as of the Dated Date identified above.

[SEAL]

\_\_\_\_\_  
President

\_\_\_\_\_  
Village Clerk

CERTIFICATE OF AUTHENTICATION

This certificate is one of the certificates described in the within mentioned Installment Contract and is one of the General Obligation Limited Tax Debt Certificates, Series 2002, of the Village of Lombard, DuPage County, Illinois.

Bank One Trust Company, N.A.,  
as Certificate Registrar

By \_\_\_\_\_  
Authorized Officer

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, Legg Mason Wood Walker Inc. (the "Purchaser") upon receipt of the purchase price thereof, the same being \$3,657,558.50 plus accrued interest to the date of delivery, 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) Accrued interest received by the Village upon the sale of the Certificates shall be deposited in a separate and special fund which is irrevocably pledged to and shall be used only for the purpose of paying the first interest coming due on the Certificates.

(b) Proceeds relating to the construction shall be set aside in a separate fund hereby created and designated as the Series 2002 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 Improvement 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.

(c) 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 President and Board of Trustees of the Village (the "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 Improvement. 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 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 represents that:

(i) The Certificates are not private activity bond as defined in Section 141 of the Code;

(ii) The Village hereby designates the Certificates as qualified tax-exempt obligations for purposes of Section 265(b) of the Code;

(iii) The reasonably anticipated amount of qualified tax-exempt obligations (including qualified 501(c)(3) obligations and tax-exempt leases, but excluding other private activity certificates) which will be issued by the Village and all entities subordinate to the Village during 2002 does not exceed \$10,000,000; and

(iv) The Village has not designated and will not designate more than \$10,000,000 of qualified tax-exempt obligations during 2002.

Therefore, the Certificates qualify for the exception in the Code from the disallowance of 100% of the deduction by financial institutions of interest expense allocable to newly acquired tax-exempt obligations.

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 certificates" 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 and to comply with such advice as may be given; (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 attached hereto as Exhibit A 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 Ice Miller, 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 Ice Miller 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 East Wilson Avenue  
Lombard, Illinois 60148  
Attention: Finance Director

If to Village, at

Village of Lombard  
255 East 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 President of said Village and attested by the Clerk of said Village, and the seal of the Village to be hereunto affixed, all as of the day and year first above written.

(SEAL)

Attest:

By Suzanne L. Kramer  
Its Village Clerk

VILLAGE OF LOMBARD,  
DUPAGE COUNTY, ILLINOIS

By [Signature]  
Its President

VILLAGE OF LOMBARD,  
DUPAGE COUNTY, ILLINOIS

By [Signature]  
Its Treasurer

EXHIBIT A

CHICAGO 18697v1

CERTIFICATE OF DELIVERY AND PAYMENT

STATE OF ILLINOIS        )  
                                  ) SS:  
COUNTY OF DUPAGE        )

I hereby certify that I have delivered to Legg Mason Wood Walker Inc. (the "Purchaser") the certificates of the Village of Lombard, DuPage County, Illinois, described on Exhibit A attached hereto (the "Certificates").

I further certify that I have received from said Purchaser the amount of \$3,657,558.50 plus accrued interest in the amount of \$\_\_\_\_\_ for the payment of said Certificates.

I further certify that I am the officer authorized by law to receive payment for and deliver the Certificates, and that the Certificates have been signed manually or by facsimile by the officers now holding the offices indicated on the Certificates.

I further certify that the officers whose signatures appear on the Certificates were in occupancy and possession of their respective offices at the time of the delivery of the Certificates as aforesaid.

Dated this 25th day of March, 2002.


  
\_\_\_\_\_  
Treasurer, Village of Lombard

EXHIBIT A

Designation: Village of Lombard, DuPage County, Illinois  
General Obligation Limited Tax Debt Certificates, Series 2002

Total Issue: \$3,655,000

Originally Dated: March 15, 2002

Denomination: \$5,000 each and integral multiples thereof

Interest Payment Dates: January 1, 2003, and semiannually thereafter

Maturities and Interest Rates: Semiannually each January 1 and July 1, commencing July 1, 2003 in the amounts and bearing interest as follows:

<u>Maturity Date</u>	<u>Amount</u>	<u>Interest Rate</u>
July 1, 2003	\$245,000	2.00%
January 1, 2004	250,000	3.00
July 1, 2004	255,000	3.00
January 1, 2005	260,000	3.00
July 1, 2005	270,000	3.00
January 1, 2006	275,000	3.25
July 1, 2006	280,000	3.25
January 1, 2007	285,000	3.50
July 1, 2007	295,000	3.50
January 1, 2008	300,000	4.00
July 1, 2008	305,000	4.00
January 1, 2009	315,000	4.00
July 1, 2009	320,000	4.00



CERTIFICATE OF THE VILLAGE OF LOMBARD,  
DUPAGE COUNTY, ILLINOIS RE: ARBITRAGE AND FEDERAL  
TAX MATTERS

STATE OF ILLINOIS                    )  
  ) SS:  
COUNTY OF DUPAGE                 )

We, the undersigned, certify that we are the duly elected or appointed officials of the Village of Lombard, DuPage County, Illinois ("Village"), holding the offices appearing under our names, are the officials under whose jurisdiction the Project described below will be constructed and the proceeds of the Certificates described below will be expended, are authorized to execute this certificate on behalf of the Village and are officers of the Village charged by the Ordinance adopted March 7, 2002 ("Ordinance") by the President and Board of Trustees of the Village with actually issuing the Certificates.

