

# **Annual TIF Report**

*Year Ending December 31, 2010*

## ***Downtown TIF District***



**801 Burlington Avenue  
Downers Grove, Illinois 60515**

# Village of Downers Grove Downtown TIF District

## Table of Contents

<b>SECTION</b>	<b>TITLE</b>
1.0	Name of Redevelopment Project Area (RPA) and TIF Administrator contact information
2.0	Redevelopment project information
Attachment A	Amendments to the Redevelopment Plan, the Redevelopment Project and/or Area Boundary
Attachment B	Certification of the Chief Executive Officer of the Municipality for compliance with all requirements of the TIF Statute (the “Act”)
Attachment C	Opinion of legal counsel that the municipality is in compliance with the Act
Attachment D	Statement setting forth all activities undertaken in furtherance of the objectives of the Redevelopment Plan
Attachment E	Description of Agreements regarding property disposition or redevelopment
Attachment F	Additional information on uses of funds related to achieving objectives of the Redevelopment Plan
Attachment G	Information regarding contracts with TIF consultants
Attachment H	Reports submitted by Joint Review Board
Attachment I	Official Statement of Obligations
Attachment J	Financial Analysis: TIF Obligations
Attachment K	Audited Financial Statement
Attachment L	Independent Accountant’s Report on Compliance
Attachment M	Intergovernmental Agreements
3.1	Analysis of Special Tax Allocation Fund
3.2A	Itemized list of permissible expenditures from the Special Tax Allocation Fund
3.2B	List of vendors paid in excess of \$10,000 during the reporting period.
3.3	Debt obligations and project costs to be paid
4.0	Property purchased by the Municipality within the RPA
5.0	Review of public and private investment
6 – 8	TIF EAV performance, job creation, map and legal description

## **SECTIONS 1.0 and 2.0**



**SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]**

<b>Name of Redevelopment Project Area: Downtown Redevelopment Plan and Project Area</b>
<b>Primary Use of Redevelopment Project Area*: Combination/Mixed</b>
<b>If "Combination/Mixed" List Component Types: CBD, Residential, Retail</b>
<b>Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):</b>
<b>Tax Increment Allocation Redevelopment Act <u>X</u> Industrial Jobs Recovery Law _____</b>

	No	Yes
Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] <b>If yes, please enclose the amendment labeled Attachment A</b>	X	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] <b>Please enclose the CEO Certification labeled Attachment B</b>		X
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] <b>Please enclose the Legal Counsel Opinion labeled Attachment C</b>		X
Were there any activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented in the preceding fiscal year and a description of the activities undertaken? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] <b>If yes, please enclose the Activities Statement labeled Attachment D</b>		X
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] <b>If yes, please enclose the Agreement(s) labeled Attachment E</b>		X
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] <b>If yes, please enclose the Additional Information labeled Attachment F</b>	X	
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] <b>If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G</b>		X
Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] <b>If yes, please enclose the Joint Review Board Report labeled Attachment H</b>	X	
Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] <b>If yes, please enclose the Official Statement labeled Attachment I</b>		X
Was analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage? [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] <b>If yes, please enclose the Analysis labeled Attachment J</b>		X
Cumulatively, have deposits equal or greater than \$100,000 been made into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) <b>If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K</b>		X
Cumulatively, have deposits of incremental revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] <b>If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L</b>		X
A list of all intergovernmental agreements in effect in FY 2010, to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] <b>If yes, please enclose a copy of the intergovernmental agreements labeled Attachment M</b>	X	

\* Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.

## **ATTACHMENTS A-L**

**VILLAGE OF DOWNERS GROVE, ILLINOIS  
DOWNTOWN TIF REPORT (TIF #1)**

Report Period 1/1/10 – 12/31/10

**Amendments to the Redevelopment Plan or Project Area**

There were no amendments to the Redevelopment Plan or Redevelopment Project Area Boundary during this fiscal year.

**VILLAGE OF DOWNERS GROVE  
DOWNTOWN REDEVELOPMENT PLAN AND PROJECT AREA**

**CERTIFICATION OF VILLAGE MANAGER (CHIEF EXECUTIVE OFFICER)  
REGARDING THE VILLAGE OF DOWNERS GROVE TAX INCREMENT  
DOWNTOWN REDEVELOPMENT PROJECT AREA, PLAN AND PROJECT**

I, David Fieldman, Village Manager of the Village of Downers Grove and, as such, Chief Executive Officer of the Municipality, certify that the Village of Downers Grove has complied with requirements of the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1, et seq.) during fiscal year 2010 in relation to the Village of Downers Grove Downtown Redevelopment Tax Increment Financing District as enacted through Village Council Ordinances 3997, 3998, and 3999 and amended by Ordinances 4455, 4456, and 4457.

June 30, 2011



David Fieldman, Village Manager

**VILLAGE OF DOWNERS GROVE  
DOWNTOWN REDEVELOPMENT PLAN AND PROJECT AREA**

**OPINION LETTER/VILLAGE ATTORNEY/DOWNERS GROVE DOWNTOWN  
REDEVELOPMENT TAX INCREMENT FINANCING DISTRICT**

I, Enza Petrarca, Village Attorney of the Village of Downers Grove produced this opinion pursuant to Section 11-74.4-5 of the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-5). I have reviewed the ordinances of the Village of Downers Grove in relation to the Downtown Redevelopment Tax Increment Financing District as enacted in Village Ordinances 3997, 3998, and 3999 and amended by 4455, 4456, and 4457. Based upon that review, it is my opinion that the Village of Downers Grove is in compliance with applicable provisions of the Tax Increment Allocation Redevelopment Act for fiscal year 2010.

June 30, 2011

  
Enza Petrarca, Village Attorney

**VILLAGE OF DOWNERS GROVE, ILLINOIS**  
**CENTRAL BUSINESS DISTRICT TIF (TIF #1)**  
**Report Period 1/1/10 – 12/31/10**

**STATEMENT OF ACTIVITIES**

The following information addresses the project activities undertaken during this reporting period furthering the goals and objectives of the Downtown Redevelopment Plan.

**FAÇADE IMPROVEMENT PROGRAM**

On January 20, 2009, the Village Council adopted ordinance 5036 which authorized a Façade Improvement Program. This program requires applicants requesting grants for façade and building improvements to conform to the design guidelines. This program concluded in FY10 with five grants. Attachment D.1 lists the façade improvement grants awarded during the reporting period.

**COMPREHENSIVE PLAN**

On August 19, 2008, the Downers Grove Village Council adopted Resolution 2008-81 authorizing execution of an agreement with Houseal Lavigne Associates, LLC for professional services in connection with drafting and finalizing the Village's Comprehensive Plan and as lead consultant for the Total Community Development III Project. The Plan report will serve as a document for guiding land use and development policy and for prioritizing, promoting and implementing redevelopment projects and actions. One section of the Comprehensive Plan will include an update to the Downtown Master Plan which will provide a renewed look at development and policies for the Downtown. The Village expended \$9,755 for the Downtown portion of the project in FY10.

**CURTISS BLOCK (ACADIA ON THE GREEN)**

The Village approved a Redevelopment Agreement with New England Builders on September 20, 2005 for a mixed use development "Acadia on the Green" to include four buildings with commercial, residential, and office uses. On February 26, 2010, the Village approved a special use ordinance to allow the construction of a health and fitness facility (ATI) in the Downtown Business District in Acadia on the Green Building #1.

**ZONING ORDINANCE TEXT AMENDMENT**

In order to allow for a greater mix of retail and services uses in the Downtown while enhancing the pedestrian scale and traditional development patterns, the Village Council approved a text amendment to the Zoning Ordinance to add three additional uses to the permitted use list: Consignment Shops up to 3,000 square feet, Dance and Music Studios and Martial Arts/Personal Trainer Studios up to 3,000 square feet. The Village also approved an amendment for surface parking lots to discourage the use of vacant and under-used sites as off-street parking lots.

**INFRASTRUCTURE**

The Village continued its efforts towards improvements to the downtown streetscape this reporting period. The Village purchased a variety of landscaping materials to beautify the downtown.

All funds for the CBD TIF Fund (Special Tax Allocation Fund) have been received in accordance with state statute, and the original adopted redevelopment plan. No private investment funds have been received into the Special Tax Allocation Fund.

**VILLAGE OF DOWNERS GROVE, ILLINOIS**  
**DOWNTOWN TIF REPORT (TIF #1)**

Report Period 1/1/10 – 12/31/10

**Additional Information on Façade Improvement Grants**  
**That were Awarded during the Reporting Period**

<b>Property Address</b>	<b>Business</b>	<b>Grant Payments</b>
5111 Main	Bello Tea	\$ 1,172.50
5116 Main	Chazerly Designs	\$ 1,932.00
5227 Main	Greg Krzysowski	\$ 3,050.00
5130 Main	Dali's/Kristina's Caf	\$ 15,000.00
5150 Main	Cellar Door	\$ 15,000.00
	<b>TOTALS</b>	<b>\$ 36,154.50</b>

**VILLAGE OF DOWNERS GROVE, ILLINOIS**  
**DOWNTOWN TIF REPORT (TIF #1)**

Report Period 1/1/10 – 12/31/10

**AGREEMENTS**

*Agreements entered into by the municipality*

On October 6, 2009 the Village Council approved a resolution authorizing acceptance of public improvements for the Acadia on the Green Subdivision, with the exception of the street lighting system. On December 21, 2010, the Village Council passed a resolution accepting the street lighting system and reducing the letter of credit to provide for only the guarantee of the maintenance of the public improvements in accordance with the redevelopment agreement.

**RESOLUTION NO. 2010-102**

**A RESOLUTION AUTHORIZING ACCEPTANCE OF  
PUBLIC IMPROVEMENTS – ACADIA ON THE GREEN SUBDIVISION**

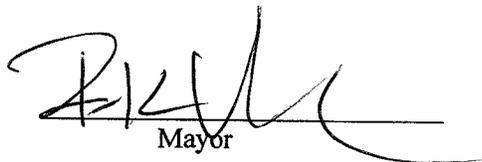
WHEREAS, The Village Council has previously approved final plans for the Acadia on the Green Subdivision; and,

WHEREAS, the Village Council previously accepted a portion of the Pubic Improvements on October 6, 2009;

WHEREAS, Michael D. Millette, Village Engineer, has recommended acceptance of all public improvements with certain conditions, as well as modifications of the existing security.

NOW, THEREFORE, BE IT RESOLVED by the Village Council of The Village of Downers Grove, DuPage County, Illinois, as follows:

1. That the Village hereby accepts all of the municipal public improvements constructed as part of the Acadia on the Green Subdivision generally located north of Curtiss Street and east of Main Street, in accordance with the approved plans and specifications, as more accurately depicted on attached Exhibit A.
2. That the letter of credit in the amount of \$126,250.53, submitted by New England Builders may be reduced to \$86,250.00 to guarantee the maintenance of the Public Improvements in accordance with Section 6.8 of the Redevelopment Agreement, dated September 29, 2005.
3. That the proper officials, agents and employees of the Village are hereby authorized and directed to take such further action as they may deem necessary or appropriate to perform all obligations and commitments of the Village in accordance with the provisions of the Agreement.
4. That all resolutions or parts of resolutions in conflict with the provisions of the Resolution are hereby repealed.
5. That this Resolution shall be in full force and effect from and after its passage as provided by law.

  
Mayor

Passed: December 21, 2010

Published: December 22, 2010

Attest:   
Village Clerk

C.M. LAVOIE & ASSOCIATES, INC.  
1050 STATE ROUTE 126  
PLAINFIELD, ILLINOIS 60544

FINAL ENGINEERING  
ENGINEER'S OPINION OF PROBABLE COST  
LOC REDUCTION # 1 - PUBLIC IMPROVEMENTS

PROJECT ACADIA ON THE GREEN  
LOCATION NORTH SIDE OF CURTISS, BETWEEN MAIN AND WASHINGTON  
DOWNERS GROVE, ILLINOIS  
CLIENT NAME ACADIA OTG, LLC  
4927 Main Street  
Skokie, IL 60077

PROJECT MANAGER: MDC  
DATE: 8/11/2009  
PROJECT NUMBER: 05-164  
PER PLANS LAST REVISED: 11/7/2005

ITEM	DESCRIPTION	QTY	UNT	UNIT PRICE	AMOUNT	PERCENT COMPLETE	AMOUNT REMAINING
<b>EARTHWORK / REMOVAL</b>							
1	FULL DEPTH BITUMINOUS PAVEMENT REMOVAL	4,167	SY	\$10.00	\$41,670.00	100%	\$ -
2	FULL DEPTH CONCRETE PAVEMENT	418	SY	\$10.00	\$4,180.00	100%	\$ -
3	CURB AND GUTTER REMOVAL	1,540	LF	\$5.00	\$7,700.00	100%	\$ -
4	SIDEWALK REMOVAL	12,482	SF	\$5.00	\$62,410.00	100%	\$ -
5	STORM SEWER REMOVAL (INCLUDES STRUCTURES)	459	LF	\$12.00	\$5,508.00	100%	\$ -
6	STREET LIGHT REMOVAL (DOES NOT INCLUDE DOWN ED RELOCATION)	13	EA	\$760.00	\$9,780.00	100%	\$ -
7	MISCELLANEOUS REMOVAL (BOLLARDS, PLANTERS, ETC...)	1	LS	\$14.00	\$14.00	100%	\$ -
8	PUBLIC UTILITY RELOCATION / REMOVAL	1	LS	\$120,000.00	\$120,000.00	100%	\$ -
9	BUILDING REMOVAL	1	LS	\$80,000.00	\$80,000.00	100%	\$ -
<b>EARTHWORK / REMOVAL SUBTOTAL</b>					<b>\$311,278.00</b>		
<b>PAVEMENT</b>							
10	1 1/2 INCH BITUMINOUS SURFACE COURSE, CL I, TYPE 3	262	TON	\$52.00	\$13,624.00	100%	\$ -
11	PRIME COAT (0.10 GAL / SY)	305	GAL	\$1.20	\$366.00	100%	\$ -
12	2 INCH BITUMINOUS BINDER COURSE, CL I, TYPE 2	350	TON	\$48.00	\$16,800.00	100%	\$ -
13	PRIME COAT (0.25 GAL / SY)	782	GAL	\$1.20	\$938.40	100%	\$ -
14	6 INCH BITUMINOUS BASE COURSE, CL I, TYPE 1	1,051	TON	\$45.00	\$47,295.00	100%	\$ -
15	4 INCH COMPACTED GRANULAR SUBBASE, TY B (CA-6)	660	TON	\$31.50	\$20,790.00	100%	\$ -
16	86.12 CURB AND GUTTER	1,948	LF	\$14.50	\$28,246.00	100%	\$ -
17	PCC CONCRETE PAVEMENT	337	SY	\$45.00	\$15,165.00	100%	\$ -
18	PCC WALK, 6 INCHES THICK	14,667	SF	\$3.60	\$52,801.20	100%	\$ -
19	PAVEMENT MARKINGS	2,479	LF	\$0.75	\$1,859.25	100%	\$ -
<b>PAVEMENT SUBTOTAL</b>					<b>\$182,532.12</b>		
<b>WATERMAIN</b>							
20	8-INCH DIA, CL 52 WATER MAIN	260	LF	\$35.00	\$9,100.00	100%	\$ -
21	CONNECTION TO EXISTING 8 INCH DIWM	4	EA	\$2,600.00	\$10,400.00	100%	\$ -
22	1-1/2 INCH BUFFALO BOX	1	EA	\$500.00	\$500.00	100%	\$ -
23	3/4 INCH BUFFALO BOX	1	EA	\$350.00	\$350.00	100%	\$ -
24	8 INCH VALVE AND VAULT	1	EA	\$2,200.00	\$2,200.00	100%	\$ -
25	8-INCH PRESSURE CONNECTION AND VAULT	4	EA	\$4,800.00	\$19,200.00	100%	\$ -
26	FIRE HYDRANT W/ AUXILIARY VALVE	4	EA	\$2,600.00	\$10,400.00	100%	\$ -
27	TESTING AND CHLORINATION	1	LS	\$5,000.00	\$5,000.00	100%	\$ -
28	TRENCH BACKFILL (CA-6)	130	CY	\$22.00	\$2,860.00	100%	\$ -
<b>WATERMAIN SUBTOTAL</b>					<b>\$69,321.20</b>		
<b>SANITARY SEWER</b>							
29	8-INCH DIA, PVC 80R-26 SANITARY SEWER	70	LF	\$20.00	\$1,400.00	100%	\$ -
30	48 INCH MANHOLE, TY A W/ FRAME AND CLOSED LID	3	EA	\$2,450.00	\$7,350.00	100%	\$ -
31	TRENCH BACKFILL	50	CY	\$22.00	\$1,100.00	100%	\$ -
32	TESTING	1	LS	\$1,500.00	\$1,500.00	100%	\$ -
<b>SANITARY SEWER SUBTOTAL</b>					<b>\$10,350.00</b>		
<b>STORM SEWER</b>							
33	36-INCH DIA, RCP STORM SEWER	61	LF	\$50.00	\$3,050.00	100%	\$ -
34	24-INCH DIA, RCP STORM SEWER	624	LF	\$40.00	\$24,960.00	100%	\$ -
35	16-INCH DIA, RCP STORM SEWER	210	LF	\$25.00	\$5,250.00	100%	\$ -
36	12-INCH DIA, RCP STORM SEWER	338	LF	\$22.00	\$7,436.00	100%	\$ -
37	8" PVC STORM DRAIN FOR FUTURE FOUNTAIN	21	LF	\$20.00	\$420.00	100%	\$ -
38	48-INCH CATCH BASIN, TY A W/ FRAME AND GRATE	15	EA	\$2,100.00	\$31,500.00	100%	\$ -
39	60-INCH MANHOLE, TY A W/ FRAME AND GRATE	1	EA	\$2,600.00	\$2,600.00	100%	\$ -
40	24-INCH INLET, TY A W/ FRAME AND GRATE	5	EA	\$750.00	\$3,750.00	100%	\$ -
41	48-INCH MANHOLE TY A W/ FRAME AND GRATE	1	EA	\$2,000.00	\$2,000.00	100%	\$ -
42	REVISIONS TO PARKING DECK RESTRICTOR STRUCTURE	1	LS	\$5,000.00	\$5,000.00	100%	\$ -
43	REMOVE AND REPLACE PAVEMENT IN CURTISS STREET	1	LS	\$10,000.00	\$10,000.00	100%	\$ -
44	TRENCH BACKFILL	1,040	CY	\$22.00	\$22,880.00	100%	\$ -
<b>STORM SEWER SUBTOTAL</b>					<b>\$120,588.00</b>		
<b>EROSION CONTROL / LANDSCAPING</b>							
45	BARRIER FILTER	18	EA	\$11.00	\$198.00	100%	\$ -
46	TREES	22	EA	\$500.00	\$11,000.00	100%	\$ -
47	TOPSOIL RESPREAD AND SODDING	3,650	SY	\$4.00	\$14,600.00	100%	\$ -
<b>EROSION CONTROL / LANDSCAPING SUBTOTAL</b>					<b>\$12,798.00</b>		
<b>LIGHTING</b>							
48	STREET LIGHTS AND APPURTENANCES	25	EA	\$5,000.00	\$125,000.00	88%	\$ 40,000.00
49	CONDUIT AND WIRING	1	LS	\$12,500.00	\$12,500.00	100%	\$ -
<b>LIGHTING SUBTOTAL</b>					<b>\$137,500.00</b>		
<b>MISCELLANEOUS</b>							
50	TRAFFIC CONTROL	1	LS	\$5,000.00	\$5,000.00	100%	\$ -
51	MATERIAL TESTING	1	LS	\$5,000.00	\$5,000.00	100%	\$ -
<b>MISCELLANEOUS SUBTOTAL</b>					<b>\$10,000.00</b>		

PROJECT TOTAL: \$862,536.32  
 ORIGINAL LETTER OF CREDIT (110%) \$346,755.56  
 WORK COMPLETE: \$322,505.32  
 WORK INCOMPLETE: \$40,000.00  
 10% MAINTENANCE ON COMPLETED WORK \$32,250.53  
 LETTER OF CREDIT FOR WORK INCOMPLETE (110%) \$44,000.00  
 REVISED LETTER OF CREDIT AMOUNT \$128,250.53

← Recommend release of \$40,000.00  
 M.D. Millberry  
 12/14/10

*M.D. Millberry*

Less : 40,000.00  
 Difference: \$86,250.53

Say : \$86,250.00



www.downers.us

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**COMMUNITY RESPONSE  
CENTER**

630.434.CALL (2255)

**CIVIC CENTER**

801 Burlington Avenue  
Downers Grove  
Illinois 60515-4782  
630.434.5500  
TDD 630.434.5511  
FAX 630.434.5571

**FIRE DEPARTMENT  
ADMINISTRATION**

5420 Main Street  
Downers Grove  
Illinois 60515-4834  
630.434.5980  
FAX 630.434.5998

**POLICE DEPARTMENT**

825 Burlington Avenue  
Downers Grove  
Illinois 60515-4783  
630.434.5600  
FAX 630.434.5690

**PUBLIC WORKS  
DEPARTMENT**

5101 Walnut Avenue  
Downers Grove  
Illinois 60515-4046  
630.434.5460  
FAX 630.434.5495

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January 17, 2011

Chris Rintz, Vice President  
Acadia OTG LLC  
4927 Main Street  
Skokie, IL 60077

Re: Accept Public Improvements  
Acadia on the Green Subdivision

Dear Mr. Rintz:

At its regular meeting on December 21, 2010, the Downers Grove Village Council adopted Resolution 2010-102 authorizing acceptance of the public improvements – Acadia on the Green Subdivision – with certain conditions.

I am enclosing a copy of the resolution.

Very truly yours,

April K. Holden  
Village Clerk

VILLAGE OF DOWNERS GROVE

cc: Michael Millette, Village Engineer

**VILLAGE OF DOWNERS GROVE, ILLINOIS  
DOWNTOWN TIF REPORT (TIF #1)**

Report Period 1/1/10 – 12/31/10

**Additional Information on Uses of Funds Related to  
Achieving Objectives of the Redevelopment Plan**

There is no additional information.

**VILLAGE OF DOWNERS GROVE, ILLINOIS**  
**DOWNTOWN TIF REPORT (TIF #1)**

Report Period 1/1/10 – 12/31/10

Information Regarding Contracts with TIF Consultants

The Village of Downers Grove did not enter into any contracts with TIF consultants in FY10.

**VILLAGE OF DOWNERS GROVE, ILLINOIS**  
**DOWNTOWN TIF REPORT (TIF #1)**

Report Period 1/1/10 – 12/31/10

**Reports Submitted by the Joint Review Board**

The Joint Review Board (JRB) did not submit any report or meeting minutes during this fiscal year. The annual Joint Review Board Meeting will be held as soon as the annual report and audit becomes available. The minutes of this meeting will be forwarded under separate cover.

**VILLAGE OF DOWNERS GROVE, ILLINOIS**  
**DOWNTOWN TIF REPORT (TIF #1)**

Report Period 1/1/10 – 12/31/10

**Obligations**

On March 4, 2010, the Village approved refunding \$225,000 of 2000 General Obligation Bonds and \$5,775,000 of 2001 General Obligation Bonds. As result, the Village issued \$5,805,000 General Obligation Refunding Bonds, Series 2010. The refunding resulted in cash flow savings of \$568,503 and present value savings of \$534,773.

On November 10, 2010, the Village approved refunding \$5,285,000 of 2002 General Obligation Bonds. As a result, the Village issued \$5,150,000 General Obligation Refunding Bonds, Series 2010B. The refunding resulted in cash flow savings of \$352,011 and present value savings of \$329,423.

**FILED**

STATE OF ILLINOIS )  
 ) SS  
COUNTY OF DUPAGE )

FEB 22 2010

**GENERAL AND PRELIMINARY CERTIFICATE**

*Ray A. Hilly*  
DuPage County Clerk

We, the undersigned, do hereby certify that we are the officers of the Village of Downers Grove, DuPage County, Illinois (the "*Village*"), whose names and offices are, respectively, as follows:

Name of Officer	Office Held
Ronald Sandack	Mayor
April Holden	Village Clerk
Judy Buttny	Finance Director/Treasurer

As such officials we do further certify as follows:

**PART A. ORGANIZATION, INCUMBENCY, GENERAL INFORMATION**

1. The Village was organized and incorporated on or about the year 1873, under and pursuant to the provisions of the general laws of the State of Illinois providing for the organization of cities and villages. Since said date of incorporation, and except as hereinafter expressly noted, the Village has continuously operated pursuant to and in accordance with the provisions of the general laws of the State of Illinois, and its governing body consists of a Council (the "*Corporate Authorities*") who are hereinafter specifically named. Since said date of organization, except as hereinafter expressly noted, the Village has never changed its form of government, and the Village is presently operated in accordance with and pursuant to the provisions of the Illinois Municipal Code, and all acts amendatory thereof and supplementary thereto (the "*Code*") and pursuant to Section 6 of Article VII of the Illinois Constitution, granting powers to home rule units.

2. The Village has a population as estimated and shown on *Schedule A* to this certificate, attached hereto and incorporated herein at all places where referred to by this reference (hereinafter "*Schedule A*").

3. The Village is wholly located in The County of DuPage, Illinois. The Election Authority in such County (insofar as Village elections are concerned) is the Board of Election Commissioners.

4. By virtue of population, the Village is a "home rule unit" pursuant to the provisions of Section 6 of Article VII of the Constitution of the State of Illinois, and no petition asking or proceeding providing that a referendum concerning the continued status of the Village as a home rule unit be submitted to the voters of the Village, has ever been filed or adopted or is now pending.

5. The Village has adopted and is now operating under the provisions of Article 4 of the Code providing for "The Commission Form of Municipal Government"; has adopted and is now operating under the provisions of Article 5 of the Code providing for "The Managerial Form of Municipal Government"; and has not adopted and is not now operating under the provisions of Articles 6, 14 and 18 of The Election Code providing for and being known as "*The City Election Law.*"

6. The *Downers Grove Reporter* is a local community newspaper having a general circulation within the Village, there being no newspaper published therein.

7. The present governing body of the Village is composed of a duly qualified Council comprised of a Mayor and six Commissioners, and additional officers include a Village Manager, a Village Clerk, a Finance Director/Treasurer, and a Village Attorney, all of whose names and terms are as shown on Schedule A.

8. All of said officers of the Village as hereinabove described have been duly elected and qualified or appointed and qualified, as appropriate, for their respective offices, and all of said officers are now in lawful incumbency of their respective offices.

9. Changes in the boundaries of the Village in the past two years which have involved parcels of land either larger than 50 acres or of an equalized assessed value greater than \$1,000,000 are shown on Schedule A. No petition has been filed or is now pending praying the disconnection of any territory from the present corporate limits of the Village.

10. The regular meetings of the Corporate Authorities are held on the days and dates and at the location ("*Village Hall*") and address as shown on Schedule A, which address is properly located within the Village. The Corporate Authorities have given public notice of the schedule of regular meetings, stating the regular dates, times, and places of said meetings for the current year, by posting a copy of said public notice at Village Hall, which is the principal office of the Corporate Authorities, on or before the beginning of the current calendar or applicable fiscal year of the Village, and by supplying copies of said public notice on or before the last mentioned date to all of the local newspapers, radio or television stations, and other news media that have filed a request for such notice, as hereinafter named, and the Corporate Authorities have made said schedule available to the public.

11. All of the newspapers, radio or television stations and other news media that have filed a request for notice of the meetings of the Corporate Authorities pursuant to the Open Meetings Act of the State of Illinois, as amended, are as shown on Schedule A.

12. Other than Section 2.1(c) of the Downers Grove Municipal Code requiring three members of the Council to call special meetings and Section 2.5 of the Downers

Grove Municipal Code, incorporating therein Village Council Rule 37 regarding the requirement of a first reading of resolutions and ordinances, which provision can be waived by a majority vote of those present, the Village has no procedural ordinance, resolution, rule, bylaw, custom or standing order, whether incorporated into the Village Code or otherwise, which alters or amends the provisions of the Code insofar as such pertain to any of the following:

(a) the calling and holding of special meetings of the Corporate Authorities; or

(b) the introduction and adoption of ordinances or resolutions.

13. There is not now pending or threatened any litigation affecting or questioning in any manner whatsoever the corporate organization or existence of the Village, its boundaries, the right or title of any of its officials, as hereinabove described, to their respective terms of office, the right of the Village to levy taxes for corporate purposes, to issue general obligation corporate purpose bonds in the exercise of its home rule powers, or to issue debt instruments of any kind.

14. The Village maintains a website at [www.downers.us](http://www.downers.us) (the "*Website*"), on which there are regularly posted all of the following:

a. The agenda for each regular meeting of the Corporate Authorities, which agenda is maintained on the Website until the relevant meeting is concluded;

b. Notice of all meetings of the Corporate Authorities, each of which notices for a regular meeting of the Corporate Authorities remains posted on the Website until that regular meeting is concluded; and

c. Notice of the annual schedule of meetings of the Corporate Authorities, which notice remains on the Website until a new notice, if any, of the schedule of regular meetings is approved by the Corporate Authorities.

15. The Federal Employer Identification Number of the Village is 36-6005857.

16. Since on and after January 1, 2010, the Village has filed only those Federal Information Reporting Forms 8038-G as indicated on Schedule A.

PART B. OUTSTANDING INDEBTEDNESS FROM TAXES

1. The total outstanding indebtedness of the Village, howsoever evidenced or incurred, does not exceed the amount as shown on Schedule B to this certificate, attached hereto and incorporated herein at all places where referred to by this reference.

PART C. OUTSTANDING OBLIGATIONS PAYABLE FROM INCREMENTAL PROPERTY TAXES

The only obligations issued by the Village and now outstanding which are secured by a pledge of any or all of the incremental property taxes derived from the Village of Downers Grove Downtown Redevelopment Project Area heretofore designated by the Village are as follows:

- General Obligation Bonds, Series 1999
- General Obligation Bonds, Series 2000
- General Obligation Bonds, Series 2001
- General Obligation Bonds, Series 2002
- General Obligation Bonds, Series 2003A
- General Obligation Bonds, Series 2005
- General Obligation Refunding Bonds, Series 2009

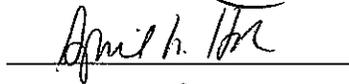
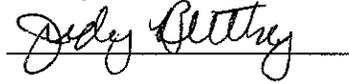
**FILED**

FEB 22 2010

*Lucy A. Kelly*  
DuPage County Clerk

WITNESS

IN WITNESS WHEREOF we have hereunto affixed our official signatures and the seal of the Village this 17th day of February, 2010, as appearing below.

NAME	OFFICE	SIGNATURE
Ronald Sandack	Mayor	
April Holden	Village Clerk	
Judy Buttny	Finance Director/Treasurer	

**SCHEDULE A  
To  
GENERAL AND PRELIMINARY CERTIFICATE**

**INFORMATION AND INCUMBENCY**

RESPONSIVE TO PARAGRAPH 2:

1. Population: 48,724 (2000 U.S. Census)

RESPONSIVE TO PARAGRAPH 7:

[Insert information. Any vacancies should be noted and explained.]

