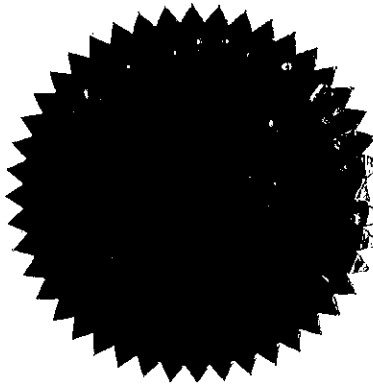


ORDINANCE 4454 & 4455

PAMPHLET

FRONT OF PAMPHLET

ORDINANCE AUTHORIZING & PROVIDING FOR THE
ISSUANCE OF \$935,000 GENERAL OBLIGATION REFUNDING
BONDS SERIES 1998B AND \$1,075,000 TAX INCREMENT
REVENUE REFUNDING BONDS, SERIES 1998A



PUBLISHED IN PAMPHLET FORM THIS 14TH DAY OF MAY, 1998.
BY ORDER OF THE CORPORATE AUTHORITIES OF THE VILLAGE OF LOMBARD,
DUPAGE COUNTY, ILLINOIS.

Lorraine G. Gethardt
Lorraine G. Gethardt
Village Clerk
Edward G. Gethardt
Edward G. Gethardt
Village Clerk

MINUTES of regular public meeting of the President and Board of Trustees of the Village of Lombard, DuPage County, Illinois, held at the Village Hall, 255 East Wilson Avenue, Lombard, Illinois, at 7:30 p.m., on the 7th day of May, 1998.

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

Upon the roll being called, the following answered present:

President and Trustees Borgatell, Tross, Schaffer, Jauglilas, Gatz and Kuftrin

The following were absent from the meeting: None

Trustee Schaffer presented and the Village Clerk read in full an ordinance as

follows:

AN ORDINANCE providing for the issuance of \$935,000 General Obligation Refunding Bonds, Series 1998B, of the Village of Lombard, DuPage County, Illinois, and for the levy of a direct annual tax sufficient to pay the principal and interest on said bonds.

4454

ORDINANCE NO.

WHEREAS, the Village of Lombard, DuPage County, Illinois (the "Village") has heretofore issued its General Obligation Bonds, Series 1989, originally issued in the aggregate principal amount of \$1,000,000 and now outstanding in the principal amount of \$850,000 (the "Refunded Bonds"), which Refunded Bonds were issued for the purpose of (i) paying a portion of the cost of public improvements in a downtown tax increment district and (ii) paying the incidental expenses in connection therewith and on account of the issuance of the Refunded Bonds; and

WHEREAS, the Refunded Bonds are, by their terms, subject to redemption prior to their scheduled dates of maturity; and

WHEREAS, the Village has received reports which indicate that a refunding of the Refunded Bonds will effect a savings to the Village;

WHEREAS, the Village finds that all or a portion of the Refunded Bonds should be advanced refunded to enable the Village to reduce interest payments to the Village thereby effecting a savings to the Village; and

WHEREAS, the Village has heretofore and does hereby determine that it is necessary and in the best interests of the Village to issue its bonds in order to refund the Refunded Bonds and to pay the costs of issuance and related expenses incident thereto; and

WHEREAS, pursuant to the provisions of Section 7 of Article VII of the 1970 Constitution,

the Village has the power to incur debt payable from ad valorem tax receipts maturing within forty

(40) years from the time it is incurred and without prior referendum approval; and

WHEREAS, there are insufficient funds in hand and available to pay the costs estimated for

the purposes as hereinabove stated; and

WHEREAS, it is necessary for the welfare of the government and affairs of the Village and

it is a proper public purpose and in the public interest that an amount of \$935,000 be borrowed at this

time, that bonds in the amount of \$935,000 be issued, and that such indebtedness be issued without

submitting the question of incurring such indebtedness to the electors of said Village for this approval;

and

WHEREAS, the Village finds that it is advisable to issue its revenue bonds in the amount of

\$935,000 and to use the proceeds to refund the Refunded Bonds and to pay for all costs related to

the refunding;

NOW THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND BOARD OF

TRUSTEES OF THE VILLAGE OF LOMBARD, DUPAGE COUNTY, ILLINOIS, AS

FOLLOWS:

Sec. 1. Issuance of Bonds; Redemption of Refunded Bonds.

(a) The Village now finds it necessary to provide funds for refunding all or a portion of

the Refunded Bonds to reduce interest payments of the Village thereby effecting a savings to the

Village as reported by the Village's financial advisor.

(b) The Village shall issue in the name of the Village its "General Obligation Refunding

Bonds, Series 1998B" (the "Bonds") in an aggregate principal amount of \$935,000 for the purpose

The Registrar is hereby charged with the responsibility of authenticating the Bonds. The President and Village Clerk of the Village are hereby authorized to enter into such agreements or understandings with the Registrar as will enable the institution to perform the services required of a registrar and paying agent. The President and Village Clerk are further authorized to pay such fees as the Registrar may charge for the services it provides as Registrar and Paying Agent and such fees

Sec. 2. ~~Registrar and Paying Agent.~~ Bank One Wisconsin Trust Company is hereby

Maturity	Principal	Coupon	Yield
12/30/98	\$ 35,000	4.000%	4.000%
12/30/99	20,000	4.000%	4.000%
12/30/00	70,000	4.150%	4.150%
12/30/01	170,000	4.200%	4.200%
12/30/02	215,000	4.250%	4.250%
12/30/03	210,000	4.300%	4.300%
12/30/04	215,000	4.400%	4.400%

of the years, and in the principal amounts in each year, as follows:

The Bonds shall bear interest at the rates set forth below and shall mature on December 30

(defined).

money of the United States of America, at the principal office of the Paying Agent (as hereinafter December 30 in each year, beginning on December 30, 1998. The Bonds shall be payable in lawful month in which they are delivered and interest shall be payable semiannually on June 30 and integral multiples thereof, numbered consecutively from 1 upward, dated as of the first day of the The Bonds shall be issued in the denomination of Five Thousand Dollars (\$5,000) each or

expenses in connection therewith and on account of the issuance of the Bonds.

of procuring funds to be applied to the refunding of the Refunded Bonds and paying the incidental

may be paid from the fund established to pay the principal of and interest on the Bonds as the

Registrar and Paying Agent.

The principal of the Bonds shall be payable at the principal corporate trust office of the Paying

Agent. All payments of interest on the Bonds shall be paid by check, mailed one business day prior

to the interest payment date to the registered owners thereof as the names appear as of the fifteenth

day of the month preceding the interest payment date and at the addresses as they appear on the

registration books kept by the Registrar or at such other address as is provided to the Paying Agent

in writing by such registered owner. 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 Paying Agent shall be instructed to wire transfer payments

so such payments are received at the depository by 2:30 p.m. (New York City time). All payments

on the Bonds shall be made in any coin or currency of the United States of America, which on the

date of such payment, shall be legal tender for the payment of public and private debts.

Each Bond shall be transferable or exchangeable only upon the books of the Village kept for

that purpose at the principal corporate trust office of the Registrar by the registered owner in person,

or by its attorney duly authorized in writing, upon surrender of such Bond together with a written

instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered

owner, or its attorney duly authorized in writing, and thereupon a new fully registered Bond or Bonds

in an authorized aggregate principal amount and of the same maturity, shall be executed and delivered

in the name of the transferee or transferees or the registered owner, as the case may be, in exchange

therefor. The costs of such transfer or exchange shall be borne by the Village except for any tax or

governmental charge required to be paid with respect to the transfer or exchange, which taxes or governmental charges are payable by the person requesting such transfer or exchange. The Village, Registrar and Paying Agent for the Bonds may treat and consider the person in whose name such Bonds are registered as the absolute owner thereof for all purposes including for the purpose of receiving payment of, or on account of, the principal thereof and interest due thereon.

The Registrar and Paying Agent may at any time resign as Registrar and Paying Agent upon giving 30 days' notice in writing to the Village and by first class mail to each registered owner of the Bonds then outstanding, and such resignation will take effect at the end of such 30 day period or upon the earlier appointment of a successor registrar and paying agent by the Village. Any such notice to the Village may be served personally or sent by registered mail. The Registrar and Paying Agent may be removed at any time as Registrar and Paying Agent by the Village, in which event the Village may appoint a successor registrar and paying agent. The Village shall notify each registered owner of the Bonds then outstanding by first class mail of the removal of the Registrar and Paying Agent. Notices to the registered owners of the Bonds shall be deemed to be given when mailed by first class mail to the addresses of such registered owners as they appear on the registration books kept by the Registrar.

Upon the appointment of any successor registrar and paying agent by the Village, the President and Village Clerk are authorized and directed to enter into such agreements and understandings with such successor registrar and paying agent as will enable the institution to perform the services required of a registrar and paying agent for the Bonds. The President and Village Clerk are further authorized to pay such fees as the successor registrar and paying agent may charge for the

services it provides as registrar and paying agent and such fees may be paid from the fund established to pay the principal of, and interest on the Bonds as such registrar and paying agent charges.

Any predecessor registrar and paying agent shall deliver all of the Bonds and any cash or investments in its possession with respect thereto, together with the registration books, to the successor registrar and paying agent.

Interest on the Bonds shall be payable from the interest payment date to which interest has been paid next preceding the authentication date of the Bonds unless the Bonds are authenticated after the fifteenth day of the month 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 Bonds are authenticated on or before May 15, 1998, in which case they shall bear interest from the original date of the issuance of the Bonds, until the principal shall be fully paid.

The Village has determined that it is beneficial to the Village to have the Bonds 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") and have transfers of the Bonds effected by book-entry on the books of the central depository system ("Book Entry System"). The Bonds shall be initially issued in the form of a separate single authenticated fully registered Bond for the aggregate principal amount of each separate maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the register kept by the Registrar in the name of CEDE & CO., as nominee of the Depository Trust Company.

With respect to the Bonds registered in the register kept by the 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 Bonds with respect to (i) the accuracy of the records of the Depository Trust Company, CBDE & CO., or any Beneficial Owner with respect to ownership questions, (ii) the delivery to any bondholder (including any Beneficial Owner) or any other person, other than the Depository Trust Company, of any notice with respect to the Bonds including any notice of redemption, or (iii) the payment to any bondholder (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 Bonds except as otherwise provided herein.

So long as the Bonds are registered in the name of CBDE & CO., as nominee of the Depository Trust Company, no person other than the Depository Trust Company shall receive an authenticated Bond evidencing an obligation of the Village to make payments of the principal of and premium, if any, and interest on the Bonds pursuant to this ordinance. The Village and the Registrar and Paying Agent may treat as and deem the Depository Trust Company or CBDE & CO. to be the absolute bondholder of each of the Bonds for the purpose of (i) payment of the principal of and premium, if any, and interest on such Bonds; (ii) giving notices of redemption and other notices permitted to be given to bondholders with respect to such Bonds; (iii) registering transfers with respect to such Bonds; (iv) obtaining any consent or other action required or permitted to be taken or by bondholders; (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 Bonds 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 Villages and the Paying Agent's obligations with respect to principal of and premium, if any, and interest on the Bonds 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 ordinance shall refer to such new nominee of the Depository Trust Company. Notwithstanding any other provision hereof to the contrary, so long as any Bond 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 Bonds and all notices with respect to such Bonds 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 Bonds shall no longer be restricted to being registered in the register of the Village kept by the Registrar in the name of CEDE & CO., as nominee of the Depository Trust Company, but may be registered in whatever name or names the bondholders transferring or exchanging the Bonds shall designate, in accordance with the provisions of this ordinance.

If the Village determines that it is in the best interest of the bondholders that they be able to obtain certificates for the fully registered Bonds, the Village may notify the Depository Trust Company and the Registrar, whereupon the Depository Trust Company will notify the Beneficial Owners of the availability through the Depository Trust Company of certificates for the Bonds. In such event, the Registrar shall prepare, authenticate, transfer and exchange certificates for the Bonds as requested by the Depository Trust Company and any Beneficial Owners in appropriate amounts,

of the State of Illinois, subject to the provisions for registration herein.

The Bonds shall have all of the qualities and incidents of negotiable instruments under the laws

until such delivery.

nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office cease to be such officer before the delivery of the Bonds, the signature of such officer shall the Bonds. In case any officer whose signature or facsimile signature appears on the Bonds shall Certificate, shall adopt as and for their own proper signatures the facsimile signatures appearing on signature of the Village Clerk; and these officials, by the execution of a Signature and No Litigation affixed, imprinted, engraved or otherwise reproduced thereon and attested by the manual or facsimile Village by the manual or facsimile signature of the President, and the seal of the Village shall be Sec. 4. Execution and Negotiability. Each of the Bonds shall be executed in the name of the

Sec. 3. Redemption. Bonds shall not be subject to redemption prior to maturity.

indemnification for all costs and expenses associated with such printing.

not be required to have such Bonds printed until it shall have received from the Village Registrar shall determine to be necessary or customary; provided, however, that the Registrar shall Trust Company, the Registrar shall cause said Bonds to be printed in blank in such number as the If the Bonds shall no longer be restricted to being registered in the name of the Depository for another securities depository to maintain custody of certificates for and evidencing the Bonds. fully registered Bonds of any Beneficial Owner's Depository Trust Company account or (ii) to arrange action after reasonable notice (i) to make available one or more separate certificates evidencing the Registrar and the Village will cooperate with the Depository Trust Company by taking appropriate and whenever the Depository Trust Company requests the Village and the Registrar to do so, the

The Bonds shall also be authenticated by the manual signature of the Registrar and no Bond shall be valid or become obligatory for any purpose until the certificate of authentication thereon has been so executed.

Sec. 5. Form of Bonds. The form and tenor of the Bonds shall be substantially as follows, all blanks to be filled in properly prior to delivery:

REGISTERED
NO.

UNITED STATES OF AMERICA

STATE OF ILLINOIS

COUNTY OF DUPAGE

VILLAGE OF LOMBARD

GENERAL OBLIGATION REFUNDING BOND, SERIES 1998B

Interest Rate	Maturity Date	Original Date	Authentication Date	CUSIP
		May 15, 1998	May 15, 1998	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM:

The Village of Lombard, DuPage County, Illinois (the "Village"), for value received, hereby promises to pay to the Registered Owner named above or registered assigns, but only from the source and in the manner herein provided, the Principal Sum set forth above on the Maturity Date set forth above (unless this bond be subject to and be called for redemption prior to maturity as hereinafter provided), and to pay interest hereon 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 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 May 15, 1998, in which case it shall bear interest from the Original Date, until the principal is paid, which interest is payable semiannually on the 30th days of June and December in each year, beginning on December 30, 1998.