We further certify that:

1.     Applicable Laws. This certificate is executed for the purpose of, among other matters, setting forth the facts and estimates upon which the Village represents that the Certificates do not and will not bear interest which is includable in the gross income of their owners and bases its reasonable expectations that the Certificates are not arbitrage bonds under (i) the applicable sections of the Internal Revenue Code in effect on the date hereof (the "Code") and (ii) Treasury Regulations Sections 1.148-0 through 11, 1.149(b)-1, 1.149(e)-1, 1.149(g)-1 and 1.150-1 through -2 to the extent applicable on the date hereof ("Regulations"). Unless otherwise indicated by the context in which they are used, words and phrases used in this certificate have the meaning ascribed to them in the Regulations.

2. Summary of Financing. We are cognizant of the facts and circumstances regarding the issuance of general obligation certificates of the Village in the amount of \$3,655,000, designated "General Obligation Limited Tax Debt Certificates, Series 2002" ("Certificates"), dated March 15, 2002, and the intended use of the proceeds of the Certificates to fund the construction of (a) Phase 2 of Sanitary Sewer Lift and Pump Station Replacements which consists of the removal and replacement of the Glen Oak, Finley Road, Westmore Avenue, and Harrison/Route 53 sanitary sewer lift stations, including the wet wells, valve vaults, pumps and appurtenances, sanitary sewer mains, storm sewer mains, force mains and electrical equipment, (b) Special Assessment 214A and B which consists of the reconstruction and improvement of portions of Harrison Road, from Illinois Route 53 (Columbine Avenue) to Finley Road and Pleasant Avenue, from Charlotte Street to Lombard Avenue, including watermain, storm and sanitary sewer replacements, asphalt pavement, gutter construction, street lighting, landscaping and sidewalks, and (c) to pay the costs of issuance of the Certificates, all within the jurisdiction of the Village (the "Project"), as provided in Section 11-61-3 of Illinois Municipal Code, as supplemented and amended (the "Code") and to pay issuance expenses.

3. Sale Proceeds. The Village expects to sell the Certificates to the purchasers for \$3,655,000, plus a premium of \$2,558.50, for a total of \$3,657,558.50 ("Net Sale Proceeds"), plus accrued interest of \$ \_\_\_\_\_, for a total purchase price of \$ \_\_\_\_\_.

4. Disposition of Sale Proceeds. (a) Accrued interest to the date of delivery of the Certificates in the amount of \$ \_\_\_\_\_ will be deposited in the Village's Certificate Fund (as such term is defined in the Ordinance) and will be used to pay interest on the Certificates on January 1, 2003.

(a) The Net Sale Proceeds will be deposited in the Construction Fund (as such term is defined in the Ordinance). The Net Sale Proceeds will be used by the Village for the purpose of financing the Project and to pay issuance expenses. The Village expects to pay approximately \$\_\_\_\_\_ in issuance expenses.

5. Construction Fund. The Village expects that moneys held in the Construction Fund shall be used to finance the costs of the Project at the time and in the manner described in Exhibit B. The Village represents that:

(a) None of the Net Sale Proceeds will be used to reimburse the Village for costs of the Project paid by the Village prior to the issuance of the Certificates.

(b) Substantial binding obligations to third parties to commence the Project have been or will be incurred by entering into purchase contracts for the Project in an amount not less than \$182,877.92 by September 25, 2002. These sums account for at least 5% of the Net Sale Proceeds.

(c) Based upon the expected acquisition period for the Project and expectations for the expenditure of the Net Sale Proceeds, as set forth in Exhibit B, the Village reasonably expects that at least eighty-five percent (85%) of the Net Sale Proceeds will be expended on costs of the Project within the 3-year period from September 25, 2002 through September 25, 2005.

(d) Based upon the above schedule set forth in Exhibit B, the Village reasonably expects the expenditure test of Regulation 1.148-2(e)(2)(i)(A) to be met.

(e) Based upon the above, the Village reasonably expects that work on the Project will proceed with due diligence, as defined in Regulation 1.148-2(e)(2)(i)(C), to completion, presently expected on or about \_\_\_\_\_, 200\_ and that the allocation of Net Sale

Proceeds to these expenditures will occur as these expenditures are paid. The Certificates are being issued at this time to begin the construction schedule of the Village and to comply with the provisions of the Code.

(f) The Net Sale Proceeds, together with the investment earnings thereon, will not exceed the amounts necessary for the purpose or purposes of the Certificates, as shown in Exhibit A. Any amounts remaining in the Construction Fund upon completion of the Project (except moneys reserved to pay any disputed or unpaid claims) will be applied to pay additional Project costs, or for the same purpose or type of project for which the Certificates were issued.

(g) Based upon the above, the Village reasonably expects that the Construction Fund will qualify for the temporary period described in Regulation 1.148-2(e)(2) and moneys in such fund May be invested at an unrestricted yield.

6. No Sale of Projects Financed with Outstanding Bonds. The Village reasonably expects that the projects financed with the Certificates will not be sold or otherwise disposed of, in whole or in part, prior to the last maturity of the Certificates.

7. Sinking or Pledged Funds; Replacement Proceeds. (a) Principal of and interest on the Certificates due each year will be paid from any funds of the Village legally available and annually appropriated for such purpose. It is reasonably expected that the amounts held in the Certificate Fund to pay debt service in any given year will not exceed the amount of principal and interest on the Certificates payable for that year. The Village expects that the deposits into the Certificate Fund will not be held for more than thirteen (13) months and that the Certificate Fund will be depleted at least once a year as to debt service on the Certificates except for a reasonable carryover which will not exceed the greater of 1/12 of annual debt service on the Certificates for the immediately preceding bond year or one year's earnings on such amounts for

the immediately preceding bond year. The Certificate Fund is designed to achieve a proper matching of the Village's revenues and debt service on the Certificates within each bond year. Therefore, the Certificate Fund constitutes a Bona Fide Debt Service Fund as to the Certificates under the Regulations and such moneys will be invested without restriction as to yield.