OFFICE	INCUMBENT	TERM	
		YEAR BEGAN	MONTH/YEAR ENDS
Mayor	Ronald Sandack	2007	5/2011
Commissioner	Marilyn J. Schnell	1988	5/2013
Commissioner	Robert Barnett	2009	5/2013
Commissioner	William Waldack	2005	5/2013
Commissioner	Bruce Beckman	2007	5/2011
Commissioner	Geoff Neustadt	2007	5/2011
Commissioner	Sean Patrick Durkin	2006	5/2011

The following are appointed officials of the Village:

OFFICE	INCUMBENT	TERM	
		YEAR BEGAN	MONTH/YEAR ENDS
Village Manager	David Fieldman	N/A	
Village Clerk	April Holden	N/A	
Finance Director/Treasurer	Judy Buttny	N/A	
Village Attorney	Enza Petrarca	N/A	

RESPONSIVE TO PARAGRAPH 9:

All such annexations are enumerated as follows or, if none, then enter the word "none":

DATE ANNEXED	PARCEL NUMBER	NUMBER OF ACRES	NAME
--------------	---------------	-----------------	------

NONE

RESPONSIVE TO PARAGRAPH 10:

Regular meetings:	Held on:	First, Second and Third Tuesday of each month
	At time:	7:00 p.m.
	Held at:	Village Hall 801 Burlington Avenue Downers Grove, Illinois 60515

RESPONSIVE TO PARAGRAPH 11:

Media requesting:

Chicago Tribune, DuPage Bureau  
Liberty Newspapers

RESPONSIVE TO PARAGRAPH 16: NONE

**SCHEDULE B**  
**TO**  
**GENERAL AND PRELIMINARY CERTIFICATE**

RESPONSIVE TO PART B :

1. Bonds (Do not include revenue bonds, bonds for which full payment of principal and interest has been set aside with a bank in escrow or trust, funding bonds, special service area bonds, tax increment allocation bonds, or bonds issued pursuant to Section 8-5-16 of the Illinois Municipal Code, as amended.) ..... \$ 69,980,000
2. Funding bonds (Reference: Section 8-1-4 of the Illinois Municipal Code, as amended) ..... \$ \_\_\_\_\_
3. Special service area bonds (Reference: Special Service Area Tax Law, as amended)..... \$ \_\_\_\_\_
4. Tax increment allocation bonds (Reference: Division 74.4 of the Illinois Municipal Code, as amended) ..... \$ \_\_\_\_\_
5. Bonds issued pursuant to Section 8-5-16 of the Illinois Municipal Code, as amended ..... \$ \_\_\_\_\_
6. Notes (Do not include general obligation tax anticipation notes.)..... \$ \_\_\_\_\_
7. Indebtedness resulting from annexations of territory ..... \$ \_\_\_\_\_
8. Judgments..... \$ \_\_\_\_\_
9. Contracts (Include all amounts due or to become due in the future under all installment purchase contracts and public utility contracts.) .... \$ 4,788,000
10. Leases (Include all amounts due or to become due in the future under all leases, including leases with public utilities or public building commissions.) ..... \$ \_\_\_\_\_
11. Miscellaneous floating indebtedness ..... \$ \_\_\_\_\_

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\* Note: Do not take into account the General Obligation Refunding Bonds, Series 2010, now proposed to be issued.

- 12. Unpaid public benefit judgments and interest thereon heretofore rendered against the Village in proceedings had under the provisions of Article 9 of the Illinois Municipal Code, as amended (the Local Improvement Act), including all installments thereof, whether past due or due in the future ..... \$ \_\_\_\_\_
  - 13. Assessments and interest thereon assessed against property owned by the Village in proceedings heretofore had under the provisions of said Article 9 of the Illinois Municipal Code, as amended, or any other act providing for the special assessment of property according to benefits, which are presently unpaid, including all installments thereof, whether past due or due in the future..... \$ \_\_\_\_\_
  - 14. All other forms of Village debt (if any) ..... \$ \_\_\_\_\_
- Total ..... \$ 74,168,000

STATE OF ILLINOIS     )  
                                  ) SS  
COUNTY OF DUPAGE    )

**2008 VALUATION CERTIFICATE**

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of The County of DuPage, Illinois (the "*County*"), and as such official I do further certify that the equalized assessed value (the "*EAV*") of all taxable real property located in the County included within the boundaries of the Village of Downers Grove, DuPage County, Illinois, as of the date of this certificate, is the sum of ~~\$2,547,544,176~~ <sup>\$2,547,555,176</sup>, as last equalized or assessed by the Department of Revenue of the State of Illinois (the "*Department*"), for State and County taxes for the year 2007, all as appears from the books of assessment of the County now in my possession.

I do further certify that the EAV as last equalized or assessed by the Department for State and County taxes for the year 2009 is not now and will not be available until at least on or after APRIL 1, 2010.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of the County, this 22ND day of FEBRUARY, 2010.

  
County Clerk of The County of DuPage,  
Illinois

[SEAL]

**FILED**

STATE OF ILLINOIS     )  
  ) SS  
COUNTY OF DUPAGE    )

FEB 22 2010

*Greg A. Kelly*  
DuPage County Clerk

**CERTIFICATE RE PROCEDURES**

I, the undersigned, do hereby certify that I am the duly qualified and acting Clerk of the Village of Downers Grove, DuPage County, Illinois (the "*Village*"), and as such Clerk I am the keeper of the official journal of proceedings, books, records, minutes and files of the Village and of the Council (the "*Corporate Authorities*") thereof.

I do further certify that **attached hereto** is a true, correct and complete copy of any portions of the relevant Village ordinances, rulebook or Village Code of Ordinances pertaining to:

- (a) the time, date and place of regular meetings,
- (b) the calling and holding of special meetings,
- (c) the introduction and passage of ordinances and resolutions, and
- (d) the issuance of bonds.

IN WITNESS WHEREOF I have hereunto affixed my official signature and the seal of the Village, this 17th day of February, 2010.

*Greg A. Kelly*  
\_\_\_\_\_  
Village Clerk

[SEAL] **VILLAGE CLERK TO PROVIDE ATTACHMENT**

The Village of Downers Grove

## 2.1SEC. Council meetings.

(a) The regular meetings of the Council shall be held the first, second and third Tuesday of each month at the hour of 7:00 p.m. in the Downers Grove Village Hall. Any regular meeting falling upon a legal holiday shall be canceled or rescheduled.

(b) Special meetings, including emergency meetings, may be called from time to time by the Mayor or by any three members of the Council. Except in the case of an emergency meeting, not less than forty-eight hours notice shall be given to all members of the Council. Special meetings may be held without this notice to Council members when all members of the Council are present in person, or consent in writing to the holding of such meeting, such written consent to be filed with the Clerk prior to the beginning of the meeting. Provided, nothing herein shall authorize the conduct of any meeting in violation of the notice requirements of the Illinois Open Meetings Act. To the extent permitted by law, any Council actions, including formal approval, may be taken at a special meeting.

(c) In conformance with the Illinois Open Meetings Act, and upon a majority vote of a quorum present at an open meeting, the Council may hold a meeting closed to the public, or close the portion of any open meeting for which proper notice has been given. Meetings or portions of meetings closed to the public shall be referred to as executive sessions. (R.O. 1925, § 16; Ord. No. 980, § 1; Ord. No. 999, § 1; Ord. No. 1024; Ord. No. 2339, § 1; Ord. No. 3266.)

Village of Downers Grove  
801 Burlington Ave, Downers Grove, IL 60515  
TEL: 630-434-5500 | FAX: 630-434-5571  
Feedback: Contact webmaster

Monday, Wed-Fri: 8AM - 5PM  
Tuesday: 8AM - 7PM  
Saturday/Sunday: Closed

## 2.5. Council rules.

The following rules shall govern the deliberations and proceedings of all Council meetings:

*Rule 1. Presiding officers.* The Mayor shall preside at all meetings of the Council. During the temporary absence or disability of the Mayor, the Mayor pro tem shall act as presiding officer of the Council. In the event both the Mayor and the Mayor pro tem are absent, the Council shall elect one of its members Acting Mayor, who shall act as presiding officer of the Council. The presiding officer shall not make or second motions but shall vote on all questions and matters brought before the Council. The presiding officer shall preserve order and decorum, and may speak to points of order in preference to other members, and shall decide all questions of order subject to appeal. All questions relating to the priority of business at any meeting shall be decided by the presiding officer without debate, subject to appeal. In case of any disturbances or disorderly conduct, the presiding officer shall have the power to require the chamber to be cleared.

### *Rule 2. Meetings via electronic means.*

a. *Purpose.* It is the decision of the Village of Downers Grove that any member of the Village Council may attend any open or closed meeting of the Village Council via electronic means (such as by telephone, video or internet connection) provided that such attendance is in compliance with these rules and any applicable laws.

b. *Prerequisites.* A member of the Village Council may attend a meeting electronically if the member meets the following conditions: A quorum is physically present throughout the meeting; and, a majority of the Village Council votes to approve the electronic attendance at the beginning of the meeting.

(i) The member should notify the Clerk or the Village Manager at least forty-eight (48) hours before the meeting, unless impractical, so that necessary communications equipment can be arranged. Inability to make the necessary technical arrangements will result in denial of a request for electronic attendance.

(ii) The member must assert one of the following three reasons why he or she is unable to physically attend the meeting,

- (1) The member cannot attend because of personal illness or disability; or
- (2) The member cannot attend because of employment purposes or the business of the Village; or
- (3) The member cannot attend because of a family or other emergency.

(iii) The Clerk or the Village Manager, after receiving the electronic attendance request, shall inform the Village Council of the request for electronic attendance.

c. *Voting Procedures.* After a roll call establishing that a quorum is physically present, the presiding officer shall call for a motion that a member may be permitted to attend the meeting electronically after specifying the reason entitling the absent member to attend electronically. The motion must be approved by a vote of a majority of the Village Council.

d. *Adequate Equipment Required.* The member participating electronically and other members of the Village Council must be able to communicate effectively, and members of the audience must be able to hear all communications at the meeting site. Before allowing electronic attendance at any meeting, the Village Council shall provide equipment adequate to accomplish this objective at the meeting site.

e. *Minutes.* Any member attending electronically shall be considered an off-site attendee and counted as present electronically for that meeting. The meeting minutes shall also reflect and state specifically whether each member is physically present or present by electronic means.

f. *Rights of Remote Member.* A member permitted to attend electronically will be able to express his or her comments during the meeting and participate in the same capacity as those members physically present, subject to all general meeting guidelines and procedures previously adopted and adhered to. The member attending electronically shall be heard, considered, and counted as to any vote taken. Accordingly, the name of any member attending electronically shall be called during any vote taken, and his or her vote counted and recorded by the Clerk and placed in the minutes for the corresponding meeting. A member attending electronically may leave a meeting and return as in the case of any member, provided the member attending electronically shall announce his or her leaving and returning.

g. *Committees, Boards and Commissions.* These rules shall apply to all committees, boards and commissions established of the Village of Downers Grove.

*Rule 3. Commencement of meeting.* Each meeting of the Council shall convene at the time appointed for such meeting, as provided by Section 2-1. The Clerk, or someone appointed to fill his/her place by the presiding officer, shall thereupon immediately call the roll of members. A quorum for the transaction of business shall consist of a majority of all the Council, including the Mayor, entitled by law to be elected. If no quorum is present, the Council shall not thereby stand adjourned, but the members present shall have authority to adjourn or recess the meeting to a day certain by majority vote of those members present.

*Rule 4. Filing or receipt of documents.*

(a) Where the Council determines that it is desirable or necessary that a document be permanently maintained in the office of the Village Clerk, it may direct that the document be placed "on file". Materials placed on file by the Village Council shall be maintained by the Village Clerk with the official records of the Village Council, in the permanent files of the Village.

(b) Where the Council determines that it is desirable or necessary that a document be temporarily held in the office of the Village Clerk, it may direct that the document be "received". Materials received by the Village Council shall not be considered records or documents of the Village, and shall be held by the Village Clerk for a period of sixty 60 days, or such other time as the Council may direct.

*Rule 5. Consent Agenda.*

(a) The Village Manager or the Manager's designee shall establish and submit a consent agenda to be considered by the Village Council at each regularly scheduled Village Council meeting. Such consent agenda shall contain all matters, except ordinances, deemed by the Village Manager to be suitable and of a non-controversial nature. This is expected to include, but is not necessarily limited to approval of bids, bills payable, resolutions and miscellaneous motions as well as matters on which a preliminary vote or recommendation, awaiting the drafting of final documents, has been taken by the Council. The consent agenda may be adopted by a roll call vote and such roll call shall be recorded in the minutes of the Village Council as approving each item contained in said consent agenda. The motion to adopt the consent agenda shall be non-debatable.

(b) Any item may be removed from the consent agenda at the Council meeting by the request of any Council member in which case the item shall be considered separately.

(c) In the event one or more Council members wishes to receive further information regarding any individual item in a list of bills payable, said Council member shall immediately before the vote approval of the consent agenda so notify the Village Clerk who will make an appropriate reference in the minutes and such individual item shall be removed from the list of bills payable and the remainder of items approved as part of the consent agenda.

(d) The taking of a single vote on the consent agenda shall be deemed sufficient compliance with all requirements of law to all intents and purposes and with like effect as if the vote in each case had been taken separately by nays and ayes on the question of each resolution and motion included on the consent agenda.

In particular, but without limitation, such vote shall be deemed to have authorized the suspension of the rules, waiving of first reading and pass on second reading, waiving competitive bidding and awarding contracts, approving and adopting resolutions, as needed per items listed in the consent agenda.

(e) In the event one or more Council members wishes to be recorded as passing or voting against any item included in the consent agenda, said Council member shall immediately before the vote approval of the consent agenda so notify the Village Clerk who will make an appropriate reference in the minutes to so record such negative votes.

*Rule 6. Order of business.* The Manager, or the Manager's designee shall establish and submit an agenda for each Council meeting. In the absence of a written agenda, the presiding officer of the meeting shall establish the order of business. The Village Clerk shall post or otherwise provide notice of the agenda as required under the Illinois Open Meetings Act.

*Rule 7. Duties of members.* While the presiding officer is putting the question, no Council member shall walk across or out of the Council chamber.

Every member, previous to speaking, making a motion, or seconding one, shall address the presiding officer by his/her last name preceded by the word "Mayor", and shall not proceed until recognized and named by the chair. Remarks shall be confined to the question under debate, avoiding personalities and refraining from impugning the motives of any other member's argument or vote.

When two or more members address the chair at the same time, the presiding officer shall name the member who is first to speak.

*Rule 8. Visitors.*

(a) Persons other than a member of the Council shall be permitted to address that body as follows:

- (1) With the consent of a majority of the members present.
- (2) During a public hearing. Provided comments and questions shall be limited to the purpose and scope of the public hearing.
- (3) During public comment portion of any meeting.

(b) Each person addressing the Council shall give his or her name and address in an audible tone of voice for the record, and unless further time is granted by the Council, shall limit his or her address to five (5) minutes.

(c) All remarks shall be addressed to the Council as a body and not to any member thereof.

(d) No person, other than the Council and the person having the floor, shall be permitted to enter into any discussion, either directly or through a member of the Council, without the permission of the presiding officer.

(e) No question shall be asked of a Council member except through the presiding officer.

*Rule 9. Presentation of Communications.* When a member wishes to present a communication or other matter to be placed on file, he/she shall send it to the Mayor, or at the Mayor's discretion, the Village Clerk, who shall either read such matter when reached in its proper order, or shall describe its content in a manner sufficient for it to be identified, prior to its being placed on file.

*Rule 10. Debate.* No member shall speak more than once on the same question, except by unanimous consent, and then not until every other member desiring to speak shall have had an opportunity to do so; provided, however, that the proponent of the matter under consideration shall have the right to open and close debate. No member shall speak longer than ten (10) minutes at any one time, except by consent of the Council; and in closing debate on any question, as above provided, the speaker shall be limited to five (5) minutes, except by special consent of the Council.

While a member is speaking, no member shall hold any private discussion.

*Rule 11. Call of member to order.* A member, when called to order by the chair, shall thereupon discontinue speaking and take his/her seat, and the order or ruling of the chair shall be binding and conclusive, subject only to the right of appeal.

*Rule 12. Appeals from decisions of the chair.* Any member may appeal to the Council from a ruling of the chair and, if the appeal is seconded, the member making the appeal may briefly state his/her reason for the same, and the chair may briefly explain his/her ruling; but there shall be no debate on the appeal, and no other member shall participate in the discussion. The chair shall then put the question, "Shall the decision of the chair be sustained?" If a majority of the members present vote "No", the decision of the chair shall be overruled; otherwise, it shall be sustained.

*Rule 13. Question of personal privilege.* The right of a member to address the Council on a question of personal privilege shall be limited to cases in which his/her integrity, character, or motives are assailed, questioned, or impugned.

*Rule 14. Voting.* Every member of the Council who is present when a question is stated from the chair shall vote thereon, unless excused by the Council, or unless such member is personally interested in the question, in which case that member shall abstain. If a Council member is personally interested in the question, he/she shall disclose such interest and abstain from voting on the matter. The abstention shall count in the manner provided by law.

*Rule 15. Special order of business.* Any matter before the Council may be set down as a special order of business at a time certain, if a majority of the Council present vote in the affirmative, but not otherwise.

*Rule 16. Seconding of motions required; written motions.* No motion shall be put or debated in the Council unless it be seconded. When a motion is seconded, it shall be stated by the presiding officer before debate, and every motion in the Council, except motions of procedure, shall be reduced in writing, if required by a member, and the proposer of the motion shall be entitled to the floor.

*Rule 17. Withdrawal of motions.* After a motion or resolution is stated by the presiding officer, it shall be deemed to be in possession of the Council, but it may be withdrawn at any time before decision, by consent of the Council.

*Rule 18. Division of questions.* If any question under consideration contains several distinct propositions, the Council by majority vote of the members present may divide such question.

*Rule 19. Record of motions.* In all cases, the name of the member moving, and also the name of the member seconding, a motion, shall be entered in the minutes.

*Rule 20. Taking and entering the votes.* The "yeas" and "nays" or any "abstentions" upon any question shall be taken and entered in the minutes.

When the Clerk has commenced to call the roll of the Council for the taking of a vote by "yeas" and "nays" or any "abstentions", all debate on the question before the Council shall be deemed concluded, and during the taking of the vote, no member shall be permitted to explain his/her vote, but shall respond to the calling of his/her name by the Clerk by answering "yea" or "nay" or "abstain", as the case may be.

*Rule 21. Announcement and change of votes.* The result of all votes by "yeas", "nays", or "abstains" shall be announced by the Mayor, and no vote shall thereafter be changed.

*Rule 22. Precedence of motions.* When a question is under debate, the following motions shall be in order and shall have precedence over each other in order, as listed:

- (a) To adjourn to a day certain
- (b) To adjourn
- (c) To take a recess
- (d) To lay on the table
- (e) To submit the previous question
- (f) To amend
- (g) To defer or postpone to a time certain
- (h) To defer or postpone (without reference to time)
- (i) To defer or postpone indefinitely

Paragraphs (b), (d), and (e) shall be decided without debate.

**Rule 23. Motions to adjourn.** A motion to adjourn the Council shall always be in order except:

- (1) When a member is in possession of the floor;
- (2) When the members are voting;
- (3) When adjournment was the last preceding motion; or
- (4) When it has been decided that the previous question shall be taken.

A motion simply to adjourn shall not be subject to amendment or debate, but a motion to adjourn to a time certain shall be.

The Council may at any time adjourn over one or more regular meetings, on a vote of a majority of all the Councilmen authorized by law to be elected.

**Rule 24. Previous question.** This is the motion used to cut off debate and to bring the group to an immediate vote on the pending motion (i.e. the motion on the floor that was stated last). When the previous question is moved on the main question, and seconded, it shall be put in this form:

"Shall the main question now be put?"

If such motion be carried by a majority vote, all further amendments and all further motions and debates shall be excluded, and the question put without delay, upon the pending amendments in proper order, and then upon the main question.

**Rule 25. Motions to lay on the table and to take from the table.** A motion simply to lay a question on the table shall not be debatable; but a motion to lay on the table and publish, or with any other condition, shall be subject to amendment and debate.

A motion to take any motion or other proposition from the table may be proposed at the same meeting at which such motion or proposition was laid upon the table, provided a majority of the Councilmen present vote therefor.

A motion to lay any particular motion or proposition on the table shall apply to that motion or proposition only. An amendment to the main question or other pending question may be laid on the table and neither the main question nor such other pending question shall be affected thereby.

**Rule 26. Indefinite postponement; motion to defer or postpone, without any reference to time.** When consideration of a motion or other proposition is postponed indefinitely, the effect is to

reject the proposition. A motion to postpone indefinitely opens the main question to debate. If passed, a motion to postpone indefinitely may be reconsidered.

A motion to defer or postpone, without reference to time, shall not be construed as a motion to postpone indefinitely, but shall be considered to be of the same general nature, and to possess the same general attributes so far as applicable under these rules, as a motion to postpone definitely or to time certain.

*Rule 27. Motion to amend.* A motion to amend an amendment shall be in order, but one to amend an amendment to an amendment shall not be entertained.

An amendment modifying the intention of a motion shall be in order; but an amendment relating to a different subject, shall not be in order.

On an amendment to "strike out and insert", the paragraph to be amended shall first be read as it stands, then the words proposed to be stricken out, then those to be inserted, and finally the paragraph as it will stand if so amended shall be read.

*Rule 28. Motion to substitute.* A substitute for any original proposition under debate or for any pending amendment to such proposition may be entertained notwithstanding that at such time further amendment is admissible; and if accepted by the Council by vote, shall entirely supersede such original proposition or amendment, as the case may be, and cut off all amendments appertaining thereto.

*Rule 29. Reconsideration.* A vote or question may be reconsidered at any time during the same meeting, or at the first regular meeting held thereafter. A motion for reconsideration, having once been made and decided in the negative, shall not be renewed, nor shall a motion to reconsider be reconsidered.

A motion to reconsider may be made and seconded only by members who voted on the prevailing side of the question to be reconsidered, unless otherwise provided by law; provided, however, that where a motion has received majority vote in the affirmative, but is declared lost solely on the ground that a greater number of affirmative votes is required by statute for the passage or adoption of such motion, then in such case a motion to reconsider may be made and seconded only by those who voted in the affirmative on such question to be reconsidered.

*Rule 30. The minutes.* The Clerk shall keep the minutes of the proceedings of the Council. Within no more than fourteen (14) days after each meeting of the Council, the Clerk shall supply each member a typewritten, printed copy or electronic copy of the proceedings.

*Rule 31. Style of ordinances.* The style of all ordinances shall be: "BE IT ORDAINED by the Council of the Village of Downers Grove, DuPage County, Illinois..."

*Rule 32. "Yea" and "nay" vote.* The yeas, nays and abstentions shall be taken upon the passage of all ordinances and on all propositions to create any liability against the Village, or for the expenditure or appropriation of its money and in all other cases at the request of any member of the Council; and such vote shall be entered on the journal of the proceedings.

The Mayor and each Commissioner shall have the right to vote on all questions coming before the Council. Four members of the Council shall constitute a quorum. Except when a greater number is mandated by law, the affirmative vote of 4 members shall be necessary to adopt any motion, resolution or ordinance.

*Rule 33. Adoption of Robert's Rules of Order Revised.* The rules of parliamentary practice comprised in the latest published edition of Robert's Rules of Order Revised, shall govern the Council in all cases to which they are applicable, and in which they are not inconsistent with the special rules of this Council.

*Rule 34. Temporary suspension of rules; amendments of rules.* These rules may be temporarily suspended by a majority vote of all members of the Council entitled by law to be elected, and shall not be repealed, altered or amended, unless by concurrence of a majority of

the Councilmen entitled by law to be elected.

*Rule 35. Censure of members; expulsion of members.* Any member acting or appearing in a lewd or disgraceful manner, or who uses abusive, obscene or insulting language to or about any member of the Council, or who does not obey the order of the chair, or who disregards the confidentiality of Village matters, may be, on motion, censured by a majority vote of the members present, or expelled by a three-fourths vote of all members elected.

*Rule 36. Personal announcements.* A member shall not address the Council with regard to; (1) his/her or another person's candidacy for election or re-election to any public office; (2) events sponsored by organizations other than the Village or other local civic organizations; or (3) other matters not related to the business of the Village, except as such matters may concern mayoral proclamations properly before the Council.

*Rule 37. Reading.* Each resolution or ordinance shall be reduced to writing and its contents summarized by the Mayor, or such other official as the Mayor may from time to time designate, before a vote is taken thereon. At any time prior to a final vote thereon, including such time as when a matter is scheduled for formal consideration, the Council, by a majority vote of its members present, may direct the Village Clerk to read aloud the complete text, or such portion thereof as the Council may instruct, of any resolution or ordinance. Proposed ordinances shall be submitted to the Village Council for a first reading at a public meeting, not less than five (5) days before the meeting at which final action is to be taken thereon. Thereafter, such proposed ordinances may be amended without further opportunity for public inspection but all such amendments shall be noted at the time of formal action on such ordinances. Provided, the Village Council may, for such reasons as the Council determines appropriate, waive this reading requirement by majority vote of those present, and any vote to approve such item shall be deemed to include a motion to waive first reading.

*Rule 38. Validity of enactments.* The validity and enforceability of any ordinance, resolution or motion which is otherwise adopted in accordance with applicable law shall not be impaired or affected by any violation of any provision of these rules. (Ord. No. 1024; Ord. No. 1491, § 1; Ord. No. 2261, § 8; Ord. No. 2339, § 2; Ord. No. 2715, § 1; Ord. No. 2920, § 1; Ord. No. 3266, § 4.)

Village of Downers Grove  
801 Burlington Ave, Downers Grove, IL 60515  
TEL: 630-434-5500 | FAX: 630-434-5571  
Feedback: Contact webmaster

Monday, Wed-Fri: 8AM - 5PM  
Tuesday: 8AM - 7PM  
Saturday/Sunday: Closed

STATE OF ILLINOIS     )  
  ) SS  
COUNTY OF DUPAGE    )

**CERTIFICATE OF VILLAGE ATTORNEY RE VILLAGE CODE**

I, the undersigned, do hereby certify that I am the Village Attorney for the Village of Downers Grove, DuPage County, Illinois (the "Village"). I do further certify that I have reviewed the Code of Ordinances of the Village, the journal of proceedings, books, records, minutes and files of the Village and of the Council (the "Corporate Authorities") of the Village and that, from such review, I am of the opinion that:

1. The Corporate Authorities have taken no action to modify the provisions of the Illinois Municipal Code, as amended, with respect to the calling, holding, or giving of notice of regular or special meetings, except that three (and not two) Commissioners are required to call a special meeting.

2. The Corporate Authorities have taken no action to modify the provisions of said Illinois Municipal Code with respect to the introduction and passage of resolutions or ordinances, except as may be hereinafter expressly noted.

3. The Corporate Authorities do not require the second reading or laying over of resolutions or ordinances, except as follows:

Ordinance must be presented at public meeting not less than five (5) days before the meeting at which final action is to be taken thereon.

Ordinance Number 5123 was presented on February 9, 2010, in conformance with this requirement.

4. The Corporate Authorities have taken no action to limit in any way the powers of the Village as a home rule unit to incur debt; and there are no special ordinances, resolutions, or other procedures applicable to the incurrence of debt by the Village; except as follows:

NONE.

IN WITNESS WHEREOF I have hereunto affixed my official signature this 17th day of February, 2010.

By Egy Petrauca  
Village Attorney

**FILED**

FEB 22 2010

STATE OF ILLINOIS     )  
                                  ) SS  
COUNTY OF DUPAGE    )

*Greg A. Kelly*  
DuPage County Clerk

**CERTIFICATE OF BOND SALE**

I, the undersigned, do hereby certify that I am the duly qualified and acting Village Clerk of the Village of Downers Grove, DuPage County, Illinois (the "Village"), and as such official I am the keeper of the journal of proceedings, books, records, minutes, and files of the Village and of the Council thereof.

I do further certify that attached hereto is a true, correct, and complete copy of that certain bond purchase agreement by and between the Village and Robert W. Baird & Co. Incorporated, as representative, relating to the purchase and sale of \$5,805,000 General Obligation Refunding Bonds, Series 2010, of the Village, as executed by the designated officer(s) of the Village.

IN WITNESS WHEREOF I have hereunto affixed my official signature and the seal of the Village, this 17th day of February, 2010.

*Agnes L. Baird*  
\_\_\_\_\_  
Village Clerk

[SEAL]

**[VILLAGE CLERK TO ATTACH EXECUTED BOND PURCHASE AGREEMENT]**

**BOND PURCHASE AGREEMENT**  
**VILLAGE OF DOWNERS GROVE**  
**DUPAGE COUNTY, ILLINOIS**  
**\$5,805,000**  
**GENERAL OBLIGATION REFUNDING BONDS, SERIES 2010**

February 17, 2010

**FILED**

FEB 22 2010

VILLAGE OF DOWNERS GROVE  
DUPAGE COUNTY, ILLINOIS  
801 Burlington Avenue  
Downers Grove, Illinois 60515

*Ray A. Kelly*  
DuPage County Clerk

Ladies and Gentlemen:

The undersigned Robert W. Baird & Co. Incorporated (the "Representative Underwriter") for itself and on behalf of Morgan Keegan & Co., Inc. (collectively, the "Underwriters") offers to enter into this Bond Purchase Agreement (the "Agreement") relating to the \$5,805,000 General Obligation Refunding Bonds, Series 2010 (the "Bonds") of the Village of Downers Grove, Illinois (the "Village"). The Village desires to appoint the Underwriters and the Underwriters desire to accept their appointment. It is understood that such appointment is subject to the applicable terms and conditions of this Agreement.

This offer is made subject to the Village's acceptance of this Agreement on or before 11:00 p.m., prevailing Central Time, on the date hereof, and if not so accepted will be subject to withdrawal by the Underwriters upon notice delivered to the Village at any time prior to acceptance hereof by the Village.

The Bonds are issued pursuant to the Illinois Municipal Code of the State of Illinois, the Local Government Debt Reform Act of the State of Illinois and an Ordinance authorizing the issuance of the Bonds adopted by the Council of the Village on February 16, 2010 (the "Ordinance"). The Bonds are being issued to refund certain outstanding bond issues.

A Preliminary Official Statement dated February 9, 2010 (the "Preliminary Official Statement"), describing the Village, the Bonds and security for the Bonds, has been prepared for use in connection with the public offering, sale and distribution of the Bonds. There will be prepared within seven (7) business days of the date hereof a final Official Statement dated February 17, 2010 (the "Official Statement"), which shall be in substantially the form of the Preliminary Official Statement, with such changes as the Underwriters have approved, setting forth definitive information relating to the terms of offering of the Bonds. Any and all appendices, exhibits, reports and summaries included in the Preliminary Official Statement or the Official Statement or attached thereto shall be for all purposes hereof deemed to be a part of the Preliminary Official Statement and the Official Statement, as applicable. The Village deems the

information contained in the Preliminary Official Statement to be final as of its date for the purpose of enabling the Underwriters to comply with the requirements of Rule 15c2-12(b)(1) of the Securities and Exchange Commission, except for the omission of such information as is permitted by Rule 15c2-12(b)(1). The Village deems the Official Statement to be final as of its date. The Village hereby confirms the authority of the Underwriters to use, and consents to the use of, the Preliminary Official Statement and the Official Statement and any amendments or supplements thereto in connection with the offer, sale and distribution of the Bonds. The Village agrees to provide or cause to be provided to the Underwriters within seven (7) business days after the date hereof sufficient copies of the Official Statement to enable the Underwriters to comply with the requirements of Rule 15c2-12(b)(4) of the Securities and Exchange Commission and with any applicable requirements of the Municipal Securities Rulemaking Board.

The Bonds shall have the maturities, bear interest at the fixed rates per annum, be sold with original issue discounts or premiums, and be subject to redemption as set forth in Exhibit A attached hereto.

All capitalized terms used in this Agreement and not defined herein shall have the meanings specified in the Ordinance.

1. Purchase Sale and Closing. Upon the basis of the representations and covenants contained herein, but subject to the conditions hereinafter set forth, the Village hereby agrees to sell to the Underwriters, and the Underwriters agree to purchase from the Village on the Closing Date, all (but not less than all) of the Bonds at a purchase price equal to \$6,322,208.22 (representing the principal amount of the Bonds of \$5,805,000, plus a reoffering premium of \$564,983.10, less Underwriters' discount of \$47,774.88). The closing for the payment for the Bonds shall take place at the offices of Chapman and Cutler LLP at 10:00 a.m., prevailing Central Time, on March 4, 2010 or at such other date, place, or time as may be designated by the Underwriters, with the approval of the Village (the "Closing Date"). The Bonds shall be delivered in registered form for registration through a book-entry-only system of registration as described in the Official Statement. The Bonds shall be registered in a book-entry-only system in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"). The Bonds will be made available to the Underwriters or their designee at the place of delivery for inspection and packaging at least one business day prior to the Closing Date.