The principal of this bond is payable at the principal office of Bank One Wisconsin Trust Company (the "Registrar" or "Paying Agent"), in the City of Waukesha, Wisconsin. All payments of interest on this bond shall be paid by check, mailed one business day prior to the interest payment date to the registered owner herof as of the fifteenth day of the month preceding such interest payment date at the address as it appears on the registration books kept by the Registrar or at such other address as is provided to the Paying Agent in writing by the registered owner. 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 Paying Agent shall wire transfer payments so such payments are received at the depository by 2:30 p.m. (New York City time). All payments on the bond shall be made in any coin or currency of the United States of America, which on the dates of such payment, shall be legal tender for the payment of public and private debts.

The Bonds (as hereinafter defined) shall be initially issued in a Book Entry System (as defined in the hereinafter defined Ordinance). The provisions of this bond and of the Ordinance 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.

This bond is a general obligation of the Village payable from ad valorem taxes to be levied on all taxable property within the Village without limitation as to rate or amount. The full faith, credit and resources of the Village are pledged to the punctual payment of the principal of and interest on the Bonds. This bond is negotiable, subject to registration provisions, pursuant to the laws of the State of Illinois.

The terms and provisions of this bond are continued on the reverse side hereof and such terms and provisions shall for all purposes have the same effect as though fully set forth at this place.

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the execution, issuance and delivery of this bond have been done and performed in regular and due form as provided by law, that the indebtedness of the Village, including the issue of the Bonds of which this is one, does not exceed any limitation imposed by law; and that provision has been made for the collection of a direct annual tax sufficient to pay the interest hereon as it falls due and also to pay and discharge the principal hereof at maturity.

This bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been executed by an authorized representative of the Registrar.

This bond is one of an authorized issue of bonds (the "Bonds") of the Village of Lombard, DuPage County, Illinois ("Village") of like date, tenor and effect, except as to rates of interest and dates of maturity; aggregating \$ _____; numbered consecutively from 1 up; issued for the purpose of advance refunding certain Refunded Bonds (as defined in the hereinafter defined Ordinance) and paying costs related to the issuance of the Bonds. This bond is issued pursuant to a Bond Ordinance adopted by the President and Board of Trustees

(To be printed on Reverse Side)

By _____
Authorized Representative

Bank One Wisconsin Trust Company,
as Registrar

This bond is one of the Bonds described in the within-mentioned Ordinance.

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

Village Clerk

Attest:

[SEAL]

By _____
President

VILLAGE OF LOMBARD, DUPAGE
COUNTY, ILLINOIS

IN WITNESS WHEREOF, the Village of Lombard, DuPage County, Illinois, has caused this bond to be executed by the manual or facsimile signature of the President, the seal of said Village (or a facsimile thereof) to be affixed, imprinted, engraved or otherwise reproduced hereon and attested by the manual or facsimile signature of the Village Clerk.

of said Village ("Village") on the 7th day of May, 1998 (the "Ordinance"), and in accordance with Section 7 of Article VII of the Constitution of the State of Illinois (hereinafter collectively, the "Act"), the proceeds of which Bonds are to be applied solely to said refunding of the Refunded Bonds and the payment of costs of issuance of the Bonds.

Pursuant to the Ordinance and the Escrow Agreement defined therein, the Village has set aside securities (purchased from proceeds of the Bonds) and certain cash in a Trust Account to provide payment of principal of and interest and redemption premium on the Refunded Bonds by the purchase of obligations of the United States of America. The remaining proceeds will be used to pay costs of issuance of the Bonds.

The Bonds not subject to redemption prior to maturity.

If this bond shall not be presented for payment on the date fixed therefor, the Village may deposit in trust with its depository bank, an amount sufficient to pay such bond and thereafter the registered owner shall look only to the funds so deposited in trust with said bank for payment and the Village shall have no further obligation or liability in respect thereto.

This bond is transferable or exchangeable only upon the books of the Village kept for that purpose at the principal corporate trust office of the Registrar by the registered owner hereof in person, or by its attorney duly authorized in writing, upon surrender of this bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner, or its attorney duly authorized in writing, and thereupon a new fully registered Bond or Bonds in an authorized aggregate principal amount and of the same maturity, shall be executed and delivered in the name of the transferee or transferees or to the registered owner, as the case may be, in exchange therefor. The Village, the Registrar, the Paying Agent and any other registrar or paying agent for this bond may treat and consider the person in whose name this bond is registered as the absolute owner hereof for all purposes including for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon.

This bond is subject to payment as provided in the Ordinance referred to herein. THE OWNER OF THIS BOND, BY THE ACCEPTANCE HEREOF, HEREBY AGREES TO ALL THE TERMS AND PROVISIONS CONTAINED IN THE ORDINANCE.

The Village has designated the Bonds as qualified tax-exempt obligations to qualify the Bonds for the \$10,000,000 exception from the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986 relating to the disallowance of 100% of the deduction for interest expense allocable to tax-exempt obligations.

The Bonds maturing in any one year are issuable only in fully registered form in the denomination of \$5,000 or any integral multiple thereof.

of the Bonds.

It is hereby found and determined 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 or her own name or in the name of any other person, association, trust, company or corporation, in said purchase ordinance, including a final principal amount, interest rates, and maturity schedule.

The President is authorized to execute the Purchase Contract with terms consistent with this underwriter discount and any original issue discount and plus accrued interest to the date of delivery. receipt of the purchase price therefor the same being the par value of the Bonds, minus any Bond Purchase Agreement (the "Purchase Contract") between the Village and the Underwriter, upon directed to deliver the Bonds to Bernardi Securities, Inc. (the "Underwriter"), in accordance with the attest the Bonds in the form and manner provided herein. The Treasurer is hereby authorized and prepared, and the President and the Village Clerk are hereby authorized and directed to execute and (a) The Treasurer of the Village is hereby authorized and directed to have the Bonds

Sec. 6. Authorization for Preparation and Sale of the Bonds.

NOTICE: The signature to this assignment correspond with the name as it appears on the face of the within bond in every particular, without alteration or enlargement or any change whatsoever.

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

Dated: _____

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____ constitutes and appoints _____, attorney, to transfer the within bond in the books kept for the registration thereof with full power of substitution in the premises.

ASSIGNMENT

Securities and Exchange Commission.

Preliminary Official Statement as "nearly final" for purposes of Rule 15c2-12 promulgated by the the Purchase Contract. The President or the Village Clerk are hereby authorized to designate the execute the Official Statement on behalf of the Village in a form consistent with this ordinance and the Village, is hereby approved and the President or the Village Clerk are authorized and directed to Official Statement") and of a final Official Statement prepared by Speer Financial, Inc., on behalf of

(e) Distribution of the Near Final Official Statement dated April 3, 1998 (the "Preliminary is hereby approved.

Bonds which may be held under the Escrow Agreement in a manner consistent with this ordinance States Treasury Obligations -- State and Local Government Series for investments of proceeds of the

(d) The execution, by either the President or the Underwriter, of a subscription for United the provisions of this ordinance.

Bonds to the Underwriter and to do whatever acts and things which may be necessary to carry out general obligations of the Village. The proper officers of the Village are hereby directed to sell the

(c) The Bonds when fully paid for and delivered to the Underwriter, shall be the binding its provisions are consistent with this ordinance and the Purchase Contract.

authorized and directed to complete, execute and attest the same on behalf of the Village so long as meeting, is hereby approved by the Board, and the President and the Village Clerk are hereby Agreement"). The Escrow Agreement, in substantially the form which has been presented to this with the terms of the Escrow Agreement, between the Village and the Escrow Agent (the "Escrow is hereby authorized and appointed to serve as escrow trustee for the Refunded Bonds in accordance

(b) Bank One Wisconsin Trust Company, Waukesha, Wisconsin (the "Escrow Agent")

The Village covenants and agrees with the Underwriter and the holders of the Bonds that so long as the Bonds remain outstanding, the Village will take no action or fail to take any action which in any way would adversely affect the ability of the Village to levy and collect the foregoing tax levy, unless the abatement of any particular tax levy amount has been provided for through the deposit of moneys in a segregated account, and the Village and its officers will comply with all present and future applicable laws in order to assure that the foregoing taxes will be levied, extended and

the same shall be collected.

Principal or interest coming due at any time when there are not sufficient funds on hand from the foregoing tax levy to pay the same shall be paid from current funds on hand of the Village, and the fund from which such payment was made shall be reimbursed out of the taxes hereby levied when

For the Year	A Tax Sufficient to Produce the Sum of
1997	\$59,920.31 for principal and interest to December 30, 1998
1998	\$58,472.50 for principal and interest
1999	\$107,672.50 for principal and interest
2000	\$204,767.50 for principal and interest
2001	\$242,627.50 for principal and interest
2002	\$228,490.00 for principal and interest
2003	\$224,460.00 for principal and interest

Sec. 7. Tax Levy. In order to provide for the collection of a direct annual tax sufficient to pay the interest on the Bonds as it falls due and also pay and discharge the principal thereof at maturity, there shall be levied upon all the taxable property within the Village a direct annual tax (the "Pledged Taxes") for each of the years while the Bonds or any of them are outstanding, in amounts sufficient for that purpose and that there is hereby levied upon all of the taxable property in the Village, a direct annual tax for the years in an amount sufficient to produce the sums as follows:

collected as provided herein and deposited in the Bond Fund (as such term is hereinafter defined) established to pay the principal of and interest on the Bond.

The funds derived from the tax levy be and the same are hereby appropriated and set aside for the sole and only purpose of paying principal and interest on said Bonds when and as the same become due. The funds from the sale of said Bonds be and they are hereby appropriated and set aside for the purpose hereinafter set out.

Sec. 8. Filing of Ordinance. Forthwith upon this ordinance becoming effective, the Village

Clerk is hereby directed to file a certified copy of this ordinance, which certificate shall recite that this ordinance has been passed by the President and Board of Trustees of said Village and published, with the County Clerk, and it shall be the duty of said County Clerk in and for each of the years 1997 to 2003, inclusive, to annually ascertain the rate necessary to produce the tax herein and therein levied, and extend the same for collection on the tax books against all of the taxable property within the Village in connection with other taxes levied in each of said years, in order to raise the respective amounts aforesaid and in each of said years such annual tax shall be computed, extended and collected in the same manner as now or hereafter provided by law for the computation, extension and collection of taxes for general corporate purposes of the Village, and when collected, the taxes hereby levied shall be used only for the purpose of paying the principal of and interest on the Bonds.

Sec. 9. Refunding of the Refunded Bonds and Costs of Issuance. Concurrently with the

delivery of the Bonds, the Village shall acquire, with the proceeds of the Bonds and cash on hand, non-callable direct obligations of, or obligations the principal and interest on which are unconditionally guaranteed by, the United States of America (the "Government Obligations") to be used, together with certain cash from the proceeds of the Bonds and cash on hand, if any, as set forth

in the Escrow Agreement, to advance refund and legally defease all or a portion of the Refunded Bonds, all as set forth in the Escrow Agreement. In order to refund the Refunded Bonds, the Treasurer shall deposit Government Obligations and certain cash with the Escrow Agent under the Escrow Agreement in an amount sufficient to provide moneys for the payment of the principal of and interest and redemption premium on the Refunded Bonds to be refunded on December 30, 1999, the earliest date upon which the Refunded Bonds may be called for redemption.

Costs of issuance of the Bonds not otherwise paid shall be paid from the remaining proceeds by the Village. When all the costs of issuance of the Bonds have been paid, the Village shall then transfer any amount then remaining from the proceeds of the Bonds to the Bond Fund and cause such moneys to be used to redeem the Bonds on the earliest possible payment date.

The Village shall obtain a verification of an accountant as to the sufficiency of the funds deposited in the Trust Account under the Escrow Agreement to accomplish said refunding and defeasance of the Refunded Bonds.

Sec. 10. Accrued Interest. The accrued interest received at the time of delivery of the Bonds, if any, shall be deposited in the Bond Fund.

Sec. 11. Bond Fund. There is hereby created and established a special fund of the Village known as the "Bond Fund, Series 1998" (the "Bond Fund") to be held by the Treasurer of the Village. The Pledged Taxes shall be set aside as collected and be deposited in the Bond Fund, which is a trust fund established for the purpose of carrying out the covenants, terms and conditions imposed upon the Village by this ordinance. The Bonds are secured by a pledge of all moneys on deposit in the Bond Fund, and such pledge is irrevocable until the Bonds have been paid in full or until the obligations of the Village are discharged under this ordinance.

Sec. 12. Additional Funds and Accounts. In addition to the funds established hereunder, the President and the Treasurer are each hereby authorized and directed to establish, and the Treasurer is further authorized to hold, any and all funds and/or accounts they deem necessary or convenient to the accomplishment of the purposes set forth in this ordinance.

Sec. 13. Defeatance of the Bonds. If, when the Bonds or a portion thereof shall have become due and payable in accordance with their terms or shall have been duly called for redemption or irrevocable instructions to call the Bonds or a portion thereof for redemption shall have been given, and the whole amount of the principal and the interest and the premium, if any, so due and payable upon all of the Bonds or a portion thereof then outstanding shall be paid; or (i) sufficient moneys or (ii) direct obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury), the principal of and the interest on which when due will provide sufficient moneys for such purpose, shall be held in trust for such purpose, and provision shall also be made for paying all fees and expenses for the redemption, then and in that case the Bonds or any designated portion thereof issued hereunder shall no longer be deemed outstanding or entitled to any pledge of the Pledged Taxes made herein.

Sec. 14. Amendments with Consent of Bondholders. Subject to the terms and provisions contained in this section, and not otherwise, the owners of not less than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of the Bonds issued pursuant to this ordinance and then outstanding shall have the right from time to time, anything contained in this ordinance to the contrary notwithstanding, to consent to and approve the adoption by the Village of such ordinance or ordinances supplemental hereto or amendatory hereto, as shall be deemed necessary or desirable by the Village for the purpose of modifying, altering, amending, adding to or rescinding in any

particular manner any of the terms or provisions contained in this ordinance, or in any supplemental ordinance; provided, however, that nothing herein contained shall permit or be construed as permitting:

- (a) An extension of the maturity of the principal of or interest on any Bond issued pursuant to this ordinance; or

- (b) A reduction in the principal amount of any Bond or the rate of interest thereon; or
- (c) A preference or priority of any Bond or Bonds issued pursuant to this ordinance over any other Bond or Bonds issued pursuant to the provisions of this ordinance; or

- (d) A reduction in the aggregate principal amount of the Bonds required for consent to such supplemental ordinance.