(b) Except for the Certificate Fund, there are no other funds or accounts of the Village established pursuant to the Ordinance or otherwise, (i) which are reasonably expected to be used to pay debt service on the Certificates or which are pledged as collateral to secure repayment of debt service on the Certificates, (ii) for which there is reasonable assurance that amounts therein will be available to pay debt service on the Certificates, or (iii) for which the Village has agreed to maintain a particular balance for the direct or indirect benefit of the owners of the Certificates.

(c) As set forth in Exhibit C, the weighted average maturity of the Certificates (4.452 years) is less than 120% of the reasonably expected economic life assigned to the Project financed with the proceeds of the Certificates (40 years) and, therefore, replacement proceeds will not arise under Regulation Section 1.148-1(c)(4).

(d) No portion of the proceeds of the Certificates will be used as a substitute for other funds which would otherwise have been used to pay the principal of, premium, if any, or interest on the Certificates and which will be used directly or indirectly to acquire obligations producing a yield in excess of the Yield (as defined in Section 11).

8. Concurrent Issues. There are no other obligations of the Village which (i) are sold at substantially the same time as the Certificates (within 15 days), (ii) are sold pursuant to the same plan of financing as the Certificates, and (iii) are reasonably expected to be paid out of substantially the same source of funds as the Certificates.

9. Disposition of Investment Earnings. Within one year of receipt, earnings on amounts deposited in the Certificate Fund will be expended to pay debt service on the Certificates.

10. Artifice and Device. The Village has not employed in connection with the issuance of the Certificates a transaction or series of transactions that attempts to circumvent the provisions of the Code and the Regulations, enabling the Village to exploit the difference between tax-exempt and taxable interest rates to obtain a material financial advantage and overburdening the market for tax-exempt obligations through actions such as, but not limited to, issuing more obligations, issuing obligations sooner, and allowing them to remain outstanding longer than would otherwise be reasonably necessary to accomplish the governmental purposes of the Certificates.

11. Calculation of Yield. The yield on the Certificates has been calculated in accordance with the Regulations as shown in Exhibit C ("Yield"). In calculating the Yield, the Village relied on information provided by Legg Mason Wood Walker Inc., as the initial purchaser of the Certificates (the "Underwriter"), including certain representations of the Underwriter included in a Certificate of the Underwriter attached hereto as Exhibit D.

12. Maintenance of Tax Exemption. This certificate is being executed and delivered pursuant to the laws set forth in paragraph 1. On the basis of the foregoing, it is not expected that the proceeds of the Certificates will be used in a manner that would cause the Certificates to be arbitrage bonds under the Code and the Regulations. No action shall be taken that would impair the exclusion from gross income of interest on the Certificates provided by Section 103(a) of the Code. In particular, and without limiting the foregoing, the proceeds of the Certificates shall not be used or invested in any manner that will cause the Certificates to be arbitrage bonds

within the meaning of Section 148 of the Code. So long as any of the Certificates remain outstanding, no action shall be taken or authorized that will cause the Certificates to be classified as arbitrage bonds within the meaning of such Section 148 and the Regulations. Except as provided in this certificate, no proceeds of the Certificates shall be invested at an unrestricted yield for a period of time or in an amount not allowable under the Code or the Regulations.

13. Covenants Regarding Use of Certificate Proceeds. In order to preserve the exclusion from gross income of interest on the Certificates under federal law and as an inducement to purchasers of the Certificates, the Village represents, covenants and agrees that:

(a) No person or entity, other than the Village or another state or local governmental unit, will use 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 take-or-pay or output contract or any other type of arrangement that differentiates that person's or entity's use of such property from the use by the public at large.

(b) No portion of the payment of the principal of or interest on the Certificates will be (under the terms of the Certificates, the 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 Certificate proceeds will be loaned to any entity or person other than a state or local governmental unit. No 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 will not take any action nor fail to take any action with respect to the Certificates that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Certificates pursuant to Section 103 of the Code, nor will it act in any other manner that would adversely affect such exclusion.

(e) The Village will not at any time permit the Certificates to become private activity certificates as defined in Section 141 of the Code.

14. Hedge Certificates. No more than 50% of the Net Sale Proceeds will be invested in nonpurpose investments having a substantially guaranteed yield for four years or more. As shown in Section 5(c), at least 85% of the Net Sale Proceeds will be spent within three years of the issue date of the Certificates.

15. Federal Guarantees. The Certificates are not federally guaranteed as described in Section 149(b) of the Code.

16. Information Return. The Village will file or cause to be filed on or before April 15, 2002, the information return for governmental Certificates on Form 8038-G with the Internal Revenue Service Center, Ogden, Utah 84201, for the issuance of the Certificates. The Village has reviewed the provisions of Form 8038-G included in the transcript of which this certificate is a part and hereby certifies that the information in it is correct.

17. Registered Certificates. The Certificates will be issued in registered form as described in Section 149(a) of the Code.



18. Rebate Requirement. The Village certifies that:

(a) The Village is a governmental unit with general taxing powers, which powers include the power to impose taxes of general applicability which, when collected, may be used for the general purposes of the Village;

(b) The Certificates are not private activity bonds as defined in Section 141 of the Code; and

(c) At least 95% of the net proceeds of the Certificates will be used for local governmental activities of the Village or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Village.