2. Village's Representations and Covenants. The Village represents and covenants as follows:

- (a) The Village has all requisite legal power, right and authority (i) to adopt the Ordinance, (ii) to execute, deliver and perform its obligations under this Agreement, the Ordinance and the Bonds, (iii) to issue, sell, execute and deliver the Bonds to the Underwriters as provided herein and (iv) to carry out and consummate all actions required to be taken by it in connection with the transactions contemplated by the aforesaid documents.
- (b) The Village has duly authorized (i) the execution and delivery of, and the due performance of its obligations under this Agreement, the Ordinance, and the Bonds and (ii) the taking of any and all actions as may be required on the part of

the Village to carry out, give effect to and consummate the transactions contemplated by such documents.

- (c) The Ordinance has been duly adopted by the Village, has not been amended, modified, supplemented or repealed, and is in full force and effect. This Agreement has been duly authorized, executed and delivered by the Village. This Agreement, the Ordinance, and the Bonds are or will be, when duly executed and delivered by the Village, legal, valid and binding obligations of the Village enforceable in accordance with their respective terms, except that the binding effect and enforceability thereof are subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws in effect from time to time affecting the rights of creditors generally and except to the extent that the enforceability thereof may be limited by application of general principles of equity including equitable subordination.
- (d) Upon advice of counsel and to the best of the Village's knowledge, (i) the enactment of the Ordinance, the authorization, execution and delivery by the Village of this Agreement, and the Bonds, and compliance with the provisions of each of such instruments will not conflict with or result in a violation of the Constitution of the State of Illinois or the laws of the State of Illinois (including any debt limitations or other restrictions or conditions on the debt-issuing power of the Village) and (ii) the adoption of the Ordinance, the authorization, execution and delivery by the Village of this Agreement and the Bonds, and compliance with the provisions of each of such instruments will not conflict with or constitute a breach of, or default under, any indenture, commitment, agreement or other instrument to which the Village is a party or by which it is bound or under any term of the Village's constitutional or statutory provisions, or rule, regulation, Ordinance, judgment, order or decree to which the Village or any of its property is subject. The Village has not received any written notice, not subsequently withdrawn, given in accordance with the remedy provisions of any bond ordinance, trust indenture or agreement or state law pertaining to bonds or notes, of any default or event of default which has not been cured, remedied or waived.
- (e) There is no action, suit, proceeding, inquiry or investigation at law or in equity, or before or by any judicial or administrative court, public board or body, pending or threatened against the Village (nor, to the best of the Village's knowledge, is there any basis therefor), in any way (i) affecting the existence of the Village or the title of any official of the Village to that person's office, (ii) seeking to restrain or enjoin the issuance, sale or delivery of the Bonds as contemplated herein, the levy and collection of revenues anticipated to pay the principal of, premium, if any, and interest on the Bonds or the payment of the moneys, property, or revenues pledged or to be pledged for the payment of principal of, premium, if any, or interest on the Bonds, (iii) contesting or affecting the validity or enforceability of this Agreement, the Ordinance, or the Bonds, (iv) contesting the completeness or accuracy of the Official Statement or the powers or authority of the Village to engage in the transactions contemplated by this Agreement, the Ordinance or the

Bonds or (v) questioning the exclusion of interest on the Bonds from gross income for purposes of Federal income taxation as described under "TAX EXEMPTION" in the Official Statement.

- (f) There is no election or referendum of or by any person, organization or public body pending, proposed or concluded (nor, to the best of the Village's knowledge, is there any basis therefor) and there are no provisions of Illinois Law which would allow, as of the date hereof or any date subsequent hereto, such election or referendum, the results of which could in any way adversely affect the transactions contemplated by this Agreement, the Ordinance, or the Bonds, the validity or enforceability of such instruments, or the exemption of interest on the Bonds from taxation as described under "TAX EXEMPTION" in the Official Statement, or invalidate, limit or condition the obligations of the Village thereunder.
- (g) Except as may be required under the securities laws of any state, there is no consent, approval, authorization or other order of, or any filing with, registration with, or certification by, any governmental or regulatory authority having jurisdiction over the Village or required for the issuance of the Bonds other than such as has already been provided or obtained.
- (h) Any certificates or other instrument signed by the Mayor, Clerk or Village Treasurer or by a duly appointed and acting deputy of any of said officials on his or her behalf, and delivered to the Underwriters shall be deemed a representation by the Village to the Underwriters as to the truth of the statements made therein.
- (i) Prior to the Closing Date, the Village shall have taken all actions necessary to be taken by it for: (i) the issuance, sale, execution and delivery of the Bonds upon the terms set forth herein and in the Ordinance, and (ii) the execution and delivery by the Village of this Agreement and all such other instruments and the taking of all actions on the part of the Village as may be necessary or appropriate for the effectuation and consummation of the transactions on the part of the Village contemplated thereby. Between the date of this Agreement and the Closing Date, the Village will take no action which will cause any representation contained in this Agreement to be untrue as of the Closing Date.
- (j) The Village will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters as the Underwriters may deem necessary in order to qualify the Bonds for offer and sale under the "blue sky" or securities laws and regulations of such states and other jurisdictions of the United States as the Underwriters may designate; provided, however, that the Village will not be required to consent to service of process in any state or jurisdiction outside the State of Illinois.
- (k) The Village will not take or omit to take any action, which action or omission will in any way adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds as described under "TAX

EXEMPTION” in the Official Statement or result in the proceeds from the sale of the Bonds being applied in a manner other than as provided in the Ordinance.

- (l) No default by the Village has occurred in the payment of the principal of or premium, if any, or interest on any bond, note or other evidence of indebtedness issued by the Village. No bankruptcy, insolvency or other similar proceedings pertaining to the Village are pending or, to the best of the knowledge of the Village, contemplated.
- (m) The Official Statement, including any amendments or supplements thereto, will not, as of the date thereof, as of the Closing Date or as of the date of any such amendment or supplement, include any untrue statement of a material fact or omit to state any material fact necessary to make the statements made therein; in light of the circumstances under which they are or were made, not misleading.
- (n) The Village will not amend or supplement the Official Statement without the consent of the Underwriters. The parties hereto will advise each other promptly of the institution of any proceedings by any governmental agency or any other material occurrence affecting the use of the Official Statement in connection with the issuance of the Bonds.
- (o) If at any time, during the period from the date hereof to the Closing Date, any event occurs as a result of which the Official Statement, as then amended or supplemented, would include an untrue statement of a material fact or omit to state any material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading, the parties hereto will cooperate with each other in the prompt preparation of an amendment or supplement which will correct such statement or omission, and the costs of any such amendment or supplement shall be borne by the Village.
- (p) The financial statements of the Village included in the Official Statement present the financial position of the Village at December 31, 2008, and the results of its operations and the changes in its financial position for the year then ended. For the period January 1, 2009, to the date hereof, there has been no material adverse change in the financial condition of the Village.
- (q) The Village will send one copy of its audited financial statements annually to the Underwriters as soon as the audited financial statements become available.
- (r) The Village will provide the Underwriters with information pertaining to the Village concerning developments that affect the accuracy and completeness of key representations contained in the Official Statement until the earlier of (a) 90 days from the end of the underwriting period, as defined below, or (b) the time when the Official Statement is available to any person from the Municipal Securities Rule Making Board (“MSRB”) Electronic Municipal Market Access System for Municipal Securities (“EMMA”), but in no case less than 25 days following the end of the underwriting period, as defined below. The Village further agrees that

it will cooperate with the Underwriters in amending the Official Statement if any of such information, in the judgment of the Underwriters, requires that the Official Statement be amended in fulfillment of the Underwriters' responsibilities pursuant to Rule 15c2-12 of the Securities and Exchange Commission. The "end of the underwriting period" as referred to in the preceding sentence shall be the later of the delivery of the Bonds by the Village to the Underwriters or when the Underwriters no longer retain an unsold balance of the Bonds for sale to the public, and shall be deemed to be the Closing Date, unless the Underwriters notify the Village in writing prior to such date that there exists an unsold balance of the Bonds, in which case the end of the underwriting period shall be deemed to be extended for 30 days from the date of such notice, subject to extension for additional periods of 30 days each upon receipt of prior written notice from the Underwriters that there exists an unsold balance of the Bonds. The Underwriters agree to file the Official Statement with the MSRB through EMMA on or before the Closing Date.

It is further understood and agreed that the members of the Village, the agents, attorneys, or employees of the Village, their respective heirs, personal representatives or successors shall not be federally or personally liable in connection with any matter, cause or thing pertaining to the Bonds or the issuance thereof, this Agreement, or any instruments and documents executed and delivered by the Village in connection with issuance of the Bonds. No covenant or agreement contained in this Agreement shall be deemed to be the covenant or agreement of any member, officer, attorney, agent or employee of the Village in an individual capacity. No recourse shall be had for the payment of the principal of, premium, if any, or interest on, the Bonds, or for any claim based hereon or on any instruments and documents executed and delivered by the Village in connection with the Bonds, against any officer, member, agent, attorney or employee, past, present or future, of the Village or any successor body, or their respective heirs, personal representatives, successors as such, either directly or through the Village or any successor body, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all of such liability being hereby released as a condition of and as a consideration for the execution and delivery of this Agreement.

3. Conditions of Underwriters' Obligations. The obligations of the Underwriters hereunder with respect to the Bonds shall be subject to (a) the compliance with and performance by the Village of its obligations and agreements to be complied with and performed hereunder and under the Ordinance on or prior to the Closing Date, (b) the truth, accuracy and completeness as of the date hereof of the representations and covenants of the Village contained herein; and (c) the truth, accuracy and completeness of the representations and covenants of the Village contained herein on the Closing Date.

The obligations of the Underwriters hereunder with respect to the Bonds are also subject to the following further conditions:

- (a) This Agreement, the Bonds and the Official Statement shall have been duly authorized and executed by the Village; the Ordinance shall have been duly

adopted by the Village; the Ordinance shall be in full force and effect and shall not have been amended, modified or supplemented; all necessary actions of the Village relating to the foregoing shall be in full force and effect without rescission or modification; and there shall have been taken in connection with the issuance of the Bonds and with the transactions contemplated hereby and thereby all such actions as, in the opinion of Bond Counsel, are necessary and appropriate.

- (b) On or prior to the Closing Date, the Underwriters shall have received:
- (i) an opinion, dated the Closing Date addressed to the Village, of Chapman and Cutler LLP, as Bond Counsel, substantially in the forms attached to the Official Statement as Appendix C; to the effect that the foregoing opinion addressed to the Village may be relied upon by the Underwriters to the same extent as if such opinion were addressed to them;
  - (ii) such additional certificates (including but not limited to appropriate arbitrage certificates), instruments or other documents as the Underwriters may reasonably request to evidence (A) the truth, accuracy and completeness, as of the Closing Date, of the representations of the Village at such time, and (B) the performance of all agreements then to be performed and all conditions then to be satisfied by the Village in connection with this Agreement, the Ordinance, and the Bonds;
  - (iii) the Ordinance certified by the Clerk of the Village as having been duly adopted;
  - (iv) counterpart original of a transcript of all proceedings relating to the authorization and issuance of the Bonds;
  - (v) the Official Statement, executed on behalf of the Village by the Mayor;
  - (vi) notice that the Bonds have received an underlying rating no lower than "AA+" for the Bonds;
  - (vii) manually executed copy of a separate letter, dated the date hereof of Sikich LLP, Aurora, Illinois, stating that they acknowledge the inclusion of their report accompanying the financial statement of the Village contained in Appendix B of the Official Statement;
  - (viii) the escrow agreement executed by the Village and Amalgamated Bank of Chicago, as escrow agent.
  - (ix) such additional certificates as the Underwriters may reasonably request to evidence performance of or compliance with the provisions hereof and the transactions contemplated hereby and by the Official Statement, all such certificates to be satisfactory in form and substance to the Underwriters.

If any of the conditions specified in this Section shall not have been fulfilled when and as required by this Agreement, or if any of the opinions, instruments, documents, proceedings or certificates mentioned above or elsewhere in this Agreement shall not be in all material respects reasonably satisfactory in form and substance to the Underwriters, this Agreement and all obligations of the Underwriters hereunder may be canceled by the Underwriters at, or at any time prior to, the Closing Date, notice of such cancellation shall be given to the Village in writing, or by facsimile confirmed in writing.

4. Conditions of the Village's Obligations. The Village's obligations to sell and deliver the Bonds shall be subject to the following conditions on or before the Closing Date:

- (a) The Village shall have received the opinions described in Section 3(b) hereof; and
- (b) The Underwriters shall have tendered the purchase price set forth in Section 1 hereof and delivered its Purchaser's Certificate.

5. Termination. This Agreement may be terminated by the Underwriters, and the Village shall not be obligated to sell and deliver, and the Underwriters shall not be obligated to purchase and pay for, the Bonds on the Closing Date if the Underwriters shall deliver to the Village a certificate to the effect that in its reasonable judgment any of the following events has occurred after the date hereof and on or prior to the Closing Date:

- (a) The marketability of the Bonds or the contemplated offering price thereof, in the opinion of the Underwriters, have been materially adversely affected by an amendment to the Constitution of either the United States of America or the State of Illinois, or by any Federal or Illinois legislation, proposed, pending or effective, or by any decision of any Federal or Illinois court or by any announcement, order, ruling or regulation (final, temporary or proposed) of the Treasury Department of the United States of America, the Internal Revenue Service or other Federal or Illinois authority or regulatory body, affecting the status of the Village, its property, income or securities (including the Bonds), or any tax exemption with respect to the Village's securities (including the Bonds), or the interest thereon granted or authorized by the Internal Revenue Code of 1986, as amended.
- (b) A stop order, ruling, regulation or official statement by, or on behalf of, any governmental agency having jurisdiction shall have been issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds as contemplated hereby and by the Official Statement, is in violation or would be in violation of any provisions of Federal or Illinois securities laws.
- (c) Legislation shall have been enacted by the Congress of the United States of America, or a decision by a court of the United States of America shall have been rendered, to the effect that obligations of the general character of the Bonds are not exempt from registration or qualification under, or other similar requirements of, the Federal securities laws.

- (d) An order, ruling, regulation, official statement or decision by any governmental agency or court having jurisdiction shall have been issued or made which calls into question the legality, validity or enforceability of the Bond issuance.
- (e) Additional material restrictions not in force as of the date hereof shall have been imposed upon the trading in securities generally by any governmental authority or by any national securities exchange.
- (f) Any of the following events shall have occurred: (i) the engagement by the United States of America in hostilities which have resulted in a declaration of war or national emergency, or the occurrence of any other outbreak of hostilities or national or international calamity or crisis, financial or otherwise, the effect of such outbreak, calamity or crisis on the financial markets of the United States of America being such as, in the opinion of the Underwriters, would adversely affect the ability of the Underwriters to market the Bonds at the intended offering prices (it being agreed by the Underwriters that there is no outbreak, calamity or crisis of such a character as of the date hereof); (ii) a general suspension of trading on the New York Stock Exchange or the American Stock Exchange or other national securities exchange; (iii) the establishment of limited or minimum prices on such Exchanges; (iv) the declaration of a banking moratorium either by Federal, New York State, or Illinois authorities; (v) the New York Stock Exchange or other national securities exchange, or any governmental authority, shall impose, as to the Bonds or similar obligations, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriters; or (vi) an event which, in the opinion of the Underwriters, requires an amendment or supplement to the Official Statement and, in the opinion of the Underwriters, adversely affects the marketability of the Bonds or the contemplated offering price thereof.
- (g) Any event shall have occurred, or information become known, which in the Underwriters' sole, reasonable opinion, makes untrue in any material respect any statement or information contained in the Official Statement as originally circulated, or has the effect that the Official Statement as originally circulated contains an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.
- (h) Any rating or ratings with respect to the Bonds shall have been revoked or downgraded.

6. Costs and Expenses.

- (a) Except as set forth herein, the Underwriters shall be under no obligation to pay, and the Village shall pay, all expenses incident to the performance of the Village's obligations hereunder, including but not limited to: (i) fees and disbursements of Bond Counsel, Financial Advisor and Escrow Agent; (ii) the costs of printing and distributing the Bonds, the Preliminary Official Statement and the Official Statement and (iii) the cost of obtaining a rating on the Bonds.
- (b) The Underwriters shall pay: (i) all advertising expenses in connection with the public offering of the Bonds; and (ii) all other expenses incurred by them in connection with their public offering and distribution of the Bonds.

7. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois, including, without limitation, those laws applicable to contracts made and to be performed in that State.

8. Survival of Representations and Covenants. All representations and covenants of the Village and agreements of the Underwriters set forth in this Agreement shall remain in full force and effect regardless of any investigation, or statement as to the results thereof, made by or on behalf of any purchaser of the Bonds or any person controlling any such purchaser, and shall survive delivery of and payment for the Bonds.

9. Execution in Counterparts. This Agreement may be executed and accepted in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any of the parties hereto may execute or accept this Agreement by signing any such counterpart.

10. Notices and Other Actions. All notices, requests, demands and formal actions hereunder shall be in writing, mailed, telegraphed or delivered to the following addresses:

The Village:  
VILLAGE OF DOWNERS GROVE  
801 Burlington Avenue  
Downers Grove, Illinois 60515

The Representative Underwriter:  
ROBERT W. BAIRD & CO. INCORPORATED  
300 East Fifth Avenue, Suite 200  
Naperville, IL 60563-3181

11. Parties in Interest. This agreement is made solely for the benefit of the Underwriters, persons controlling the Underwriters, the Village, and their respective successors and assigns, and no other person, partnership, association or corporation shall acquire or have any right under or by virtue of this Agreement. The terms "successors" and "assigns" shall not include any purchaser of Bonds from or through the Underwriters merely because of such purchase.

If the foregoing is in accordance with your understanding of the agreement by and between the Village and the Underwriters, kindly sign and return to Robert W. Baird & Co. Incorporated one of the enclosed copies hereof, whereupon it will constitute a binding agreement between the Village and the Underwriters in accordance with its terms.

Very truly yours,

ROBERT W. BAIRD & CO. INCORPORATED  
As Representative of the Underwriters

By Magdalena Wetkoma  
Its: Vice President

Accepted as of the date first above written:

VILLAGE OF DOWNERS GROVE, ILLINOIS

By [Signature]  
Its: Mayor

By [Signature]  
Its: Village Manager

**FILED**

FEB 22 2010

[Signature]  
DuPage County Clerk

**EXHIBIT A**

**VILLAGE OF DOWNERS GROVE  
DUPAGE COUNTY, ILLINOIS**

**\$5,805,000**

**GENERAL OBLIGATION REFUNDING BONDS, SERIES 2010**

Dated Date: March 4, 2010

First Coupon: July 1, 2010

<u>January 1 Maturity</u>	<u>Principal Amount</u>	<u>Coupon</u>	<u>Yield</u>
2011	\$230,000	2.00%	0.60%
2014	255,000	2.50	1.53
2015	175,000	2.50	1.91
2016	160,000	3.00	2.34
2017	215,000	3.00	2.65
2018	200,000	3.50	2.92
2019	335,000	4.00	3.07
2020	1,545,000	4.00	3.22
2021	2,690,000	5.00	3.33

Redemption: The Bonds are not subject to redemption prior to maturity.

**FILED**

FEB 22 2010

STATE OF ILLINOIS     )  
                                  ) SS  
COUNTY OF DUPAGE    )

  
DuPage County Clerk

**2010 BOND ORDER AND NOTIFICATION OF SALE**

TO: THE COUNCIL OF THE VILLAGE OF DOWNERS GROVE, DUPAGE COUNTY, ILLINOIS (THE "VILLAGE"):

GREETINGS:

We are pleased to advise you as follows:

A. *Sale.* Please be advised that responsive to the authority contained in that certain ordinance adopted on February 16, 2010, by the Council (the "*Corporate Authorities*") of the Village (the "*Bond Ordinance*") (terms used herein shall have the meanings given to them in the Bond Ordinance unless otherwise defined herein), and being entitled:

AN ORDINANCE providing for the issuance of General Obligation Refunding Bonds, Series 2010, of the Village of Downers Grove, DuPage County, Illinois, authorizing the execution of a bond order and an escrow agreement in connection therewith, providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds and furthering securing said bonds with a pledge of certain incremental taxes.

a Bond Purchase Agreement (the "*Series 2010 Purchase Contract*") for General Obligation Refunding Bonds, Series 2010 (the "*Series 2010 Bonds*"), in the aggregate principal amount of \$5,805,000 was executed by the undersigned Designated Officers and Robert W. Baird & Co. Incorporated, as representative of the purchasers named therein (the "*Purchaser*"), at a price (the "*Purchase Price*") of \$6,322,208.22 (being par plus original issue premium of \$564,983.10 and net of an underwriting discount of \$47,774.88), all as more fully set forth in the Series 2010 Purchase Contract. The Purchase Price is not less than 98% of the par value of the Series 2010 Bonds (without regard to original issue discount, if any, or original issue premium, if any).

B. *Terms.* The Series 2010 Bonds meet the terms and requirements of the Bond Ordinance. The specific terms of the Series 2010 Bonds and the levy of taxes to pay principal and interest on same are set forth in *Exhibit A* hereto and incorporated by reference herein.

C. *Bond Insurance.* The Series 2010 Bonds will not be issued with a commitment for a bond insurance policy.

D. *Use of the Proceeds.* Proceeds received upon the sale of the Bonds shall be used as follows:

PURPOSE	AMOUNT (\$)
To the Escrow Fund established under the Ordinance	6,281,538.50
To the Expense Fund established under the Ordinance or disbursed at closing Contingency	<u>40,669.72</u>
TOTAL	6,322,208.22

E. *Filing with Paying Agent.* An executed copy of this Series 2010 Bond Order and Notification of Sale shall be filed forthwith with the Village Treasurer, as bond registrar and paying agent, in Downers Grove, Illinois, as paying agent and bond registrar (the "*Bond Registrar*" and "*Paying Agent*"), and with the County Clerk.

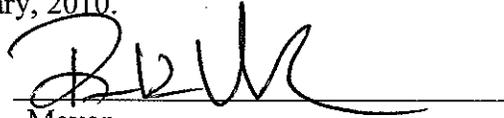
F. *Escrow Agent.* Please be advised that Amalgamated Bank of Chicago, Chicago, Illinois, shall act as Escrow Agent for the Refunded Bonds (as defined in that certain Escrow Agreement entered into between the Village and the Escrow Agent, dated the date hereof).

G. *Refunded Bonds.* The Refunded Bonds are as shown on *Exhibit B* attached hereto and incorporated by reference herein.

H. *No Conflicts.* No person holding any office of the Village either by election or appointment is in any manner financially interested, either directly in his or her own name, or indirectly in the name of any other person, association, trust or corporation, in the Series 2010 Purchase Contract.

I. *Records.* Finally, please be advised that this Series 2010 Bond Order and Notification of Sale shall be entered into the records of the Village and made available to the Corporate Authorities at the next regularly scheduled meeting thereof for information purposes only.

Respectfully submitted this 17th day of February, 2010.

  
\_\_\_\_\_  
Mayor

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

  
\_\_\_\_\_  
Treasurer

**FILED**

FEB 22 2010

  
DuPage County Clerk

## EXHIBIT A

### SERIES 2010 BOND TERMS

#### TERMS:

The Series 2010 Bonds shall be issued in the aggregate principal amount of \$5,805,000 and be designated "General Obligation Refunding Bonds, Series 2010". The Dated Date for the Series 2010 Bonds shall be the date of delivery, March 4, 2010. The Series 2010 Bonds shall be numbered as determined by the Bond Registrar, and shall be in denominations of \$5,000 or integral multiples thereof and shall mature on January 1 of the years and in the amounts and bear interest at the rates percent per annum as follows:

YEAR	AMOUNT (\$)	RATE (%)
2011	230,000	2.00
***	***	***
2014	255,000	2.50
2015	175,000	2.50
2016	160,000	3.00
2017	215,000	3.00
2018	200,000	3.50
2019	335,000	4.00
2020	1,545,000	4.00
2021	2,690,000	5.00

No Series 2010 Bond bears interest at a rate percent per annum in excess of five and one-half percent (5.50%), and no Series 2010 Bond matures later than January 1, 2022.

The first interest payment date on the Series 2010 Bonds shall be July 1, 2010.

#### REDEMPTION

*Mandatory Redemption.* No Series 2010 Bonds are Term Bonds.

*Optional Redemption.* The Series 2010 Bonds are not subject to redemption prior to maturity at the option of the Village.

**SERIES 2010 FULL FAITH AND CREDIT TAXES**

The Series 2010 Bonds are the only Bonds sold by the Village pursuant to the Ordinance. Please be further advised that the Series 2010 Bonds were sold on terms resulting in a final schedule of Series 2010 Full Faith and Credit Taxes levied and to be extended as set forth below. There are hereby levied Series 2010 Full Faith and Credit Taxes as provided in Section 11 of the Bond Ordinance for the years and in the amounts as follows:

FOR THE YEAR	A TAX SUFFICIENT TO PRODUCE THE DOLLAR SUM OF:	
2009	430,722.50	for principal and interest up to and including January 1, 2011
2010	238,700.00	for interest
2011	238,700.00	for interest
2012	493,700.00	for principal and interest
2013	407,325.00	for principal and interest
2014	387,950.00	for principal and interest
2015	438,150.00	for principal and interest
2016	416,700.00	for principal and interest
2017	544,700.00	for principal and interest
2018	1,741,300.00	for principal and interest
2019	2,824,500.00	for principal and interest

EXHIBIT A REVIEWED AND APPROVED BY

*Judy Betting*  
Treasurer/Finance Director

**FILED**

FEB 22 2010

*Ray A. Kelly*  
DuPage County Clerk

**EXHIBIT B**

**REFUNDED BONDS AND CALL DATES**

GENERAL OBLIGATION BONDS, SERIES 2000

Original Principal Amount: \$6,200,000  
Dated: May 1, 2000  
Originally Issued: May 24, 2000  
Bond Registrar and Paying Agent: Village Treasurer  
Originally Due Serially: January 1, 2003, to 2020, inclusive  
Amount Refunded: \$225,000  
Call Date: 04/05/10  
Redemption Price: 100%  
Refunded Bonds due January 1 as follows:

YEAR	AMOUNT (\$)	RATE (%)
2011	225,000	6.000

2000 Bonds Remaining Unrefunded and Outstanding as follows:

YEAR	AMOUNT (\$)	RATE (%)
NONE.		

GENERAL OBLIGATION BONDS, SERIES 2001

Original Principal Amount: \$6,000,000  
Dated: August 1, 2001  
Originally Issued: August 9, 2001  
Bond Registrar and Paying Agent: Village Treasurer  
Originally Due Serially: January 1, 2007, to 2021, inclusive  
Amount Refunded: \$5,775,000  
Call Date: 01/01/11  
Redemption Price: 100%  
Refunded Bonds due January 1 as follows:

YEAR	AMOUNT (\$)	RATE (%)
2012	135,000	4.750
2013	185,000	5.000
2014	255,000	5.000
2015	150,000	5.000
2016	135,000	5.000
2017	195,000	5.000
2018	180,000	5.000
2019	320,000	5.000
2020	1,530,000	5.125
2021	2,690,000	5.000

2001 Bonds Remaining Unrefunded and Outstanding as follows:

YEAR	AMOUNT (\$)	RATE (%)
2011	65,000	4.750

EXHIBIT B REVIEWED AND APPROVED BY

*Judy Blittny*  
 \_\_\_\_\_  
 Treasurer/Finance Director

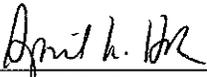
**FILED**

FEB 22 2010

*Ray A. Kelly*  
 DuPage County Clerk

**ACKNOWLEDGMENT OF FILING**

Filed in the office of the Village Clerk of the Village of Downers Grove, DuPage County,  
Illinois this 17th day of February, 2010.

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

**FILED**

FEB 22 2010

  
DuPage County Clerk

**FILED**

STATE OF ILLINOIS     )  
                                  ) SS  
COUNTY OF DUPAGE    )

FEB 22 2010

*Ray A. Kelly*  
DuPage County Clerk

**AVAILABILITY OF 2010 BOND ORDER**

I, the undersigned, do hereby certify that I am the duly qualified and acting Village Clerk of the Village of Downers Grove, DuPage County, Illinois (the "City"), and as such official I am the keeper of the official journal of proceedings, books, records, minutes and files of the Village and of the Council (the "Corporate Authorities").

I do further certify that I will make available to all members of the Corporate Authorities at the public meeting of the Corporate Authorities held on the 16th day of February, 2010, a Bond Order, as such term is defined in that certain ordinance entitled:

AN ORDINANCE providing for the issuance of General Obligation Refunding Bonds, Series 2010, of the Village of Downers Grove, DuPage County, Illinois, authorizing the execution of a bond order and an escrow agreement in connection therewith, providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds and furthering securing said bonds with a pledge of certain incremental taxes.

which Series 2010 Bond Order is responsive to such Ordinance; a true, correct and complete copy of which said Series 2010 Bond Order as provided at said meeting being attached hereto.

IN WITNESS WHEREOF I hereunto affix my official signature and the official corporate seal of the Village this 17th day of February, 2010.

*Ray A. Kelly*  
\_\_\_\_\_  
Village Clerk

[SEAL]

**FILED**

ORDINANCE NO. 5123

FEB 22 2010

EXTRACT OF MINUTES of the regular public meeting of the Council of the Village of Downers Grove, DuPage County, Illinois, held at Village Hall, 801 Burlington Avenue, in said Village, at 7:00 p.m., on the 16th day of February, 2010.

*Ray A. Kelly*  
DuPage County Clerk

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

Upon the roll being called, the Mayor and the following Commissioners answered physically present at said location: Commissioners Schnell, Waldack, Durkin, Neustadt, Beckman, Barnett, and Mayor Sandack

The following Commissioners were allowed by a majority of the Commissioners in accordance with and to the extent allowed by rules adopted by the Council to attend the meeting by video or audio conference: NONE

No Commissioner was refused permission to attend the meeting by video or audio conference.

The following Commissioners were absent and did not participate in the meeting in any manner or to any extent whatsoever: NONE

The Council then discussed a proposed refunding for the Village and considered an ordinance providing for the issuance of General Obligation Refunding Bonds, Series 2010, of the Village of Downers Grove, DuPage County, Illinois, authorizing the execution of an escrow agreement and a bond order, providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds and further securing said bonds with a pledge of certain incremental property tax revenues.

Thereupon, Commissioner Barnett presented and the Village Attorney explained in full the following ordinance, which was before the Council and made available to any person requesting one in words and figures as follows:

AN ORDINANCE providing for the issuance of General Obligation Refunding Bonds, Series 2010, of the Village of Downers Grove, DuPage County, Illinois, authorizing the execution of a bond order and an escrow agreement in connection therewith, providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds and furthering securing said bonds with a pledge of certain incremental taxes.

(the "*Bond Ordinance*").

Commissioner Barnett moved and Commissioner Beckman seconded the motion that the Bond Ordinance as presented be adopted.

After discussion thereof, including a public recital of the nature of the matter being considered and such other information as would inform the public of the business being conducted, the Mayor directed that the roll be called for a vote upon the motion to adopt the Bond Ordinance.

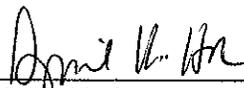
Upon the roll being called, the following Commissioners voted AYE: Schnell, Waldack, Durkin, Neustadt, Beckman, Barnett, and Mayor Sandack

and the following Commissioners voted NAY: NONE

WHEREUPON, the Mayor declared the motion carried and the ordinance adopted, and henceforth did approve and sign the same in open meeting, and directed the Village Clerk to record the same in full in the records of the Council of the Village of Downers Grove, DuPage County, Illinois.