If the owners of not less than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of the Bonds outstanding at the time of adoption of such supplemental ordinance shall have consented to and approved the adoption thereof by written instrument to be maintained on file in the office of the Village Clerk of the Village, no owner of any Bond issued pursuant to this ordinance shall have any right to object to the adoption of such supplemental ordinance or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the property of the adoption thereof, or to enjoin or restrain the Village from adopting the same, or from taking any action pursuant to the provisions thereof. Upon the adoption of any supplemental ordinance pursuant to the provisions of this section, this ordinance shall be, and shall be deemed, modified and amended in accordance therewith, and the respective rights, duties and obligations under this ordinance of the Village and all owners of Bonds then outstanding, shall thereafter be determined, exercised and enforced in accordance with this ordinance, subject in all respects to such

a private business use.

to the Village or the Board) in respect of such property or borrowed money used or to be used for business use or payments in respect of such property or to be derived from payments (whether or not in property used or to be used for any private business use or payments in respect of any private Bonds, this ordinance or any underlying arrangement), directly or indirectly, secured by an interest

(b) No portion of the principal of or interest on the Bonds is (under the terms of the differentiates that persons or entity's use of such property from use by the general public. arrangements such as take-or-pay or output contracts or any other type of arrangement that beneficial use of such property pursuant to a lease, management or incentive payment contract, governmental unit will own property refinanced by Bond proceeds or will have any actual or of the general public. No person or entity other than the Village, or another state or local will use proceeds of the Bonds or property financed by the Bond proceeds other than as a member (a) No person or entity other than the Village or another state or local governmental unit

Bonds, the Village represents, covenants and agrees that:

existing on the date of issuance of the Bonds (the "Code") and as an inducement to purchasers of the gross income for federal tax purposes under Section 103 of the Internal Revenue Code of 1986 as Sec. 15. Tax Covenants. In order to preserve the exclusion of interest on the Bonds from and the consent of the owners of all the Bonds then outstanding.

or amendatory ordinance, may be modified or altered in any respect with the consent of the Village by this ordinance, and the terms and provisions of the Bonds and this ordinance, or any supplemental this ordinance, the rights and obligations of the Village and of the owners of the Bonds authorized modifications and amendments. Notwithstanding anything contained in the foregoing provisions of

(c) No Bond proceeds will be loaned to any person or entity other than another state or local governmental unit. No Bond 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 Bond proceeds.

(d) Neither the Village nor the Board will take any action or fail to take any action with respect to the Bonds that would result in the loss of the exclusion from gross income for federal tax purposes on the Bonds 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.

(e) It shall not be an event of default under this ordinance if the interest on any Bond 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 Bonds.

(f) The Village covenants that it will rebate any arbitrage profits to the United States to the extent required by the Code and the regulations promulgated thereunder.

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

(h) The Village represents that:

(i) The Bonds are not private activity bonds as defined in Section 141 of

the Code;

(ii) The Village hereby designates the Bonds as qualified tax-exempt

obligations for purposes of Section 265(b)(3) 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

ordinance, the covenants and authorizations contained in this ordinance (the "Tax Sections") which

Sec. 16. Noncompliance with Tax Covenants. Notwithstanding any other provisions of this

and other persons to assist the Village in such compliance.

necessary or advisable by their officers, to employ and pay fiscal agents, financial advisors, attorneys,

statements, and supporting documents as may be required and in a timely manner; and (e) if deemed

to Section 148 of the Code and the regulations promulgated thereunder; (d) to file such forms,

representing required rebates of excess arbitrage profits relating to the Bonds as required pursuant

with such advice as may be given; (c) to pay to the United States, as necessary, such sums of money

as may be necessary or advisable; (b) to consult with counsel approving the Bonds and to comply

officers, to make such further specific covenants, representations as shall be truthful, and assurances

federal income tax purposes. In connection therewith, the Village further agrees: (a) through its

arbitrage bonds and to assure that the interest on the Bonds will be excludable from gross income for

certifications as may be necessary to assure that the use thereof will not cause the Bonds to be

the same being the President and Village Clerk of the Village, to make such further covenants and

The Village hereby authorizes the officials of the Village responsible for issuing the Bonds,

obligations.

of the deduction by financial institutions of interest expense allocable to newly acquired tax-exempt

Therefore, the Bonds qualify for the exception in the Code from the disallowance of 100%

\$10,000,000 of qualified tax-exempt obligations during 1998.

(iv) The Village has not designated and will not designate more than

to the Village during 1998 does not exceed \$10,000,000; and

private activity bonds) which will be issued by the Village and all entities subordinate

are designed to preserve the exclusion of interest on the Bonds from gross income under federal law

(the "Tax Exemption") need not be complied with if the Village receives an opinion of nationally recognized bond counsel that any Tax Section is unnecessary to preserve the Tax Exemption.

Sec. 17. Continuing Disclosure. The Continuing Disclosure Undertaking Agreement (the

"Agreement") in substantially the form which has been presented to this meeting, 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 Village. Notwithstanding any other provisions of this ordinance, failure of the Village to comply with the Agreement shall not be considered an event of default under the Bonds or this ordinance.

Sec. 18. Registered Form. The Village recognizes that Section 149(a) of the Code requires

the Bonds to be issued and to remain in fully registered form in order that interest thereon is exempt from federal income taxation under laws in force at the time the Bonds are delivered. In this connection, the Village agrees that it will not take any action to permit the Bonds to be issued in, or converted into, bearer or coupon form.

Sec. 19. 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.

Sec. 20. Publication. The Village Clerk is hereby authorized and directed to publish this

ordinance in pamphlet form and to file copies thereof for public inspection in his/her office.

Sec. 21. Conflicting Ordinances. All ordinances, resolutions and parts of ordinances and

resolutions, in conflict herewith are hereby repealed, provided, however, that this ordinance shall not be construed as adversely affecting the rights of the owners of the Refunded Bonds.

Sec. 22. 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.

Sec. 23. Effective Date. This ordinance shall be in full force and effect from and after its adoption and publication.


ADOPTED this 7th day of May, 1998 by a roll call vote as follows:

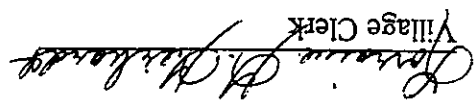
AYES: Trustees Borgatell, Tross, Schaffer, Tross, Gatz & Kuftrin

NAYS: None

ABSENT: None

APPROVED this 7th day of May, 1998.


President


Village Clerk

ATTEST:

[Signature]
Village Clerk

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

meeting.

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

Illinois, which was done.

records of the President and of the Board of Trustees of the Village of Lombard, DuPage County,

and signed the same in open meeting and directed the Village Clerk to record the same in full in the

Whereupon the President declared the motion carried and said ordinance adopted, approved

and the following Trustees voted NAY: None

Trustees Borgatell, Tross, Schaffer, Jaugilas, Gatz and Kuftrin

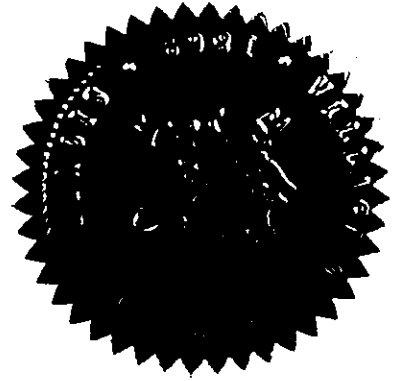
Upon the roll being called, the following Trustees voted AYE: _____

the motion to adopt said ordinance as read.

After a full discussion thereof, the President directed that the roll be called for a vote upon

that said ordinance as presented and read by the Village Clerk be adopted.

Trustee Schaffer moved and Trustee Gatz seconded the motion



James P. Duckworth
Village Clerk

7th day of May, 1998.

IN WITNESS WHEREOF, I herunto affix my official signature and seal of said Village, this

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

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 special meeting.

AN ORDINANCE providing for the issue of \$935,000 General Obligation Refunding Bonds, Series 1998B, of the Village of Lombard, DuPage County, Illinois, and for the levy of a direct annual tax sufficient to pay the principal and interest on said bonds.

I further certify that the foregoing is a full, true and complete transcript of that portion of the minutes of the special meeting of the President and Board of Trustees held on the 7th day of May, 1998, insofar as the same relates to the adoption of Ordinance No. 4454 entitled:

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

CERTIFICATION OF MINUTES

STATE OF ILLINOIS)
COUNTY OF DUPAGE)
SS)

(SEAL)

County Clerk of DuPage County,
Illinois

this _____ day of _____, 1998.

IN WITNESS WHEREOF, I herunto affix my official signature and the seal of said County,

records of my office.

Illinois, on the 7th day of May, 1998, and that the same has been deposited in the official files and

duly adopted by the President and Board of Trustees of the Village of Lombard, DuPage County,

AN ORDINANCE providing for the issue of \$935,000 General
Obligation Refunding Bonds, Series 1998B, of the Village of
Lombard, DuPage County, Illinois, and for the levy of a direct annual
tax sufficient to pay the principal and interest on said bonds.

1998, there was filed in my office a duly certified copy of Ordinance No. 98-_____- entitled:

DuPage County, Illinois, and as such official I do further certify that on the _____ day of May,

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of

FILING CERTIFICATE

STATE OF ILLINOIS
)
)
)
COUNTY OF DUPAGE
)

Dated May —, 1998

VILLAGE OF LOMBARD, DUPAGE COUNTY, ILLINOIS
GENERAL OBLIGATION REFUNDING BONDS
SERIES 1998B

As Escrow Agent

BANK ONE WISCONSIN TRUST COMPANY

AND

VILLAGE OF LOMBARD, DUPAGE COUNTY, ILLINOIS

THE

BETWEEN

ESCROW AGREEMENT

ESCROW AGREEMENT

This agreement (the "Escrow Agreement") made and entered into on May 1998, by and between the Village of Lombard, DuPage County, Illinois (the "Issuer"), organized and existing under the laws of the State of Illinois and Bank One Wisconsin Trust Company (the "Escrow Agent"), a state banking corporation organized and existing under the laws of the State of Wisconsin, having its principal corporate trust office in Waukeasha, Wisconsin, as Escrow Agent under this Escrow Agreement with the Issuer.

WITNESSETH

WHEREAS, the execution and delivery of this Escrow Agreement has been in all respects duly and validly authorized by an ordinance (the "Ordinance") duly adopted by the President and Board of Trustees of the Issuer; and

WHEREAS, the Issuer has heretofore issued its General Obligation Bonds Series 1989 (the "Series 1989 Bonds") currently outstanding in the principal amount of \$ _____, (the "Refunded Bonds"); and

WHEREAS, the Issuer has concurrently with the execution and delivery of this Escrow Agreement, executed, issued and delivered pursuant to the Ordinance, its General Obligation Refunding Bonds, Series 1998B (the "1998B Bonds") in the amount of \$ _____, and the Issuer has deposited with the Escrow Agent (a) certain hereinafter described securities or evidences thereof in the amount of \$ _____ (the "Government Obligations"); purchased from the proceeds of the 1998B Bonds and (b) cash in the amount of \$ _____ from the Issuer (the "Cash Requirement") in a total amount sufficient to redeem the Series 1989 Bonds maturing beginning on _____, the earliest date on which the bonds may be redeemed.

NOW THEREFORE, THIS AGREEMENT WITNESSETH: That in order to secure the payment of the principal of and interest and redemption premium on the Refunded Bonds according to their tenor, purport and effect, and in order to secure the performance and observance of all of the covenants and conditions herein and in the Refunded Bonds and 1998B Bonds, and for and in consideration of the mutual covenants herein contained, and of the acceptance by the Escrow Agent of the trust hereby created, the Issuer has executed and delivered this Escrow Agreement.

TO HAVE AND TO HOLD the same unto the Escrow Agent, and its successor or successors and its or their assigns forever;

IN TRUST, NEVERTHELESS, upon the terms and trusts herein set forth, to secure the payment of the Refunded Bonds upon redemption and the interest and redemption premium payable thereon, and to secure also the observance and performance of all the terms, provisions, covenants and conditions of this Escrow Agreement, and for the equal and ratable benefit and security of all and singular the owners of all Refunded Bonds without preference, priority or distinction as to lien or otherwise of any one Refunded Bond or as between principal and interest; and it is hereby mutually covenanted and agreed that the terms and conditions upon which the Refunded Bonds are to be paid and redeemed, and a portion of the proceeds of the 1998B Bonds invested, and the trusts and conditions upon which the pledged Government Obligations and the Cash Requirement are to be held and disbursed, are as follows:

(d) The mathematical calculations of the adequacy of the Trust Account to fully provide for all payments enumerated in this Escrow Agreement will be computed at the time of delivery of the 1989 Bonds by Stanley P. Stone & Associates, Inc., New York, New York, certified public accountants (the "Verification Report").

(c) Any balance remaining in the Trust Account after redemption or payment at maturity of all the Refunded Bonds, shall be deposited with the Issuer and used by the Issuer to pay debt service on the 1989 Bonds.

The Escrow Agent will remit to each respective paying agent for the Refunded Bonds, in good funds on or before each interest or principal payment or Call Date, moneys sufficient to pay the aggregate Refunded Bond payment requirement from time to time, as set out in the Verification Report (as defined herein), and each such remittance shall fully release and discharge the Escrow Agent from any further duty or obligation thereto under this Escrow Agreement.

(b) The Escrow Agent and the Issuer agree to redeem, solely from funds on deposit in the Trust Account, all outstanding Series 1989 Bonds on _____ The Escrow Agent and the Issuer shall cause the Paying Agent for the Series 1989 Bonds to complete the notice attached as Exhibit C and mail the notice not less than thirty (30) days nor more than sixty (60) days prior to _____, substantially in the form attached to this Escrow Agreement as Exhibit C to the holders of the Series 1989 Bonds.

The Escrow Agent shall act as agent for the Issuer in performing all acts, giving or causing to be given all notices, and providing such directions to _____ as paying agent on the Series 1989 Bonds to effect the payment and redemption of the Refunded Bonds as aforesaid.

2. (a) A Trust Account is hereby created for the Refunded Bonds (the "Trust Account"). For purposes of securing payment of the Refunded Bonds, the Government Obligations and the Cash Requirement set forth on Exhibit A will be held in trust by the Escrow Agent in the Trust Account and such Government Obligations on deposit with the Escrow Agent, including interest to be earned thereon, together with the Cash Requirement, are pledged solely and irrevocably for the benefit of the owners of the Refunded Bonds. Pursuant to this Section, the Issuer irrevocably instructs the Escrow Agent to direct the paying agent to duly call the Series 1989 Bonds maturing beginning on _____ through _____, and the Escrow Agent hereby agrees to follow this instruction.