Therefore, the Village meets the requirements of Section 148(f)(4)(D) of the Code and does not expect to have to rebate any arbitrage profits to the United States.

(d) The reasonably expected amount of tax-exempt bonds which have been or will be issued by the Village in 2002 will not exceed \$5,000,000.

19. Bank Eligibility. The Village certifies that:

(a) The Certificates are not private activity bonds as defined in Section 141 of the Code;

(b) The Certificates have been designated as qualified tax-exempt obligations for purposes of Section 265(b) of the Code;

(c) The reasonably anticipated amount of qualified tax-exempt obligations (including tax-exempt leases and qualified 501(c)(3) obligations but excluding other private activity bonds) which have been or will be issued by or in the name of the Issuer and all units subordinate to the Village during 2002 does not exceed \$10,000,000; and

(d) The Village, any body acting in the name of the Village, and any entities subordinate to the Issuer have designated \$3,655,000 of qualified tax-exempt obligations during 2002, including the Certificates.

Therefore, the Certificates qualify for the exception in the Code from the disallowance of 100% of the deduction by financial institutions of interest expense allocable to tax-exempt obligations.

20. Change in Law. It is not an event of default under the 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 the issuance of the Certificates

21. We have discussed this Certificate and the provisions of the Code and the applicable Regulations with such professionals as we have deemed necessary. We have been given an opportunity to ask questions of Ice Miller with respect to the certifications contained above and the information needed to complete such certifications and have discussed such certifications with Ice Miller. Based on all of these discussions, we are satisfied: (a) that we understand the certifications which we have made in this Certificate; and (b) that to the best of our knowledge, information and belief, all of the certifications contained herein are true, complete and accurate.

22. To the best of our knowledge, information, and belief, the above expectations are reasonable and there are no other facts, estimates or circumstances that would materially change any of the foregoing certifications or conclusions. We understand that this certificate will be relied upon by the purchasers of the Certificates and by Ice Miller in rendering its opinions as to various legal issues, including the excludability from gross income of interest on the Certificates for federal tax purposes. We further understand that the facts contained in this certificate will be

used by the Underwriter to prepare or review the offering materials and disclosure documents to be distributed in connection with the sale of the Certificates. The representations contained in this Certificate May be relied upon by Ice Miller and others in determining whether or not the Certificates constitute arbitrage bonds within the meaning of Section 148 of the Code and whether or not the interest on the Certificates is subject to inclusion in gross income for federal income tax purposes under existing statutes, regulations, and decisions.

IN WITNESS WHEREOF, we have hereunto set our hands this 25<sup>th</sup> day of March, 2002.

VILLAGE OF LOMBARD, DUPAGE  
COUNTY, ILLINOIS

  
\_\_\_\_\_  
President

  
\_\_\_\_\_  
Village Clerk

EXHIBIT A

Sources and Uses of Funds

Uses of Funds:

Construction Costs/Costs of Issuance	\$ 3,657,558.50
Accrued Interest	

Total Uses	\$
------------	----

Sources of Funds:

Principal Amount of Certificates	\$ 3,655,000.00
Accrued Interest	
Plus Premium	<u>2,558.50</u>

Total Sources	\$
---------------	----



EXHIBIT C

Weighted Average Maturity and Yield

EXHIBIT D

CERTIFICATE OF UNDERWRITER

The undersigned, as representative of the purchasers of \$3,655,000 Village of Lombard, DuPage County, Illinois, General Obligation Limited Tax Debt Certificates, Series 2002, described in Schedule D-1 attached hereto (the "Certificates"), hereby certifies that at least ten percent of each maturity of the Certificates was sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) in a bona fide public offering at the prices or yields shown on the cover page of the Addendum to Official Statement dated March 7, 2002, a copy of which is attached hereto as Schedule D-2 plus accrued interest.

Dated this 25<sup>th</sup> day of March, 2002.

LEGG MASON WOOD WALKER INC.

By \_\_\_\_\_  
Its \_\_\_\_\_

Schedule D-1

**Designation:** Village of Lombard, DuPage County, Illinois  
 General Obligation Limited Tax Debt Certificates, Series 2002  
**Total Issue:** \$3,655,000  
**Originally Dated:** March 15, 2002  
**Denomination:** \$5,000 each and integral multiples thereof  
**Interest Payment Dates:** January 1, 2003, and semiannually thereafter  
**Maturities and Interest Rates:** Semiannually each January 1 and July 1, commencing July 1, 2003 in the amounts and bearing interest as follows:

<u>Maturity Date</u>	<u>Amount</u>	<u>Interest Rate</u>
July 1, 2003	\$245,000	2.00%
January 1, 2004	250,000	3.00
July 1, 2004	255,000	3.00
January 1, 2005	260,000	3.00
July 1, 2005	270,000	3.00
January 1, 2006	275,000	3.25
July 1, 2006	280,000	3.25
January 1, 2007	285,000	3.50
July 1, 2007	295,000	3.50
January 1, 2008	300,000	4.00
July 1, 2008	305,000	4.00
January 1, 2009	315,000	4.00
July 1, 2009	320,000	4.00



Schedule D-2

CHICAGO 18758v1

## CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the "Disclosure Undertaking") is executed and delivered by the Village of Lombard, DuPage County, Illinois (the "Village") in connection with the issuance of \$3,655,000 General Obligation Limited Tax Debt Certificates, Series 2002 (the "Certificates"). The Certificates are being issued pursuant to an Ordinance adopted March 7, 2002 (the "Ordinance"). The Village covenants and agrees as follows:

**SECTION 1. Purpose of the Disclosure Undertaking.** This Disclosure Undertaking is being executed and delivered by the Village for the benefit of the Certificateholders and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12.