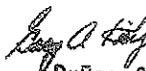
Other business was duly transacted at said meeting.

Upon motion duly made and carried, the meeting adjourned.

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

**FILED**

FEB 22 2010

  
DuPage County Clerk

## TABLE OF CONTENTS

SECTION	HEADING	PAGE
PREAMBLES .....		1
SECTION 1.	DEFINITIONS .....	3
SECTION 2.	INCORPORATION OF PREAMBLES .....	8
SECTION 3.	DETERMINATION TO ISSUE BONDS .....	8
SECTION 4.	BOND DETAILS.....	8
SECTION 5.	EXECUTION; AUTHENTICATION.....	10
SECTION 6.	MANDATORY AND OPTIONAL REDEMPTION.....	11
SECTION 7.	BOOK-ENTRY FORM.....	16
SECTION 8.	REGISTRATION; TRANSFER; EXCHANGE; OWNERS.....	18
SECTION 9.	SECURITY.....	20
SECTION 10.	FORM OF BONDS .....	20
SECTION 11.	TAX LEVY; ABATEMENT.....	27
SECTION 12.	FILING WITH COUNTY CLERK .....	29
SECTION 13.	SALE OF BONDS .....	29
SECTION 14.	CREATION OF FUNDS AND APPROPRIATIONS.....	31
SECTION 18.	REIMBURSEMENT .....	36
SECTION 16.	NOT PRIVATE ACTIVITY BONDS.....	36

SECTION 17. REGISTERED FORM.....37

SECTION 18. FURTHER TAX COVENANTS; REBATE; BANK QUALIFICATION. ....37

SECTION 19. OPINION OF COUNSEL EXCEPTION .....39

SECTION 20. RIGHTS AND DUTIES OF BOND REGISTRAR .....39

SECTION 22. BOND INSURANCE.....40

SECTION 23. CONTINUING DISCLOSURE UNDERTAKING .....41

SECTION 24. DEFEASANCE .....41

SECTION 25. TAXES PREVIOUSLY LEVIED .....42

SECTION 26. PUBLICATION OF ORDINANCE .....42

SECTION 27. SUPERSEDER AND EFFECTIVE DATE .....43

This Table of Contents is for convenience only and is not a part of the ordinance.

**ORDINANCE NUMBER 5123**

AN ORDINANCE providing for the issuance of General Obligation Refunding Bonds, Series 2010, of the Village of Downers Grove, DuPage County, Illinois, authorizing the execution of a bond order and an escrow agreement in connection therewith, providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds and furthering securing said bonds with a pledge of certain incremental taxes.

WHEREAS, the Village of Downers Grove, DuPage County, Illinois (the "*Village*"), has a population in excess of 25,000 as determined by the last official census, and pursuant to the provisions of Section 6 of Article VII of the Constitution of the State of Illinois, the Village is a home rule unit and may exercise any power or perform any function pertaining to its government and affairs including, but not limited to, the power to tax and to incur debt; and

WHEREAS, the Village has heretofore determined that it is necessary and advisable for the public health, safety, welfare, and convenience of residents of the Village that the Village undertake a redevelopment project and has heretofore convened a joint review board, held a public hearing, approved a redevelopment plan (the "*Plan*") and project (the "*Project*") and designated a redevelopment project area (the "*Project Area*") for that portion of the Village known as the Village of Downers Grove Downtown Redevelopment Project Area, has further adopted tax increment allocation financing and established a special tax allocation fund (the "*Fund*") for the Project Area, all as authorized by the Tax Increment Allocation Redevelopment Act, as amended (the "*TIF Act*"); and

WHEREAS, pursuant to its home rule powers under the Act The Village is authorized to issue general obligation bonds and, pursuant to the TIF Act, as supplemented by the Local Government Debt Reform Act, as amended, the Village is authorized further to secure said bonds by pledging the monies on deposit in and to the credit of the Fund to the payment of said bonds; and

WHEREAS, the Village has heretofore issued and there are now outstanding certain general obligation bonds which were issued to pay redevelopment project costs or to pay the costs of refunding general obligation bonds that had been issued to pay redevelopment project costs which had been approved in the Plan for the Project Area ; and

WHEREAS, certain of said bonds remain outstanding and unpaid and are further secured, ratably and equally, by a pledge of the hereinafter defined "Incremental Taxes" on deposit in and to the credit of the Fund (being, collectively, the "*Prior TIF Bonds*"); and

WHEREAS, pursuant to the ordinances adopted by the Council of the Village (the "*Council*") authorizing the issuance of the Prior TIF Bonds the Village expressly reserved unto itself the right to issue without limit additional bonds, secured ratably and equally by the Incremental Taxes with the Prior TIF Bonds; and

WHEREAS, the Council has heretofore and it hereby is determined that it is advisable and necessary and in the best interests of the Village that a portion (said portion being the "*Refunded Bonds*") of the Prior TIF Bonds be refunded in order to achieve a debt service savings and to restructure the indebtedness evidenced by the Prior TIF Bonds; and

WHEREAS the specific Refunded Bonds will be determined in an escrow agreement as hereinafter authorized to be executed by and on behalf of the Village, but are presently expected to be those General Obligation Bonds Series 2000, maturing on January 1, 2011, and those General Obligation Bonds, Series 2001, maturing on January 1 of the years 2012 through 2021, inclusive; and

WHEREAS, the Council has heretofore and it hereby expressly is determined that it is advisable and necessary that the Refunded Bonds be refunded (the "*Refunding*"); and

WHEREAS, the estimated cost to the Village of the Refunding is the sum of not more than \$7,000,000, plus any estimated available amount of interest earnings on said sum prior to its expenditure; and

WHEREAS, there are insufficient funds on hand and available to pay the costs of the Refunding, and it is necessary for that purpose that a sum to pay such costs be borrowed at this time, and in evidence of such indebtedness, general obligation bonds of the Village be issued in the principal amount of not to exceed \$7,000,000, and that such indebtedness be incurred in accordance with the Act as hereinafter defined, and without submitting the question of incurring such indebtedness to the electors of the Village for their approval; and

WHEREAS, the Council has heretofore and it hereby expressly is determined that it is desirable and necessary to issue one series of general obligation bonds to pay the costs of the Refunding, and that said bonds shall be ratably and equally secured with the Prior TIF Bonds by a pledge of the Incremental Taxes:

NOW, THEREFORE, Be It Ordained by the Council of the Village of Downers Grove, DuPage County, Illinois, in the exercise of its home rule powers, as follows:

*Section 1. Definitions.* A. The following words and terms are as defined in the preambles hereto.

Council

Fund

Plan

Prior TIF Bonds

Project

Project Area

Refunded Bonds

Refunding

TIF Act

Village

B. The following words and terms are defined as set forth.

*“Act”* means the Illinois Municipal Code, as supplemented and amended, and particularly as supplemented and amended by the TIF Act, the Local Government Debt Reform Act, as supplemented and amended, and the other Omnibus Bond Acts, as supplemented and amended, and as further supplemented, and where necessary, superseded, by Section 6 of Article VII of the 1970 Constitution of the State of Illinois.

*“Additional TIF Bonds”* means any obligations hereafter issued by the Village which are ratably and equally secured by the Incremental Taxes with the Bonds and the Prior TIF Bonds.

*“Authorized Denominations”* means \$5,000 or any integral multiple thereof.

*“Bond”* or *“Bonds”* means one or more, as applicable, of the General Obligation Refunding Bonds, Series 2010, authorized to be issued by this Ordinance.

*“Bond Counsel”* means Chapman and Cutler LLP, Chicago, Illinois.

*“Bond Fund”* means the 2010 Full Faith and Credit Taxes Bond Fund created in Section 11 of this Ordinance.

*“Bond Order”* means the written bond order and notification of sale to be executed by the Designated Officers and setting forth final details of the Bonds as hereinafter provided.

*“Bond Register”* means the books of the Village kept by the Bond Registrar to evidence the registration and transfer of the Bonds.

*“Bond Registrar”* means the Village Treasurer, acting in his or her capacity of bond registrar, or such fiduciary institution as may be named in the Bond Order, or a successor thereto or a successor designated as bond registrar hereunder.

*"Book Entry Form"* means the form of Bonds in which they are delivered to a depository and held solely by a depository, or its nominee, as record owner, transfers of beneficial ownership for such Bonds being made by book entries in accordance with the procedures of such depository.

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

*"Corporate Authorities"* means the Council.

*"County Clerk"* means the County Clerk of The County of DuPage, Illinois.

*"DTC"* means The Depository Trust Company, New York, New York, or successor depository duly qualified to do business as a securities depository, and assigns.

*"Designated Officers"* means the Mayor acting with any one of the Village Clerk, the Village Manager or the Village Treasurer, or successors or assigns.

*"Escrow Agent"* means that bank or trust institution, having fiduciary powers, so designated in the Bond Order, and successors or assigns.

*"Escrow Agreement"* means that certain escrow agreement by and between the Village and the Escrow Agent, as hereinafter provided.

*"2010 Full Faith and Credit Taxes"* means the unlimited ad valorem taxes levied by and under this Ordinance on all of the taxable property in the Village, sufficient to pay all principal of and interest on the Bonds when due.

*"Incremental Taxes"* means the ad valorem taxes, if any, arising from the tax levies upon taxable real property in the Project Area by any and all taxing districts or municipal corporations having the power to tax real property in the Project 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 Project Area over and above the Initial Equalized Assessed Value of each

such piece of property, all as determined by the County Clerk in accord with Section 11-74.4-9 of the TIF Act.

*"Initial Equalized Assessed Value"* means the total initial equalized assessed value of the taxable real property in the Project Area as determined by the County Clerk in accordance with Section 11-74.4-9 of the TIF Act.

*"Insurer"* means the entity, if any, described in the Bond Order as the issuer of a financial guaranty or municipal bond insurance policy for the Bonds.

*"Interest Payment Date"* means a Stated Maturity of interest on the Bonds.

*"Outstanding"* or *"outstanding"* refers to Bonds which are outstanding and unpaid; *provided, however*, such term shall not include Bonds (i) which have matured and for which moneys are on deposit with proper paying agents, or are otherwise properly available, sufficient to pay all principal thereof and interest thereon, or (ii) the provision for payment of which has been made by the Village by the deposit in an irrevocable trust or escrow of funds or direct, full faith and credit obligations of the United States of America, the principal of and interest on which will be sufficient to pay at maturity or as called for redemption all the principal of and interest on such Bonds .

*"Ordinance"* means this Ordinance, numbered as set forth on the title page hereof, passed by the Corporate Authorities on the 16th day of February, 2010.

*"Paying Agent"* means the Village Treasurer, acting in his or her capacity as paying agent, or such other entity, having trust capacity and fiduciary powers, as may be named in the Bond Order, or a successor thereto or a successor designated as paying agent hereunder.

*"Purchaser"* means the initial purchaser of the Bonds from the Village.

*"Purchase Price"* means the price paid to the Village by the Purchaser for the Bonds, which shall be not less than ninety-eight percent (98%) of par (exclusive of original issue discount, if any, or original issue premium, if any).

*"Qualified Investments"* means any investments for Village funds as may be from time to time authorized under Illinois law.

*"Record Date"* means the fifteenth day of the month next preceding any regular Interest Payment Date or fifteen days prior to any Interest Payment Date occasioned by a redemption of Bonds on other than a regularly scheduled Interest Payment Date.

*"Representation Letter"* means any letter or agreement to be executed among the Bond Registrar, the Village and DTC and necessary to effectuate a book entry system for the Bonds.

*"Stated Maturity"* when used with respect to any Bond or Refunded Bond or any interest thereon means the date specified in such Bond or Refunded Bond as the fixed date on which the principal of such Bond or Refunded Bond is due and payable, whether by maturity, mandatory redemption or otherwise.

*"Tax-exempt"* means, with respect to the Bonds, the status of interest paid and received thereon as excludable from gross income of the owners thereof for federal income tax purposes except as such interest may be taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

*"Term Bonds"* means Bonds which are subject to mandatory redemption prior to maturity by operation of the Bond Fund, as hereinafter provided.

*"Village Treasurer"* means the Treasurer/Finance Director of the Village.

C. For all purposes of this Ordinance, except as otherwise expressly provided herein or unless the context otherwise requires:

1. The terms defined in this Section or elsewhere in this Ordinance have the meanings assigned to them and include the plural as well as the singular (or vice-versa).

2. All accounting terms not otherwise defined herein have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with generally accepted accounting principles for municipal enterprise funds.

3. All references in this Ordinance to designated "Sections" and other subdivisions are to the designated Sections and other subdivisions of this Ordinance as originally adopted.

4. The words "herein," "hereof" and "hereunder" and other words of similar import refer to this Ordinance as a whole and not to any particular Section or other subdivision.

*Section 2. Incorporation of Preambles.* The Corporate Authorities hereby find that all of the recitals contained in the preambles to this Ordinance are true, correct and complete and do incorporate them into this Ordinance by this reference.

*Section 3. Determination To Issue Bonds.* It is necessary and in the best interests of the Village to provide for the Refunding, to pay all related costs and expenses incidental thereto, and to borrow money and issue the Bonds for such purpose. It is hereby found and determined that such borrowing of money pertains to the government and affairs of the Village, is necessary for the welfare of the government and affairs of the Village, is for a proper public purpose or purposes and is in the public interest, and is authorized pursuant to the Act; and these findings and determinations shall be deemed conclusive.

*Section 4. Bond Details.* For the purpose of providing for the payment of the costs of the Refunding, and to pay all related costs and expenses incidental thereto, there shall be issued and sold the Bonds in the aggregate principal amount of not to exceed \$7,000,000. The Bonds shall each be designated "General Obligation Refunding Bond, Series 2010" (or such other name or series designation as the Designated Officers shall determine to be appropriate and as shall be provided in the Bond Order), and shall be dated not earlier than February 1, 2010, or later than September 1, 2010, as shall be provided in the Bond Order (any such date being the "Dated Date"), and shall be in Authorized Denominations (but no single Bond shall represent principal maturing on more than one date), shall be numbered consecutively in such fashion as shall be

determined by the Bond Registrar, and shall bear interest at the rates percent per annum and (subject to provisions for Term Bonds and subject to right of redemption as hereinafter provided) shall become due and payable serially on January 1 of the years and in the amounts as shall be set forth in the Bond Order, *provided, however*, that no Bond shall mature on a date which is later than January 1, 2022, or bear interest at a rate percent per annum which is in excess of five and one-half percent (5.50%).

The principal of and redemption premium, if any, due on the Bonds shall be payable in lawful money of the United States of America upon presentation thereof at the principal office maintained for the purpose by the Paying Agent in Downers Grove, Illinois, or at the successor Paying Agent and locality.

Each Bond shall bear interest from the later of its Dated Date as herein provided or from the most recent Interest Payment Date to which interest has been paid or duly provided for, until the principal amount of such Bond is paid or duly provided for, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable semiannually on January 1 and July 1 of each year, commencing on July 1, 2010, or on such other January 1 or July 1 as shall be set forth in the Bond Order. All Bonds shall bear the date of authentication thereof, shall be in fully registered form and shall be in Book Entry Form. Interest on the Bonds shall be paid by check or draft of the Paying Agent, payable upon presentation thereof in lawful money of the United States of America, to the person in whose name such Bond is registered at the close of business on the applicable Record Date, or as otherwise agreed to by the Village and CEDE & CO., as nominee, or successor, for as long as the Bonds are held in Book Entry Form as provided for same.

Principal of and redemption price of the Bonds shall be paid upon surrender in lawful money of the United States of America, at the principal office maintained for the purpose by the Paying Agent in Downers Grove, Illinois, or at successor paying agent and locality.

It is hereby expressly determined that no Bond shall mature on a date which is later than twenty (20) years from its Dated Date or January 1, 2022, being the payment date immediately following December 31st of the calendar year immediately succeeding the twenty-third calendar year after the designation of the Project Area. It is further hereby expressly determined that each Bond shall be further secured, ratably and equally with the Prior TIF Bonds, by the Incremental Taxes.

*Section 5. Execution; Authentication.* The Bonds shall be executed on behalf of the Village by the manual or duly authorized facsimile signature of its Mayor and attested by the manual or duly authorized facsimile signature of its Village Clerk, as they may determine, and shall have impressed or imprinted thereon the corporate seal or facsimile thereof of the Village. In case any such officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. All Bonds shall have thereon a certificate of authentication, substantially in the form hereinafter set forth, duly executed by the Bond Registrar as authenticating agent of the Village and showing the date of authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until such certificate of authentication shall have been duly executed by the Bond Registrar by manual signature, and such certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Ordinance. The certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer of the Bond

Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

*Section 6. Mandatory and Optional Redemption. A. Mandatory Redemption.* The Bonds maturing on the date or dates, if any, indicated in the Bond Order shall be subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by the Bond Registrar, at a redemption price of par plus accrued interest to the redemption date for the Bonds on January 1 of the years, if any, and in the principal amounts, if any, as indicated in the Bond Order.

The principal amounts of Bonds to be mandatorily redeemed in each year may be reduced through the earlier optional redemption thereof, with any partial optional redemptions of such Bonds credited against future mandatory redemption requirements in such order of the mandatory redemption dates as the Village may determine. In addition, on or prior to the 60th day preceding any mandatory redemption date, the Bond Registrar may, and if directed by the Village shall, purchase Bonds required to be retired on such mandatory redemption date. Any such Bonds so purchased shall be cancelled and the principal amount thereof shall be credited against the mandatory redemption required on such next mandatory redemption date.

The Village shall provide the Bond Registrar with written notice of such reduction, which notice shall be given within 30 days after such redemption or purchase, and the Bond Registrar shall promptly give written notice of the same to the Bondholders, in the manner hereinafter provided.

*B. Optional Redemption.* If so provided in the Bond Order, the Bonds may also subject to redemption prior to maturity at the option of the Village, from any available moneys, on the dates as provided in the Bond Order, in whole or in part, and if in part, in such principal amounts and from such maturities as shall be determined by the Village and within any maturity by lot, at the redemption prices as shall be set forth in the Bond Order, *provided however* that no Bond

shall have a redemption price which is in excess of 102% of the principal amount redeemed, plus accrued interest to the date fixed for redemption.

C. *Redemption Procedure.* The Bonds subject to redemption shall be identified, notice given, and paid and redeemed pursuant to the procedures as follows.

1. *Redemption Notice.* For a mandatory redemption of Term Bonds, the Bond Registrar shall proceed to redeem the Term Bonds without any further order or direction from the Village whatsoever. For an optional redemption, the Village shall, at least 45 days prior to any optional redemption date (unless a shorter time period shall be satisfactory to the Bond Registrar), notify the Bond Registrar of such redemption date and of the principal amount and maturities of Bonds to be redeemed.

2. *Selection of Bonds within a Maturity.* For purposes of any redemption of less than all of the Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the Bond Registrar for the Bonds of such maturity by such method of lottery as the Bond Registrar shall deem fair and appropriate; *provided*, that such lottery shall provide for the selection for redemption of Bonds or portions thereof so that any \$5,000 Bond or \$5,000 portion of a Bond shall be as likely to be called for redemption as any other such \$5,000 Bond or \$5,000 portion. The Bond Registrar shall make such selection (1) upon or prior to the time of the giving of official notice of redemption, or (2) in the event of a refunding or defeasance, upon advice from the Village that certain Bonds have been refunded or defeased and are no longer Outstanding as defined.

3. *Official Notice of Redemption.* The Bond Registrar shall promptly notify the Village in writing of the Bonds or portions of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be

redeemed. Unless waived by the registered owner of Bonds to be redeemed, official notice of any such redemption shall be given by the Bond Registrar on behalf of the Village by mailing the redemption notice by first class U.S. mail not less than 30 days and not more than 60 days prior to the date fixed for redemption to each registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar. All official notices of redemption shall include the name of the Bonds and at least the information as follows:

- (a) the redemption date;
- (b) the redemption price;
- (c) if less than all of the outstanding Bonds of a particular maturity are to be redeemed, the identification (and, in the case of partial redemption of Bonds within such maturity, the respective principal amounts) of the Bonds to be redeemed;
- (d) a statement that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after said date; and
- (e) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the office maintained for the purpose of the Bond Registrar.

4. *Conditional Redemption.* Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed shall have been received by the Bond Registrar prior to the giving of such notice of redemption, such notice may, at the option of the Village,

state that said redemption shall be conditional upon the receipt of such moneys by the Bond Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice shall be of no force and effect, the Village shall not redeem such Bonds, and the Bond Registrar shall give notice, in the same manner in which the notice of redemption was given, that such moneys were not so received and that such Bonds will not be redeemed.

5. *Bonds Shall Become Due.* Official notice of redemption having been given as described, the Bonds or portions of Bonds so to be redeemed shall, subject to the stated condition in paragraph (D) immediately preceding, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Village shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Bond Registrar at the redemption price. The procedure for the payment of interest due as part of the redemption price shall be as herein provided for payment of interest otherwise due.

6. *Insufficiency in Notice Not Affecting Other Bonds; Failure to Receive Notice; Waiver.* Neither the failure to mail such redemption notice, nor any defect in any notice so mailed, to any particular registered owner of a Bond, shall affect the sufficiency of such notice with respect to other registered owners. Notice having been properly given, failure of a registered owner of a Bond to receive such notice shall not be deemed to invalidate, limit or delay the effect of the notice or redemption action described in the notice. Such notice may be waived in writing by a registered owner of a Bond entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by registered owners shall be filed with the

Bond Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver. *In lieu of the foregoing official notice, so long as the Bonds are held in book entry form, notice may be given as provided in the Representation Letter, and the giving of such notice shall constitute a waiver by DTC and the book entry owner, as registered owner, of the foregoing notice. After giving proper notification of redemption to the Bond Registrar, as applicable, the Village shall not be liable for any failure to give or defect in notice.*

7. *New Bond in Amount Not Redeemed.* Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of like tenor, of Authorized Denominations, of the same maturity, and bearing the same rate of interest in the amount of the unpaid principal.

8. *Effect of Nonpayment upon Redemption.* If any Bond or portion of Bond called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall become due and payable on demand, as aforesaid, but, until paid or duly provided for, shall continue to bear interest from the redemption date at the rate borne by the Bond or portion of Bond so called for redemption.

9. *Bonds to Be Cancelled; Payment to Identify Bonds.* All Bonds which have been redeemed shall be cancelled and destroyed by the Bond Registrar and shall not be reissued. Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

10. *Additional Notice.* The Village agrees to provide such additional notice of redemption as it may deem advisable at such time as it determines to redeem Bonds,

taking into account any requirements or guidance of the Securities and Exchange Commission, the Municipal Securities Rulemaking Board, the Government Accounting Standards Board, or any other federal or state agency having jurisdiction or authority in such matters; *provided, however*, that such additional notice shall be (1) advisory in nature, (2) solely in the discretion of the Village (unless a separate agreement shall be made), (3) not be a condition precedent of a valid redemption or a part of the Bond contract, and (4) any failure or defect in such notice shall not delay or invalidate the redemption of Bonds for which proper official notice shall have been given. Reference is also made to the provisions of the Continuing Disclosure Undertaking of the Village with respect to the Bonds, which may contain other provisions relating to notice of redemption of Bonds.

11. *Bond Registrar to Advise Village.* As part of its duties hereunder, the Bond Registrar shall prepare and forward to the Village a statement as to notices given with respect to each redemption together with copies of the notices as mailed.

*Section 7. Book-Entry Form.* The Bonds shall be initially issued in the form of a separate single fully registered Bond for each maturity. Upon initial issuance, the ownership of each such Bond shall be registered in the Bond Register therefor in the name of CEDE & CO., or any successor thereto, as nominee of DTC. All of the outstanding Bonds from time to time shall be registered in the Bond Register in the name of CEDE & CO., as nominee of DTC. Any Designated Officer is authorized to execute and deliver on behalf of the Village a Representation Letter. Without limiting the generality of the authority given to the Designated Officers with respect to entering into such Representation Letter, it may contain provisions relating to (a) payment procedures, (b) transfers of the Bonds or of beneficial interest therein, (c) redemption notices or procedures unique to DTC, (d) additional notices or communications,

and (e) amendment from time to time to conform with changing customs and practices with respect to securities industry transfer and payment practices.

With respect to Bonds registered in the Bond Register in the name of CEDE & CO., as nominee of DTC, the Village and the Bond Registrar shall have no responsibility or obligation to any broker-dealer, bank or other financial institutions for which DTC holds Bonds from time to time as securities DTC (each such broker-dealer, bank or other financial institution being referred to herein as a "*DTC Participant*") or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the meaning of the immediately preceding sentence, the Village and the Bond Registrar shall have no responsibility or obligation with respect to (a) the accuracy of the records of DTC, CEDE & CO., or any DTC Participant with respect to any ownership interest in the Bonds, (b) the delivery to any DTC Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, or any notice with respect to the Bonds, including any notice of redemption, or (c) the payment to any DTC Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any amount with respect to principal of or interest on the Bonds.

No person other than a registered owner of a Bond as shown in the Bond Register shall receive a Bond certificate with respect to any Bond. Upon delivery by DTC to the Bond Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of CEDE & CO., and subject to the provisions hereof with respect to the payment of interest to the registered owners of Bonds at the close of business on the Record Date for and Interest Payment Date, the name "CEDE & CO." in this Ordinance shall refer to such new nominee of DTC.

In the event that (a) the Village determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (b) the agreement among the

Village, the Bond Registrar and DTC evidenced by the Representation Letter shall be terminated for any reason, or (c) the Village determined that it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Village shall notify DTC and DTC Participants of the availability of Bond certificates, and the Bonds shall no longer be restricted to being registered in the Bond Register in the name of CEDE & CO., as nominee of DTC. The Village may determine that the Bonds shall be registered in the name of and deposited with a successor depository operating a book-entry system, as may be acceptable to the Village, or such depository's agent or designee, and if the Village does not select such alternate book-entry system, then the Bonds may be registered in whatever name or names registered owners of Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions hereof. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bond is registered in the name of CEDE & CO., as nominee of DTC, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Representation Letter.

In the event that the Bonds ever become generally registrable, as aforesaid, any Designated Officer may, in his or her discretion at such time, designate a bank with trust powers or trust company, duly authorized to do business as a bond registrar, paying agent, or both, to act in one or both such capacities hereunder, in the event that the Designated Officers shall determine it to be advisable. Notice shall be given to the registered owners of any such designation in the same manner, as near as may be practicable, as for a notice of redemption of Bonds, and as if the date of such successor taking up its duties were the redemption date.

*Section 8. Registration; Transfer; Exchange; Owners.* The Village shall cause the Bond Register to be kept at the principal office maintained for the purpose by the Bond Registrar in Downers Grove, Illinois, which is hereby constituted and appointed the registrar of the Village

for the Bonds. The Village is authorized to prepare, and the Bond Registrar or such other agent as the Village may designate shall keep custody of, multiple Bond blanks executed by the Village for use in the transfer and exchange of Bonds.

Any Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in this Ordinance. Upon surrender for transfer or exchange of any Bond at the principal office maintained for the purpose by the Bond Registrar, duly endorsed by or accompanied by a written instrument or instruments of transfer or exchange in form satisfactory to the Bond Registrar and duly executed by the registered owner or an attorney for such owner duly authorized in writing, the Village shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees or, in the case of an exchange, the registered owner, a new fully registered Bond or Bonds of like tenor, of the same maturity, bearing the same interest rate, of Authorized Denominations, for a like aggregate principal amount.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period from the close of business on the Record Date for an Interest Payment Date to the opening of business on such Interest Payment Date.

The execution by the Village of any fully registered Bond shall constitute full and due authorization of such Bond, and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond; *provided, however*, the principal amount of Bonds of each maturity authenticated by the Bond Registrar shall not at any one time exceed the authorized principal amount of Bonds for such maturity less the amount of such Bonds which have been paid.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on any Bond shall be made only to or upon the order of the registered owner thereof or his legal

representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

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

*Section 9. Security.* The Village hereby pledges the full faith and credit of the Village to the Bonds. The Village further pledges the Incremental Taxes, ratably and equally with the Prior TIF Bonds, to secure the Bonds. The Bonds are secured by the Village's levy of the 2010 Full Faith and Credit Taxes and are further payable from the collection of the Incremental Taxes and the amounts on deposit in the various funds and accounts of the Special Tax Allocation Fund as hereinafter provided.

*Section 10. Form of Bonds.* The Bonds shall be in substantially the forms 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 the second paragraph of the front side of the Bond and the legend "See Reverse Side for Additional Provisions" shall be omitted and paragraphs on the reverse side of the Bond shall be inserted immediately after the first paragraph on the front side.

[Form of Bond - Front Side]

REGISTERED  
NO. \_\_\_\_\_REGISTERED  
\$ \_\_\_\_\_**UNITED STATES OF AMERICA****STATE OF ILLINOIS****COUNTY OF DUPAGE****VILLAGE OF DOWNERS GROVE****GENERAL OBLIGATION REFUNDING BOND****SERIES 2010**See Reverse Side for  
Additional Provisions

Interest	Maturity	Dated	CUSIP
Rate: _____%	Date: January 1, 20__	Date: _____, 2010	_____

Registered Owner: CEDE &amp; Co.

Principal Amount: DOLLARS

KNOW ALL PERSONS BY THESE PRESENTS that the Village of Downers Grove, DuPage County, Illinois, a home rule unit, 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, 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 January 1 and July 1 of each year, commencing \_\_\_\_\_ 1, 20\_\_ , until the Principal Amount is paid or duly provided for, except as the hereinafter stated

provisions for redemption prior to maturity may and shall become applicable hereto. The principal of and redemption premium, if any, due on this Bond are payable in lawful money of the United States of America upon presentation hereof at the principal office maintained in Downers Grove, Illinois, for the purpose by the Village Treasurer, as paying agent (the "*Paying Agent*"). Payment of interest shall be made to the Registered Owner hereof as shown on the registration books of the Village maintained by the Village Treasurer, as bond registrar (the "*Bond Registrar*"), at the close of business on the applicable Record Date. Interest on the Bonds shall be paid by check or draft of the Paying Agent, payable upon presentation in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Bond Registrar, or as otherwise agreed to by the Village and CEDE & CO., as nominee of DTC, for so long as this Bond is held in book-entry only form as provided for same. As long as the Bonds are held in Book Entry Form as provided in the hereinafter defined Ordinance, payments of principal of and interest on the Bonds may be paid to the registered owner thereof in same-day funds on each payment date as authorized hereunder.

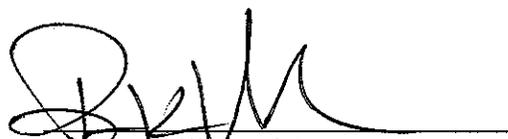
Reference is hereby made to the further provisions of this Bond set forth on the reverse hereof, and such further provisions shall for all purposes have the same effect as if set forth at this place.

It is hereby certified and recited that all conditions, acts and things required by the Constitution and Laws of the State of Illinois to exist or to be done precedent to and in the issuance of this Bond, have existed and have been properly done, happened and been performed in regular and due form and time as required by law; that the indebtedness of the Village, represented by the Bonds, and including all other indebtedness of the Village, howsoever evidenced or incurred, does not exceed any constitutional or statutory or other lawful limitation;

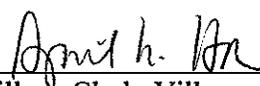
and that provision has been made for the collection of the 2010 Full Faith and Credit Taxes and the segregation and allocation of the Incremental Taxes and further, that the Village will comply with all of the covenants and maintain the funds and accounts as provided by the Ordinance.

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

IN WITNESS WHEREOF the Village of Downers Grove, DuPage County, Illinois, has caused this Bond to be executed by the manual or duly authorized facsimile signature of its Mayor and attested by the manual or duly authorized facsimile signature of its Village Clerk and its corporate seal or a facsimile thereof to be impressed or reproduced hereon, all as appearing hereon and as of the Dated Date identified above.