1. The Escrow Agent acknowledges receipt, from the Issuer, of the Government Obligations, as set forth in Exhibit A attached hereto, together with the Cash Requirement, a portion of which is to be applied on the principal of and interest on the Refunded Bonds in accordance with the schedule set forth in Exhibit B attached hereto. The Government Obligations have been deposited with the Escrow Agent and will bear interest at such rates and will mature at such time and in such amounts so that, when paid according to their respective terms, together with the Cash Requirement, sufficient moneys will be available to redeem the Series 1989 Bonds beginning on _____ (the earliest date on which the bonds may be called for redemption prior to maturity) at a redemption price equal to 100% of principal amount with accrued interest to that date.

3. The Issuer covenants that the proceeds from the sale of the 1998B Bonds, any moneys attributable to the proceeds of the 1998B Bonds, amounts received from the investment of the proceeds of the 1998B Bonds, any other amounts treated as proceeds of the 1998B Bonds under the applicable provisions of the Internal Revenue Code of 1986 as existing on the date of the issuance of the 1998B Bonds (the "Code"), to the extent applicable to the 1998B Bonds or held in funds or accounts under the ordinance authorizing the Refunded Bonds or the Ordinance, shall not be invested or otherwise used in a manner which would cause the 1998B Bonds to be "arbitrage bonds" within the meaning of the Code and the regulations and rulings promulgated thereunder.

4. The Escrow Agent has all the powers and duties herein set forth with no liability in connection with any act or omission to act hereunder, except for its own negligence or willful breach of trust, and shall be under no obligation to institute any suit or action or other proceeding under this Agreement or to take any steps into enforcement of its, or any, rights and powers hereunder, nor shall be deemed to have failed to take any such action, unless and until it shall have been indemnified by the Issuer to its satisfaction against any and all costs and expenses, outlays, counsel fees and other disbursements, including its own reasonable fees, and if any judgment, decree or recovery be obtained by the Escrow Agent, payment of all sums due it, as aforesaid, shall be a first charge against the amount of any such judgment, decree or recovery. The Escrow Agent may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees but shall not be answerable for the conduct of the same if appointed in accordance with the standard specified above, and shall be entitled to advice of counsel concerning all matters of trusts hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, certified public accountants, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Escrow Agent may act upon the opinion or advice of any attorney (who may be the attorney or attorneys for the Issuer). The Escrow Agent shall not be responsible for any loss or damage resulting from any action or non-action in good faith in reliance upon such opinion or advice.

The Escrow Agent shall be entitled to payment and/or reimbursement in accordance with the schedule attached hereto as Exhibit E in connection with services under this Escrow Agreement including costs incurred under the preceding paragraph. Such fees shall not constitute a lien against the Trust Account. If, after the Refunded Bonds are completely paid, there are insufficient funds to pay such fees, the Issuer is responsible for the payment of such Escrow Agent fees.

5. The Escrow Agent shall have the right, but not the duty to sell, transfer, request the redemption or otherwise dispose of some or all of the Government Obligations in the Trust Account and to substitute other Government Obligations of equal or greater security identified in the Verification Report therefor provided that the Escrow Agent shall receive the unqualified opinion of nationally recognized municipal bond attorneys prior to any such actions to the effect that such disposition and substitution would not cause any of the Refunded Bonds or the 1998B Bonds to be an "arbitrage bond" within the meaning of Section 148 of the Code, or any other regulations and rulings to the extent applicable to the Refunded Bonds or the 1998B Bonds; and furthermore, provided that the Escrow Agent shall receive the unqualified opinion of a certified public accountant or a firm of certified public accountants to the effect that such disposition and substitution shall not reduce the sufficiency and adequacy of the Trust Account to fully provide for all payments enumerated in this Escrow Agreement.

10. If any one or more of the covenants or agreements provided in this Escrow Agreement on the part of the Issuer or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenants or agreements shall be null and void and shall be deemed separate from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Escrow Agreement.

9. This Escrow Agreement is made for the benefit of the Issuer and the holders from time to time of the Refunded Bonds, and it shall not be repealed, revoked, altered or amended without the written consent of all such holders, the Escrow Agent and the Issuer, provided, however, that the Issuer and the Escrow Agent may, without the consent of, or notice to, such holders, amend this Escrow Agreement or enter into such agreements supplemental to this Escrow Agreement, in their sole judgment and discretion, as shall not materially adversely affect the rights of such holders, for any one or more of the following purposes: (i) to cure any ambiguity or formal defect or omission in this Escrow Agreement; (ii) to grant to, or confer upon, the Escrow Agent for the benefit of the holders of the Refunded Bonds, any additional rights, remedies, powers, security or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; and (iii) to include under this Escrow Agreement additional funds, securities or properties.

8. Upon the retirement of the Refunded Bonds as herein above provided for, the Escrow Agent will transfer any balance remaining in the Escrow Account to the Treasurer with due notice thereof mailed to the Issuer and thereupon this Escrow Agreement shall terminate.

7. The Escrow Agent may at any time resign as Escrow Agent under this Escrow Agreement by giving thirty (30) days written notice to the Issuer, and such resignation shall take effect upon the appointment of a successor Escrow Agent by the Issuer and the prorata (based upon time elapsed) repayment to the Issuer of any fees of the Escrow Agent prepaid by the Issuer. The Issuer may select as successor Escrow Agent any financial institution with capital, surplus and undivided profits of at least \$5,000,000, and which is authorized to maintain trust accounts under federal or State law of the type represented by this Escrow Agreement.

or at such other address as is furnished from time to time by the Escrow Agent.

Attention: Corporate Trust Department

Bank One Trust Company

(b) All notices and communications to the Escrow Agent shall be addressed in writing to:

or at such other address as is furnished from time to time by the Issuer.

Village of Lombard
255 East Wilson
Lombard, Illinois 60148
Attention: Director of Finance

(a) All notices and communications to the Issuer shall be addressed in writing to:

- 11. This Escrow Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.
- 12. This Escrow Agreement shall be construed and enforced under the laws of the State of Illinois, without regard to conflict of law principles.
- 13. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Escrow Agreement, shall be a legal holiday or a day on which banking institutions in the city in which is located the principal office of the Escrow Agent are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized to remain closed, with the same force and effect as if done on the nominal date provided in this Escrow Agreement, and no interest shall accrue for the period after such nominal date.
- 14. This Escrow Agreement shall not be assigned by the Escrow Agent or any successor thereto without the prior written consent of the Issuer.

Title: _____

Printed: _____

By: _____

Attest:

Title: _____

Printed: _____

By: _____

BANK ONE WISCONSIN TRUST COMPANY,
as Escrow Agent

Joseph H. Burkhardt
Secretary (Municipal Clerk)

Attest:

By: *William J. ...*
President

VILLAGE OF LOMBARD, DUPAGE
COUNTY, ILLINOIS

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be
executed for and on their behalf the day and year first hereinabove written.

SLGS - Cert
SLGS - Cert
SLGS - Note
SLGS - Note
SLGS - Note
SLGS - Note
SLGS - Note
SLGS - Note
SLGS - Note
SLGS - Note

Cash in the amount of \$ _____

Type	Maturity Date	Amount	Coupon Rate
SLGS - Cert		\$	%

SCHEDULE OF UNITED STATES OBLIGATIONS

Attached to and made a part of the
 Escrow Agreement executed by the
 Village of Lombard, DuPage County, Illinois and
 Bank One Wisconsin Trust Company
 as Escrow Agent
 Dated May __, 1998

EXHIBIT A

Series
Principal Issued
Dated
Principal Refunded
Maturities Refunded
Redemption Date
Redemption Price

EXHIBIT B

EXHIBIT C

NOTICE OF REDEMPTION

Owners of the _____ Dollars
 (\$ _____) in aggregate principal amount of General Obligation Bonds, Series 1989, originally
 issued in the aggregate principal amount of \$1,000,000 and now outstanding in the principal amount
 of \$ _____ (collectively, the "Refunded Bonds"), and maturing annually from
 _____ through _____, inclusive (the "Bonds"), are hereby notified that such
 Bonds will be redeemed upon presentation, at the paying agent for the Bonds, the principal corporate
 trust office of _____, Attention Corporate Trust Department, on
 _____ at face value, plus accrued interest to _____ . All of such Bonds shall
 cease to bear interest on _____ .

Dated this _____ day of _____, 1998.

VILLAGE OF LOMBARD, DUPAGE
COUNTY, ILLINOIS

Its: Authorized Agent

Trust Officer

/s/

_____ Mail to registered owners at least thirty (30) days but not more than sixty (60) days prior to

The sum of _____ Dollars (\$) _____)

ESCROW AGENT FEES

EXHIBIT D

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 \$935,000 General Obligation Refunding Bonds, Series 1998B (the "Bonds"). The Bonds are being issued pursuant to an Ordinance dated May 7, 1998 (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 Bondholders 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 Bonds (including persons holding Bonds through nominees, depositaries or other intermediaries), or (b) is treated as the owner of any Bonds 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 Bonds required to comply with the Rule in connection with offering of the Bonds.

"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 1997 Fiscal Year, provide 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 Retailers' Occupation, Service Occupation and Use Tax within this Official Statement;

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

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

(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 Bonds, if material:

SECTION 5. Reporting of Significant Events.

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.

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

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

(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 Bonds 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 Bonds. If such termination occurs prior to the final maturity of the Bonds, 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 Bonds 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.

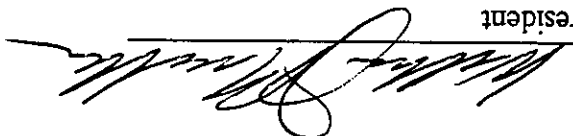
SECTION 10. Default. In the event of a failure of the Village to comply with any provision of this Disclosure Undertaking any Bondholder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause 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 this Ordinance or the Installment Contract relating to the Bonds, 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 willful misconduct. The obligations of the Village under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

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

Date: May 7th 1998

VILLAGE OF LOMBARD, DUPAGE
COUNTY, ILLINOIS

By  President

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

EXHIBIT A

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

Name of Bond Issue: \$ _____ General Obligation Refunding Bonds, Series 1998B.

Date of Issuance: May, 1998

NOTICE IS HEREBY GIVEN that the Village has not provided an Annual Report with respect to the above-named Bonds as required by the Ordinance dated May, 1998. [The Village anticipates that the Annual Report will be filed by _____.]

Dated: _____

VILLAGE OF LOMBARD, DUPAGE
COUNTY, ILLINOIS

By _____

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

EXHIBIT B

Bloomberg Municipal Repositories
P.O. Box 840
Princeton, NJ 08542-0840
Phone: (609) 279-3200
Fax: (609) 279-5962
E-Mail: Munis@Bloomberg.com
Contact: Dave Campbell

Kenny Information Systems, Inc.
65 Broadway, 16th Floor
New York, NY 10006
Attn: Kenny Repository Service
Phone: (212) 770-4595
Fax: (212) 797-7994
Contact: Joan Horai, Repository

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

Thomson NRMISIR
Attn: Municipal Disclosure
395 Hudson Street, 3rd Floor
New York, NY 10014
Phone: (212) 807-5001
Fax: (212) 989-2078
Internet: Disclosure@Muller.com

3458.1

MINUTES of regular public meeting of the President and Board of Trustees of the Village of Lombard, DuPage County, Illinois, held at the Village Hall, 255 East Wilson Avenue, Lombard, Illinois at 7:30 p.m. on the 7th day of May, 1998.

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

Upon the roll being called, the following answered present: President and Trustees

Borgatell, Tross, Schafner, Jaugilas, Gatz and Kuftrin

The following were absent from the meeting: None

Trustee Schafner presented and the Village Clerk read in full an ordinance as follows:

AN ORDINANCE providing for the issuance of \$1,075,000 Tax Increment Revenue Refunding Bonds, Series 1998A, of the Village of Lombard, DuPage County, Illinois and pledging certain incremental taxes in the Village's special tax allocation fund to pay the principal and interest on said bonds.

WHEREAS, the Village of Lombard, DuPage County, Illinois (the "Village"), has heretofore issued its Tax Increment Revenue Bonds, Series 1990, originally issued in the aggregate principal amount of \$2,200,000 and now outstanding in the principal amount of \$950,000 (the "Refunded Bonds"); and

WHEREAS, the Refunded Bonds are, by their terms, subject to redemption prior to their scheduled dates of maturity; and

WHEREAS, the Village has received reports which indicate that a refunding of the Refunded Bonds will effect a savings to the Village;

WHEREAS, the Village finds that all or a portion of the Refunded Bonds should be advanced to enable the Village to reduce interest payments to the Village thereby effecting a savings to the Village; and

WHEREAS, the Village has heretofore and does hereby determine that it is necessary and in the best interests of the Village to issue its bonds in order to refund all or a portion of the Refunded Bonds and to pay the costs of issuance and related expenses incident thereto; and

WHEREAS, there are insufficient funds in hand and available to pay the costs estimated for the purposes as hereinabove stated; and

WHEREAS, it is necessary for the welfare of the government and affairs of the Village and it is a proper public purpose and in the public interest that an amount of \$1,075,000 be borrowed at

this time, that bonds in the amount of \$1,075,000 be issued, and that such indebtedness be issued without submitting the question of incurring such indebtedness to the electors of said Village for this approval;

WHEREAS, the Village finds that it is advisable to issue its bonds in the amount of \$1,075,000 and to use the proceeds to refund the Refunded Bonds and to pay for all costs related to the refunding;

NOW THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND BOARD OF

TRUSTEES OF THE VILLAGE OF LOMBARD, DUPAGE COUNTY, ILLINOIS, AS

FOLLOWS:

Section 1. Definitions. The following words and terms used in this ordinance shall have the

following meanings unless the context or use indicates another or different meaning.

"Act" means the Tax Increment Allocation Redevelopment Act, Chapter 65 Section 5/11-

74.4-1 et seq., Illinois Compiled Statutes, 1996, as amended.

"Additional Bonds" means any bonds issued in the future on a parity with and sharing ratably

and equally in the Pledged Taxes with the Bonds.

"Area" means the approximately 80 acres of land, constituting a significant portion of the

Village's downtown.

"Bond" or "Bonds" means the \$1,075,000 Tax Increment Revenue Refunding Bonds, Series

1998A, authorized under this ordinance including Bonds issued in exchange for or upon transfer or

replacement of Bonds previously issued under this ordinance.

"Bond Registrar" means Bank One Wisconsin Trust Company, Waukesha, Wisconsin, as bond

registrar and paying agent, and its successors and assigns.

within the meaning hereof.