**SECTION 2. Definitions.** In addition to the definitions set forth in the Ordinance, which apply to any capitalized term used in this Disclosure Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Village pursuant to, and as described in, Sections 3 and 4 of this Disclosure Undertaking.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Certificates (including persons holding Certificates through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Certificates for federal income tax purposes.

"Dissemination Agent" shall mean the Treasurer of the Village, or any successor Dissemination Agent designated in writing by the Village and which has filed with the Village a written acceptance of such designation.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Undertaking.

"National Repository" shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. The National Repositories currently approved by the Securities and Exchange Commission are set forth in Exhibit B.

"Participating Underwriter" shall mean any of the original underwriters of the Certificates required to comply with the Rule in connection with offering of the Certificates.

"Repository" shall mean each National Repository and each State Repository.

"Rule" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of Illinois.

“State Repository” shall mean any public or private repository or entity designated by the State as a state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. As of the date of this Undertaking, there is no State Repository.

**SECTION 3. Provision of Annual Reports.**

(a) The Village shall, or shall cause the Dissemination Agent to, at least annually not later than 210 days after the end of the Village’s fiscal year (presently May 31), commencing with the report for the 2001 Fiscal Year, provide to each National Repository and to the State Repository, if any, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Undertaking. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Undertaking; provided that the audited financial statements of the Village may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Village’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

(b) Not later than fifteen (15) Business Days prior to said date, the Village shall provide the Annual Report to the Dissemination Agent (if other than the Village). If the Village is unable to provide to the Repositories an Annual Report by the date required in subsection (a), the Village shall send a notice to each Repository in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of each National Repository and each State Repository, if any; and

(ii) (if the Dissemination Agent is other than the Village), file a report with the Village certifying that the Annual Report has been provided pursuant to this Disclosure Undertaking, stating the date it was provided and listing all the Repositories to which it was provided.

**SECTION 4. Content of Annual Reports.** The Village’s Annual Report shall contain or include by reference the following:

1. The table under the heading of Retailer's Occupation, Service Occupation and Use Tax within the Final Official Statement relating to the Certificates (the "Official Statement");

2. All of the tables under the heading PROPERTY ASSESSMENT AND TAX INFORMATION within the Official Statement;

3. All of the tables under the heading DEBT INFORMATION within the Official Statement;

4. All of the tables under the heading FINANCIAL INFORMATION within the Official Statement;

5. The financial statements of the Village as audited annually by independent public accountants for the prior fiscal year, prepared currently in accordance with generally accepted accounting principles as promulgated to apply to governmental entities and as anticipated but not covenanted from time to time by the Governmental Accounting Standards Board. If the Village's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

Any or all of the items listed above may be included by reference from other documents, including official statements of debt issues of the Village or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Village shall clearly identify each such other document so incorporated by reference.

#### SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Village shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Certificates, if material:

1. principal and interest payment delinquencies.
2. non-payment related defaults.
3. unscheduled draws on the debt service reserves reflecting financial difficulties.
4. unscheduled draws on the credit enhancements reflecting financial difficulties.
5. substitution of the credit or liquidity providers or their failure to perform.
6. adverse tax opinions or events affecting the tax-exempt status of the Certificates.

7. modifications to rights of Certificateholders.
8. optional, contingent or unscheduled certificate calls.
9. defeasances.
10. release, substitution or sale of property securing repayment of the Certificates.
11. rating changes.

(b) Whenever the Village obtains knowledge of the occurrence of a Listed Event, the Village shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If the Village determines that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the Village shall promptly file a notice of such occurrence with the Municipal Securities Rulemaking Board, the National Repository and each State Repository. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(4) and (5) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Certificates pursuant to the Ordinance.

SECTION 6. Termination of Reporting Obligation. The Village's obligations under this Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Certificates. If such termination occurs prior to the final maturity of the Certificates, the Village shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

SECTION 7. Dissemination Agent. The Village may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Undertaking, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Village pursuant to this Disclosure Undertaking. The initial Dissemination Agent shall be the Treasurer of the Village.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Undertaking, the Village by resolution or ordinance authorizing such amendment or waiver, may amend this Disclosure Undertaking, and any provision of this Disclosure Undertaking may be waived, provided that the following conditions are satisfied:

(a) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Village, or the type of business conducted;

(b) The undertaking, as amended, or the provision, as waived would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not materially impair the interests of the holders or Beneficial Owners of the Certificates as determined by parties unaffiliated with the Village (such as nationally recognized bond counsel).

In the event of any amendment or waiver of a provision of this Disclosure Undertaking, the Village shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Village. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Undertaking shall be deemed to prevent the Village from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Undertaking. If the Village chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Undertaking, the Village shall have no obligation under this Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Village to comply with any provision of this Disclosure Undertaking any Certificateholder or Beneficial Owner of the Certificates may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Village to comply with its obligations under this Disclosure Undertaking. A default under this Disclosure Undertaking shall not be deemed an Event of Default under the Ordinance or the Installment Contract relating to the Certificates, and the sole remedy under this Disclosure Undertaking in the event of any failure of the Village to comply with this Disclosure Undertaking shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Undertaking, and the Village agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or wilful misconduct. The obligations of the Village under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Certificates.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Village, the Dissemination Agent, the Participating Underwriters, Certificateholders and Beneficial Owners from time to time of the Certificates and the ultimate beneficial holder of the Certificates, and shall create no rights in any other person or entity.