  
\_\_\_\_\_  
Mayor, Village of Downers Grove  
DuPage County, Illinois

Attest:

  
\_\_\_\_\_  
Village Clerk, Village of Downers Grove  
DuPage County, Illinois

[SEAL]

Date of Authentication: \_\_\_\_\_, \_\_\_\_\_

CERTIFICATE  
OF  
AUTHENTICATION

Bond Registrar and Paying Agent:  
Village Treasurer  
Downers Grove, Illinois

This Bond is one of the Bonds described in the within mentioned Ordinance and is one of the General Obligation Refunding Bonds, Series 2010, having a Dated Date of \_\_\_\_\_, 2010 of the Village of Downers Grove, DuPage County, Illinois.

VILLAGE TREASURER,  
as Bond Registrar

By \_\_\_\_\_

[Form of Bond - Reverse Side]

This bond and each bond of the series of which it forms a part (the "*Bonds*") are issued pursuant to the Illinois Municipal Code, as supplemented and amended, and particularly as supplemented and amended by Division 74.4 of Article 11 of the Illinois Municipal Code, as supplemented and amended, the Local Government Debt Reform Act, as supplemented and amended, and the other Omnibus Bond Acts, as supplemented and amended, and as further supplemented, and where necessary, superseded, by Section 6 of Article VII of the 1970 Constitution of the State of Illinois (together, the "*Act*"). The Bonds are being issued to pay the costs of the Refunding, all as more fully described in proceedings adopted by the Council of the Village (the "*Corporate Authorities*") and in an ordinance authorizing the issuance of the Bonds adopted by the Corporate Authorities on the 16th day of February, 2010 (as supplemented by a Bond Order and Notification of Sale, the "*Bond Ordinance*"), to all the provisions of which the holder by acceptance of this Bond assents.

As provided in the Bond Ordinance, the Bonds are further secured, ratably and equally with the Prior TIF Bonds, by the Incremental Taxes. Additional Bonds may be issued as provided in the Bond Ordinance.

Any Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in the Bond Ordinance. Upon surrender for transfer or exchange of any Bond at the principal office maintained for the purpose by the Bond Registrar in Downers Grove, Illinois, duly endorsed by or accompanied by a written instrument or instruments of transfer or exchange in form satisfactory to the Bond Registrar and duly executed by the Registered Owner or an attorney for such owner duly authorized in writing, the Village shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees or, in the case of an exchange, the Registered Owner, a new fully registered Bond or Bonds of like tenor, of the same maturity, bearing the same interest rate, of Authorized Denominations, for a like aggregate principal amount.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period from the close of business on the Record Date for an Interest Payment Date to the opening of business on such Interest Payment Date.

The Bonds coming due on January 1, 20\_\_, and \_\_\_\_\_, 20\_\_, are Term Bonds and are subject to mandatory redemption prior to maturity by operation of the Bond Fund, at a redemption price of par, without premium, plus accrued interest to the date fixed for redemption, on January 1 of the years and in the amounts as follows:

FOR THE 20\_\_ TERM BONDS

YEAR	AMOUNT(\$)
------	------------

FOR THE 20\_\_ TERM BONDS

YEAR	AMOUNT(\$)
------	------------

The Bonds coming due on and after January 1, 20\_\_, are subject to redemption prior to maturity on \_\_\_\_\_, 20\_\_, and any date thereafter, at a redemption price of par plus accrued interest and upon the additional terms as provided in the Bond Ordinance.

The Village, the Bond Registrar and the Paying Agent may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and the Village, the Bond Registrar and the Paying Agent shall not be affected by any notice to the contrary.

This Bond is a "qualified tax-exempt obligation" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

**INSURANCE LEGEND APPEARS HERE**

**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 11. Tax Levy; Abatement.* A. TAX LEVY. For the purpose of providing funds required to pay the interest on the Bonds promptly when and as the same falls due, and to pay and discharge the principal thereof at maturity, there is hereby levied upon all of the taxable property within the Village, in the years for which any of the Bonds are outstanding, a direct annual tax sufficient for that purpose; and there is hereby levied on all of the taxable property in the Village, in addition to all other taxes, the direct annual taxes (the "2010 Full Faith and Credit Taxes") for the years and in the amounts as shall be set forth in the Bond Order.

The Village covenants and agrees with the Purchaser and registered owners of the Bonds that so long as any of 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 levies. The Village and its officers will comply with all present and future applicable laws in order to assure that the 2010 Full Faith and Credit Taxes may be levied, extended and collected as provided herein and deposited into a fund hereby created and to be known as the "2010 Bond Fund" (the "*Bond Fund*") which fund shall be a trust fund for the benefit of the registered owners of the Bonds and shall be held segregated and apart from other funds of the Village. In the event that the 2010 Full Faith and Credit Taxes, or any of them, are ever extended for collection, such taxes shall be deposited by the Village upon receipt into the Bond Fund and shall be used solely and only to pay the principal of and interest on the Bonds. Monies to the credit of the Bond Fund shall be used first and are pledged for paying the principal of and interest and applicable premium on the Bonds.

Interest or principal coming due at any time when there are insufficient funds on hand from the 2010 Full Faith and Credit Taxes to pay the same shall be paid promptly when due from current funds on hand in advance of the collection of the 2010 Full Faith and Credit Taxes herein levied; and when the 2010 Full Faith and Credit Taxes shall have been collected, reimbursement shall be made to said funds in the amount so advanced.

B. ABATEMENT. Whenever and only when other funds from any lawful source, including, specifically, the Incremental Taxes, are made available for the purpose of paying any principal of or interest on of the Bonds, so as to enable the abatement of the taxes levied herein for the payment of same, the Corporate Authorities shall, by proper proceedings, direct the deposit of such funds into the Bond Fund and further shall direct the abatement of the taxes by the amount so deposited. A certified copy or other notification of any such proceedings abating taxes may then be filed with the County Clerk in a timely manner to effect such abatement. It is here by expressly covenanted and warranted that the use of Incremental Taxes to abate the 2010 Full Faith and Credit Taxes is expressly authorized under the TIF Act.

*Section 12. Filing with County Clerk.* Promptly, as soon as this Ordinance becomes effective, a copy hereof, certified by the Village Clerk of the Village, together with an executed copy of the Bond Order, shall be filed with the County Clerk; and said County Clerk shall in and for each of the years as shall be set forth in the Bond order ascertain the rate percent required to produce the aggregate tax hereinbefore provided to be levied in each of said years and in said County; and said County Clerk shall (to the extent said tax has not been abated as provided herein) extend the same for collection on the tax books in connection with any other taxes that may be levied in said years in and by the Village for general corporate purposes of the Village; and in said years such annual tax shall be levied and collected by and for and on behalf of the Village in like manner as provided by law for the levy and collection of taxes for general corporate purposes for said years, without limit as to either rate or amount, and in addition to and in excess of all other taxes.

*Section 13. Sale of Bonds.* The Designated Officers are hereby authorized to proceed, without any further authorization or direction whatsoever from the Corporate Authorities, to sell and deliver the Bonds, in one or more series, upon the terms as prescribed in this Section, pursuant to one or more Bond Orders. Each series of Bonds shall be sold and delivered to the Purchaser at the Purchase Price, plus accrued interest to the date of delivery. Each such sale shall be made upon the advice (in the form of a written certificate or report) of The Northern Trust Company ("*Northern*"), in its capacity as the independent financial advisor to the Village, that the terms of the Bonds are fair and reasonable in view of current conditions in the bond markets. As an additional limitation on the sale of the Bonds, each such certificate or report (as hereinabove described) must set forth that the Refunding will provide a present value debt service savings to the Village resulting from the issuance of Bonds to refund each maturity, or part of a maturity, of the Refunded Bonds which are chosen to be refunded, which report shall

demonstrate that the Village will realize a minimum net present value savings of three percent (3.00%) of the debt service on the Refunded Bonds being refunded. The Designated Officers may choose all or any lesser portion of the Prior TIF Bonds eligible to be refunded, in such manner as will provide such savings.

Nothing in this Section shall require the Designated Officers to sell any of the Bonds if in their judgment, aided by Northern, the conditions in the bond markets shall have deteriorated from the time of adoption thereof or the sale of all or any portion of the Bonds shall for some other reason not be deemed advisable, but the Designated Officers shall have the authority to sell the Bonds in any event so long as the limitations set forth in this Ordinance and the conditions of this Section shall have been met. As a further exercise of this authority, the Designated Officers may sell the Bonds in more than one series; and, in such event, shall be authorized to change the name of the Bonds for each such series so that such series may properly be identified separately. Further, in such event, the provisions for registration, redemption and exchange of Bonds shall be read as applying to Bonds only of each series, respectively, and not as between series. Upon the sale of the Bonds or any series of the Bonds, the Designated Officers and any other officers of the Village as shall be appropriate, shall be and are hereby authorized and directed to approve or execute, or both, such documents of sale of the Bonds as may be necessary, including, without limitation, a Bond Order, Preliminary Official Statement, Official Statement, a bond purchase contract (which may be in the form of an executed official bid form) (any such agreement being the "*Bond Purchase Agreement*"), a tax agreement and certificate as prepared by Bond Counsel (a "*Tax Certificate*"), and closing documents. The Designated Officers must find and determine in the Bond Order that no person holding any office of the Village either by election or appointment, is in any manner financially interested either directly, in his or her own name, or indirectly in the name of any other person, association, trust or corporation in said Bond

Purchase Agreement with the Purchaser for the purchase of the Bonds. The distribution of the Preliminary Official Statement relating to the Bonds is hereby in all respects authorized and approved, and the proposed use by the Purchaser of an Official Statement (in substantially the form of the Preliminary Official Statement but with appropriate variations to reflect the final terms of the Bonds) is hereby approved. Upon each sale of the Bonds, the Designated Officers shall prepare a Bond Order, which shall include the pertinent details of sale as provided herein, and such shall be entered into the records of the Village and made available to the Corporate Authorities at the next public meeting thereof. The Designated Officers shall also file with the County Clerk the Bond Order or like document including a statement of taxes. The authority granted in this Ordinance to the Designated Officers to sell Bonds as provided herein shall expire on September 30, 2010.

The Designated Officers are hereby authorized to take any action as may be required on the part of the Village to consummate the transactions contemplated by the Bond Purchase Agreement, this Ordinance, said Preliminary Official Statement, said final Official Statement, the Tax Certificate and the Bonds.

*Section 14. Creation of Funds and Appropriations.* A. Accrued interest on the Bonds, together with any required amount of cash on hand and lawfully available as shall be set forth in the Bond Order, shall be and is hereby appropriated for the purpose of paying first interest due on the Bonds, and to such end is hereby ordered to be deposited into the Bond Fund.

B. The sum necessary shall be used to pay costs of issuing the Bonds and to that end shall be deposited into an Expense Fund, hereby created, and shall either be paid directly upon the issuance of the Bonds or shall be disbursed therefrom by the Treasurer from time to time as necessary. Any funds on deposit in the Expense Fund and not so disbursed within six months after issuance of the Bonds shall be transferred to the Bond Fund.

C. If so provided in the Bond Order, premium, if any, received upon the delivery of the Bonds and principal proceeds of the Bonds as is necessary, together with such money in the debt service funds for the Refunded Bonds as may be advisable for the purpose, shall be used to provide for the Refunding, pursuant to the provisions of an Escrow Agreement with the Escrow Agent, in the form as provided by Bond Counsel and approved by the Village Attorney, made a part hereof by this reference, and hereby approved; the officers appearing signatory to such Escrow Agreement are hereby authorized and directed to execute same, their execution to constitute conclusive proof of action in accordance with this Ordinance, and approval of all completions or revisions necessary or appropriate to effect the Refunding with no further official direction from or action by the Corporate Authorities.

*Section 15. Special Tax Allocation Fund and Accounts.* The Special Tax Allocation Fund is hereby expressly continued. All of the Incremental Taxes, any amounts received from the sale of property acquired or constructed and paid for from proceeds of the Prior TIF Bonds, 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 immediately transmitted by the Treasurer for deposit into the Special Tax Allocation 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, equally and ratably with the Prior TIF Bonds, by a pledge of all of the Incremental Taxes on deposit in the Special Tax Allocation 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.

In accordance with the provisions of the TIF Act, the Incremental Taxes are to be paid to the Treasurer by the officers who collect or receive the Incremental Taxes. Whenever the Treasurer receives any of the Incremental Taxes he or she shall promptly transmit the same for

deposit into the Special Tax Allocation Fund. The moneys on deposit in the Special Tax Allocation Fund shall be used 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 following accounts within the Special Tax Allocation Fund:

(a) *The Principal and Interest Account.* The Treasurer shall first credit to and deposit the Incremental Taxes into the Principal and Interest Account and, except as hereinafter provided, such moneys shall be used solely and only for the purpose of paying principal of and interest on the Bonds, the Prior TIF Bonds, or any Additional Bonds, each as the same become due upon maturity, together with any fees in connection therewith (said amounts being, collectively, the "*TIF Bond Current Debt Service Requirement*").

If, upon any Accounting, there are funds in the Principal and Interest Account in excess of the TIF Bond Current Debt Service Requirement, such funds shall immediately be transferred to the General Account as provided below.

(b) *The General Account.* All moneys remaining in the Special Tax Allocation Fund, after crediting the required amounts to the account hereinabove provided for, shall be credited to the General Account. Moneys on deposit in the General Account shall be transferred first, if necessary, to remedy any deficiencies in the Principal and Interest Account and, thereafter, subject to the provisions of any agreement hereafter executed by the Village and relating to the use thereof, shall be used by the Village for one or more of the following purposes, without any priority among them:

- (i) for the purpose of paying any Project Costs; or
- (ii) for the purpose of redeeming any Bond, Prior TIF Bonds or Additional Bonds;

(iii) for the purpose of purchasing any Bonds, Prior TIF 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

(iv) for the purpose of refunding, advance refunding or pre-paying any Bonds, Prior TIF Bonds or Additional Bonds; or

(v) for the purpose of establishing such reserves, specifically including such debt service reserve or redemption accounts, as may be deemed necessary by the Council, it being the express intent of the Council to reserve unto the Village the right to establish such reserve or reserves in order to assure that the 2010 Full Faith and Credit Taxes may be abated in each Tax Year while there are any Outstanding Bonds;

(vi) for the purpose of distributing such Incremental Taxes to the taxing districts or municipal corporations having the power to tax real property in the Project Area in accordance with the TIF Act or to the Village pursuant to any redevelopment agreement; or

(vii) for the purpose of paying principal of, or premium, if any, or interest on any obligation of the Village issued to pay redevelopment project costs for the Project Area whether or not secured by a pledge of the monies to the credit of the Special Tax Allocation Fund;

(viii) for the purpose of reimbursing the Village for any transfer of general corporate funds of the Village for purposes relating to the Plan, the Project or the Bonds, including but not limited to funds disbursed for the payment of fees and expenses of the Bond Registrar or any other Project costs or funds advanced to abate the 2010 Full Faith and Credit Taxes and whether or not such reimbursement occurs in the relevant Tax Year for which such advance was made; or

(ix) for any other purpose related to the Plan, the Project, the Bonds, the Prior TIF Bonds, any Additional Bonds or the Project Area pursuant to the TIF Act.

*Section 16. General Covenants.* The Village covenants and agrees with the registered owners of the Bonds that, so long as any Bonds remain outstanding and unpaid:

(a) The Village will punctually pay or cause to be paid 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 and hereof.

(b) The Village will pay and discharge, or cause to be paid and discharged, any and all lawful claims which, if unpaid, might become a lien or charge upon the 2010 Full Faith and Credit Taxes or any part thereof, or upon any funds in the Special Tax Allocation Fund, 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.

(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 2010 Full Faith and Credit Taxes and the Incremental Taxes and will timely file such records and reports with the State as may be required pursuant to the TIF Act. 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 aggregate principal amount of Bonds then outstanding, or their representatives authorized in writing.

The Village will cause to be prepared within a reasonable period after the close of each fiscal year of the Village so long as any of the Bonds are outstanding complete audited financial statements with respect to the preceding fiscal year showing the 2010 Full Faith and Credit Taxes and the Incremental Taxes received and all disbursements from the funds and accounts created by this Ordinance

(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. 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.

*Section 17. Reimbursement.* None of the proceeds of the Bonds (including all of the Refunded Bonds) will be or was used to pay, directly or indirectly, in whole or in part, for an expenditure that has or had been paid by the Village prior to the date of adoption by the Corporate Authorities of this Ordinance or, with reference to the Refunded Bonds, the ordinances authorizing the issuance of the Refunded Bonds.

*Section 18. Not Private Activity Bonds.* None of the Bonds or the Prior TIF Bonds is a "private activity bond" as defined in Section 141(a) of the Code. In support of such conclusion, the Village certifies, represents and covenants as follows:

A. No direct or indirect payments are to be made on any Bond or were or are to be made on any Prior TIF Bond with respect to any private business use by any person other than a state or local governmental unit.

B. None of the proceeds of the Bonds is to be used, and none of the proceeds of the Prior TIF Bonds was or is to be used, directly or indirectly, to make or finance loans to persons other than a state or local governmental unit.

C. No user of the capital improvements financed with the proceeds of the Prior TIF Bonds (the "Public Infrastructure"), other than the Village or another governmental unit will use or has used the same on any basis other than the same basis as the general public; and no person other than the Village or another governmental unit will be a user or has been a user of the Public

Infrastructure as a result of (i) ownership or (ii) actual or beneficial use pursuant to a lease, a management or incentive payment contract, or (iii) any other arrangement.

*Section 19. 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 to be and remain Tax-exempt. 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 20. Further Tax Covenants; Rebate; Bank Qualification.* A. The Village agrees to comply with all provisions of the Code which, if not complied with by the Village, would cause the Bonds not to be Tax-exempt. In furtherance of the foregoing provisions, but without limiting their generality, the Village agrees: (a) through its officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (b) to comply with all representations, covenants and assurances contained in certificates or agreements as may be prepared by Bond Counsel; (c) to consult with Bond Counsel and to comply with such advice as may be given; (d) to file such forms, statements and supporting documents as may be required and in a timely manner; and (e) if deemed necessary or advisable by its officers, to employ and pay fiscal agents, financial advisors, attorneys and other persons to assist the Village in such compliance.

B. The Village further certifies and covenants as follows with respect to the requirements of Section 148(f) of the Code, relating to the rebate of "excess arbitrage profits" (the "*Rebate Requirement*") to the United States:

1. Unless an applicable exception to the Rebate Requirement is available to the Village, the Village will meet the Rebate Requirement.

2. Relating to applicable exceptions, any Designated Officer is hereby authorized to make such elections under the Code as either such officer shall deem reasonable and in the best

interests of the Village. If such election may result in a "penalty in lieu of rebate" as provided in the Code, and such penalty is incurred (the "*Penalty*"), then the Village shall pay such Penalty.

3. The Designated Officers shall cause to be established, at such time and in such manner as they may deem necessary or appropriate hereunder, a "2010 General Obligation Refunding Bonds Rebate [or Penalty, if applicable] Fund" (the "*148 Compliance Fund*") for the Bonds, and such officers shall further, not less frequently than annually, cause to be transferred to the 148 Compliance Fund the amount determined to be the accrued liability under the Rebate Requirement or Penalty. Said officers shall cause to be paid to the U.S., without further order or direction from the Corporate Authorities, from time to time as required, amounts sufficient to meet the Rebate Requirement or to pay the Penalty.

4. Interest earnings in the Bond Fund are hereby authorized to be transferred, without further order or direction from the Corporate Authorities, from time to time as required, to the 148 Compliance Fund for the purposes herein provided; and proceeds of the Bonds and other funds of the Village are also hereby authorized to be used to meet the Rebate Requirement or to pay the Penalty, but only if necessary after application of investment earnings as aforesaid and only as appropriated by the Corporate Authorities.

C. The Village also certifies and further covenants with the Purchaser and registered owners of the Bonds from time to time outstanding that 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 source, will not be used in a manner which will cause the Bonds to be "arbitrage bonds" within the meaning of Code Section 148 and any lawful regulations promulgated thereunder, as the same presently exist or may from time to time hereafter be amended, supplemented or revised.

D. The Village further recognizes the provisions of Section 265(b)(3) of the Code which provide that a "qualified tax-exempt obligation" as therein defined may be treated by certain financial institutions as if it were acquired on August 7, 1986, as amended, for certain purposes. The Village hereby designates each of the Bonds as may be from time to time outstanding for purposes of said Section 265(b)(3) as a "qualified tax-exempt obligation" as provided therein.

In support of such designation, the Village certifies, represents and covenants as follows:

1. None of the Bonds is a "private activity bond" as defined in Section 141(a) of the Code.
2. Including the Bonds, the Village (including any entities subordinate thereto) has not and does not reasonably expect to issue in excess of \$30,000,000 in Tax-exempt obligations during calendar year 2010.
3. Including the Bonds, not more than \$30,000,000 of obligations issued by the Village (including any entities subordinate thereto) during the calendar year 2010 have been to date or will be designated by the Village for purposes of said Section 265(b)(3).

*Section 21. Opinion of Counsel Exception.* The Village reserves the right to use or invest moneys in connection with the Bonds in any manner, notwithstanding the tax-related covenants set forth in Sections 17 through 20 herein, *provided* it shall first have received an opinion from Bond Counsel to the effect that use or investment of such moneys as contemplated is valid and proper under applicable law and this Ordinance and, further, will not adversely affect the Tax-exempt status of the Bonds.

*Section 22. Rights and Duties of Bond Registrar.* If requested by the Bond Registrar and Paying Agent, any Designated Officer is authorized to execute the Bond Registrar's and Paying Agent's standard form of agreement between the Village and the Bond Registrar and

Paying Agent with respect to the obligations and duties of the Bond Registrar and Paying Agent hereunder. In addition to the terms of such agreement or agreements and subject to modification thereby, the Bond Registrar and Paying Agent by acceptance of duties hereunder agree:

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

(b) for the Bond Registrar, 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 to the extent permitted by law;

(c) for the Bond Registrar, to cancel and/or destroy Bonds which have been paid at maturity or upon redemption or submitted for exchange or transfer;

(d) for the Bond Registrar, to furnish the Village at least annually a certificate with respect to Bonds cancelled and/or destroyed; and

(e) for the Bond Registrar, 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 and the Paying Agent.

*Section 23. Bond Insurance.* If the Bonds are issued with a commitment by an Insurer to issue a financial guaranty or municipal bond insurance policy (a "*Policy*"), such commitment for the Policy shall be attached to the Bond Order and also shall be attached hereto as EXHIBIT A and shall be specifically incorporated into this Ordinance by this reference. As long as such Policy shall be in full force and effect, the Village and the Bond Registrar agree to comply with such usual and reasonable provisions regarding presentment and payment of the Bonds,

subrogation of the rights of the Bondholders to the Bond Insurer when holding Bonds, amendment hereof, or other terms, all as set forth in said commitment.

*Section 24. Continuing Disclosure Undertaking.* The Designated Officers are hereby authorized to execute and deliver the Continuing Disclosure Undertaking, in substantially the form provided by Bond Counsel and approved by the Village Attorney, to effect compliance with Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. When such Continuing Disclosure Undertaking is executed and delivered on behalf of the Village, it will be binding on the Village and the officers, agents, and employees of the Village, and the same are hereby authorized and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of such Continuing Disclosure Undertaking as executed and delivered. Notwithstanding any other provisions hereof, the sole remedies for failure to comply with such Continuing Disclosure Undertaking shall be the ability of the beneficial owner of any Bond to seek mandamus or specific performance by court order, to cause to the Village to comply with its obligations thereunder.

*Section 25. Defeasance.* Bonds which (a) are paid and cancelled, (b) which have matured and for which sufficient sums been deposited with the Paying Agent to pay all principal thereof and interest due thereon, or (c) for which sufficient U.S. funds and full faith and credit obligations of the United States of America, obligations the timely payment of which are guaranteed by the United States Treasury, or certificates of participation in a trust comprised solely of full faith and credit obligations of the United States of America have been deposited with the Paying Agent or similar institution to pay, taking into account investment earnings on such obligations, all principal of and interest on Bonds when due at maturity or redemption, as applicable, pursuant to an irrevocable escrow or trust agreement, shall cease to have any lien on

or right to receive or be paid from the 2010 Full Faith and Credit Taxes hereunder and shall no longer have the benefits of any covenant for the registered owners of outstanding Bonds as set forth herein as such relates to lien and security of the outstanding Bonds. All covenants relative to the Tax-exempt status of the Bonds, and payment, registration, transfer, and exchange, are expressly continued for all Bonds whether Outstanding Bonds or not.

*Section 26. Taxes Previously Levied.* To the extent not abated, the taxes previously levied for the year 2009 (collectible in 2010) to pay the Refunded Bonds shall be used to effectuate the Refunding as provided in the Escrow Agreement, or to the extent not needed due to the issuance of the Bonds, shall be deposited into the Bond Fund and used to pay first interest coming due on the Bonds or shall be abated. Taxes levied for the year 2010 (collectible in 2011) and thereafter for the Refunded Bonds shall be abated. The Designated Officers are hereby expressly authorized to file an abatement certificate with the County Clerk, without further official action of the Corporate Authorities, to effectuate such abatement.

*Section 27. Publication of Ordinance.* A full, true and complete copy of this Ordinance shall be published within ten days after passage in pamphlet form by authority of the Corporate Authorities.

Section 28. *Superseder and Effective Date* . All ordinances, resolutions and orders, or parts thereof, in conflict herewith, are to the extent of such conflict hereby superseded; and this Ordinance shall be in full force and effect immediately upon its passage.

AYES: Commissioners Schnell, Waldack, Durkin, Neustadt, Beckman, Barnett  
and Mayor Sandack

NAYS: NONE

ABSENT: NONE

ADOPTED: This 16th day of February, 2010.

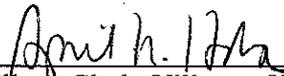
APPROVED: This 16th day of February, 2010:

  
\_\_\_\_\_  
Mayor, Village of Downers Grove  
DuPage County, Illinois

RECORDED In Village Records: This 16th day of February, 2010.

PUBLISHED in pamphlet form by authority of the Council on February 16, 2010.

Attest:

  
\_\_\_\_\_  
Village Clerk, Village of Downers Grove  
DuPage County, Illinois

[SEAL]

STATE OF ILLINOIS            )  
  ) SS  
COUNTY OF DUPAGE         )

**CERTIFICATION OF MINUTES AND ORDINANCE  
AND CERTIFICATION OF PUBLICATION IN PAMPHLET FORM**

I, the undersigned, do hereby certify that I am the duly qualified and acting Village Clerk of the Village of Downers Grove, DuPage County, Illinois (the "*Village*"), and as such official I am the keeper of the official journal of proceedings, books, records, minutes and files of the Village and of the Council (the "*Council*") thereof.

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 Council held on the 16th day of February, 2010, insofar as the same relates to the adoption of an ordinance entitled:

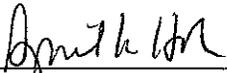
AN ORDINANCE providing for the issuance of General Obligation Refunding Bonds, Series 2010, of the Village of Downers Grove, DuPage County, Illinois, authorizing the execution of a bond order and an escrow agreement in connection therewith, providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds and furthering securing said bonds with a pledge of certain incremental taxes.

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

I do further certify that the deliberations of the Council on the adoption of said ordinance were taken 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 newspapers, radio or television stations and other news media requesting such notice; that an agenda for said meeting was posted on a day which was not a Saturday, Sunday or legal holiday for Illinois municipalities and at least 48 hours in advance of holding said meeting at the location where said meeting was held and at the principal office of the Council; that said agenda described or made a specific reference to said ordinance; that a true, correct and complete copy of said agenda as so posted is attached hereto; and 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 Council have complied with all of the provisions of said Act and said Code, except as validly superseded by the home rule powers of the Village, and with all of the procedural rules of the Council in the adoption of said ordinance.

I do further certify that the Ordinance was published by authority of the Council in pamphlet form on the 16th day of February, 2010, 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 hereunto affix my official signature and the seal of the Village  
this 16th day of February, 2010.

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

[SEAL]

**VILLAGE CLERK TO ATTACH AGENDA**



**Village of Downers Grove  
Meeting Agenda  
Downers Grove Village Council**

Civic Center  
801 Burlington  
Downers Grove, IL 60515  
630-434-5500

Council Chambers

February 16, 2010

7:00 pm

In order to give as many visitors as possible an opportunity to speak and in the interest of adjourning the meeting by 9:00 p.m., please limit your comments to 5 minutes in length, unless further time is granted by Council. Thank you.

**1. Call to Order**

**Pledge of Allegiance to the Flag**

**2. Roll Call**

**3. Minutes of Council Meetings**

*Council Meeting - February 9, 2010*

Puffer School Calendar Presentation

**4. Public Comments - General Comments on Matters Not Appearing on Tonight's Agenda**

**5. Public Hearings**

**6. Consent Agenda**

**COR 00-04045**      A. Claim Ordinance: No. 5833, Payroll, January 29, 2010  
**Sponsors:** Accounting

**BIL 00-04046**      B. List of Bills Payable: No. 5810, February 16, 2010  
**Sponsors:** Accounting

**RES 00-04048**      C. Resolution: Authorize a One-Year Extension to an Agreement with Advocate Good Samaritan Hospital re: Annual Fire Department Fit for Duty Medical Exams  
**Sponsors:** Fire Department

**RES 00-04049**      D. Resolution: Authorize a First Amendment to Intergovernmental Agreement with the State, the County, the BNSF Railway Company and Metra re: Belmont Grade Separation Project

**RES 00-04058**      E. Resolution: Authorize a Fourth Amendment to Grant Agreement for Eminent Domain Services for the Downers Grove Grade Separation Project Contract No. K00419  
**Sponsors:** Village Attorney

- RES 00-04054** F. Resolution: Authorize the Abrogation of a Portion of a Public Easement Located at 924 Warren Avenue  
**Sponsors:** Village Attorney
- MOT 00-04044** G. Motion: Authorize Change Order #3 for \$38,511.27 to Copenhaver Construction, Inc., Gilberts, IL, for the Washington Park Stormwater Improvement Project (SW-042)  
**Sponsors:** Public Works  
**Reference #:** SW-042
- RES 00-04056** H. Resolution: Amend the Downers Grove Comprehensive Planning Ad Hoc Committee re: Appointment of Members Thereto  
**Sponsors:** Manager's Office
- MOT 00-04055** I. Motion: Note Receipt of Minutes of Boards and Commissions

## 7. Active Agenda

- ORD 00-04043** A. Ordinance: Establish a Village Council Policy Regarding User-Fees, Licenses and Fines  
**Sponsors:** Manager's Office
- ORD 00-04035** B. Ordinance: Provide for the Issuance of General Obligation Refunding Bonds, Series 2010  
**Sponsors:** Finance
- RES 00-04041** C. Resolution: Authorize an Agreement with the Indian Boundary YMCA to Jointly Conduct the 2010 Downtown Downers Grove Market  
**Sponsors:** Community Development

## 8. First Reading

- ORD 00-04051** A. Ordinance: Adopt and Approve Publication of the 2010 Village of Downers Grove Zoning Map  
**Sponsors:** Community Development
- ORD 00-04052** B. Ordinance: Authorize a Special Use to Permit a Health and Fitness Club in the Downtown Business District  
**Sponsors:** Community Development  
**Reference #:** PC-01-10
- RES 00-04053** C. Resolution: Authorize an Amendment to an Agreement with Claude H. Hurley Company for Geotechnical and Material Testing Services  
**Sponsors:** Public Works

**ORD 00-04057**      D. Ordinance: Amend Council Rules Regarding the Consent Agenda  
                                 **Sponsors:** Manager's Office

**9. Mayor's Report**

**Materials to be Received**

**Materials to be Placed on File**

**10. Manager's Report**

**11. Attorney's Report**

**Future Active Agenda**

**12. Council Member Reports and New Business**

**13. Adjournment**

STATE OF ILLINOIS        )  
                                  ) SS  
COUNTY OF DUPAGE        )

**VIDEO/AUDIO ATTENDANCE CERTIFICATE**

I, the undersigned, do hereby certify that I am the duly qualified and acting Village Clerk of the Village of Downers Grove, DuPage County, Illinois (the "Village"), and as such official I do further certify as follows:

1. That at the meeting of the Council of the Village (the "Corporate Authorities") on the 16th day of February, 2010 (the "Meeting"), NONE attended the Meeting by video or audio conference.