"Independent" when used with respect to any specified person means such person who is in fact independent and is not connected with the Village as an officer, employee, underwriter, or person performing a similar function. Whenever it is herein provided that the opinion or report of any Independent person shall be furnished, such person shall be appointed by the Village, and such opinion or report shall state that the signer has read this definition and that the signer is Independent

the County Clerk of the County of DuPage, Illinois.

"Incremental Property Taxes" means the ad valorem taxes, if any, arising from the taxes levied upon taxable real property in the Area by any and all taxing districts having the power to tax real property in the Area, which taxes are attributable to the increase in the then current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the Area over and above the total Initial Equalized Assessed Value of each such piece of property, all as determined by

the full faith and credit of the United States of America.

"Government Securities" means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of the United States of America and all securities and obligations, the prompt payment of principal of and interest on which is guaranteed by a pledge of

of all Bonds, Prior Unfunded Bonds and Additional Bonds authenticated and delivered.

"Debt Service Reserve Requirement" means \$220,000 on deposit at closing plus all interest earnings thereon until the balance equals ten percent (10%) of the aggregate original principal amount

Lombard, DuPage County, Illinois.

"Corporate Authorities" means the President and Board of Trustees of the Village of

"Code" means the Internal Revenue Code of 1986, as amended.

"Initial Equalized Assessed Value" means the equalized assessed value of taxable real property as last equalized or assessed by the Department of Revenue of the State of Illinois for State and County taxes for the year 1985.

"Official Statement" means the Official Statement of the Village offering the Bonds for sale. "Ordinance" means this ordinance as originally adopted and as the same may from time to time be amended or supplemented in accordance with the terms hereof.

"Outstanding Bonds" means Bonds and Additional Bonds which are outstanding and unpaid; provided, however, such term shall not include Bonds or Additional Bonds (a) which have matured and for which monies are on deposit with proper paying agents; or are otherwise sufficiently available to pay all principal thereof and interest thereon; or (b) the provision for payment of which has been made by the Village pursuant to Section 15 of this ordinance.

"Pledged Taxes" means the Incremental Property Taxes pledged hereunder by the Village as security for the Bonds.

"Prior Bonds" means the Village of Lombard's Tax Increment Revenue Bonds, Series 1990. "Project" means the acquisition, construction and installation of brick paved sidewalks, paving, street lighting, landscaping and sub-surface improvements including water main replacement as well as minor repairs and improvements to existing storm and sanitary sewers, and related improvements and facilities, as a part of the Redevelopment Project heretofore approved by the Corporate Authorities in furtherance of the objectives of the Redevelopment Plan and constituting redevelopment project costs under the Act.

maturity.

Section 4. Optional Redemption. The Bonds shall not be subject to redemption prior to

City of Waukeshwa, Wisconsin, or at successor Bond Registrar and locality.

America upon presentation thereof at the principal corporate trust office of the Bond Registrar in the payment date. The principal of the Bonds shall be payable in lawful money of the United States of date which may be occasioned by a redemption of Bonds on a day other than a regular interest preceding any regular interest payment date and the 15th day preceding any other interest payment the applicable record date. The applicable record date is the May 15th or November 15th day next States of America, to the person in whose name such Bond is registered at the close of business on bond shall be paid by check or draft of the Bond Registrar, payable in lawful money of the United payable on June 1 and December 1 of each year, commencing on December 1, 1998. Interest on each paid, such interest (computed upon the basis of a 360 day year of twelve 30-day months) being date to which interest has been paid or duly provided for, until the principal amount of the Bonds is Each Bond shall bear interest from its dated date or from the most recent interest payment

Maturity	Principal	Coupon	Yield
1998	\$ 55,000	4.500%	4.200%
1999	35,000	4.500%	4.300%
2000	35,000	4.500%	4.350%
2001	250,000	4.500%	4.350%
2002	255,000	4.500%	4.450%
2003	270,000	4.500%	4.500%
2004	175,000	4.500%	4.550%

follows:

December 1 of the years and in the amounts and bearing interest at the rates percent per annum as and shall, subject to rights of prior redemption as hereinafter provided, become due and payable on thereof, shall be numbered consecutively in such fashion as shall be determined by the Bond Registrar,

The Bonds shall be initially issued as a single registered Bond for each maturity in the name of a nominee of The Depository Trust Company, New York, New York ("DTC") to be held in DTC's book-entry system. The President and Village Clerk, on behalf of the Village, are each authorized and empowered to execute and deliver to DTC such letters to or agreements with DTC and the Bond Registrar as shall be necessary to effectuate such book-entry system (any such latter or agreement issued hereunder.

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

Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such whose signature shall appear on any Bond shall cease to be such officer before the delivery of such or imprinted thereon the corporate seal or facsimile thereof of the Village. In case any such officer manual or facsimile signature of its Village Clerk, as they may determine, and shall have impressed on behalf of the Village by the manual or facsimile signature of its President and be attested by the Section 5. Execution. Authentication. Letter of Representation. The Bonds shall be executed

being referred to herein as the "Representation Letter"), which Representation Letter may provide for the payment of principal of or interest on the Bonds by wire transfer.

Section 6. Registration of Bonds: Identity of Owners. The Village shall cause the Bond Register to be kept at the principal corporate trust office of the Bond Registrar in the City of Waukesha, Wisconsin which is hereby constituted and appointed the Bond Registrar of the Village for the Bonds.

Section 7. Form of the Bonds. The Bonds shall be in substantially the form hereinafter set forth, provided, however, that if the text of the Bond is to be printed in its entirety on the front side of the Bond, then paragraph [4] and the legend "See Reverse Side for Additional Provisions" shall be omitted and paragraphs [8] through [3] shall be inserted immediately after paragraph [5].

[1] KNOW ALL PERSONS BY THESE PRESENTS that the Village of Lombard, DuPage County, Illinois, a municipality and political subdivision of the State of Illinois (the "Village"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above (subject to right of prior redemption), the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30 day months) on such Principal Amount from the later of the Dated Date of this Bond identified above or from the most recent interest payment date to which interest has been paid or duly provided for, at the Interest Rate per annum identified above, such interest to be payable on June 1 and December 1 of each year, commencing December 1, 1998, and

Principal Amount: _____ Dollars

Registered Owner: _____

Interest Rate: _____ Date: December 1, _____
 Maturity Dated: May 15, 1998
 CUSIP _____

: See Reverse Side:
 : for Additional :
 : Provisions _____

TAX INCREMENT REVENUE
 REFUNDING BOND, SERIES 1998A

VILLAGE OF LOMBARD

COUNTY OF DUPAGE

STATE OF ILLINOIS

UNITED STATES OF AMERICA

REGISTERED \$ _____

REGISTERED NO. _____

(Form of Bond - Front Side)

of a portion of the Villages' outstanding Tax Increment Revenue Bonds, Series 1990 (the "Refunded Bonds") and to pay the cost of issuance of the Bonds, all as more fully described in proceedings adopted by the President and Board of Trustees of the Village (the "Corporate Authorities") and in an ordinance authorizing the issuance of the Bonds adopted by the Corporate Authorities on the 7th day of May, 1998, and authorizing the issuance of the Bonds (the "Ordinance"), to all the provisions of which the holder by the acceptance of this Bond assents. The Bonds, together with the interest and premium, if any, thereon, are limited obligations of the Village, payable solely from the Pledged Taxes and the amounts on deposit in and pledged to the various funds and accounts as provided in the Ordinance. For the prompt payment of this Bond, both principal and interest, as aforesaid, at maturity, the Pledged Taxes are hereby irrevocably pledged. THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE VILLAGE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. NO HOLDER OF THIS BOND SHALL HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY TAXING POWER OF THE VILLAGE FOR PAYMENT OF PRINCIPAL HEREOF OR INTEREST OR PREMIUM, IF ANY, HEREOF.

[3] Under the Act and the Ordinance, the Pledged Taxes shall be deposited in the Downtown Tax Increment Allocation Fund of the Village (the "Fund"). Moneys on deposit in the Fund shall be used first and are pledged for paying the principal of, interest on, and premium, if any, on the Bonds and then in making any further required payments to the funds and accounts as provided by the terms of the Bond Ordinance.

(SEAL)

Village Clerk, Village of Lombard,
DuPage County, Illinois

Attest:

President, Village of Lombard, DuPage
County, Illinois

hereon and as of Dated Date identified above.

and its corporate seal or a facsimile thereof to be impressed or reproduced hereon, all as appearing of its President and attested by the manual or duly authorized facsimile signature of its Village Clerk of Trustees, as caused this Bond to be executed by the manual or duly authorized facsimile signature [7] IN WITNESS, WHEREOF the Village of Lombard, DuPage County, Illinois, by its Board

authentication hereon, or any shall have been manually signed by the Bond Registrar.

[6] This Bond shall not be valid or become obligatory for any purpose until the certificate of

BY LAW WITHOUT ANY NOTICE TO OR CONSENT OF THE BONDHOLDERS.

OBLIGATIONS PAYABLE FROM THE SPECIAL TAX ALLOCATION FUND AS PERMITTED

Ordinance. THE VILLAGE MAY ISSUE FROM TIME TO TIME PARITY AND JUNIOR

will comply with all the covenants of and maintain the funds and accounts as provided by the Bond

provision for the segregation of the Pledged Taxes and that it will properly account for said taxes and

due form and time as required by law and the Village hereby covenants and agrees that it has made

of this Bond have existed and have been properly done, happened and been performed in regular and

Constitution and laws of the State of Illinois to exist or to be done precedent to and in the issuance

[5] It is hereby certified and recited that all conditions, acts and things required by the

hereof, and such further provisions shall for all purposes have the same effect as if set forth at this place.

[4] Reference is hereby made to the further provisions of this Bond set forth on the reverse

Date of Authentication: May _____, 1998

CERTIFICATE OF
AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Ordinance and is one of the Tax Increment Refunding Revenue Bonds, Series 1998A, having a Dated Date of May 15, 1998, of the Village of Lombard, DuPage County, Illinois

Bank One Wisconsin Trust Company,
Waukeshas, Wisconsin, as Bond Registrar

By _____
Authorized Officer

Bond Registrar and Paying Agent: Bank One
Wisconsin Trust Company, Waukeshas,
Wisconsin

[10] This Bond may be transferred only on the register maintained by the Bond Registrar but only in the manner, subject to the limitations and upon payment of the charges provided in the Ordinance and upon surrender for transfer to the Bond Registrar at its principal corporate trust office maturity.

[9] The Bonds are issued in fully registered form in the denominations of \$5,000 or authorized integral multiples thereof. This Bond may be exchanged upon presentation and surrender for cancellation hereof at the principal corporate trust office of the Bond Registrar in the City of Waukegan, Wisconsin, but only in the manner, subject to the limitations and upon payment of the charges provided in the Trust Agreement, for a like aggregate principal amount of Bonds of the same respects as by law required.

[8] This Bond is one of a series of bonds (the "Bonds") in the aggregate principal amount of \$1,075,000 issued by the Village for the purpose of advance refunding certain Refunded Bonds, and of paying expenses incidental thereto, all as described and defined in the Ordinance, pursuant to and in all respects in compliance with the applicable provisions of the Tax Increment Allocation Redevelopment Act of the State of Illinois, as amended, and the Ordinance, which has been duly passed by the Board of Trustees, approved by the President of the Village, and published, in all

Tax Increment Revenue
Refunding Bond, Series 1998A

DuPage County, Illinois

Village of Lombard

[Form of Bond - Reverse Side]

in Waukeshia, Wisconsin, duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner or the Registered Owner's attorney duly authorized in writing. Upon such transfer the Bond Registrar will authenticate a new Bond or Bonds of the same maturity in an equal total principal amount and registered in the name of the transferee.

[11] The Bonds are not subject to redemption prior to maturity.

[12] The rights and obligations of the Village and of the holders or registered owners of outstanding Bonds may from time to time be modified or amended by a supplemental ordinance adopted by the Corporate Authorities with the written consent of the registered owners of not less than two-thirds (2/3rds) of the principal amount of all outstanding Bonds (excluding any of said bonds owned by or under the control of the Village); provided, however, that no such modification or amendment shall extend or change the maturity of or date of redemption prior to maturity, or reduce the interest rate on, or permit the creation of a preference or priority of any outstanding Bond or outstanding Bonds over any other outstanding Bond or outstanding Bonds, or otherwise alter or impair the obligation of the Village to pay from the Pledged Taxes the principal of and interest on any of the outstanding Bonds at the time, place, rate, and in the currency provided therein, or later or impair the obligations of the Village with respect to registration, transfer, exchange or notice or redemption of Bonds, without the written consent of the registered owners of all the outstanding Bonds affected; nor shall such modification or amendment reduce the percentage of the registered owners of outstanding Bonds required for the written consent of such modification or amendment without the written consent of all of the outstanding Bonds.

[13] The Village has designated this Bond a "qualified tax-exempt obligation" pursuant to

Section 265 (b)(3) of the Internal Revenue Code of 1986, as amended.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint as attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature guaranteed: _____
NOTICE: The signature to this transfer and assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Section 8. Pledged Taxes Fund - Accounts. There is hereby continued the heretofore created

special fund of the Village, which fund shall be held separate and apart from all other funds and accounts of the Village and shall be known as the Downtown Tax Increment Allocation Fund (the "Pledged Taxes Fund"). All of the Pledged Taxes and any other revenues from any source whatsoever designated to pay principal of, interest on and premium, if any, on the Bonds shall be set aside as collected and be deposited by the Village Treasurer in the Pledged Taxes Fund, which is a trust fund established for the purpose of carrying out the covenants, terms and conditions imposed upon the Village by this Ordinance. The Bonds are secured by a pledge of all of the moneys on

deposit in the Pledged Taxes Fund, and such pledge is irrevocable until the obligations of the Village are discharged under this Ordinance.

The Pledged Taxes are to be paid to the Village Treasurer by the officers who collect or

receive the Pledged Taxes. Whenever the Village Treasurer receives any of the Pledged Taxes, he

shall promptly deposit the same into the Pledged Taxes Fund. The moneys on deposit in the Pledged

Taxes Fund shall be used by the Village solely and only for the purpose of carrying out the terms and

conditions of this Ordinance and shall be deposited as hereinafter provided to the separate accounts

hereby created within the Pledged Taxes Fund to be known as the "Principal and Interest Account",

the "General Account" and the "Reserve and Redemption Account". As moneys are deposited by the

Village into the Pledged Taxes Fund, they shall be credited by the Village Treasurer, without any

further official action or direction, in the following accounts in the order in which hereinafter

mentioned, as follows:

(a) The Principal and Interest Account. The Village Treasurer shall first credit to and shall immediately deposit in full into the Principal and Interest Account the amount of Incremental Property Taxes. Pledged Taxes shall be applied first for deposit on or before five (5) days prior to each December 1 into the Principal and Interest Account to pay when due the principal of, premium, if any, and interest on the Bonds, to and including the next succeeding June 1. If, on or before five (5) days prior to any December 1 principal payment or any redemption date on any of the Bonds there are funds in the Principal and Interest Account in excess of the amount necessary to pay such principal and interest, if any, on such date and on the next succeeding June 1, in the case of a December 1 principal payment, such funds shall first be transferred to the Reserve and Redemption Account as described below. Except as hereinafter provided, moneys to the credit of the Principal and Interest Account shall be used solely and only for the purpose of paying principal of and redemption premium, if any, and interest on the Bonds and any Additional Bonds as the same become due upon maturity or mandatory redemption.