Date: March 7, 2002

VILLAGE OF LOMBARD, DUPAGE  
COUNTY, ILLINOIS

By   
President

Attest:

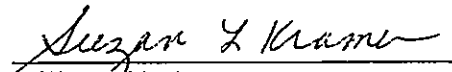
  
Village Clerk

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Village: Village of Lombard, DuPage County, Illinois (the "Village").

Name of Bond Issue: \$3,655,000 General Obligation Limited Tax Debt  
Certificates, Series 2002

Date of Issuance: March 25, 2002

NOTICE IS HEREBY GIVEN that the Village has not provided an Annual Report with respect to the above-named Certificates as required by the Ordinance adopted March 7, 2002. [The Village anticipates that the Annual Report will be filed by \_\_\_\_\_.]

Dated: \_\_\_\_\_

VILLAGE OF LOMBARD, DUPAGE  
COUNTY, ILLINOIS

By \_\_\_\_\_  
Its \_\_\_\_\_



EXHIBIT B

Nationally Recognized Municipal Securities Information Repositories approved by the Securities and Exchange Commission:

Bloomberg Municipal Repository  
100 Business Park Drive  
Skillman, New Jersey 08558  
Phone: (609) 279-3225  
Fax: (609) 279-5962  
Email: Munis@Bloomberg.com

DPC Data Inc.  
One Executive Drive  
Fort Lee, NJ 07024  
Phone: (201) 346-0701  
Fax: (201) 947-0107  
Email: nrmsir@dpccdata.com

FT Interactive Data  
Attn: NRMSIR  
100 William Street  
New York, New York 10038  
Phone: (212) 771-6999  
Fax: (212) 771-7390 (Secondary Market Information)  
(212) 771-7391 (Primary Market Information)  
Email: NRMSIR@FTID.com

Standard & Poor's J. J. Kenny Repository  
55 Water Street  
45th Floor  
New York, NY 10041  
Phone: (212) 438-4595  
Fax: (212) 438-3975  
Email: nrmsir\_repository@sandp.com

18541.1

DEBT CERTIFICATE

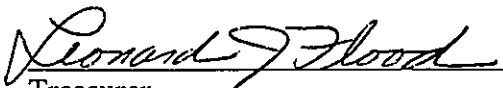
STATE OF ILLINOIS        )  
                                  ) SS:  
COUNTY OF DUPAGE        )

I, Leonard J. Flood, Treasurer of the Village of Lombard, in the State and County aforesaid, do hereby certify that the total aggregate indebtedness of said Village, of every kind and nature and howsoever evidenced or incurred, excluding the proposed aggregate \$3,655,000 General Obligation Limited Tax Debt Certificates, Series 2002, does not exceed the aggregate sum of \$ 21,104,301 which said indebtedness is itemized as follows:

Bonds .....	\$ <u>1,454,977.</u>
Contracts (including all existing public utility contracts) .....	\$ <u>19,649,324.</u>
Judgments .....	\$ _____
Leases.....	\$ _____
Miscellaneous .....	\$ _____

all of which appears from the books and records in our official respective care and custody.

IN WITNESS WHEREOF, I hereunto affix my official signature and the corporate seal of said Village at Lombard, Illinois, this 21st day of March, 2002.

  
Treasurer

(SEAL)

SIGNATURE AND NO LITIGATION CERTIFICATE

STATE OF ILLINOIS                    )  
  ) SS:  
COUNTY OF DUPAGE                    )

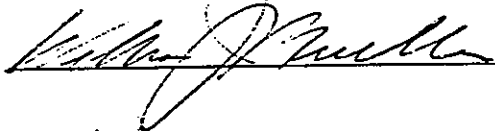
We, the undersigned officers of the Village of Lombard, DuPage County, Illinois (the "Village"), do hereby certify that we have officially signed the Certificates of the Village described on Exhibit A attached hereto, being on the date of such signing and on the date hereof, the duly elected, qualified and acting officers authorized to execute said Certificates and holding the offices indicated by the official titles opposite our names.

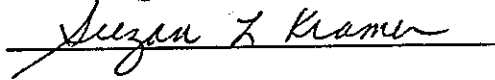
We further certify that there is no controversy or litigation of any nature now pending or to our knowledge threatened in any way relating to, affecting or questioning the corporate existence or the boundaries of the Village, the title of any of its present officials to their respective offices, the issuance, sale, execution or delivery of the Certificates, or of any of the proceedings had or actions taken leading up to the execution and delivery of the same, or the execution and delivery of the Installment Contract dated as of March 7, 2002 (the "Installment Contract") between the Village and Village Treasurer, and the contracts attached thereto, by and between the Village and each of Martam Construction, Inc. and R. W. Dunteman Company, or the adoption of the Ordinance on March 7, 2002 relating to the Certificates (the "Ordinance"), or the payment of the interest on or principal of the Certificates, or otherwise affecting or questioning the validity of the Certificates or the Installment Contract, or the pledge of the Village's full faith, credit and taxing power for the payment of principal of and interest on the Certificates; that neither the corporate existence nor the boundaries of the Village, nor the titles of the undersigned officers to our respective offices is being contested, and that no proceedings or authority for the issuance, sale, execution or delivery of the Certificates have or has been amended, repealed, rescinded or revoked.

We further certify that the seal which has been affixed, imprinted or impressed upon all of the Certificates and upon this certificate is the legally adopted, proper and only official corporate seal of the Village.