2. That said member(s) of the Corporate Authorities was/were prevented from physically attending the Meeting because of the reason(s) as follows:

MEMBER	REASON <sup>1</sup>
--------	---------------------

3. That said member(s) of the Corporate Authorities notified me before the Meeting that he/she/they wished to attend the Meeting by video or audio conference.

4. That attached hereto as *Exhibit 1* is a true, correct and complete copy of the rules adopted by the Corporate Authorities for allowing a member of the Corporate Authorities to attend a meeting of the Corporate Authorities by video or audio conference.

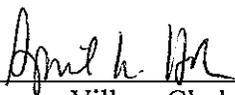
5. That the Meeting was duly called, noticed and held in strict compliance with all of the provisions of the Open Meetings Act of the State of Illinois, as amended, except as said Act

---

<sup>1</sup> Section 7 of the Open Meetings Act of the State of Illinois, as amended, provides the following three reasons a person may be prevented from physically attending a meeting: (i) personal illness or disability; (ii) employment purposes or the business of the public body; or (iii) a family or other emergency.

may be superseded by the home rule powers of the Village, and the ordinances, resolutions, rules, regulations and proceedings of the Corporate Authorities.

IN WITNESS WHEREOF, I hereunto affix my official signature and the official corporate seal of the Corporate Authorities, this 16th day of February, 2010.

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

[SEAL]

**FILED**

FEB 22 2010

  
DuPage County Clerk

STATE OF ILLINOIS        )  
                                  ) SS  
COUNTY OF DUPAGE        )

**CERTIFICATE OF FILING**

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of The County of DuPage, Illinois, and as such officer I do hereby certify that on the 22ND day of FEBRUARY, 2010, there was filed in my office a properly certified copy of an ordinance passed by the Council of the Village of Downers Grove, DuPage County, Illinois, on the 16th day of February, 2010, and entitled:

AN ORDINANCE providing for the issuance of General Obligation Refunding Bonds, Series 2010, of the Village of Downers Grove, DuPage County, Illinois, authorizing the execution of a bond order and an escrow agreement in connection therewith, providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds and furthering securing said bonds with a pledge of certain incremental taxes.

and that the same has been deposited in the official files and records of my office.

IN WITNESS WHEREOF I have hereunto affixed my official signature and the seal of The County of DuPage, Illinois, this 22ND day of FEBRUARY, 2010.

  
County Clerk of The County of  
DuPage, Illinois

[SEAL]

**FILED**

FEB 22 2010

STATE OF ILLINOIS )  
 ) SS  
COUNTY OF DUPAGE )

**CERTIFICATE AND REQUEST OF THE VILLAGE OF DOWNERS GROVE**  
**DUPAGE COUNTY, ILLINOIS, ON DELIVERY OF BONDS**



Dupage County Clerk

We, the undersigned, do hereby certify that we are the officers of the Village of Downers Grove, DuPage County, Illinois (the "Village"), whose names and offices are, respectively, as follows:

NAME OF OFFICER	OFFICE HELD
Ronald Sandack	Mayor
April Holden	Village Clerk
Judy Buttny	Finance Director/Treasurer

**A. PURPOSE OF THIS CERTIFICATE**

This certificate is given in connection with the delivery by the Village of its \$5,805,000 General Obligation Refunding Bonds, Series 2010 (the "2010 Bonds"). The 2010 Bonds have been issued pursuant to the authorization contained in an ordinance of the Village, adopted by the Council on the 16th day of February, 2010 (the "Ordinance"), as supplemented by a 2010 Bond Order and Notification of Sale dated February 17, 2010 (the "2010 Bond Order"). The 2010 Bonds are being delivered to Robert W. Baird & Co. Incorporated, as representative (the "Purchaser"). The 2010 Bonds are being authenticated by the Village Treasurer (the "Bond Registrar"), as bond registrar and paying agent on the 2010 Bonds.

**B. EXECUTION OF BONDS**

We the undersigned Mayor and Village Clerk (only) have caused the execution of the 2010 Bonds by our manual or duly authorized facsimile signatures, as appearing thereon, in the principal amount as shown above, being numbered consecutively, of the minimum denomination of \$5,000 and in integral multiples of \$5,000 above the minimum denomination, dated the date

of issuance thereof, being March 4, 2010, and due serially and as term bonds on January 1 in the years, in the amounts and at the rates per cent per annum as provided in the 2010 Bond Order.

We have executed the 2010 Bonds in the manner and capacity indicated by our signatures and the titles subscribed hereto. We are now and were at the time of the adoption of the Ordinance and have continuously in such period been the duly chosen, qualified, and acting officers indicated by said titles. There has been impressed on each of the 2010 Bonds the official seal or facsimile thereof of the Village.

C. VILLAGE PROCEEDINGS; AUTHENTICATION

1. The Ordinance was first read at a public meeting of the Council on the 9th day of February, 2010, and was adopted on the 16th day of February, 2010, and the record of proceedings of the Corporate Authorities on said dates does properly reflect said reading and due adoption of the Ordinance (which ordinance and meetings may be referred to, collectively, as the "*Village Proceedings*"). The Ordinance authorized a Bond Purchase Contract (the "*2010 Purchase Contract*") by and between the Village and the Purchaser, **as representative of the purchasers named therein**, the 2010 Bond Order, a Tax Exemption Certificate and Agreement (the "*Tax Agreement*"), a Preliminary Official Statement ("*POS*"), an Official Statement ("*OS*"), an Escrow Agreement ("*Escrow Agreement*") by and between the Village and Amalgamated Bank of Chicago, Chicago, Illinois, as escrow agent (the "*Escrow Agent*"), and a Continuing Disclosure Undertaking (the "*Undertaking*" and, together with the 2010 Purchase Contract, 2010 Bond Order, Tax Agreement, POS, OS and Escrow Agreement, the "*Village Documents*") to be delivered by the Village in connection with the issuance of the 2010 Bonds, which, as executed and delivered by the proper officers of the Village, are in the forms as authorized.

2. We are (one or more) the persons signatory to the Village Documents; we were on the date of the execution of the Village Documents and are on the date hereof the duly elected and qualified or appointed and qualified, as applicable, incumbents of the offices of the Village as set forth therein and herein; and the signatures appearing at the right of our respective names at the end of this Certificate are our genuine signatures.

3. The Village has duly authorized, executed, and delivered by all necessary action the 2010 Bonds and the Village Documents; and, as of the date hereof, each is in full force and effect and each constitutes the valid, binding, and enforceable obligation of the Village; and the Village is entitled to the benefits of the same. The Village has authorized by all necessary action the execution, delivery, receipt, and due performance of each of the 2010 Bonds and the Village Documents and any and all such other agreements and documents as may be required to be executed, delivered, and received by the Village in order to carry out, give effect to, and consummate the transaction contemplated by the 2010 Bonds, the Ordinance, and the Village Documents. No other consent, approval, authorization, or order of any court or governmental agency or body is required for the issuance, delivery, or sale of the 2010 Bonds or the consummation of the other transactions effected or contemplated in or by the 2010 Bonds, the Ordinance, and the Village Documents, except such as may be required under the "Blue Sky" or other securities laws or regulations as may be required in connection with the offer and sale of the 2010 Bonds by the Purchaser.

4. The seal affixed to this Certificate and which has been affixed to the 2010 Bonds and the 2010 Purchase Contract (where required) is the legally adopted, proper and only official corporate seal of the Village.

5. All of the conditions and agreements provided in the Ordinance and the 2010 Purchase Contract to be satisfied or performed by the Village at or prior to the issuance and sale

of the 2010 Bonds have been satisfied or performed in the manner and with the effect contemplated therein.

6. No person holding any office of the Village either by election or appointment, is in any manner financially interested, either directly in his or her own name or indirectly in the name of any other person, association, trust or corporation, in the 2010 Purchase Contract.

D. PERTAINING TO THE 2010 PURCHASE CONTRACT

1. The Village has performed all of its obligations required under or specified in the 2010 Purchase Contract at and prior to the date hereof.

2. All of the representations and warranties of the Village contained in the 2010 Purchase Contract are accurate in all material respects as of the date hereof.

3. The Ordinance is in full force and effect and has not been rescinded, revoked, amended, modified, or supplemented since the date of the 2010 Purchase Contract.

4. The Village will perform or has performed all of its obligations required under or specified in the 2010 Purchase Contract with regard to the 2010 Bonds or the Ordinance to be performed at, simultaneously with, or prior to the date hereof.

5. The Village has duly adopted and there are in full force and effect the Ordinance and such other ordinances or proceedings as are necessary in connection with the transactions contemplated by the 2010 Purchase Contract.

6. To the best of our knowledge, information and belief, all information and other offering material provided the Purchaser in connection with the 2010 Bonds was, and as of the date hereof is, true and correct. No statement of fact in or omission of fact from said documents has been made which, in light of such circumstances under which any statement of fact or omission of fact has been made, would be misleading.

7. We do further certify that the Village is in compliance with each and every continuing disclosure undertaking it has executed pursuant to Rule 15c2-12 promulgated by the Securities Exchange Commission pursuant to the Securities Exchange Act of 1934.

E. NON-LITIGATION, NO BREACH OF OBLIGATION AND NO DEFAULT

1. No controversy or litigation is now or ever has been threatened or pending in any court, no referendum or public vote is threatened or pending and no action, suit, inquiry, investigation or proceeding at law or in equity before or by any court, governmental agency, authority, body, board or arbitrator is threatened or pending (a) questioning or affecting the corporate organization or existence of the Village, its boundaries, the right or title of any of its officials, as hereinabove described, to their respective terms of office, the right of the Village to issue debt instruments of any kind or the proceedings had by the Village in the imposition or levy of any taxes levied by the Village for general or other corporate purposes of the Village; (b) questioning or affecting the approval of a redevelopment plan (the "*Plan*") and project (the "*Project*") for and the designation by the Village of the Redevelopment Project Area, the adoption of tax increment allocation financing for the Redevelopment Project Area or the actions taken to date or contemplated to be taken by the Village in connection with the redevelopment of the Redevelopment Project Area; (c) questioning or affecting the right of the Village to collect, allocate or pledge, or the pledge by the Village of, the Incremental Property Taxes to pay eligible redevelopment project costs as approved in the Plan for the Project and incurred or to be incurred in and for the Redevelopment Project Area; (d) seeking to prohibit, restrain or enjoin the payment, collection or application of the ad valorem taxes levied to pay the 2010 Bonds; (e) seeking to prohibit, restrain or enjoin the pledge of the Pledged Revenues (as defined in the Ordinance) to pay the principal of and interest on the 2010 Bonds, or the pledge thereof; (f) seeking to prohibit, restrain or enjoin the expenditure of the proceeds of the Refunded Bonds

(as defined in the Village Documents) or the 2010 Bonds; (g) in any way questioning or affecting the validity of the Ordinance or any of the Village Documents, the Corporate Proceedings or any other proceedings taken by the Village with respect to the foregoing; (h) questioning or contesting the Village's power to engage in any of the transactions contemplated by the Ordinance, the Corporate Proceedings relating to the 2010 Bonds; or (i) in any way contesting or affecting the execution or delivery by the Village of the Refunded Bonds, the 2010 Bonds or any of the Village Documents.

2. The Village is not in breach of or default under any applicable law or administrative regulation of the State of Illinois or the United States of America, or any applicable judgment or decree, or any loan agreement, note, regulation, or other agreement or instrument to which the Village is a party or is otherwise subject, which breach or default would in any way materially adversely affect the authorization or issuance and delivery of the 2010 Bonds or the Village Documents; and no event has occurred and is continuing which, with the passage of time or the giving of notice or both, would constitute such a breach or default; and the execution and delivery of the Village Documents and the 2010 Bonds, and the adoption of the Ordinance and compliance with the provisions thereof will not conflict with or constitute such a breach or default.

3. Upon the issuance of the 2010 Bonds, (a) no default or event of default exists under the Ordinance upon the part of the Village and (b) no event which with notice or with lapse of time or both would become a default or event of default has occurred.

F. RECEIPT

1. Regarding receipt of funds for the 2010 Bonds, the Village has received from the Purchasers the purchase price of the 2010 Bonds as follows:

ITEM	AMOUNT (\$)
Principal (Par)	5,805,000.00
Original Issue Premium (+)	564,983.10
Underwriter's Discount (-)	<u>(47,774.88)</u>
Purchase Price to Village	6,322,208.22
Accrued Interest (+)	<u>0.00</u>
TOTAL	6,322,208.22

in compliance with the 2010 Purchase Contract.

2. Simultaneously and as a part of the same transaction as the issue and delivery of the Bonds, I deposited the proceeds of sale of the Bonds as follows:

PURPOSE	TO FUND	AMOUNT (\$)
Accrued interest and premium received and applied to first interest	Bond Fund as created under the Ordinance	0.00
To pay the costs of issuance of the Bonds	Expense Fund as created under the Ordinance or disbursed at delivery of Bonds	37,330.00
Contingency	Expense Fund	3,339.72
To pay the costs of the Refunding	Escrow Agent for deposit into the Escrow Fund as created under the Ordinance	<u>6,281,538.50</u>
TOTAL		6,322,208.22

3. The amounts received from the sale of the 2010 Bonds will be used for the Refunding as described in the Ordinance.

G. OTHER FINANCIAL REPRESENTATIONS

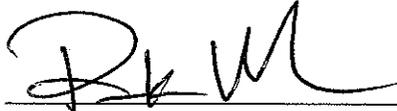
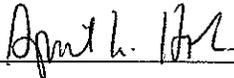
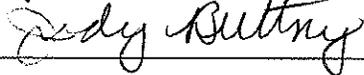
1. The total aggregate indebtedness of the Village, howsoever evidenced and howsoever incurred, *including* the 2010 Bonds, does not exceed any lawful limitation for the Village.

2. The Village has not filed a Federal Information Reporting Form 8038-G since on or after January 1, 2010.

H. REQUEST

Pursuant to the provisions of the Ordinance, the Bond Registrar is hereby requested to authenticate the 2010 Bonds in accordance with the Ordinance and deliver the 2010 Bonds to the Purchaser.

IN WITNESS WHEREOF we have hereunto affixed our official signatures and the seal of the Village this 4th day of March, 2010.

TITLE	SIGNATURE
Mayor, Village of Downers Grove DuPage County, Illinois	 _____
Village Clerk, Village of Downers Grove DuPage County, Illinois	 _____
Finance Director/Treasurer, Village of Downers Grove DuPage County, Illinois	 _____

[SEAL]

**SIGNATURE IDENTIFICATION**

I hereby certify that I am David Kwiatkowski of the  
Charter one [Bank], Downers Grove IL, and  
that I am personally acquainted with the officers whose signatures appear above, and that I know  
they are now the duly qualified and acting officials of the Village, as indicated by the titles  
appended to said signatures, and that I hereby identify said signatures, together with those  
facsimiles as appearing on the above-described bonds, as being in all respects true and genuine.

IN WITNESS WHEREOF I have hereunto subscribed my official signature and impressed  
hereon the corporate seal of said Bank as of the date subscribed to the foregoing certificate.

SIGNATURE GUARANTEED  
MEDALLION GUARANTEED  
RBS CITIZENS, N.A.



( 427 ) AUTHORIZED SIGNATURE  
X 9010429  
SECURITIES TRANSFER AGENTS MEDALLION PROGRAM™  
[AFFIX BANK SEAL HERE]

### **BOND REGISTRAR'S CERTIFICATE**

I, the undersigned (the "*Bond Registrar*"), do hereby certify that as the Village Treasurer of the Village of Downers Grove, DuPage County, Illinois (the "*Village*"), I have been duly appointed as the bond registrar and paying agent for \$5,805,000 General Obligation Refunding Bonds, Series 2010 (the "*2010 Bonds*"), of the Village, under and pursuant to the provisions of an ordinance of the Village adopted by the Council of the Village on the 16th day of February, 2010 (the "*Ordinance*"), as supplemented by a 2010 Bond Order and Notification of Sale dated February 17, 2010 (the "*2010 Bond Order*").

As Bond Registrar I do hereby further certify and agree as follows:

1. I have heretofore and do hereby accept the duties as bond registrar and paying agent so imposed by the Ordinance.
2. Pursuant to a proper authorization and direction from the Village dated this date, I have authenticated as of this date and delivered to Robert W. Baird & Co., as representative, the 2010 Bonds in the principal amount as hereinabove set forth, being numbered consecutively, of the minimum denomination of \$5,000 and in integral multiples of \$5,000 above the minimum denomination, dated the date hereof, and due on January 1 of the years and in the amounts and bearing interest at the rates per cent per annum as set forth in the 2010 Bond Order.
3. I have full power and authority under the applicable laws of the United States of America and the State of Illinois to act as bond registrar and paying agent for the 2010 Bonds in the manner contemplated by the Ordinance; the Village has taken all necessary corporate action by its properly authorized officers, employees or agents to appoint me in my capacity as Village Treasurer to undertake said offices and duties; and I have been duly authorized by the Village to execute and attest this certificate.
4. I acknowledge receipt of certified copy of the Ordinance and the 2010 Bond Order.

IN WITNESS WHEREOF the Bond Registrar has caused this certificate to be executed and attested in its name all this 4th day of March, 2010.

By Judy Betty  
Village Treasurer, Village of Downers  
Grove, DuPage County, Illinois

ATTEST:

Ami H. H.  
Village Clerk, Village of Downers Grove,  
DuPage County, Illinois

[SEAL]



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March 4, 2010

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**COMMUNITY RESPONSE  
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**ADMINISTRATION**

5420 Main Street

Downers Grove

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FAX 630.434.5998

**POLICE DEPARTMENT**

825 Burlington Avenue

Downers Grove

Illinois 60515-4783

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**PUBLIC WORKS**

**DEPARTMENT**

5101 Walnut Avenue

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**DEPARTMENT OF**

**COUNSELING AND SOCIAL SERVICES**

842 Curtiss Street

Downers Grove

Illinois 60515-4761

630.434.5595

FAX 630.434.5599

**Council**

Village of Downers Grove

DuPage County, Illinois

Chapman and Cutler LLP

Chicago, Illinois

Robert W. Baird & Co. Incorporated

(As Representative of the Purchasers)

Ladies and Gentlemen:

I am the attorney for the Village of Downers Grove, DuPage County, Illinois (the "Village"), and in connection with the issuance on this date by the Village of its \$5,805,000 General Obligation Refunding Bonds, Series 2010 (the "Bonds"), I have examined the public records, proceedings, and documents of the Village in connection with the issuance of the Bonds which I consider necessary for the purpose of this opinion, including the following:

(a) Ordinance Number 5123 (the "Bond Ordinance"), duly adopted by the Council (hereinafter "Corporate Authorities") on the 16th day of February, 2010, and agendas for and the minutes of the meetings of the Corporate Authorities showing the introduction and the adoption of same (collectively the Bond Ordinance and minutes so described being the "Village Proceedings");

(b) a 2010 Bond Order and Notification of Sale dated the 17th day of February, 2010 (the "2010 Bond Order");

(c) an Official Statement dated February 17, 2010 (the "Official Statement");

(d) a Tax Exemption Certificate and Agreement dated March 4, 2010 (the "Tax Agreement");

(e) a bond purchase contract (the "2010 Purchase Contract") by and between the Village and Robert W. Baird & Co. Incorporated, as representative of the purchasers named therein, dated the 17th day of February, 2010;

(f) an Escrow Agreement (the "Escrow Agreement") dated as of March 1, 2010, by and between the Village and Amalgamated Bank of Chicago,



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Chicago, Illinois, as escrow agent; and

(g) A Continuing Disclosure Undertaking (the "*Undertaking*") dated March 4, 2010, and pertaining to the Bonds.

Based upon the foregoing and upon such other information and documents furnished to me as I believe necessary to enable us to render this opinion, I am of the following opinion:

1. The Village is a duly organized and operating home rule unit, municipality, and unit of local government of the State of Illinois operating, among other laws, under the provisions of Article VII, Section 6, of the Illinois Constitution, relating to home rule, the Illinois Municipal Code, as amended, and the Open Meetings Act, as amended (collectively, "*Illinois Law*").

2. The Village Proceedings are presently in full force and effect and have not been repealed or rescinded or amended; and the Corporate Authorities have not adopted any other ordinance, resolution, or other proceeding affecting in any manner the issuance of the Bonds.

3. Other than as set forth in my previous opinion entitled "Certificate of Village Attorney Re: Village Code," given in connection with the issuance of the Bonds, the Village has no special ordinances of limitation or procedural ordinance, rule, or order relating to the issuance of general obligation corporate purpose bonds for corporate purposes without referendum; and there is no Village-imposed limitation upon the amount of its existing debt different in any way than Illinois Law.

4. The Village Proceedings were held in compliance with Illinois Law and applicable Village procedures.

5. The 2010 Purchase Contract, the 2010 Bond Order, the Official Statement, the Tax Agreement, the Escrow Agreement and the Undertaking (together, the "*Village Documents*") were duly authorized in the Ordinance and have been duly executed and delivered by proper officers of the Village as so authorized, and assuming the due authorization, execution, and delivery by the other parties thereto, constitute the valid and binding agreements of the Village in accordance with their terms.

6. After due inquiry of appropriate Village officials and agents and to the best of my knowledge and belief, no controversy or litigation is now or ever has been threatened or pending in any court, no referendum or public vote is



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threatened or pending and no action, suit, inquiry, investigation or proceeding at law or in equity before or by any court, governmental agency, authority, body, board or arbitrator is threatened or pending (a) questioning or affecting the corporate organization or existence of the Village, its boundaries, the right or title of any of its officials, as hereinabove described, to their respective terms of office, the right of the Village to issue debt instruments of any kind or the proceedings had by the Village in the imposition or levy of any taxes levied by the Village for general or other corporate purposes of the Village; (b) questioning or affecting the approval of a redevelopment plan (the "Plan") and project (the "Project") for and the designation by the Village of the Village of Downers Grove Downtown Redevelopment Project Area (the "Redevelopment Project Area"), the adoption of tax increment allocation financing for the Redevelopment Project Area or the actions taken to date or contemplated to be taken by the Village in connection with the redevelopment of the Redevelopment Project Area; (c) questioning or affecting the right of the Village to collect, allocate or pledge, or the pledge by the Village of, the Incremental Property Taxes (as defined in the Ordinance) to pay eligible redevelopment project costs as approved in the Plan for the Project and incurred or to be incurred in and for the Redevelopment Project Area; (d) seeking to prohibit, restrain or enjoin the payment, collection or application of the ad valorem taxes levied to pay the 2010 Bonds; (e) seeking to prohibit, restrain or enjoin the pledge of the Pledged Revenues (as defined in the Ordinance) to pay the principal of and interest on the 2010 Bonds, or the pledge thereof; (f) seeking to prohibit, restrain or enjoin the expenditure of the proceeds of the Refunded Bonds (as defined in the Village Documents) or the 2010 Bonds; (g) in any way questioning or affecting the validity of the Ordinance or any of the Village Documents, the Corporate Proceedings or any other proceedings taken by the Village with respect to the foregoing; (h) questioning or contesting the Village's power to engage in any of the transactions contemplated by the Ordinance, the Corporate Proceedings relating to the 2010 Bonds; or (i) in any way contesting or affecting the execution or delivery by the Village of the Refunded Bonds, the 2010 Bonds or any of the Village Documents.

7. Upon due inquiry of Village officials and agents, to the best of my knowledge and belief, there is no action, suit, proceeding, or investigation, at law or in equity, before or by any court, public board, or body, pending, threatened against or affecting the Village wherein an unfavorable decision, ruling, or finding would in my judgment in any way materially and adversely affect the transactions described in or contemplated by any of the Village Proceedings or the Village Documents or the validity or enforceability of the Village Documents or the Bonds.

8. There is no lien or encumbrance on any of the taxes or the other



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Illinois 60515-4834

630.434.5980

FAX 630.434.5998

**POLICE DEPARTMENT**

825 Burlington Avenue

Downers Grove

Illinois 60515-4783

630.434.5600

FAX 630.434.5690

**PUBLIC WORKS**

**DEPARTMENT**

5101 Walnut Avenue

Downers Grove

Illinois 60515-4074

630.434.5460

FAX 630.434.5495

**DEPARTMENT OF**

**COUNSELING AND SOCIAL SERVICES**

842 Curtiss Street

Downers Grove

Illinois 60515-4761

630.434.5595

FAX 630.434.5599

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funds pledged to the payment of the Bonds that is senior to the claims of the holders of the Bonds; there is to my knowledge no existing, pending, threatened, or anticipated event or circumstance which might give rise to any lien or encumbrance on any such taxes or the other funds pledged to the payment of the Bonds which would be senior to the claims of the holders of the Bonds.

9. No additional approval, permit, consent, authorization, or order from any court or any governmental or public agency, authority, or person not already obtained is required with respect to the authority of the Village in connection with the authorization, issuance, and sale to the Purchasers of the Bonds pursuant to the 2010 Purchase Contract or for the adoption or effectiveness of any of the Village Proceedings.

10. As of the date of this opinion, the adoption of the Village Proceedings, the execution of delivery by the Village of the Bonds and the Village Documents and compliance by the Village with the provisions thereof under the circumstances contemplated thereby do not and will not violate any applicable judgment, order, or regulations of any court or of any public or governmental agency or authority of the State of Illinois and will not conflict with or result in a breach of any of the terms and provisions of or constitute a default under any existing law, court or administrative regulation decree, order, or any agreement, indenture, mortgage, lease, or other instrument to which the Village is subject or by which it is or may be bound.

Very truly yours,

VILLAGE OF DOWNERS GROVE

Enza I. Petrarca

Village Attorney

CONTINUING DISCLOSURE UNDERTAKING  
FOR THE PURPOSE OF PROVIDING  
CONTINUING DISCLOSURE INFORMATION  
UNDER SECTION (b)(5) OF RULE 15c2-12

This Continuing Disclosure Undertaking (the "*Agreement*") is executed and delivered by the Village of Downers Grove, DuPage County, Illinois (the "*Village*"), in connection with the issuance of \$5,805,000 General Obligation Refunding Bonds, Series 2010 (the "*Bonds*"). The Bonds are being issued pursuant to an Ordinance adopted by the governing body of the Village on the 16th day of February, 2010 (as supplemented by a 2010 Bond Order and Notification of Sale, the "*Ordinance*").

In consideration of the issuance of the Bonds by the Village and the purchase of such Bonds by the beneficial owners thereof, the Village covenants and agrees as follows:

In consideration of the issuance of the Bonds by the Issuer and the purchase of such Bonds by the beneficial owners thereof, the Issuer covenants and agrees as follows:

1. PURPOSE OF THIS AGREEMENT. This Agreement is executed and delivered by the Issuer as of the date set forth below, for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with the requirements of the Rule (as defined below). The Issuer represents that it will be the only obligated person with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriters and that no other person is expected to become so committed at any time after issuance of the Bonds.

2. DEFINITIONS. The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

*Annual Financial Information* means the financial information and operating data described in *Exhibit I*.

*Annual Financial Information Disclosure* means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

*Audited Financial Statements* means the audited financial statements of the Issuer prepared pursuant to the standards and as described in *Exhibit I*.

*Commission* means the Securities and Exchange Commission.

*Dissemination Agent* means any agent designated as such in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation, and such agent's successors and assigns.

*EMMA* means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

*Exchange Act* means the Securities Exchange Act of 1934, as amended.

*Material Event* means the occurrence of any of the Events with respect to the Bonds set forth in *Exhibit II* that is material, as materiality is interpreted under the Exchange Act.

*Material Events Disclosure* means dissemination of a notice of a Material Event as set forth in Section 5.

*MSRB* means the Municipal Securities Rulemaking Board.

*Participating Underwriter* means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

*Rule* means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

*SID* means the public or private repository designated by the State as the state information depository and recognized as such by the Commission for purposes of the Rule. As of the date of this Agreement there is no SID.

*Undertaking* means the obligations of the Issuer pursuant to Sections 4 and 5.

3. CUSIP NUMBER/FINAL OFFICIAL STATEMENT. The CUSIP Numbers of the Bonds are as set forth in *Exhibit II*. The Final Official Statement relating to the Bonds is dated February 17, 2010 (the "*Final Official Statement*").

4. ANNUAL FINANCIAL INFORMATION DISCLOSURE. Subject to Section 8 of this Agreement, the District hereby covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (in the form and by the dates set forth in *Exhibit I*) to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents required to be filed with EMMA, including financial statements and other externally prepared reports.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Issuer will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment or waiver is made (or in any notice or supplement provided to EMMA ) shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

5. MATERIAL EVENTS DISCLOSURE. Subject to Section 8 of this Agreement, the District hereby covenants that it will disseminate in a timely manner Material Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission or the State at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents required to be filed with EMMA, including financial statements and other externally prepared reports.

Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Ordinance.

6. CONSEQUENCES OF FAILURE OF THE ISSUER TO PROVIDE INFORMATION. The Issuer shall give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the District to comply with any provision of this Agreement, the beneficial owner of any Certificate may seek mandamus or specific performance by court order, to cause the District to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed a default under the Resolution, and the sole remedy under this Agreement in the event of any failure of the District to comply with this Agreement shall be an action to compel performance.

7. AMENDMENTS; WAIVER. Notwithstanding any other provision of this Agreement, the Issuer by ordinance authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a "no-action" letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the Issuer, or type of business conducted; or

(ii) This Agreement, 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

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Certificates, as determined either by parties unaffiliated with the Issuer (such as Bond Counsel).

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Material Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the Issuer shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

8. TERMINATION OF UNDERTAKING. The Undertaking of the Issuer shall be terminated hereunder if the Issuer shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Ordinance. The Issuer shall give notice in a timely manner if this Section is applicable to EMMA.

9. DISSEMINATION AGENT. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

10. ADDITIONAL INFORMATION. Nothing in this Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Material Event, in addition to that which is required by this Agreement. If the Issuer chooses to include any information from any document or notice of occurrence of a Material Event in addition to that which is specifically required by this Agreement, the Issuer shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Material Event. If the Issuer is changed, the Issuer shall disseminate such information to EMMA..

11. BENEFICIARIES. This Agreement has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

12. RECORDKEEPING. The Issuer shall maintain records of all Annual Financial Information Disclosure and Material Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

13. ASSIGNMENT. The Issuer shall not transfer its obligations under the Ordinance unless the transferee agrees to assume all obligations of the Issuer under this Agreement or to execute an Undertaking under the Rule.

14. GOVERNING LAW. This Agreement shall be governed by the laws of the State of Illinois.

VILLAGE OF DOWNERS GROVE, DUPAGE  
COUNTY, ILLINOIS

By: *Jody Blittney*  
Its: Finance Director/Treasurer  
Address: 801 Burlington Avenue  
Downers Grove, Illinois

Date: March 4, 2010

EXHIBIT I  
ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED  
FINANCIAL STATEMENTS

*“Annual Financial Information”* means financial information and operating data of the type contained in Appendix A to the Official Statement under the following captions: the tables under the headings “Debt Information” and “Property Tax Information.”

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available from EMMA; the Final Official Statement need not be available from the Commission. The Issuer shall clearly identify each such item of information included by reference.

Annual Financial Information (exclusive of Audited Financial Statements) will be provided to EMMA by 240 days after the last day of the Issuer’s fiscal year. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included.