If, on or before five (5) days prior to any December 1 principal payment or any mandatory redemption date, there are insufficient funds in the Principal and Interest Account to pay the principal and interest and premium, if any, on such date and on the next succeeding June 1 (the "Debt Service Requirement"), in the case of a December 1 principal payment, the Village Treasurer will first transfer funds in the General Account to the Principal and Interest Account or secondly transfer funds in the

Reserve and Redemption Account in an amount sufficient to make such principal and interest and premium, if any, payments due on such date and on the next succeeding June 1, in the case of a December 1 principal payment.

(b) The Reserve and Redemption Account. Money in the Pledged Taxes Fund shall next be applied for deposit into a separate and special account to maintain a debt service reserve for the Outstanding Bonds, to be known as the Reserve and Redemption Account (the "Reserve Account") until such Reserve Account has accumulated a sum equal to the Debt Service Reserve Requirement, and shall be used to cover any shortfall in the required deposits into the Principal and Interest Account. Not less than five (5) days prior to each December 1 there shall be credited to the Reserve Account the balance of the Pledged Taxes received in excess of the amount required to be credited and deposited into the Principal and Interest Account until there is aggregated in the Reserve Account an amount equal to the Debt Service Requirement. After the Reserve Account has accumulated the Debt Service Reserve Requirement no further deposits need be made to such Reserve Account except to replace any withdrawals.

Moneys on deposit in the Reserve Account may be used to redeem any Bonds or any Additional Bonds and shall be transferred to the Principal and Interest Account as may be necessary from time to time to prevent or to remedy a default in the payment of principal of or interest or premium, if any, on the Bonds or any Additional Bonds.

Whenever the Village Treasurer has credited to and deposited into the Reserve Account an amount sufficient to maintain a balance to the credit of said Account equal to the Debt Service Reserve Requirement, he shall then deposit remaining funds to the credit of the Pledged Taxes Fund into the following account.

(c) The General Account. All moneys remaining in the Pledged Taxes Fund, after crediting the required amounts to the respective accounts hereinabove provided for, shall be credited to the General Account. Moneys on deposit in the General Account shall be transferred by the Village Treasurer for the following purposes and in the following order:

(i) first, if necessary, to remedy any deficiencies in the Principal and Interest Account and the Reserve Account; and

(ii) second, to abate the real estate tax levy concerning the Village's outstanding General Obligation Bonds, Series 1989, or any other of the Village's general obligation bonds issued in connection with the Redevelopment Area.

Thereafter, monies shall be used for one or more of the following purposes, without any priority among them:

(a) for the purpose of paying any Project Costs, including, but not limited to the payment of debt service on obligations issued subordinate to the Bonds; and

(b) for the purpose of paying any costs and expenses related to the School Agreement, but such amounts shall not exceed \$45,000 per year, with any amount not being expended in any year to be accumulated for use in subsequent years; or

(c) for the purpose of redeeming any Bonds or Additional Bonds; or

(d) for the purpose of purchasing Bonds or Additional Bonds at a price not in excess of par and accrued interest and applicable redemption premium to the date of purchase; or

(e) for the purpose of refunding, advance refunding or repaying any Bonds or Additional Bonds; or

(f) for the purpose of establishing such additional reserves as may be deemed necessary by the Village.

Section 2. Refunding of the Refunded Bonds and Costs of Issuance. Concurrently with the

delivery of the Bonds, the Village shall acquire, with the proceeds of the Bonds and cash on hand, non-callable direct obligations of, or obligations the principal and interest on which are unconditionally guaranteed by, the United States of America (the "Government Obligations") to be used, together with certain cash from the proceeds of the Bonds and cash on hand, if any, as set forth in the Escrow Agreement, to advance refund and legally defease all or a portion of the Refunded Bonds, all as set forth in the Escrow Agreement. In order to refund the Refunded Bonds, the Treasurer shall deposit Government Obligations and certain cash with the Escrow Trustee under the Escrow Agreement in an amount sufficient to provide moneys for the payment of the principal of and interest and redemption premium on the Refunded Bonds to be refunded on June 1, 2000, the earliest date upon which the Refunded Bonds may be called for redemption.

Costs of issuance of the Bonds not otherwise paid shall be paid from the remaining proceeds by the Village. When all the costs of issuance of the Bonds have been paid, the Village shall then

transfer any amount then remaining from the proceeds of the Bonds to the Project Fund as herein

provided.

The Village shall obtain a verification of an accountant as to the sufficiency of the funds deposited in the Trust Account under the Escrow Agreement to accomplish said refunding and defeasance of the Refunded Bonds.

The Village covenants and agrees as follows with respect to all funds and accounts:

- A. Each such fund, and all moneys from whatever source derived, deposited therein, together with investment earnings thereon, shall be held in trust by the Bond Registrar as hereinafter provided, separate and apart from all other funds or moneys of the Village, and shall be applied for the sole purposes as herein authorized and shall not be used for any other purpose whatsoever.

- B. The Village will keep proper books and records concerning each such fund and account for all receipts to or disbursements from the same.

- C. The Village will not use any of the moneys in such funds to make interfund loans.

Section 10. The Rebate Fund. There is hereby created a separate and special fund known as the "Rebate Fund," into which there shall be deposited, as necessary, investment earnings on the Principal and Interest Account and the Project Fund to the extent required so as to maintain the tax exempt status of interest on Bonds issued on a tax exempt basis. All rebates, special impositions or Taxes for such purpose payable to the United States of America (Internal Revenue Service) shall be payable from the Rebate Fund.

Section 11. Investments. The moneys on deposit in the Pledged Taxes Fund and the various accounts therein may be invested from time to time in Qualified Investments. Any such investments may be sold from time to time by the Village as moneys may be needed for the purposes for which

(d) The Village will preserve and protect the security of the Bonds and the rights of the Bondholders, and will warrant and defend their rights against all claims and demands of all persons.

(c) The Village will keep or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Village, in which complete and correct entries shall be made of all transactions relating to the Redevelopment Project and to the Pledged Taxes. Such books of record and accounts shall at all times during business hours be subject to the inspection of the holders of not less than ten percent (10%) of the principal amount of the Bonds then outstanding, or their representatives authorized in writing. In addition, the Village will mail to any holder of fifty percent (50%) or more of the principal amount of the Bonds then outstanding, upon written request of such holder, any information relating to the Bonds, the Redevelopment Area and the Redevelopment Project, including, but not limited to, the annual equalized assessed value of the taxable real estate in the Redevelopment Area for each and every year, the Initial Equalized Assessed Value, the tax rate for each and every year and the Pledged Taxes for each and every year.

(b) The Village will pay and discharge, or cause to be paid and discharged, from the Pledged Taxes Fund any and all lawful claims which, if unpaid, might become a lien or charge upon the Pledged Taxes, or any part thereof, or upon any funds in the hands of the Bond Registrar, or which might impair the security of the Bonds. Nothing herein contained shall require the Village to make any such payment so long as the Village in good faith shall contest the validity of said claims.

(a) The Village will punctually pay or cause to be paid from the 1998A Bond Fund the principal of, interest on and premium, if any, to become due in respect of the Bonds in strict conformity with the terms of the Bonds and this Ordinance, and it will faithfully observe and perform all of the conditions, covenants and requirements thereof.

Bonds that, so long as any Bonds remain outstanding and unpaid:

Section 12. General Covenants. The Village covenants and agrees with the holders of the

account within the Pledged Taxes Fund for which the investment was made.

transferred to the Pledged Taxes Fund. All other investment earnings shall be attributed to the

is less than the amount to be deposited into said Account as of the date thereof and shall next be

Account shall first be attributed to the Reserve Account so long as the credit balance in said account

Fund or such accounts created therein. Any earnings or losses on such investments in the Reserve

Treasurer shall sell such investments when necessary to remedy any deficiency in the Pledged Taxes

the Pledged Taxes Fund and such accounts therein have been created. In addition, the Village

From and after the sale and delivery of any of the Bonds by the Village, the Bonds shall be incontestable by the Village.

(e) The Village will adopt, make, execute and deliver any and all such further ordinances, resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention of, or to facilitate the performance of, this Ordinance, and for the better assuring and confirming unto the holders of the Bonds of the rights and benefits provided in this Ordinance.

(f) As long as any Bonds are Outstanding, the Village will continue to deposit the Pledged Taxes to the Pledged Taxes Fund. The Village covenants and agrees with the purchasers of the Bonds and with the registered owners thereof that so long as any Bonds remain outstanding, the Village will take no action or fail to take any action which in any way would adversely affect the ability of the Village to collect such taxes. The Village and its officers will comply with the Act and with all present and future applicable laws in order to assure that such taxes may be collected as provided herein and deposited into the Pledged Taxes Fund.

(g) The Village will construct and complete the Redevelopment Project with due diligence.

Section 13. Sale of the Bonds. The Bonds hereby authorized shall be sold and executed as in this Ordinance provided as soon after the passage hereof as may be, and thereupon be deposited with the Treasurer of the Village, and be by said Treasurer delivered to the purchaser thereof, the same being Griffin, Kubik, Stephens & Thompson, Inc., Chicago, Illinois, upon receipt of the purchase price therefor, the same being the par value of the Bonds, minus any underwriter discount and any original issue discount and plus accrued interest to date of delivery; the contract for the sale of the Bonds heretofore entered into is in all respects ratified, approved and confirmed, it being hereby found and determined that said contract is in the best interest of the Village and that no person holding an 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 said contract for the purchase of the Bonds.

The President, Village Clerk, Village Treasurer and such other officers of the Village as may be necessary are hereby authorized to execute such other documents, as may be necessary to implement the Redevelopment Project and to effect the issuance and delivery of the Bonds, including but not limited to any Bond Purchase Agreement and Official Statement, and execution thereof by such officers is hereby deemed conclusive evidence of approval thereof with such changes as may be effected.

Section 14. Arbitrage. The Corporate Authorities certify and covenant with the purchasers

and holders of the Bonds from time to time outstanding, that so long as any of the Bonds remain outstanding, moneys on deposit in any fund or account in connection with the Bonds, whether or not such moneys were derived from the proceeds of the sale of the Bonds or from any other sources, will not be used in a manner which will cause such Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code, and any lawful regulations promulgated or proposed thereunder, as the same presently exist, or may from time to time hereafter be amended, supplemented or revised. The Corporate Authorities reserve the right, however, to make any investment of such moneys permitted by Illinois law and this Ordinance, if, when and to the extent that said Section 148(a) 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 Bonds subject to federal income taxation.

Section 15. Additional Bonds. The Village reserves the right to issue Additional Bonds from time to time payable from the Pledged Taxes, and any such Additional Bonds shall share ratably and

equally in the Pledged Taxes with the Bonds; provided, however, that no Additional Bonds shall be issued except upon compliance with one of the following options:

A. For the purpose of refunding any outstanding Bonds or for paying Project Costs, if all of the following conditions shall have been met:

1. The amounts required to have been deposited to the respective accounts of the Special Tax Allocation Fund shall have been credited in full up to and including the date of adoption of an ordinance authorizing such Additional Bonds; and

2. The chief financial officer of the Village shall certify that the Incremental Property Taxes received by the Village in the current calendar year were equal to at least 130% of the maximum annual principal and interest requirements for the then current calendar year or 125% of the maximum principal and interest requirements for the then current calendar year and the preceding year on all Bonds then outstanding and the Additional Bonds proposed to be issued.

B. Additional Bonds may be issued to refund outstanding Bonds in order to avoid default in the payment of principal or interest on outstanding Bonds; provided, such Additional Bonds shall be issued to avoid such default within three months of the date thereof.

Any such Additional Bonds which may be issued in compliance herewith shall be payable as to principal on December 1 and as to interest on June 1 and/or December 1 in each year in which principal and interest come due.

Section 16. Refunding Bonds. Refunding bonds issued to refund, whether at or in advance

of maturity, Bonds issued under this Ordinance, may be issued by the Corporate Authorities hereunder, and upon such issuance, shall be "Bonds" as defined hereunder, subject to the limitations

hereof.

Section 17. Payment and Discharge; Refunding. The Bonds may be discharged, payment provided for, and the Village's liability terminated as follows:

(a) Discharge of Indebtedness. If (i) the Village shall pay or cause to be paid to the registered owners of the Bonds the principal, premium, if any, and interest to become due thereon at the times and in the manner stipulated therein and herein, (ii) all fees and expenses of the Bond

Registrar shall have been paid, and (iii) the Village shall keep, perform and observe all and singular the covenants and promises in the Bonds and in this Ordinance expressed as to be kept, performed and observed by it or on its part, then these presents and the rights hereby granted shall cease, determine and be void. If the Village shall pay or cause to be paid to the registered owners of all outstanding Bonds of a particular series, or of a particular maturity within a series, the principal, premium, if any, and interest to become due thereon at the times and in the manner stipulated therein and herein, such Bonds shall cease to be entitled to any lien, benefit or security under the ordinance, and all covenants, agreements and obligations of the Village to the holders of such Bonds shall thereupon cease, terminate and become void and discharged and satisfied.

(b) Provision for Payment. Bonds for the payment or redemption of which sufficient monies or sufficient Government Securities shall have been deposited with the Bond Registrar (whether upon or prior to the maturity or the redemption date of such Bonds) shall be deemed to be paid within the meaning of this Ordinance and no longer outstanding under this Ordinance; provided, however, that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been duly given as provided in this ordinance or arrangements satisfactory to the Bond Registrar shall have been made for the giving thereof. Government Securities shall be considered sufficient only if said investments are not redeemable prior to maturity at the option of the issuer and mature and bear interest in such amounts and at such times as will assure sufficient cash to pay currently maturing interest and to pay principal and redemption premiums if any when due on the Bonds without rendering the interest on any Bonds taxable under the Code.