WITNESS our hands and the corporate seal this \_\_\_\_\_ day of March, 2002.

Signatures

  
\_\_\_\_\_

  
\_\_\_\_\_

  
\_\_\_\_\_

Official Titles

President, Village of Lombard,  
DuPage County, Illinois

Village Clerk, Village of Lombard,  
DuPage County, Illinois

Treasurer, Village of Lombard,  
DuPage County, Illinois

SIGNATURE IDENTIFICATION CERTIFICATE

I hereby certify that I am Barbara A. Kopp of the Cole Taylor Bank, Lombard, Illinois, and that I am personally acquainted with the officers whose signatures appear on the foregoing certificate and that I know they are now the duly qualified and acting officials of the Village of Lombard, DuPage County, Illinois, as indicated by the titles appended to their respective signatures, and I do hereby identify said signatures, together with those on the above described Certificates, as being in all respects true and genuine.

DATED as of the date stated hereinabove.

Barbara A Kopp AVP

CHICAGO 18735v1

Barbara A Kopp AVP

ASSESSED VALUATION CERTIFICATE

This is to certify that I, the undersigned, am the duly qualified and acting County Clerk of DuPage County, Illinois, and as such official, do hereby certify that the assessed valuation of all taxable property located in said County included within the boundaries of the Village of Lombard, DuPage County, Illinois, as of the date of this certificate, is the sum of \$ 980,275,888, as last equalized and determined for state and local taxes for the year 2000, itemized as follows:

Real Estate .....	\$ <u>980,047,137</u>
Railroad.....	\$ <u>228,751</u>
Other .....	\$ <u>N/A</u>
TOTAL	\$ <u><u>980,275,888</u></u>

all as appears from the books of assessment of said County now in my possession.

IN WITNESS WHEREOF, I have hereunto affixed my official signature and the seal of said County at Wheaton, Illinois, this 21ST day of March, 2002.

  
County Clerk of DuPage County, Illinois

(SEAL)

REGISTERED  
NO. 1

REGISTERED  
\$245,000

UNITED STATES OF AMERICA  
STATE OF ILLINOIS  
COUNTY OF DUPAGE

VILLAGE OF LOMBARD

GENERAL OBLIGATION LIMITED TAX  
DEBT CERTIFICATE, SERIES 2002

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Date</u>	<u>Authentication Date</u>	<u>CUSIP</u>
3.00%	July 1, 2003	March 15, 2002	March 25, 2002	541568 ND9

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: \*\*\*TWO HUNDRED FORTY-FIVE THOUSAND DOLLARS\*\*\*

KNOW ALL MEN BY THESE PRESENTS, that 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 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 bond unless this bond 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 bond is authenticated on or before December 15, 2002, 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, 2003, 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 Bank One Trust Company, N.A., Milwaukee, Wisconsin, 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 in the Certificate Registrar. Notwithstanding the foregoing, if payment of principal 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 Certificate Registrar 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 the construction of (a) Phase 2 of Sanitary Sewer Lift and Pump Station Replacements which consists of the removal and replacement of the Glen Oak, Finley Road, Westmore Avenue, and Harrison/Route 53 sanitary sewer lift stations, including the wet wells, valve vaults, pumps and appurtenances, sanitary sewer mains, storm sewer mains, force mains and electrical equipment, (b) Special Assessment 214A and B which consists of the reconstruction and improvement of portions of Harrison Road, from Illinois Route 53 (Columbine Avenue) to Finley Road and Pleasant Avenue, from Charlotte Street to Lombard Avenue, including watermain, storm and sanitary sewer replacements, asphalt pavement, gutter construction, street lighting, landscaping and sidewalks and (c) to pay the costs of issuance of the Certificates, and has been issued in evidence of the indebtedness incurred pursuant to a certain Installment Contract, dated as of the 7th day of March, 2002 (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 Section 11-61-3 of the Illinois Municipal Code as in effect on the date of delivery of the certificates, and is authorized by said President and Board of Trustees, 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 Milwaukee, Wisconsin, 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 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 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.


The Village has designated the certificates as qualified tax-exempt obligations to qualify the certificates for the \$10,000,000 exception from the provisions of Section 265(b) of the Internal Revenue Code of 1986 relating to the disallowance of 100% of the deduction for interest expense allocable to tax-exempt obligations.

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; and that the Village shall annually take all necessary action to appropriate such funds as are necessary to pay the interest hereon as it falls due and also to pay and discharge the principal hereof at maturity. Such principal and interest are payable from any funds of the Village legally available and annually appropriated for such purpose. **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 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 President and Clerk of said Village, and the seal of the Village to be affixed hereto or printed hereon, all as of the Dated Date identified above.

[SEAL]

  
\_\_\_\_\_  
President

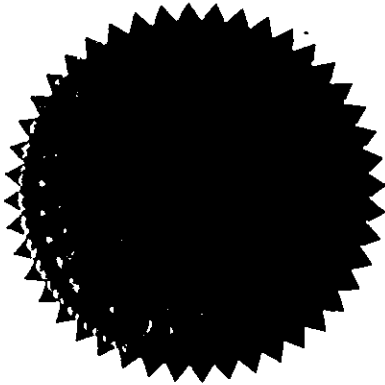
  
\_\_\_\_\_  
Village Clerk

### CERTIFICATE OF AUTHENTICATION

This certificate is one of the certificates described in the within mentioned Installment Contract and is one of the General Obligation Limited Tax Debt Certificates, Series 2002, of the Village of Lombard, DuPage County, Illinois.