Audited Financial Statements will be prepared pursuant to generally applicable accounting rules for municipal corporations. Audited Financial Statements, together with the opinion of an independent certified public accountant engaged by the Village and all notes thereto, will be provided to EMMA within 60 days after availability to Issuer.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the Issuer will disseminate a notice of such change as required by Section 4.

EXHIBIT II  
EVENTS WITH RESPECT TO THE BONDS  
FOR WHICH MATERIAL EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies
2. Non-payment related defaults
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions or events affecting the tax-exempt status of the security
7. Modifications to the rights of security holders
8. Bond calls
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities
11. Rating changes

EXHIBIT III  
CUSIP NUMBERS

MATURITY (JANUARY 1)	CUSIPS (260741)
2011	ME0
***	***
2014	MG5
2015	MH3
2016	MJ9
2017	MK6
2018	ML4
2019	MM2
2020	MN0
2021	MP5

## ESCROW AGREEMENT

This Escrow Agreement, dated as of March 1, 2010, but actually executed and delivered the date last hereinbelow written, by and between the Village of Downers Grove, DuPage County, Illinois, and Amalgamated Bank of Chicago, having trust powers, with a corporate trust office located in Chicago, Illinois, not individually but in the capacity as hereinafter described, for and in consideration of mutual covenants set forth:

### WITNESSETH:

#### ARTICLE I. DEFINITIONS

The following words and terms used in this Agreement shall have the following meanings unless the context or use clearly indicates another or different meaning.

*"Agreement"* means this Escrow Agreement dated as of March 1, 2010.

*"Aggregate Refunded Bond Payment Requirement"* means the payment when due, on each interest or principal or Call Date, of all interest on and principal of the Refunded Bonds from the date hereof through the Final Maturity or the Call Date for each series of the Refunded Bonds, as may be applicable.

*"Bond Ordinance"* means the ordinance adopted by the Corporate Authorities on the 16th day of February, 2010, and entitled:

AN ORDINANCE providing for the issuance of General Obligation Refunding Bonds, Series 2010, of the Village of Downers Grove, DuPage County, Illinois, authorizing the execution of a bond order and an escrow agreement in connection therewith, providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds and furthering securing said bonds with a pledge of certain incremental taxes.

(as supplemented by a Bond Order and Notification of Sale) authorizing the Bonds.

“*Bond Registrar*” means the bond registrar for each series of the Refunded Bonds, respectively, as set forth in the description of such series attached hereto as *Exhibit A*.

“*Bonds*” means the General Obligation Refunding Bonds, Series 2010, of the Village.

“*Call Date*” means, for each series of the Refunded Bonds to be paid at an optional early redemption date, such date, as set forth in the description of such series attached hereto as *Exhibit A*.

“*Corporate Authorities*” means the Council of the Village.

“*Escrow Account*” means the trust fund created under the terms of this Agreement with the Escrow Agent and comprised of the Government Obligations and a certain beginning deposit as more fully described in 2.02 hereof.

“*Escrow Agent*” means Amalgamated Bank of Chicago, with a corporate trust office located in Chicago, Illinois, not individually but in the capacity for the uses and purposes hereinafter mentioned, or any successor thereto.

“*Final Maturity*” means, for each maturity of the Refunded Bonds to be paid through to the date of its final maturity, without optional early redemption, such final maturity date.

“*Government Obligations*” means the Qualified Government Obligations *initially* deposited hereunder as described on *Exhibit B* attached hereto.

“*Paying Agent*” means the paying agent for each series of the Refunded Bonds, respectively, as set forth in the description of such series attached hereto as *Exhibit A*.

“*Qualified Government Obligations*” means (A) direct and general obligations of the United States of America (being United States Bills, Notes, Bonds or STRPS or SLGS) or obligations the timely payment of the principal of and interest on which are fully guaranteed by the United States of America and not subject to redemption at the option of the issuer of (B) obligations issued or guaranteed by any of the following agencies, and not subject to redemption

at the option of the issuer, provided that such obligations are backed by the full faith and credit of the United States:

- (a) Export-Import Bank of the United States (Eximbank) direct obligations or fully guaranteed certificates of beneficial ownership
- (b) Federal Financing Bank
- (c) Farmers Home Administration (FmHA) certificates of beneficial ownership
- (d) Federal Housing Administration Debentures
- (e) Government National Mortgage Association guaranteed mortgage-backed bonds
- (f) General Services Administration participation certificates
- (g) United States Maritime Administration obligations guaranteed under Title XI
- (h) New Communities Debentures
- (i) United States Public Housing Bonds and Notes
- (j) United States Department of Housing and Urban Development (HUD) Project Notes and Local Authority Bonds

*"Refunded Bonds"* means the bonds of the Village described as set forth in *Exhibit A* attached hereto.

*"SLGS"* means U.S. Treasury Obligations of the State and Local Government Series.

*"Treasurer"* means the Village Treasurer of the Village.

*"Verification Report"* means the report attached hereto as *Exhibit C*, that the principal of, interest on and profit realized from the Government Obligations, when received, and the beginning deposit on demand held hereunder will be sufficient at all times to meet the Aggregate Refunded Bond Payment Requirement.

*"Village"* means the Village of Downers Grove, DuPage County, Illinois.

## ARTICLE II. CREATION OF ESCROW ACCOUNT

2.01. The Refunded Bonds are hereby refunded, so as to meet the Aggregate Refunded Bond Payment Requirement, by the deposit with the Escrow Agent of moneys sufficient to purchase the Government Obligations described in 2.02 hereof and of moneys to provide for the beginning cash balance as therein set forth.

2.02. The Village has deposited with the Escrow Agent at the execution and delivery of this Escrow Agreement the sum of \$6,281,538.50 derived from proceeds of the Bonds ("*Proceeds*"). The Proceeds have been used to acquire the Government Obligations and to establish a beginning cash balance ("*Beginning Cash*"). The Escrow Agent now holds the Government Obligations (described on *Exhibit B* attached hereto) and the Beginning Cash in the amount of \$1.50.

## ARTICLE III. COVENANTS OF ESCROW AGENT

The Escrow Agent covenants and agrees with the Village as follows:

3.01. The Escrow Agent will hold the Government Obligations and all interest, income and profit derived therefrom and all uninvested cash in a segregated and separate trust fund account for the sole and exclusive benefit of the Village and of the holders and registered owners of the Refunded Bonds and the Bonds, all to the purposes for which Escrowed.

3.02. The Beginning Cash in the Escrow Account shall remain uninvested and be applied to the payment of first interest due therefrom. Thereafter, from time to time at each interest or principal payment date of the Refunded Bonds, certain ending balances may exist. The Escrow Agent agrees, without further order or direction whatsoever, to reinvest such ending balances solely and only in accordance with the terms of this section. The Escrow Agent acknowledges that no such ending balance in an aggregate amount of \$1,000 or more will be available and that no such reinvestment thereof shall occur. To the extent the foregoing directions require the

Escrow Agent to invest and reinvest in SLGS, the Escrow Agent will reinvest all available uninvested balances (rounded to an even \$100) in the Escrow Account on deposit from time to time, whenever said balances exceed \$1,000. As stated above, such investments shall, to the fullest extent possible, be in zero-yield SLGS.<sup>1</sup> Such investments shall be made only to the extent permitted by, and shall be made in accordance with, the applicable statutes, rules and regulations governing such investments issued by the Bureau of Public Debt. Such rules and regulations currently require that a subscription for purchase of the investment be submitted at least 15 but no more than 60 days prior to the date of investment.

The Escrow Agent acknowledges that the schedule of cash flows into and out of the Escrow Account appears in the schedules and columns of the Verification Report.

3.03. The Escrow Agent shall hold all balances not invested or reinvested as hereinabove described and on deposit in the Escrow Account on demand and in trust for the purposes hereof and shall secure same in accordance with applicable Illinois law for the securing of public funds.

3.04. The Escrow Agent will take no action in the investment or securing of the proceeds of the Government Obligations which would cause the Bonds or the Refunded Bonds to be classified as "arbitrage bonds" under applicable sections of the Internal Revenue Code of 1986,

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<sup>1</sup> If the Department of the Treasury (or the Bureau of Public Debt) of the United States suspends the sale of SLGS causing the Escrow to be unable to purchase SLGS, then the Escrow will take the following actions: On the date it would have purchased SLGS had it been able to do so, the Escrow will purchase Qualified Government Obligations maturing not more than 90 days after the date of purchase (the "Alternate Investment"). The purchase price of the Alternate Investment shall be as close as possible to the principal amount of the SLGS that would have been purchased on such date if they had been available for purchase. The Escrow will purchase each Alternate Investment at a price no higher than the fair market value of the Alternate Investment and will maintain records demonstrating compliance with this requirement. On the maturity of each Alternate Investment, the Escrow shall pay the difference between the total of the receipts on the Alternate Investment and the purchase price of the Alternate Investment to the County with a notice to the County that such amount must be paid to the Internal Revenue Service pursuant to Rev. Proc. 95-47. If the Alternate Investment matures more than 29 days prior to the next succeeding interest payment date on the Refunded Bonds on which such proceeds will be needed to pay principal of or interest on the Refunded Bonds, the Escrow shall treat such amounts as an uninvested balance available for reinvestment and shall take all reasonable steps to invest such amounts in Slgs (or additional Alternate Investments as provided in this Section).

as amended, and all lawful regulations promulgated thereunder; provided, it shall be under no duty to affirmatively inquire whether the Government Obligations as deposited are properly invested under said section; and, provided, further, it may rely on all specific directions in this Agreement in the investment or reinvestment of balances held hereunder.

3.05. The Escrow Agent will promptly collect the principal of, interest on and income and profit from the Government Obligations and promptly apply the same solely and only to pay the Aggregate Refunded Bond Payment Requirement.

3.06. 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, and each such remittance shall fully release and discharge the Escrow Agent from any further duty or obligation thereto under this Agreement.

3.07. The Escrow Agent will make no payment of fees, due or to become due, of any Bond Registrar or Paying Agent, and the Village covenants to pay the same as they become due.

3.08. The costs and expenses of the Escrow Agent will be paid by the Village from funds other than those deposited hereunder. The Escrow Agent shall have no lien or right of set-off of any kind on the Escrow Account and shall look solely to the Village and its other funds for payment. The Escrow Agent shall charge such fees for its services as are reasonable and usual for like services rendered by similar institutions.

3.09. 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 Village 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.

3.10. The Escrow Agent may in good faith buy, sell or hold and deal in any of the Bonds or Refunded Bonds.

3.11. As more particularly shown on *Exhibit A*, Refunded Bonds of the following series are hereby called for redemption on the designated Call Dates therefor at the designated optional Redemption Prices therefor, all described as follows:

SERIES	AMOUNT REDEEMED (\$)	CALL DATE	REDEMPTION PRICE (%)	REDEMPTION PRICE (\$)
2000	225,000	04/05/10	100	225,000
2001	5,775,000	01/01/11	100	5,775,000

The form and time of the giving of the notice of redemption shall be as specified in 3.12 hereof.

3.12. The form and time of the giving of notice of redemption shall be as specified in the bond ordinance for each such series, respectively, and on file with the Bond Registrar, authorizing the issuance and specifying the terms of such series of Refunded Bonds. In addition, for any series of Refunded Bonds held in book-entry-only form, required notice shall also be given to the securities depositories. The Escrow Agent shall act as agent for the Village in performing all acts, giving or causing to be given all notices, and providing such directions to each Bond Registrar to effect the payment and redemption of the Refunded Bonds as aforesaid. The Escrow Agent acknowledges receipt of a certified copy of each such ordinance of the Village authorizing and providing for the issuance of the various series of the Refunded Bonds.

The Escrow Agent shall give or cause the Bond Registrar to give such further notices of redemption as may be required by any applicable rule of the Securities and Exchange Commission, the Municipal Securities Rulemaking Board, the Comptroller of the Currency, or any other agency or person having appropriate jurisdiction; but the giving of any such notice shall be directory only, and any failure or defect with respect to such notice shall not invalidate or diminish in any way the validity of the redemption of the Refunded Bonds as provided herein upon the giving of official notice of redemption.

3.13. The Escrow Agent will submit to the Treasurer a statement on January 2 and July 2 of each calendar year, commencing July 2, 2010, itemizing all moneys received by it and all payments made by it under the provisions of this Agreement during the preceding six month period.

3.14. If at any time it shall appear to the Escrow Agent that the available proceeds of the Government Obligations and funds on deposit in the Escrow Account will not be sufficient to make any payment (whether principal, interest or redemption price) due to the holders or registered owners of any of the Refunded Bonds, as and to the extent provided herein, the Escrow Agent shall notify the Village as soon as practicable prior to such date, and the Village agrees that it will from any funds lawfully available for such purpose make up the anticipated deficit so that no default in the making of any such payment will occur.

3.15. If required, the Escrow Agent shall promptly give notice of the defeasance of the Refunded Bonds to the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule. Such notice shall be filed in such manner and format and accompanied by identifying information as

prescribed by the MSRB or the Securities and Exchange Commission at the time of delivery of such notice.

#### **ARTICLE IV. COVENANTS AND DIRECTION OF THE VILLAGE**

The Village covenants and agrees with the Escrow Agent as follows:

4.01. The Escrow Agent shall have no responsibility or liability whatsoever for (a) any of the recitals of the Village herein, (b) the performance of or compliance with any covenant, condition, term or provision of the Bond Ordinance, and (c) any undertaking or statement of the Village hereunder.

4.02. To the fullest extent it is required under the terms of the Refunded Bonds, the Village will promptly and without delay remit to the Escrow Agent, promptly after receipt of its written request, such sum or sums of money as are necessary to make the payments required under 3.14 hereof and to fully pay and discharge any obligation or obligations or charges, fees or expenses incurred by the Escrow Agent in carrying out any of the duties, terms or provisions of this Agreement. The Village will promptly pay all Bond Registrar fees.

4.03. The Village does hereby *wave* any rights it may have to pay any of the Refunded Bonds on any other dates than may be as provided herein (i.e. for the respective series, to the Call Date or Final Maturity, as may be applicable).

#### **ARTICLE V. AMENDMENTS AND IRREVOCABILITY OF AGREEMENT**

5.01. This Agreement may be amended or supplemented solely to provide that the Government Obligations or any portion thereof may be sold or redeemed, and moneys derived therefrom invested or reinvested (but only in Qualified Government Obligations which are not redeemable prior to maturity) or disbursed in any manner provided (any such amendment,

supplement, direction to sell or redeem or invest, reinvest or disburse to be referred to as a "*Subsequent Action*"), upon submission to the Escrow Agent of each of the following:

A. Certified copy of proceedings of the Corporate Authorities authorizing the Subsequent Action and copy of the document effecting the Subsequent Action signed by duly designated officers of the Village.

B. An opinion of nationally recognized bond counsel or tax counsel nationally recognized as having an expertise in the area of tax-exempt municipal bonds that the Subsequent Action will not cause the interest on any of the Bonds or any of the Refunded Bonds to become includible in the gross income of the owners for federal income tax purposes and not exempt from federal income taxes of such owners under the laws of the United States of America providing for taxation of income as and to the extent contemplated when such bonds were issued and that the Subsequent Action does not materially adversely affect the legal rights of the registered owners or holders of any of the Bonds or any of the Refunded Bonds.

C. An opinion of a firm of nationally recognized independent certified public accountants that the amounts, which must consist of funds or receipts from Qualified Government Obligations, not subject to redemption prior to maturity, all of which shall be held hereunder, available or to be available for payment of the Refunded Bonds will remain sufficient after the Subsequent Action to pay when due and as called for redemption all principal of and interest on and redemption price of the Refunded Bonds.

5.02. The Village and the Escrow Agent may amend or add to the terms of this Agreement to correct errors, clarify ambiguities or insert inadvertently omitted material but only if any such correction, clarification or insertion has absolutely no adverse impact on the holders or registered owners of any of the Bonds or any of the Refunded Bonds. The Village may

supplement this Agreement by providing for notice prior to any amendment to such parties as it may name in any such supplement, which will be effective upon filing with the Escrow Agent.

5.03. Except as provided in 5.01 and 5.02 hereof, all of the rights, powers, duties and obligations of the Escrow Agent hereunder shall be irrevocable and shall not be subject to amendment by the Escrow Agent and shall be binding on any successor to the Escrow Agent during the term of this Agreement.

5.04. Except as provided in 5.01 and 5.02 hereof, all of the rights, powers, duties and obligations of the Village hereunder shall be irrevocable and shall not be subject to amendment by the Village and shall be binding on any successor to the Corporate Authorities during the term of this Agreement.

5.05. Except as provided in 5.01 and 5.02 hereof, all of the rights, powers, duties and obligations of the Treasurer hereunder shall be irrevocable and shall not be subject to amendment by the Treasurer and shall be binding on any successor to said official now in office during the term of this Agreement.

#### **ARTICLE VI. NOTICES**

6.01. All notices and communications to the Village and the Corporate Authorities shall be addressed in writing to:

Finance Director/Treasurer  
Village of Downers Grove  
801 Burlington  
Downers Grove, Illinois 60515

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

6.02. All notices and communications to the Escrow Agent shall be addressed in writing to:

Amalgamated Bank of Chicago  
One West Monroe Street  
Attention: Corporate Trust Department  
Chicago, Illinois 60603

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

6.03. All notices and communications to the Treasurer shall be addressed in writing to:

Village Treasurer  
Village of Downers Grove  
801 Burlington  
Downers Grove, Illinois 60515

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

#### **ARTICLE VII. RESIGNATION OF ESCROW AGENT**

The Escrow Agent may at any time resign as Escrow Agent under this Agreement by giving 30 days written notice to the Village, and such resignation shall take effect upon the appointment of a successor Escrow Agent by the Village. The Village may select as successor Escrow Agent any financial institution with capital, surplus and undivided profits of at least \$50,000,000 and located within the City of Chicago, Illinois, or the City of New York, Borough of Manhattan, New York, and which is authorized to maintain trust accounts for corporations in Illinois under applicable law.

#### **ARTICLE VIII. TERMINATION OF AGREEMENT**

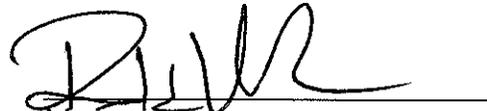
Upon either the final disbursement for the payment of the Refunded Bonds as hereinabove provided for, the Escrow Agent will transfer any balance remaining in the Escrow

Account to the Treasurer with due notice thereof mailed to the Village, and thereupon this Agreement shall terminate.

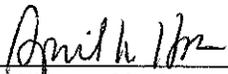
IN WITNESS WHEREOF the Village has caused this Agreement to be signed in its name by its Mayor and to be attested by the Village Clerk of the Village under its corporate seal hereunto affixed; and the Escrow Agent, not individually, but in the capacity as hereinabove described, has caused this Agreement to be signed in its corporate name by one of its Vice Presidents and to be attested by one of its Trust Officers under its corporate seal hereunto affixed, all this 4th day of March, 2010.

VILLAGE OF DOWNERS GROVE, DUPAGE  
COUNTY, ILLINOIS

By

  
\_\_\_\_\_  
Mayor

ATTEST:

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

**FILED**

FEB 22 2010

[SEAL]

AMALGAMATED BANK OF CHICAGO

  
DuPage County Clerk

By

\_\_\_\_\_  
Its \_\_\_\_\_

\_\_\_\_\_  
Its Trust Officer

[SEAL]

The foregoing Escrow Agreement has been received and acknowledged by me as of the date last written.

  
\_\_\_\_\_  
Finance Director/Treasurer  
Village of Downers Grove, DuPage  
County, Illinois

**FILED**

FEB 22 2010

  
DuPage County Clerk

## **LIST OF EXHIBITS**

- A — Refunded Bonds and Call Dates
- B — Government Obligations
- C — Verification Report

**EXHIBIT A**

**REFUNDED BONDS AND CALL DATES**

**GENERAL OBLIGATION BONDS, SERIES 2000**

Original Principal Amount: \$6,200,000  
Dated: May 1, 2000  
Originally Issued: May 24, 2000  
Bond Registrar and Paying Agent: Village Treasurer  
Originally Due Serially: January 1, 2003, to 2020, inclusive  
Amount Refunded: \$225,000  
Call Date: 04/05/10  
Redemption Price: 100%  
Refunded Bonds due January 1 as follows:

YEAR	AMOUNT (\$)	RATE (%)
2011	225,000	6.000

2000 Bonds Remaining Unrefunded and Outstanding as follows:

YEAR	AMOUNT (\$)	RATE (%)
NONE.		

**GENERAL OBLIGATION BONDS, SERIES 2001**

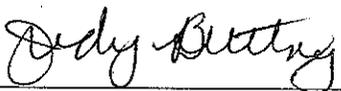
Original Principal Amount: \$6,000,000  
Dated: August 1, 2001  
Originally Issued: August 9, 2001  
Bond Registrar and Paying Agent: Village Treasurer  
Originally Due Serially: January 1, 2007, to 2021, inclusive  
Amount Refunded: \$5,775,000  
Call Date: 01/01/11  
Redemption Price: 100%  
Refunded Bonds due January 1 as follows:

YEAR	AMOUNT (\$)	RATE (%)
2012	135,000	4.750
2013	185,000	5.000
2014	255,000	5.000
2015	150,000	5.000
2016	135,000	5.000
2017	195,000	5.000
2018	180,000	5.000
2019	320,000	5.000
2020	1,530,000	5.125
2021	2,690,000	5.000

2001 Bonds Remaining Unrefunded and Outstanding as follows:

YEAR	AMOUNT (\$)	RATE (%)
2011	65,000	4.750

EXHIBIT A REVIEWED AND APPROVED BY:

  
 Finance Director/Treasurer

**EXHIBIT B**

**GOVERNMENT OBLIGATIONS**

TYPE	MATURITY	AMOUNT (\$)	RATE (%)
SLGS-CI	04/05/2010	228,516	0.04
SLGS-CI	07/01/2010	145,120	0.09
SLGS-CI	01/01/2011	5,907,901	0.25

**EXHIBIT C**  
**VERIFICATION REPORT**

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TAX EXEMPTION CERTIFICATE AND AGREEMENT

\$5,805,000

VILLAGE OF DOWNERS GROVE, DUPAGE COUNTY, ILLINOIS

GENERAL OBLIGATION REFUNDING BONDS, SERIES 2010

March 4, 2010

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Section 6.3.	Bank Qualification.....	54
ARTICLE VII.	MISCELLANEOUS.....	56
Section 7.1.	Termination; Interest of Issuer in Rebate Fund.....	56
Section 7.2.	Separate Issue.....	57
Section 7.3.	No Sale of the Prior Project.....	57
Section 7.4.	Purchase of Bonds by Issuer.....	59
Section 7.5.	Final Maturity.....	59
Section 7.6.	Registered Form.....	59
Section 7.7.	First Amendment.....	60
Section 7.8.	Future Events.....	60
Section 7.9.	Permitted Changes; Opinion of Bond Counsel.....	61
Section 7.10.	Excess Proceeds.....	62
Section 7.11.	Record Retention.....	64
Section 7.12.	Severability.....	65
Section 7.13.	Successors and Assigns.....	66
Section 7.14.	Headings.....	66
Section 7.15.	Governing Law.....	66
Section 7.16.	Expectations.....	66
Signatures.....		67
EXHIBIT A	— Estimated Sources and Uses of Funds	
EXHIBIT B	— Certificate of Purchaser	
EXHIBIT C	— Memorandum of Chapman and Cutler LLP	
EXHIBIT D	— Schedule of Elections	
EXHIBIT E	— Gross Proceeds	

## TAX EXEMPTION CERTIFICATE AND AGREEMENT

The undersigned is a duly qualified officer of the Village of Downers Grove, DuPage County, Illinois (the "*Issuer*") and is charged, with others, with the responsibility for executing and delivering the Bonds. Certain terms are defined in Article I hereof. Terms used herein and not defined in Article I shall have the meanings given to them in the Ordinance.

One purpose of executing this Tax Agreement is to set forth various facts regarding the Bonds and to establish the expectations of the Issuer as to future events regarding the Bonds and the use of Bond proceeds. The certifications, covenants and representations contained herein are made on behalf of the Issuer for the benefit of the owners from time to time of the Bonds.

The Issuer hereby covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause the interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The Issuer acknowledges that, in the event of an examination by the Internal Revenue Service of the exemption from federal income taxation of interest on the Bonds, under present rules, the Issuer may be treated as a "taxpayer" in such examination and agrees that it will respond in a commercially reasonable manner to any inquiries from the Internal Revenue Service in connection with such an examination.

### ARTICLE I

#### DEFINITIONS

In addition to such other words and terms used and defined in this Tax Agreement, the following words and terms used in this Tax Agreement shall have the following meanings unless, in either case, the context or use clearly indicates another or different meaning is intended:

*"Bond Counsel"* means Chapman and Cutler LLP or any other nationally recognized firm of attorneys experienced in the field of municipal bonds whose opinions are generally accepted by purchasers of municipal bonds.

*"Bond Fund"* means the Bond Fund created under the Ordinance.

*"Bonds"* means the obligations of the Issuer-described on the cover page of this Tax Agreement.

*"Closing"* means the date of this Tax Agreement, which is the first date on which the Issuer is receiving the purchase price for the Bonds.

“Code” means the Internal Revenue Code of 1986, as amended.

“Commingled Fund” means any fund or account containing both Gross Proceeds and an amount in excess of \$25,000 that are not Gross Proceeds if the amounts in the fund or account are invested and accounted for, collectively, without regard to the source of funds deposited in the fund or account. An open-ended regulated investment company under Section 851 of the Code is not a Commingled Fund.

“Control” means the possession, directly or indirectly through others, of either of the following discretionary and non-ministerial rights or powers over another entity:

(a) to approve and to remove without cause a controlling portion of the governing body of a Controlled Entity; or

(b) to require the use of funds or assets of a Controlled Entity for any purpose.

“Controlled Entity” means any entity or one of a group of entities that is subject to Control by a Controlling Entity or group of Controlling Entities.

“Controlled Group” means a group of entities directly or indirectly subject to Control by the same entity or group of entities, including the entity that has the Control of the other entities.

“Controlling Entity” means any entity or one of a group of entities directly or indirectly having Control of any entities or group of entities.

“Costs of Issuance” means the costs of issuing the Bonds, including underwriters’ discount and legal fees.

“De minimis Amount of Original Issue Discount or Premium” means with respect to an obligation (a) any original issue discount or premium that does not exceed two percent of the stated redemption price at maturity of the Bonds plus (b) any original issue premium that is attributable exclusively to reasonable underwriter’s compensation.

“Escrow Agent” means Amalgamated Bank of Chicago, Chicago, Illinois.

“Escrow Agreement” means the agreement between the Escrow Agent and the Issuer providing for the deposit in trust of certain Government Securities for the purpose of refunding in the Refunded Bonds.

“Escrow Fund” means the fund established pursuant to the Escrow Agreement.

“External Commingled Fund” means a Commingled Fund in which the Issuer and all members of the same Controlled Group as the Issuer own, in the aggregate, not more than ten percent of the beneficial interests.

“*GIC*” means (a) any investment that has specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate and (b) any agreement to supply investments on two or more future dates (e.g., a forward supply contract).

“*Government Securities*” means the obligations held and to be held under the Escrow Agreement.

“*Gross Proceeds*” means amounts in the funds listed on *Exhibit E* hereto.

“*Issuer*” is defined in the preamble to this Tax Agreement.

“*Ordinance*” means that certain ordinance authorizing the Bonds and adopted by the governing body of the Issuer on the 16th day of February, 2010.

“*Person*” means any entity with standing to be sued or to sue, including any natural person, corporation, body politic, governmental unit, agency, authority, partnership, trust, estate, association, company, or group of any of the above.

“*Placed-in-Service*” means the date on which, based on all facts and circumstances (a) a facility has reached a degree of completion that would permit its operation at substantially its design level and (b) the facility is, in fact, in operation at such level.

“*Prior Bond Fund*” means the fund or account or funds or accounts established with respect to the Prior Bonds from which current debt service on the Prior Bonds has been or will be paid excluding any interest paid on the Prior Bonds from Prior Bond Proceeds.

“*Prior Bond Proceeds*” means amounts actually or constructively received from the sale of the Prior Bonds and all other amounts properly treated as gross proceeds of the Prior Bonds under the Regulations, including (a) amounts used to pay underwriter’s discount or compensation and accrued interest, other than accrued interest for a period not greater than one year before the Prior Bonds were issued but only if it is to be paid within one year after the Prior Bonds were issued and (b) amounts derived from the sale of any right that is part of the terms of a Prior Bond or is otherwise associated with a Prior Bond (e.g., a redemption right).

“*Prior Bonds*” means, collectively, the Issuer’s General Obligation Bonds, Series 2000, and its General Obligation Bonds, Series 2001.

“*Prior Project*” means the public capital infrastructure improvements financed with the proceeds of the Prior Bonds.

“*Private Business Use*” means any use of the Prior Project by any Person other than a state or local government unit, including as a result of (i) ownership, (ii) actual or beneficial use pursuant to a lease or a management, service, incentive payment, research or output contract or (iii) any other similar arrangement, agreement or understanding, whether written or oral, except for use of the Prior Project on the same basis as the general public. Private Business Use includes any formal or informal arrangement with any person other than a state or local

governmental unit that conveys special legal entitlements to any portion of the Prior Project that is available for use by the general public that conveys to any person other than a state or local governmental unit any special economic benefit with respect to any portion of the Prior Project that is not available for use by the general public.

*"Purchaser"* means the purchaser of the Bonds from the Issuer.

*"Qualified Administrative Costs of Investments"* means (a) reasonable, direct administrative costs (other than carrying costs) such as separately stated brokerage or selling commissions, but not legal and accounting fees, recordkeeping, custody and similar costs; or (b) all administrative costs, direct or indirect, incurred by a publicly offered regulated investment company or an External Commingled Fund.

*"Qualified Tax Exempt Obligations"* means (a) any obligation described in Section 103(a) of the Code, the interest on which is excludable from gross income of the owner thereof for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax imposed by Section 55 of the Code; (b) an interest in a regulated investment company to the extent that at least ninety-five percent of the income to the holder of the interest is interest which is excludable from gross income under Section 103 of the Code of any owner thereof for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax imposed by Section 55 of the Code; and (c) certificates of indebtedness issued by the United States Treasury pursuant to the Demand Deposit State and Local Government Series program described in 31 C.F.R. pt. 344.

*"Rebate Fund"* means the fund, if any, identified and so defined in the Ordinance.

*"Rebate Provisions"* means the rebate requirements contained in Section 148(f) of the Code and in the Regulations.

*"Refunded Bonds"* means those certain Prior Bonds being refunded by the Bonds.

*"Regulations"* means United States Treasury Regulations dealing with the tax-exempt bond provisions of the Code.

*"Reimbursed Expenditures"* means amounts, if any, used from Sale Proceeds or investment earnings thereon to reimburse the Issuer for an expenditure paid prior to Closing.

*"Sale Proceeds"* means amounts actually or constructively received from the sale of the Bonds, including (a) amounts used to pay underwriter's discount or compensation and accrued interest, other than accrued interest for a period not greater than one year before Closing but only if it is to be paid within one year after Closing and (b) amounts derived from the sale of any right that is part of the terms of a Bond or is otherwise associated with a Bond (e.g., a redemption right).

*"Tax Agreement"* means this Tax Exemption Certificate and Agreement.

“*Transferred Proceeds*” means amounts actually or constructively received from the sale of the Prior Bonds, plus investment earnings thereon, which have not been spent prior to the date principal on the Refunded Bonds is discharged by the Bonds to the extent allocated to the Bonds under the Regulations.

“*Verifier*” means Sikich LLP, Aurora, Illinois.

“*Yield*” means that discount rate which when used in computing the present value of all payments of principal and interest paid and to be paid on an obligation (using semiannual compounding on the basis of a 360-day year) produces an amount equal to the obligation’s purchase price (or in the case of the Bonds, the issue price as established in Section 5.1), including accrued interest.