The Village may at any time surrender to the Bond Registrar for cancellation by it any Bonds previously authenticated and delivered hereunder, which the Village may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

(c) Termination of Village's Liability. Upon the discharge of indebtedness under paragraph (a) hereof, or upon the deposit with the Bond Registrar of sufficient money and Government Securities (such sufficiency being determined as provided in paragraph (b) hereof) for the retirement of any particular Bond or Bonds, all liability of the Village in respect of such Bond or Bonds shall cease, determine and be completely discharged and the holders thereof shall thereafter be entitled only to payment out of the money and the proceeds of the Government Securities deposited with aforesaid for their payment.

Section 18. This Ordinance a Contract. The provisions of this Ordinance shall constitute a

contract between the Village and the registered owners of the Bonds, and no changes, additions or alterations of any kind shall be made hereto, except as herein provided.

registered owners of outstanding Bonds may from time to time be modified or amended by a supplemental ordinance adopted by the Corporate Authorities with the written consent of the registered owners of not less than two-thirds (2/3rds) of the principal amount of all outstanding Bonds (excluding any of said bonds owned by or under the control of the Village); provided, however, that no such modification or amendment shall extend or change the maturity of or date of redemption prior to maturity, or reduce the interest rate on, or permit the creation of a preference or priority of any outstanding Bond or outstanding Bonds over any other outstanding Bond or outstanding Bonds, or otherwise alter or impair the obligation of the Village to pay from the Pledged Taxes the principal of and interest on any of the outstanding Bonds at the time, place, rate, and in the currency provided therein, or later or impair the obligations of the Village with respect to registration, transfer, exchange or notice or redemption of Bonds, without the written consent of the registered owners of all the outstanding Bonds affected; nor shall such modification or amendment reduce the percentage of the registered owners of outstanding Bonds required for the written consent of such modification or amendment without the written consent of the registered owners of all of the outstanding Bonds.

Section 19. Amendment. The rights and obligations of the Village and of the holders or shall be held in valid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance.

Section 20. Partial Invalidity. If any section, paragraph, clause or provision of this ordinance shall be held in valid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance.

Section 21. Registered Form. The Village recognizes that Section 149 of the Code requires the Bonds to be issued and to remain in fully registered form in order that interest thereon is exempt from federal income taxation under laws in force at the time the Bonds are delivered. In this

connection, the Village agrees that it will not take any action to permit the Bonds to be issued in, or converted into, bearer or coupon form.

Section 22. List of Bondholders. The Bond Registrar shall maintain a list of the names and addresses of the holders of all Bonds and upon any transfer shall add the name and address of the new Bondholder and eliminate the name and address of the transferor Bondholder.

Section 23. Rights and Duties of Bond Registrar. If requested by the Bond Registrar, the President and Village Clerk of the Village are authorized to execute the Bond Registrar's standard form of agreement between the Village and the Bond Registrar with respect to the obligations and duties of the Bond Registrar hereunder which may include the following:

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

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

(c) to give notice of redemption of Bonds as provided herein;

(d) to cancel and/or destroy Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer;

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

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

The Village Clerk of the Village is hereby directed to file a certified copy of this Ordinance

with the Bond Registrar.

Section 24. Prior Inconsistent Proceedings. All ordinances, resolutions or orders, or parts

thereof, in conflict with the provisions of this Ordinance, are to the extent of such conflict hereby

repealed.

Section 25. Immunity of Officers, Employees and Members of Village. No recourse shall be

had for the payment of the principal of or premium or interest on any of the Bonds or for any claim

based thereon or upon any obligation, covenant or agreement in this Bond Ordinance contained

against any past, present or future officer, director, member, employee or agent of the Village, or of

any successor public corporation, as such, either directly or through the Village or any successor

public corporation, under any rule of law or equity, statute or constitution or by the enforcement of

any assessment or penalty or otherwise, and all such liability of any such officers, directors, members,

employees or agents as such is hereby expressly waived and released as a condition of and

consideration for the passage of this Bond Ordinance and the issuance of such Bonds.

Section 26. Tax Covenants. In order to preserve the exclusion of interest on the Bonds 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 Bonds (the "Code") and as an inducement to purchasers of the

Bonds, 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 Bonds or property financed by the Bond 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 refinanced by Bond proceeds or will have any actual or

beneficial use of such property pursuant to a lease, management or incentive payment contract,

arrangements such as take-or-pay or output contracts or any other type of arrangement that differentiates that person's or entity's use of such property from use by the general public.

(b) No portion of the principal of or interest on the Bonds is (under the terms of the Bonds, this ordinance or any underlying arrangement), directly or indirectly, secured by an interest in property used or to be used for any private business use or payments in respect of any private business use or payments in respect of such property or to be 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 Bond proceeds will be loaned to any person or entity other than another state or local governmental unit. No Bond 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 Bond proceeds.

(d) The Village will not take any action or fail to take any action with respect to the Bonds that would result in the loss of the exclusion from gross income for federal tax purposes on the Bonds pursuant to Section 103 of the Code, nor will the Village act in any other manner which would adversely affect such exclusion.

(e) It shall not be an event of default under this ordinance if the interest on any Bond 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 Bonds.

(f) The Village covenants that it will rebate any arbitrage profits to the United States to the extent required by the Code and the regulations promulgated thereunder.

These covenants are based solely on current law in effect and in existence on the date of delivery of such Bonds. (g) The Village represents that: (h) The Bonds are not private activity bonds as defined in Section 141 of the Code; (i) The Village hereby designates the Bonds as qualified tax-exempt obligations for purposes of Section 265(b) of the Code; (ii) The reasonably anticipated amount of qualified tax-exempt obligations (including qualified 501(c)(3) obligations and tax-exempt leases, but excluding other private activity bonds) which will be issued by the Village and all entities subordinate to the Village during 1998 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 1998.

Therefore, the Bonds 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 hereby authorizes the officials of the Village responsible for issuing the Bonds,

the same being the President and Village Clerk of the Village to make such further covenants and certifications as may be necessary to assure that the use thereof will not cause the Bonds to be arbitrage bonds and to assure that the interest on the Bonds will be excludable from gross income for federal income tax purposes. In connection therewith, the Village further agrees: (a) through its officers, to make such further specific covenants, representations as shall be truthful, and assurances

passage.

Section 30. Effective Date. This Ordinance shall be in full force and effect from and after its

Section 29. Publication. This Ordinance shall be published in pamphlet form.

default under the Bonds or this Ordinance.

ordinance, failure of the Village to comply with the Agreement shall not be considered an event of

execute and attest the same on behalf of the Village. Notwithstanding any other provisions of this

by the Board, and the President and the Village Clerk are hereby authorized and directed to complete,

"Agreement") in substantially the form which has been presented to this meeting, is hereby approved

Section 28. Continuing Disclosure. The Continuing Disclosure Undertaking Agreement (the

Exemption.

nationally recognized bond counsel that any Tax Section is unnecessary to preserve the Tax

federal law (the "Tax Exemption") need not be complied with if the District receives an opinion of

which are designed to preserve the exclusion of interest on the Bonds from gross income under

this ordinance, the covenants and authorizations contained in this ordinance (the "Tax Sections")

Section 27. Noncompliance with Tax Covenants. Notwithstanding any other provisions of

and other persons to assist the Village in such compliance.

necessary or advisable by their officers, to employ and pay fiscal agents, financial advisors, attorneys,

statements, and supporting documents as may be required and in a timely manner; and (e) if deemed

to Section 148 of the Code and the regulations promulgated thereunder; (d) to file such forms,

representing required rebates of excess arbitrage profits relating to the Bonds as required pursuant

with such advice as may be given; (c) to pay to the United States, as necessary, such sums of money

as may be necessary or advisable; (b) to consult with counsel approving the Bonds and to comply

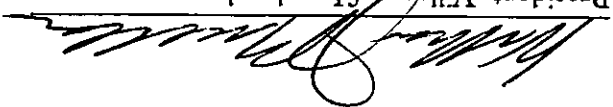
Passed on May 7, 1998.

AYES: Trustees Borgatell, Tross, Schaffer, Jaugilas, Gatz and Kuftrin

NAYS: None

ABSENT: None

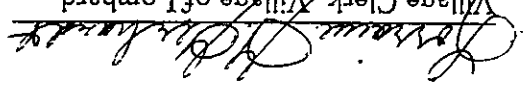
Approved: May 7, 1998


President, Village of Lombard,
DuPage County, Illinois

Recorded in the Village Records on May 7, 1998.

Published in pamphlet form on May 7, 1998.

Attest:


Village Clerk, Village of Lombard,
DuPage County, Illinois

Trustee Schaffer moved and Trustee Gatz seconded the motion that the

Ordinance as presented and read be adopted.

After discussion thereof, the President directed that the roll be called for a vote upon the

motion to adopt the Ordinance.

Upon the roll being called, the following Trustees voted AYE: Trustees Borgatell,

Tross, Schaffer, Jaugilas, Gatz and Kuftrin 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 the Board of Trustees of the Village of Lombard, DuPage County,

Illinois which was done.

Other business was duly transacted at said meeting.

Upon motion duly made and carried, the meeting adjourned.

Lawrence J. Schaffer
Village Clerk

STATE OF ILLINOIS)
)
)
COUNTY OF DUPAGE)

CERTIFICATION OF ORDINANCE, MINUTES
AND PUBLICATION IN PAMPHLET FORM

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

I do further certify that the foregoing is a full, true and complete transcript of that portion of the minutes of the meeting of the Corporate Authorities held on the 7th day of May, 1998, insofar as same relates to the adoption of an ordinance numbered entitled:

AN ORDINANCE providing for the issuance of \$1,075,000 Tax Increment Refunding Revenue Bonds, Series 1998A, of the Village of Lombard, DuPage County, Illinois, and pledging certain incremental taxes in the Village's special tax allocation fund to pay the principal and interest on said bonds.

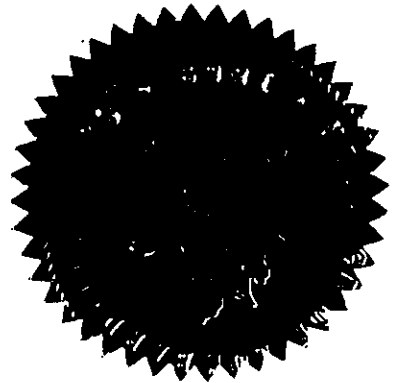
(the "Ordinance"), a true, correct and complete copy of which Ordinance as adopted at said meeting appears in the foregoing transcript of the minutes of said meeting.

I do further certify that the deliberations of the Corporate Authorities on the adoption of the ordinance were conducted openly, that the vote on the adoption of said ordinance was taken openly; that said meeting was held at a specified time and place convenient to the public; that notice of said meeting was duly given to all of the 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 that the Corporate Authorities have complied with all of the provisions of said Acts and said Code, and with all of the procedural rules of the Corporate Authorities.

I do further certify that the ordinance was published by authority of the Corporate Authorities in pamphlet form at 1:00 p.m. on the 14th day of May, 1998, and the ordinance as so published was on said date readily available for public inspection and distribution, in sufficient number to meet the needs of the general public, at my office as Village Clerk located in the Village.

IN WITNESS WHEREOF, I have hereunto affixed my official signature and the seal of the Village, this 7th day of May, 1998.

William J. Donohoe
Village Clerk



3445.2
(SEAL)

County Clerk of DuPage
County, Illinois

this _____ day of May, 1998.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of said County,

office.

7th day of May, 1998, and that the same has been deposited in the official files and records of my
duly adopted by the Board of Trustees of the Village of Lombard, DuPage County, Illinois, on the

AN ORDINANCE providing for the issuance of \$1,075,000 Tax
Increment Refunding Revenue Bonds, Series 1998A, of the Village of
Lombard, DuPage County, Illinois, and pledging certain incremental
taxes in the Village's special tax allocation fund to pay the principal
and interest on said bonds.

1998, there was filed in my office a duly certified copy of Ordinance No. 98-_____-_____- entitled:

DuPage County, Illinois, and as such official I do further certify that on the _____ day of May,

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of

FILING CERTIFICATE

STATE OF ILLINOIS)
COUNTY OF DUPAGE)

Dated May _____, 1998

VILLAGE OF LOMBARD, DUPAGE COUNTY, ILLINOIS
TAX INCREMENT REVENUE REFUNDING BONDS
SERIES 1998A

As Escrow Agent

BANK ONE WISCONSIN TRUST COMPANY

AND

VILLAGE OF LOMBARD, DUPAGE COUNTY, ILLINOIS

THE

BETWEEN

ESCROW AGREEMENT

ESCROW AGREEMENT

This agreement (the "Escrow Agreement") made and entered into on May _____, 1998, by and between the Village of Lombard, DuPage County, Illinois (the "Issuer"), organized and existing under the laws of the State of Illinois and Bank One Wisconsin Trust Company (the "Escrow Agent"), a state banking corporation organized and existing under the laws of the State of Wisconsin, having its principal corporate trust office in Waukegan, Wisconsin, as Escrow Agent under this Escrow Agreement with the Issuer.

WITNESSETH

WHEREAS, the execution and delivery of this Escrow Agreement has been in all respects duly and validly authorized by an ordinance (the "Ordinance") duly adopted by the President and Board of Trustees of the Issuer; and

WHEREAS, the Issuer has heretofore issued its Tax Increment Revenue Bonds Series 1990 (the "Series 1990 Bonds") currently outstanding in the principal amount of \$950,000, (the "Refunded Bonds"); and

WHEREAS, the Issuer has concurrently with the execution and delivery of this Escrow Agreement, executed and delivered pursuant to the Ordinance, its Tax Increment Revenue Refunding Bonds, Series 1998A (the "1998A Bonds"), in the amount of \$1,075,000, and the Issuer has deposited with the Escrow Agent (a) certain hereinafter described securities or evidences thereof in the amount of \$_____ (the "Government Obligations") purchased from the proceeds of the 1998A Bonds and (b) cash in the amount of \$_____ from the Issuer (the "Cash Requirement") in a total amount sufficient to redeem the Series 1990 Bonds maturing beginning on _____, the earliest date on which the bonds may be redeemed.

NOW THEREFORE, THIS AGREEMENT WITNESSETH: That in order to secure the payment of the principal of and interest and redemption premium on the Refunded Bonds according to their tenor, and in order to secure the performance and observance of all of the covenants and conditions herein and in the Refunded Bonds and 1998A Bonds, and for and in consideration of the mutual covenants herein contained, and of the acceptance by the Escrow Agent of the trust hereby created, the Issuer has executed and delivered this Escrow Agreement.