Bank One Trust Company, N.A.,  
as Certificate Registrar

By \_\_\_\_\_  
Authorized Officer



AUTHENTICATION AND SIGNATURE IDENTIFICATION  
CERTIFICATE OF CERTIFICATE REGISTRAR

The undersigned, Certificate Registrar relating to the \$3,655,000 General Obligation Limited Tax Debt Certificates, Series 2002 (the "Certificates") of the Village of Lombard, DuPage County, Illinois (the "Issuer") hereby certifies as follows:

1. The Certificate Registrar has been duly created, is validly existing and in good standing under the laws of the State of Wisconsin, and in good standing under the laws of the State of Illinois and is empowered to, authorized and duly qualified to serve as the Certificate Registrar pursuant to Ordinance No. \_\_\_\_\_ adopted by the President and Board of Trustees of the Issuer on March 7, 2002 and the laws of the State of Illinois.

2. The Certificates, in the principal amount of \$3,655,000 have been duly authenticated by this Certificate Registrar as aforesaid by one of its authorized officers listed below.

3. That the persons named below are authorized signatories of Bank One Trust Company, NA, Milwaukee, Wisconsin, and one or both of such persons are duly authorized and empowered to authenticate and did authenticate the Certificates on the date hereof, and that the signatures appearing after the names of such persons are a true and correct specimen of each such person's genuine signature.

Name	Office	Signature
_____	_____	_____
_____	_____	_____

4. Attached hereto is a copy of the Resolution of Bank One Trust Company NA, indicating authority to authenticate the Certificates.

IN WITNESS WHEREOF, the undersigned has hereunto set his/her hand this 25th day of March, 2002.

BANK ONE TRUST COMPANY, NA,  
MILWAUKEE, WISCONSIN, as  
Certificate Registrar

By \_\_\_\_\_  
Its \_\_\_\_\_

**Information Return for Tax-Exempt Governmental Obligations**

Under Internal Revenue Code section 149(e)

See separate instructions.

OMB No. 1545-0720

Caution: If the issue price is under \$100,000, use Form 8038-GC.

**Part I Reporting Authority** If Amended Return, check here

1 Issuer's name <b>Village of Lombard, Illinois</b>		2 Issuer's employer identification number <b>3616005975</b>	
3 Number and street (or P.O. box if mail is not delivered to street address) <b>255 East Wilson Avenue</b>		Room/suite	4 Report number <b>3 01</b>
5 City, town, or post office, state, and ZIP code <b>Lombard, Illinois 60148</b>		6 Date of issue <b>March 25, 2002</b>	
7 Name of issue <b>General Obligation Limited Tax Debt Certificates, Series 2002</b>		8 CUSIP number <b>541568 NR8</b>	
9 Name and title of officer or legal representative whom the IRS may call for more information <b>Leonard Flood, Director of Finance</b>		10 Telephone number of officer or legal representative <b>( 630 ) 620-5915</b>	

**Part II Type of Issue (check applicable box(es) and enter the issue price)** See instructions and attach schedule

11 <input type="checkbox"/> Education	11
12 <input type="checkbox"/> Health and hospital	12
13 <input type="checkbox"/> Transportation	13
14 <input type="checkbox"/> Public safety	14
15 <input type="checkbox"/> Environment (including sewage bonds)	15
16 <input type="checkbox"/> Housing	16
17 <input type="checkbox"/> Utilities	17
18 <input checked="" type="checkbox"/> Other. Describe <b>Public capital improvements</b>	18
19 If obligations are TANS or RANS, check box <input type="checkbox"/> If obligations are BANS, check box <input type="checkbox"/>	
20 If obligations are in the form of a lease or installment sale, check box <input checked="" type="checkbox"/>	

**Part III Description of Obligations. Complete for the entire issue for which this form is being filed.**

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	7/1/2009	\$	\$ 3,655,000	4.452 years	3.60968 %

**Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)**

22 Proceeds used for accrued interest	22
23 Issue price of entire issue (enter amount from line 21, column (b)).	23
24 Proceeds used for bond issuance costs (including underwriters' discount)	24
25 Proceeds used for credit enhancement	25
26 Proceeds allocated to reasonably required reserve or replacement fund	26
27 Proceeds used to currently refund prior issues	27
28 Proceeds used to advance refund prior issues	28
29 Total (add lines 24 through 28).	29
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30

**Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)**

31 Enter the remaining weighted average maturity of the bonds to be currently refunded	N/A	years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	N/A	years
33 Enter the last date on which the refunded bonds will be called.	N/A	
34 Enter the date(s) the refunded bonds were issued	N/A	

**Part VI Miscellaneous**

35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	0
36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)	36a	0
b Enter the final maturity date of the guaranteed investment contract	37a	0
37 Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units		
b If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the name of the issuer		
38 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box <input checked="" type="checkbox"/>		
39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box <input type="checkbox"/>		
40 If the issuer has identified a hedge, check box <input type="checkbox"/>		

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Sign Here

  
Signature of issuer's authorized representative

March 25, 2002  
Date

William J. Mueller, President  
Type or print name and title

RECEIPT FOR CERTIFICATES

On the 25th day of March, 2002, the undersigned received from the Treasurer of the Village of Lombard, DuPage County, Illinois, Three Million Six Hundred Fifty-Five Thousand Dollars (\$3,655,000) aggregate principal amount of General Obligation Limited Tax Debt Certificates, Series 2002, described on Exhibit A attached hereto.

LEGG MASON WOOD WALKER INC.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

CHICAGO 18740v1