TO HAVE AND TO HOLD the same unto the Escrow Agent, and its successor or successors and its or their assigns forever;

IN TRUST, NEVERTHELESS, upon the terms and trusts herein set forth, to secure the payment of the Refunded Bonds upon redemption and the interest and redemption premium payable thereon, and to secure also the observance and performance of all the terms, provisions, covenants and conditions of this Escrow Agreement, and for the equal and ratable benefit and security of all and singular the owners of all Refunded Bonds without preference, priority or distinction as to lien or otherwise of any one Refunded Bond or as between principal and interest; and it is hereby mutually covenanted and agreed that the terms and conditions upon which the Refunded Bonds are to be paid and redeemed, and a portion of the proceeds of the 1998A Bonds invested, and the trusts and conditions upon which the pledged Government Obligations and the Cash Requirement are to be held and disbursed, are as follows:

(d) The mathematical calculations of the adequacy of the Trust Account to fully provide for all payments enumerated in this Escrow Agreement will be computed at the time of delivery of the 1998A Bonds by Stanley P. Stone & Associates, Inc., New York, New York, certified public accountants (the "Verification Report").

(c) Any balance remaining in the Trust Account after redemption or payment at maturity of all the Refunded Bonds, shall be deposited with the Issuer and used by the Issuer to pay debt service on the 1998A Bonds.

The Escrow Agent will remit to each respective paying agent for the Refunded Bonds, in good funds on or before each interest or principal payment or Call Date, moneys sufficient to pay the aggregate Refunded Bond payment requirement from time to time, as set out in the Verification Report (as defined herein), and each such remittance shall fully release and discharge the Escrow Agent from any further duty or obligation thereto under this Escrow Agreement.

the holders of the Series 1990 Bonds.

(b) The Escrow Agent and the Issuer agree to redeem, solely from funds on deposit in the Trust Account, all outstanding Series 1990 Bonds on _____ . The Escrow Agent and the Issuer shall cause the Paying Agent for the Series 1990 Bonds to complete the notice attached as Exhibit C and mail the notice not less than thirty (30) days nor more than sixty (60) days prior to _____, substantially in the form attached to this Escrow Agreement as Exhibit C to

The Escrow Agent shall act as agent for the Issuer in performing all acts, giving or causing to be given all notices, and providing such directions to _____ as paying agent on the Series 1990 Bonds to effect the payment and redemption of the Refunded Bonds as aforesaid.

2. (a) A Trust Account is hereby created for the Refunded Bonds (the "Trust Account"). For purposes of securing payment of the Refunded Bonds, the Government Obligations and the Cash Requirement set forth on Exhibit A will be held in trust by the Escrow Agent in the Trust Account and such Government Obligations on deposit with the Escrow Agent, including interest to be earned thereon, together with the Cash Requirement, are pledged solely and irrevocably for the benefit of the owners of the Refunded Bonds. Pursuant to this Section, the Issuer irrevocably instructs the Escrow Agent to direct the paying agent to duly call the Series 1990 Bonds maturing beginning on _____ through _____, and the Escrow Agent hereby agrees to follow this instruction.

1. The Escrow Agent acknowledges receipt, from the Issuer, of the Government Obligations, as set forth in Exhibit A attached hereto, together with the Cash Requirement, a portion of which is to be applied on the principal of and interest on the Refunded Bonds in accordance with the schedule set forth in Exhibit B attached hereto. The Government Obligations have been deposited with the Escrow Agent and will bear interest at such rates and will mature at such time and in such amounts so that, when paid according to their respective terms, together with the Cash Requirement, sufficient moneys will be available to redeem the Series 1990 Bonds beginning on _____ (the earliest date on which the bonds may be called for redemption prior to maturity) at a redemption price equal to 100% of principal amount with accrued interest to that date.

3. The Issuer covenants that the proceeds from the sale of the 1998A Bonds, any moneys attributable to the proceeds of the 1998A Bonds, amounts received from the investment of the proceeds of the 1998A Bonds, any other amounts treated as proceeds of the 1998A Bonds under the applicable provisions of the Internal Revenue Code of 1986 as existing on the date of the issuance of the 1998A Bonds (the "Code"), to the extent applicable to the 1998A Bonds or held in funds or accounts under the ordinance authorizing the Refunded Bonds or the Ordinance, shall not be invested or otherwise used in a manner which would cause the 1998A Bonds to be "arbitrage bonds" within the meaning of the Code and the regulations and rulings promulgated thereunder.

4. The Escrow Agent has all the powers and duties herein set forth with no liability in connection with any act or omission to act hereunder, except for its own negligence or willful breach of trust, and shall be under no obligation to institute any suit or action or other proceeding under this Agreement or to enter any appearance in any suit, action or proceeding in which it may be defendant or to take any steps in the enforcement of its, or any, rights and powers hereunder, nor shall be deemed to have failed to take any such action, unless and until it shall have been indemnified by the Issuer to its satisfaction against any and all costs and expenses, outlays, counsel fees and other disbursements, including its own reasonable fees, and if any judgment, decree or recovery be obtained by the Escrow Agent, payment of all sums due it, as aforesaid, shall be a first charge against the amount of any such judgment, decree or recovery. The Escrow Agent may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees but shall not be answerable for the conduct of the same if appointed in accordance with the standard specified above, and shall be entitled to advice of counsel concerning all matters of trusts hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, certified public accountants, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Escrow Agent may act upon the opinion or advice of any attorney (who may be the attorney or attorneys for the Issuer). The Escrow Agent shall not be responsible for any loss or damage resulting from any action or non-action in good faith in reliance upon such opinion or advice.

5. The Escrow Agent shall be entitled to payment and/or reimbursement in accordance with the schedule attached hereto as Exhibit D in connection with services under this Escrow Agreement including costs incurred under the preceding paragraph. Such fees shall not constitute a lien against the Trust Account. If, after the Refunded Bonds are completely paid, there are insufficient funds to pay such fees, the Issuer is responsible for the payment of such Escrow Agent fees.

6. The Escrow Agent shall have the right, but not the duty to sell, transfer, request the redemption or otherwise dispose of some or all of the Government Obligations in the Trust Account and to substitute other Government Obligations of equal or greater security identified in the Verification Report therof provided that the Escrow Agent shall receive the unqualified opinion of nationally recognized municipal bond attorneys prior to any such actions to the effect that such disposition and substitution would not cause any of the Refunded Bonds or the 1998A Bonds to be an "arbitrage bond" within the meaning of Section 148 of the Code, or any other regulations and rulings to the extent applicable to the Refunded Bonds or the 1998A Bonds; and furthermore, provided that the Escrow Agent shall receive the unqualified opinion of a certified public accountant or a firm of certified public accountants to the effect that such disposition and substitution shall not reduce the sufficiency and adequacy of the Trust Account to fully provide for all payments enumerated in this Escrow Agreement.

10. If any one or more of the covenants or agreements provided in this Escrow Agreement on the part of the Issuer or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenants or agreements shall be null and void and shall be deemed separate from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Escrow Agreement.

9. This Escrow Agreement is made for the benefit of the Issuer and the holders from time to time of the Refunded Bonds, and it shall not be repealed, revoked, altered or amended without the written consent of all such holders, the Escrow Agent and the Issuer, provided, however, that the Issuer and the Escrow Agent may, without the consent of, or notice to, such holders, amend this Escrow Agreement or enter into such agreements supplemental to this Escrow Agreement, in their sole judgment and discretion, as shall not materially adversely affect the rights of such holders, for any one or more of the following purposes: (i) to cure any ambiguity or formal defect or omission in this Escrow Agreement; (ii) to grant to, or confer upon, the Escrow Agent for the benefit of the holders of the Refunded Bonds, any additional rights, remedies, powers, security or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; and (iii) to include under this Escrow Agreement additional funds, securities or properties.

8. Upon the retirement of the Refunded Bonds as herein above provided for, the Escrow Agent will transfer any balance remaining in the Escrow Account to the Treasurer with due notice thereof mailed to the Issuer and thereupon this Escrow Agreement shall terminate.

7. The Escrow Agent may at any time resign as Escrow Agent under this Escrow Agreement by giving thirty (30) days written notice to the Issuer, and such resignation shall take effect upon the appointment of a successor Escrow Agent by the Issuer and the prorate (based upon time elapsed) repayment to the Issuer of any fees of the Escrow Agent prepaid by the Issuer. The Issuer may select as successor Escrow Agent any financial institution with capital, surplus and undivided profits of at least \$5,000,000, and which is authorized to maintain trust accounts under federal or State law of the type represented by this Escrow Agreement.

or at such other address as is furnished from time to time by the Escrow Agent.

Attention: Corporate Trust Department

Bank One Trust Company

(b) All notices and communications to the Escrow Agent shall be addressed in writing to:

or at such other address as is furnished from time to time by the Issuer.

Village of Lombard
255 East Wilson
Lombard, Illinois 60148
Attention: Director of Finance

(a) All notices and communications to the Issuer shall be addressed in writing to:

11. This Escrow Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

12. This Escrow Agreement shall be construed and enforced under the laws of the State of Illinois, without regard to conflict of law principles.

13. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Escrow Agreement, shall be a legal holiday or a day on which banking institutions in the city in which is located the principal office of the Escrow Agent are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized to remain closed, with the same force and effect as if done on the nominal date provided in this Escrow Agreement, and no interest shall accrue for the period after such nominal date.

14. This Escrow Agreement shall not be assigned by the Escrow Agent or any successor thereto without the prior written consent of the Issuer.

Title:

Printed:

By:
Attest:

Title:

Printed:

By:

BANK ONE WISCONSIN TRUST COMPANY,
as Escrow Agent

[Signature]
Secretary (with check)

Attest:

[Signature]
By: _____
President

VILLAGE OF LOMBARD, DUPAGE
COUNTY, ILLINOIS

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be
executed for and on their behalf the day and year first hereinabove written.

Cash in the amount of \$ _____

SLGS - Cert
SLGS - Cert
SLGS - Note
SLGS - Note
SLGS - Note
SLGS - Note
SLGS - Note
SLGS - Note
SLGS - Note

Type	Maturity Date	Amount	Coupon Rate
SLGS - Cert		\$	%

SCHEDULE OF UNITED STATES OBLIGATIONS

Attached to and made a part of the
 Escrow Agreement executed by the
 Village of Lombard, DuPage County, Illinois and
 Bank One Wisconsin Trust Company
 as Escrow Agent
 Dated May _____, 1998

EXHIBIT A

Series
Principal Issued
Dated
Principal Refunded
Maturities Refunded
Redemption Date
Redemption Price

EXHIBIT B

EXHIBIT C

NOTICE OF REDEMPTION

Owners of the _____ Dollars
 (\$ _____) in aggregate principal amount of Tax Increment Revenue Bonds, Series 1990,
 originally issued in the aggregate principal amount of \$1,000,000 and now outstanding in the principal
 amount of \$ _____ (collectively, the "Refunded Bonds"), and maturing annually from
 _____ through _____, inclusive (the "Bonds"), are hereby notified that such
 Bonds will be redeemed upon presentation, at the paying agent for the Bonds, the principal corporate
 trust office of _____, Attention Corporate Trust Department, on
 _____, at face value, plus accrued interest to _____ All of such Bonds shall
 cease to bear interest on _____.

Dated this _____ day of _____, 1998.

VILLAGE OF LOMBARD, DUPAGE
COUNTY, ILLINOIS

Its: Authorized Agent

 /s/ Trust Officer

Mail to registered owners at least thirty (30) days but not more than sixty (60) days prior to _____

The sum of _____ Dollars (\$ _____)

ESCROW AGENT FEES

EXHIBIT D

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 \$1,075,000 Tax Increment Revenue Refunding Bonds, Series 1998A (the "Bonds"). The Bonds are being issued pursuant to an Ordinance dated May 7, 1998 (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 Bondholders 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 Bonds (including persons holding Bonds through nominees, depositaries or other intermediaries), or (b) is treated as the owner of any Bonds 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 Bonds required to comply with the Rule in connection with offering of the Bonds.

"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.

- 1. All of the tables under the heading "Area Equalized Assessed Valuation within the Final Official Statement relating to the Bonds (the "Official Statement");
- 2. All of the tables under the heading "TIF DEBT INFORMATION within this Official Statement; and

include by reference the following:

SECTION 4. Content of Annual Reports. The Village's Annual Report shall contain or

- (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.

(c) The Dissemination Agent shall:

- (b) Not later than fifteen (15) Business Days prior to said date, the Village shall provide 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.

- (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 1997 Fiscal Year, provide 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).

SECTION 3. Provision of Annual Reports.

"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.

"State" shall mean the State of Illinois.

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 options or events affecting the tax-exempt status of the Bonds.
7. modifications to rights of Bondholders.
8. optional, contingent or unscheduled Bond calls.
9. defeasances.
10. release, substitution or sale of property securing repayment of the Bonds.
11. rating changes.

(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 Bonds, if material:

SECTION 5. Reporting of Significant Events.

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.

3. The financial statement 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.

(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 Bonds 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 Bonds. If such termination occurs prior to the final maturity of the Bonds, 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 Bonds 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

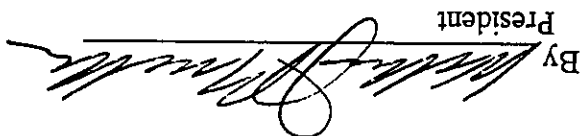
explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Village. In addition, if the amendment relates to the accounting principles to 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 Bondholder or Beneficial Owner of the Bonds 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 Bonds, 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 willful misconduct. The obligations of the Village under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

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

By  President

VILLAGE OF LOMBARD, DUPAGE
COUNTY, ILLINOIS

Date: May 7th 1998

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

EXHIBIT A

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

Name of Bond Issue: \$ _____ Tax Increment Revenue Refunding Bonds, Series 1998A.

Date of Issuance: May, 1998

NOTICE IS HEREBY GIVEN that the Village has not provided an Annual Report with respect to the above-named Bonds as required by the Ordinance dated May, 1998. [The Village anticipates that the Annual Report will be filed by _____.]

Dated: _____

VILLAGE OF LOMBARD, DUPAGE
COUNTY, ILLINOIS

By _____

EXHIBIT B

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

Bloomberg Municipal Repositories
P. O. Box 840
Princeton, NJ 08542-0840
Phone: (609) 279-3200
Fax: (609) 279-5962
E-Mail: Munis@Bloomberg.com
Contact: Dave Campbell

Kenny Information Systems, Inc.
65 Broadway, 16th Floor
New York, NY 10006
Attn: Kenny Repository Service
Phone: (212) 770-4595
Fax: (212) 797-7994
Contact: Joan Horai, Repository

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

Thomson NRM/SIR
Attn: Municipal Disclosure
395 Hudson Street, 3rd Floor
New York, NY 10014
Phone: (212) 807-5001
Fax: (212) 989-2078
Internet: Disclosure@Muller.com

3406.1