“*Yield Reduction Payment*” means a rebate payment or any other amount paid to the United States in the same manner as rebate amounts are required to be paid or at such other time or in such manner as the Internal Revenue Service may prescribe that will be treated as a reduction in Yield of an investment under the Regulations.

## ARTICLE II

### DESCRIPTION OF PURPOSE OF THE BONDS

*Section 2.1. Purpose of the Bonds.* The Bonds are being issued solely and exclusively, except as provided in Section 2.3, to currently refund the Refunded Bonds in a manner consistent with the revenue needs of the Issuer. A breakdown of the sources and uses of funds is attached as *Exhibit A*.

*Section 2.2. Reimbursement.* None of the Sale Proceeds or investment earnings thereon will be used for Reimbursed Expenditures.

*Section 2.3. Working Capital.* All Sale Proceeds and investment earnings thereon will be used, directly or indirectly, to pay principal of, interest on and redemption premium on (if any) the Refunded Bonds, other than the following:

- (a) Costs of Issuance and Qualified Administrative Costs of Investments;
- (b) payments of rebate or Yield Reduction Payments made to the United States under the Regulations.

*Section 2.4. Consequences of Contrary Expenditure.* The Issuer acknowledges that if Sale Proceeds and investment earnings thereon are spent for non-capital expenditures other than as provided in Section 2.1 and 2.3 hereof, a like amount of then available funds of the Issuer will be treated as unspent Sale Proceeds.

*Section 2.5. Investment of Bond Proceeds.* No portion of the Bonds is being issued solely for the purpose of investing a portion of Sale Proceeds or investment earnings thereon at a Yield higher than the Yield on the Bonds.

*Section 2.6. Hedges.* Neither the Issuer nor any member of the same Controlled Group as the Issuer has entered into or expects to enter into any hedge (e.g., an interest rate swap, interest rate cap, futures contract, forward contract or an option) with respect to the Bonds or the Prior Bonds. The Issuer acknowledges that any such hedge could affect, among other things, the calculation of Bond Yield under the Regulations. The Internal Revenue Service could recalculate Bond Yield if the failure to account for the hedge fails to clearly reflect the economic substance of the transaction.

The Issuer also acknowledges that if it acquires a hedging contract with an investment element (including e.g. an off-market swap agreement, or any cap agreement for which all or a portion of the premium is paid at, or before the effective date of the cap agreement), then a portion of such hedging contract may be treated as an investment of Gross Proceeds of the Bonds, and be subject to the fair market purchase price rules, rebate and yield restriction. The Issuer agrees not to use proceeds of the Bonds to pay for any such hedging contract in whole or in part. The Issuer also agrees that it will not give any assurances to any Bond holder, or any credit or liquidity enhancer with respect to the Bonds that any such hedging contract will be entered into or maintained. The Issuer recognizes that if a portion of a hedging contract is determined to be an investment of gross proceeds, such portion may not be fairly priced even if the hedging contract as a whole is fairly priced.

*Section 2.7. Abusive Transactions.* Neither the Issuer nor any member of the same Controlled Group as the Issuer will receive a rebate or credit resulting from any payments having been made in connection with the issuance of the Bonds or the refunding of the Refunded Bonds.

*Section 2.8. Internal Revenue Service Audits.* The Issuer represents that the Internal Revenue Service has not contacted the Issuer regarding the Prior Bonds or any other obligations issued by or on behalf of the Issuer the proceeds of which have been or are to be used to finance assets or used for a purpose similar to the assets to be financed with the proceeds of the Bonds or of the Prior Bonds, or that were issued for the purpose for which the Bonds are being issued or for which the Prior Bonds were issued, or that are secured by or reasonably expected to be paid from the same or similar source as the Bonds or the Prior Bonds. To the best of the knowledge of the Issuer, no such obligations of the Issuer are currently under examination by the Internal Revenue Service.

### **ARTICLE III**

#### **USE OF PROCEEDS; DESCRIPTION OF FUNDS**

*Section 3.1. Use of Proceeds.* (a) *Exhibit A* describes the use of the Sale Proceeds and the funds held under the Ordinance at the time of Closing.

(b) As shown on *Exhibit A*, only the following funds and accounts will be funded at Closing: Bond Fund, Expense Fund, and Escrow Fund. There are no other funds or accounts created under the Ordinance, other than the Rebate Fund if it is created as provided for in the Ordinance.

(c) Principal of and interest on the Bonds will be paid from the Bond Fund.

(d) Costs of Issuance incurred in connection with the Bonds will be paid from the Expense Fund. Any moneys remaining in the Expense Fund after the payment of all Costs of Issuance shall be transferred to the Bond Fund within six months of Closing.

*Section 3.2. Purpose of Bond Fund.* The Bond Fund will be used primarily to achieve a proper matching of revenues and earnings with principal and interest payments on the Bonds in each bond year. It is expected that the Bond Fund will be depleted at least once a year, except for a reasonable carry over amount not to exceed the greater of (a) the earnings on the investment of moneys in the Bond Fund for the immediately preceding bond year or (b) 1/12th of the principal and interest payments on the Bonds for the immediately preceding bond year.

*Section 3.3. The Prior Bonds.* (a) The Prior Bonds were issued on May 24, 2000, and on August 9, 2001, by the Issuer pursuant to separate ordinances adopted by the governing body of the Issuer authorizing the issuance of such Bonds. All of the Prior Bonds were issued for the purposes of paying costs public capital infrastructure improvements in and for the Issuer. As of the date hereof all Prior Bond Proceeds, including investment earnings thereon, were completely spent.

(b) As of the date hereof, no Prior Bond Proceeds or money or property of any kind (including cash) is on deposit in any fund or account, regardless of where held or the source thereof, with respect to the Prior Bonds or any credit enhancement or liquidity device relating to the foregoing, or is otherwise restricted to pay the Issuer's obligations other than amounts shown on *Exhibit A*. On the date hereof, any such amounts will be applied as described on *Exhibit A*.

(c) Each Prior Bond Fund established in connection with the issuance of the Prior Bonds was used primarily to achieve a proper matching of revenues and earnings with principal and interest payments on the Prior Bonds in each bond year. Each Prior Bond Fund was depleted at least once a year, except for a reasonable carry over amount not to exceed the greater of (i) the earnings on the investment of moneys in such account for the immediately preceding bond year or (ii) one-twelfth (1/12th) of the principal and interest payments on the respective Prior Bonds.

(d) At the time each of the Prior Bonds was issued, the Issuer reasonably expected to spend at least 85% of the proceeds (including investment earnings) of the Prior Bonds to be used for non-refunding purposes for such purposes within three years of the date the Prior Bonds were issued and such proceeds were so spent. Not more than 50% of the proceeds of the Prior Bonds to be used for non-refunding purposes was invested in investments having a Yield that was substantially guaranteed for four years or more.

(e) The 2000 Refunded Bonds will be called for redemption on April 5, 2010 (the "2000 Call Date"), which is less than ninety days after the Closing Date, and the 2001 Refunded Bonds will be called for redemption on January 1, 2011 (the "2001 Call Date"), which is the first optional call date for the 2001 Refunded Bonds.

(f) The Refunded Bonds do not include, directly or indirectly in a series, any advance refunding obligations.

(g) The parties to this Tax Agreement acknowledge that (i) any final rebate payment with respect to the Prior Bonds may be required to be made sooner than if the refunding had not occurred and (ii) the final rebate is due 60 days after the Prior Bonds are paid in full.

*Section 3.4. The Escrow Fund.* (a) The Escrow Fund will be funded on the date hereof as shown on *Exhibit A*.

(b) The uninvested cash and anticipated receipts from the Government Securities on deposit in the Escrow Fund, without regard to any reinvestment thereof, will be sufficient to pay, when due, principal and interest on the Refunded Bonds as such become due and payable and to redeem the outstanding principal amount of the Refunded Bonds on the respective Call Dates, at a redemption price of par plus accrued interest.

(c) Any moneys remaining on deposit in the Escrow Fund upon the final disbursement of funds sufficient to pay principal and interest of the Refunded Bonds shall be transferred by the Escrow Agent to the Bond Fund to be used to pay interest on the Bonds.

*Section 3.5. No Other Gross Proceeds.* (a) Except as identified on *Exhibit E* hereto, after the issuance of the Bonds, neither the Issuer nor any member of the same Controlled Group as the Issuer has or will have any property, including cash, securities or any other property held as a passive vehicle for the production of income or for investment purposes, that constitutes:

(i) Sale Proceeds;

(ii) amounts in any fund or account with respect to the Bonds (other than the Rebate Fund);

(iii) Transferred Proceeds;

(iv) amounts that have a sufficiently direct nexus to the Bonds or to the governmental purpose of the Bonds to conclude that the amounts would have been used for that governmental purpose if the Bonds were not used or to be used for that governmental purpose (the mere availability or preliminary earmarking of such amounts for a governmental purpose, however, does not itself establish such a sufficient nexus);

(v) amounts in a debt service fund, redemption fund, reserve fund, replacement fund or any similar fund to the extent reasonably expected to be used directly or indirectly to pay principal of or interest on the Bonds or any amounts for which there is

provided, directly or indirectly, a reasonable assurance that the amount will be available to pay principal of or interest on the Bonds, the Credit Facility or any other credit enhancement or liquidity device with respect to the Bonds, even if the Issuer encounters financial difficulties;

(vi) any amounts held pursuant to any agreement (such as an agreement to maintain certain levels of types of assets) made for the benefit of the owners of the Bonds or any credit enhancement provider, including any liquidity device or negative pledge (e.g., any amount pledged to pay principal of or interest on an issue held under an agreement to maintain the amount at a particular level for the direct or indirect benefit of the owners of the Bonds or a guarantor of the Bonds); or

(vii) amounts actually or constructively received from the investment and reinvestment of the amounts described in (i), (ii) or (iii) above.

(b) No compensating balance, liquidity account, negative pledge of property held for investment purposes or similar arrangement exists with respect to, in any way, the Bonds or any credit enhancement or liquidity device related to the Bonds.

(c) The term of the Bonds is not longer than reasonably necessary for the governmental purposes of the Bonds. The maturity, sinking fund and amortization schedule of the Bonds (the "Principal Payment Schedule") is based on an analysis of revenues expected to be available to pay debt service on the Bonds. The Principal Payment Schedule is not more rapid (*i.e.*, having a lower average maturity) because such a more rapid schedule would place an undue burden on revenues or cause tax rates to be increased beyond prudent levels, and would be inconsistent with the governmental purpose of the Bonds as set forth in Section 2.1.

## ARTICLE IV

### ARBITRAGE REBATE; RECORD KEEPING; INVESTMENT DIRECTION

*Section 4.1. Compliance with Rebate Provisions.* The Issuer covenants to take such actions and make, or cause to be made, all calculations, transfers and payments that may be necessary to comply with the Rebate Provisions applicable to the Bonds. The Issuer will make, or cause to be made, rebate payments with respect to the Bonds in accordance with law. Bond Counsel has provided a memorandum attached hereto as *Exhibit C* concerning the principles set forth in the Regulations regarding rebate.

*Section 4.2. Rebate Fund.* The Issuer is authorized by the Ordinance to create and establish a special fund to be known as the Rebate Fund, which, if created, shall be continuously held, invested, expended and accounted for in accordance with the Ordinance and this Tax Agreement. Moneys in the Rebate Fund shall not be considered moneys held for the benefit of the owners of the Bonds. Except as provided in the Regulations, moneys in the Rebate Fund (including earnings and deposits therein) shall be held in trust for payment to the United States as required by the Rebate Provisions and by the Regulations and as contemplated under the provisions of this Tax Agreement.

*Section 4.3. Records.* The Issuer agrees to keep and retain or cause to be kept and retained for the period described in Section 7.11 adequate records with respect to the investment of all Gross Proceeds and amounts in the Rebate Fund.

- (a) purchase price;
- (b) purchase date;
- (c) type of investment;
- (d) accrued interest paid;
- (e) interest rate;
- (f) principal amount;
- (g) maturity date;
- (h) interest payment date;
- (i) date of liquidation; and
- (j) receipt upon liquidation.

If any investment becomes Gross Proceeds on a date other than the date such investment is purchased, the records required to be kept shall include the fair market value of such investment on the date it becomes Gross Proceeds. If any investment is retained after the date the last Bond is retired, the records required to be kept shall include the fair market value of such investment on the date the last Bond is retired. Amounts or investments will be segregated whenever necessary to maintain these records.

*Section 4.4. Fair Market Value; Certificates of Deposit and Investment Agreements.* The Issuer will continuously invest all amounts on deposit in the Rebate Fund, together with the amounts, if any, to be transferred to the Rebate Fund, in any investment permitted under this Tax Agreement. In making investments of Gross Proceeds or of amounts in the Rebate Fund, the Issuer shall take into account prudent investment standards and the date on which such moneys may be needed. Except as provided in the next sentence, all amounts that constitute Gross Proceeds and all amounts in the Rebate Fund shall be invested at all times to the greatest extent practicable, and no amounts may be held as cash or be invested in zero yield investments other than obligations of the United States purchased directly from the United States. In the event moneys cannot be invested, other than as provided in this sentence due to the denomination, price or availability of investments, the amounts shall be invested in an interest bearing deposit of a bank with a yield not less than that paid to the general public or held uninvested to the minimum extent necessary.

Gross Proceeds and any amounts in the Rebate Fund that are invested in certificates of deposit or in GICs shall be invested only in accordance with the following provisions:

(a) Investments in certificates of deposit of banks or savings and loan associations that have a fixed interest rate, fixed payment schedules and substantial penalties for early withdrawal shall be made only if either (i) the Yield on the certificate of deposit (A) is not less than the Yield on reasonably comparable direct obligations of the United States and (B) is not less than the highest Yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public or (ii) the investment is an investment in a GIC and qualifies under paragraph (b) below.

(b) Investments in GICs shall be made only if:

(i) the bid specifications are in writing, include all material terms of the bid and are timely forwarded to potential providers (a term is material if it may directly or indirectly affect the yield on the GIC);

(ii) the terms of the bid specifications are commercially reasonable (a term is commercially reasonable if there is a legitimate business purpose for the term other than to reduce the yield on the GIC);

(iii) all bidders for the GIC have equal opportunity to bid so that, for example, no bidder is given the opportunity to review other bids (a last look) before bidding;

(iv) any agent used to conduct the bidding for the GIC does not bid to provide the GIC;

(v) at least three of the providers solicited for bids for the GIC are reasonably competitive providers of investments of the type purchased (*i.e.*, providers that have established industry reputations as competitive providers of the type of investments being purchased);

(vi) at least three of the entities that submit a bid do not have a financial interest in the Bonds;

(vii) at least one of the entities that provided a bid is a reasonably competitive provider that does not have a financial interest in the Bonds;

(viii) the bid specifications include a statement notifying potential providers that submission of a bid is a representation that the potential provider did not consult with any other provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the Issuer or any other person (whether or not in connection with the Bonds) and that the bid is not being submitted solely as a courtesy to the

Issuer or any other person for purposes of satisfying the federal income tax requirements relating to the bidding for the GIC;

(ix) the determination of the terms of the GIC takes into account the reasonably expected deposit and drawdown schedule for the amounts to be invested;

(x) the highest-yielding GIC for which a qualifying bid is made (determined net of broker's fees) is in fact purchased; and

(xi) the obligor on the GIC certifies the administrative costs that it is paying or expects to pay to third parties in connection with the GIC.

(c) If a GIC is purchased, the Issuer will retain the following records with its bond documents until three years after the Bonds are redeemed in their entirety:

(i) a copy of the GIC;

(ii) the receipt or other record of the amount actually paid for the GIC, including a record of any administrative costs paid, and the certification under paragraph (b)(xi) of this section;

(iii) for each bid that is submitted, the name of the person and entity submitting the bid, the time and date of the bid, and the bid results; and

(iv) the bid solicitation form and, if the terms of the GIC deviated from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose for the deviation.

Moneys to be rebated to the United States shall be invested to mature on or prior to the anticipated rebate payment date. All investments made with Gross Proceeds or amounts in the Rebate Fund shall be bought and sold at fair market value. The fair market value of an investment is the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction. Except for investments specifically described in this section and United States Treasury obligations that are purchased directly from the United States Treasury, only investments that are traded on an established securities market, within the meaning of regulations promulgated under Section 1273 of the Code, will be purchased with Gross Proceeds. In general, an "established securities market" includes: (i) property that is listed on a national securities exchange, an interdealer quotation system or certain foreign exchanges; (ii) property that is traded on a Commodities Futures Trading Commission designated board of trade or an interbank market; (iii) property that appears on a quotation medium; and (iv) property for which price quotations are readily available from dealers and brokers. A debt instrument is not treated as traded on an established market solely because it is convertible into property which is so traded.

An investment of Gross Proceeds in an External Commingled Fund shall be made only to the extent that such investment is made without an intent to reduce the amount to be rebated to the United States Government or to create a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the rebate or Yield restriction requirements not been relevant to the Issuer. An investment of Gross Proceeds shall be made in a Commingled Fund other than an External Commingled Fund only if the investments made by such Commingled Fund satisfy the provisions of this Section 4.4.

The foregoing provisions of this Section 4.4 satisfy various safe harbors set forth in the Regulations relating to the valuation of certain types of investments. The safe harbor provisions of this Section 4.4 are contained herein for the protection of the Issuer, who has covenanted not to take any action to adversely affect the tax-exempt status of the interest on the Bonds. The Issuer will contact Bond Counsel if it does not wish to comply with the provisions of this Section 4.4 and forego the protection provided by the safe harbors provided herein. Modifications to this Tax Agreement can be made in accordance with Section 7.9 hereof.

*Section 4.5. Arbitrage Elections.* The Issuer hereby waives its right to invest Sale Proceeds of the Bonds and investment earnings thereon in the Escrow Fund in investments with Yields higher than Bond Yield. Attached hereto as *Exhibit D* is a schedule of other elections regarding certain matters with respect to arbitrage executed by the Issuer on the date hereof. The elections made by the Issuer on *Exhibit D* are incorporated by reference as if made herein.

## ARTICLE V

### YIELD AND INVESTMENT LIMITATIONS

*Section 5.1. Issue Price.* The Purchaser has certified, *inter alia*, in the Certificate of the Purchaser set forth as or referenced in *Exhibit B*, which is attached hereto, that the first offering price at which it sold at least ten percent of each maturity of the Bonds is as shown on Appendix A to the Certificate of the Purchaser.

*Section 5.2. Yield Limits.* Except as provided in paragraph (a) or (b), all Gross Proceeds shall be invested at market prices and at a Yield (after taking into account any Yield Reduction Payments) not in excess of the Yield on the Bonds.

The following may be invested without Yield restriction:

(a)

(i) amounts on deposit in the Bond Fund (except for capitalized interest) that have not been on deposit under the Ordinance for more than 13 months, so long as the Bond Fund continues to qualify as a bona fide debt service fund as described in Section 3.2 hereof;

(ii) amounts in the Expense Fund prior to the earlier of thirteen months after Closing or the payment of all expenses to be paid from that fund;

(b)

(i) an amount not to exceed the lesser of \$100,000 or five percent of the Sale Proceeds;

(ii) amounts invested in Qualified Tax Exempt Obligations (to the extent permitted by law and the Ordinance);

(iii) amounts in the Rebate Fund;

(iv) all amounts other than Sale Proceeds for the first 30 days after they become Gross Proceeds; and

(v) all amounts derived from the investment of Sale Proceeds or investment earnings thereon other than those on deposit in the Escrow Fund for a period of one year from the date received.

*Section 5.3. Yield Limits on Prior Bonds.* Except for (i) an amount not to exceed the lesser of \$100,000 or five percent of Prior Bond Proceeds and (ii) if any, amounts on deposit in a reasonably required reserve or replacement fund for the Bonds, the Issuer acknowledges that all Prior Bond Proceeds must be invested at market prices and at a Yield not in excess of the Yield on the Prior Bonds.

*Section 5.4. Continuing Nature of Yield Limits.* Except as provided in Section 7.9, once moneys are subject to the Yield limits of Section 5.2 and 5.3 hereof, such moneys remain Yield restricted until they cease to be Gross Proceeds.

*Section 5.5. Federal Guarantees.* Except for investments meeting the requirements of Sections 5.2(a) hereof and except for investments in the Escrow Fund, investments of Gross Proceeds shall not be made in (a) investments constituting obligations of or guaranteed, directly or indirectly, by the United States (except obligations of the United States Treasury or investments in obligations issued pursuant to Section 21B(d)(3) of the Federal Home Loan Bank Act, as amended (*e.g.*, Refcorp Strips)); or (b) federally insured deposits or accounts (as defined in Section 149(b)(4)(B) of the Code). Except as otherwise permitted in this Section and the Regulations, no portion of the payment of principal or interest on the Bonds or any credit enhancement or liquidity device relating to the foregoing is or will be guaranteed, directly or indirectly (in whole or in part), by the United States (or any agency or instrumentality thereof), including a lease, incentive payment, research or output contract or any similar arrangement, agreement or understanding with the United States or any agency or instrumentality thereof. No portion of the Gross Proceeds has been or will be used to make loans the payment of principal or interest with respect to which is or will be guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof). Neither this Section nor Section 5.6 applies to any guarantee by the Federal Housing Administration, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, the Student Loan Marketing Association or the Bonneville Power Administration pursuant to the

Northwest Power Act (16 U.S.C. 839d) as in effect on the date of enactment of the Tax Reform Act of 1984.

*Section 5.6 Investments After the Expiration of Temporary Periods, Etc.* Any amounts, other than amounts in the Escrow Fund, that are subject to the yield limitation in Section 5.2 because Section 5.2(a) is not applicable and amounts not subject to yield restriction only because they are described in Section 5.2(b) cannot be invested in (i) federally insured deposits or accounts (as defined in Section 149(b)(4)(B) of the Code) or (ii) investments constituting obligations of or guaranteed, directly or indirectly, by the United States (except obligations of the United States Treasury or investments in obligations issued pursuant to Section 21B(d)(3) of the Federal Home Loan Bank Act, as amended (*e.g.*, Refcorp Strips).

## ARTICLE VI

### PRIVATE ACTIVITY BOND REPRESENTATIONS; FORM 8038-G; BANK QUALIFICATION

*Section 6.1. Payment and Use Tests.* (a) No more than five percent of the Prior Bond Proceeds and the Bonds each considered separately, and investment earnings thereon were used, and will be used, directly or indirectly, in whole or in part, in any Private Business Use. The Issuer acknowledges that, for purposes of the preceding sentence, Gross Proceeds used to pay costs of issuance and other common costs (such as capitalized interest and fees paid for a qualified guarantee or qualified hedge) or invested in a reserve or replacement fund must be ratably allocated among all the purposes for which Gross Proceeds are being used.

(b) The payment of more than five percent of the principal of or the interest on the Bonds or the Prior Bonds, each considered separately, will not be, directly or indirectly (i) secured by any interest in (A) property used or to be used in any Private Business Use or (B) payments in respect of such property or (ii) on a present value basis, derived from payments (whether or not to the Issuer or a member of the same Controlled Group as the Issuer) in respect of property, or borrowed money, used or to be used in any Private Business Use.

(c) No more than the lesser of \$5,000,000 or five percent of the sum of the Prior Bond Proceeds and investment earnings thereon were used, and no more than the lesser of \$5,000,000 or five percent of the Sale Proceeds of the Bonds and investment earnings thereon will be used, directly or indirectly, to make or finance loans to any persons. The Issuer acknowledges that, for purposes of the preceding sentence, Gross Proceeds used to pay costs of issuance and other common costs (such as capitalized interest and fees paid for a qualified guarantee or qualified hedge) or invested in a reserve or replacement fund must be ratably allocated among all the purposes for which Gross Proceeds are being used.

(d) No user of the Prior Project other than a state or local governmental unit will use more than five percent of the Prior Project, in the aggregate, on any basis other than the same basis as the general public.

*Section 6.2. I.R.S. Form 8038-G.* The information contained in the Information Return for Tax-Exempt Governmental Obligations, Form 8038-G to be filed separately by the Issuer, is true and complete. The Issuer will file Form 8038-G (and all other required information reporting forms) in a timely manner.

*Section 6.3. Bank Qualification.* (a) The Issuer hereby designates each of the Bonds as a “qualified tax-exempt obligation” for the purposes and within the meaning of Section 265(b)(3) of the Code. In support of such designation the Issuer certifies that (i) none of the Bonds will be at any time a “private activity bond” as defined in Section 141 of the Code, other than a “qualified 501(c)(3) bond as defined in Section 145 of the Code; (ii) as of the date hereof in calendar year 2010 the Issuer has not issued any tax-exempt obligations of any kind other than the Bonds nor have any tax-exempt obligations of any kind been issued on behalf of the Issuer; and (iii) not more than \$30,000,000 of obligations of any kind (including the Bonds) issued by or on behalf of the Issuer during calendar year 2010 will be designated for purposes of Section 265(b)(3) of the Code.

(b) The Issuer is not subject to Control by any entity, and there are no entities subject to Control by the Issuer.

(c) On the date hereof, the Issuer does not reasonably anticipate that for calendar year 2010 it will issue any Section 265 Tax Exempt Obligations (other than the Bonds), or that any Section 265 Obligations will be issued on behalf of it. “*Section 265 Obligations*” are obligations the interest on which is excludable from gross income of the owners thereof under Section 103 of the Code, except for private activity bonds other than qualified 501(c)(3) bonds, both as defined in Section 141 of the Code. The Issuer will not issue or permit the issuance on behalf of it or by any entity subject to Control by the Issuer (which may hereafter come into existence) of Section 265 Tax Exempt Obligations (including the Bonds) that exceed the aggregate amount of \$30,000,000 during calendar year 2010 unless it first obtains an opinion of Bond Counsel to the effect that such issuance will not adversely affect the treatment of the Bonds as “qualified tax-exempt obligations” for the purpose of and within the meaning of Section 265(b)(3) of the Code.

(d) The Bonds have not been sold in conjunction with any other obligation.

## ARTICLE VII

### MISCELLANEOUS

*Section 7.1. Termination; Interest of Issuer in Rebate Fund.* This Tax Agreement shall terminate at the later of (a) 75 days after the later of the date the Bonds or the Prior Bonds have been fully paid and retired or (b) the date on which all amounts remaining on deposit in the Rebate Fund, if any, shall have been paid to or upon the order of the United States and any other payments required to satisfy the Rebate Provisions of the Code have been made to the United States. Notwithstanding the foregoing, the provisions of Section 4.3, 4.4(c) and Section 7.11 hereof shall not terminate until the third anniversary of the date the Bonds are fully paid and retired.

*Section 7.2. Separate Issue.* Since at least 15 days prior to the sale date of the Bonds, neither the Issuer nor any member of the same Controlled Group as the Issuer has sold or delivered any obligations other than the Bonds that are reasonably expected to be paid out of substantially the same source of funds as the Bonds. Neither the Issuer nor any member of the same Controlled Group as the Issuer will sell or deliver within 15 days after the date hereof any obligations other than the Bonds that are reasonably expected to be paid out of substantially the same source of funds as the Bonds.

*Section 7.3. No Sale of the Prior Project.* (a) Other than as provided in the next sentence, neither the Prior Project nor any portion thereof has been, is expected to be, or will be sold or otherwise disposed of, in whole or in part, prior to the earlier of (i) the last date of the reasonably expected economic life to the Issuer of the property (determined on the date of issuance of the Bonds) or (ii) the last maturity date of the Bonds. The Issuer may dispose of personal property in the ordinary course of an established government program prior to the earlier of (i) the last date of the reasonably expected economic life to the Issuer of the property (determined on the date of issuance of the Bonds) or (ii) the last maturity of the Bonds, *provided:* (A) the weighted average maturity of the Bonds financing the personal property is not greater than 120 percent of the reasonably expected actual use of that property for governmental purposes; (B) the Issuer reasonably expects on the issue date that the fair market value of that property on the date of disposition will be not greater than 25 percent of its cost; (C) the property is no longer suitable for its governmental purposes on the date of disposition; and (D) the Issuer deposits amounts received from the disposition in a commingled fund with substantial tax or other governmental revenues and the Issuer reasonably expects to spend the amounts on governmental programs within six months from the date of the commingling.

(b) The Issuer acknowledges that if Bond-financed property is sold or otherwise disposed of in a manner contrary to (a) above, such sale or disposition may constitute a "deliberate action" within the meaning of the Regulations that may require remedial actions to prevent the Bonds from becoming private activity bonds. The Issuer shall promptly contact Bond Counsel if a sale or other disposition of Bond-financed property is considered by the Issuer.

*Section 7.4. Purchase of Bonds by Issuer.* The Issuer will not purchase any of the Bonds except to cancel such Bonds.

*Section 7.5. Final Maturity.* The period between the date of Closing and the final maturity date of the Bonds is not more than 10-1/2 years.

*Section 7.6. Registered Form.* The Issuer 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 be exempt from federal income taxation under laws in force at the time the Bonds are delivered. In this connection, the Issuer agrees that it will not take any action to permit the Bonds to be issued in, or converted into, bearer or coupon form.

*Section 7.7. First Amendment.* The Issuer acknowledges and agrees that it will not use or allow the Prior Project to be used in a manner that is prohibited by the Establishment of

Religion Clause of the First Amendment to the Constitution of the United States of America or by any comparable provisions of the Constitution of the State.

*Section 7.8. Future Events.* The Issuer acknowledges that any changes in facts or expectations from those set forth herein may result in different Yield restrictions or rebate requirements from those set forth herein and in the memorandum of Bond Counsel attached hereto as *Exhibit C*. The Issuer shall promptly contact Bond Counsel if such changes do occur.

*Section 7.9. Permitted Changes; Opinion of Bond Counsel.* The Yield restrictions contained in Section 5.2 or any other restriction or covenant contained herein need not be observed or may be changed if such nonobservance or change will not result in the loss of any exemption for the purpose of federal income taxation to which interest on the Bonds is otherwise entitled and the Issuer receives an opinion of Bond Counsel to such effect. Unless the Issuer otherwise directs, such opinion shall be in such form and contain such disclosures and disclaimers as may be required so that such opinion will not be treated as a covered opinion or a state or local bond opinion for purposes of Treasury Department regulations governing practice before the Internal Revenue Service (Circular 230) 31 C.F.R. pt. 10.

*Section 7.10. Excess Proceeds.* Gross Proceeds allocable to the Bonds and investment earnings thereon and all unspent Prior Bond Proceeds as of the date of Closing and investment earnings thereon do not exceed by more than one percent of the Sale Proceeds of the Bonds the amount that will be used for:

- (i) payment of principal, of or interest, or call premium on Refunded Bonds;
- (ii) payment of pre-issuance accrued interest on the Bonds and interest on the Bonds that accrues for a period up to the completion date of any capital project for which the prior issue was issued, plus one year;
- (iii) a reasonably required reserve or replacement fund for the Bonds or investment proceeds of such a fund;
- (iv) payment of cost of issuance of the Bonds;
- (v) payment of administrative costs allocable to repaying the Refunded Bonds, carrying and repaying the Bonds or investments of the Bonds;
- (vi) Prior Bond Proceeds that will be used or maintained for the governmental purpose of the Refunded Bonds;
- (vii) interest on purpose investments;
- (viii) replacement proceeds in a sinking fund for the refunding issue; and
- (ix) fees for a qualified hedge for the refunding issue.

*Section 7.11. Record Retention.* The Issuer will maintain sufficient records to demonstrate compliance with all covenants set forth herein, to support the continued exclusion of interest paid on the Bonds from federal income taxation and to show that all tax returns related to the Bonds submitted or required to be submitted to the Internal Revenue Service are correct and timely filed. Such records shall include but are not limited to: basic records relating to the Bond transaction (including this Tax Agreement, the Ordinance and the Bond Counsel opinion); documentation evidencing the expenditure of Bond proceeds; documentation evidencing the use of Bond-financed property by public and private entities (including, copies of leases, management contracts and research agreements); documentation evidencing all sources of payment or security for the Bonds; and documentation pertaining to any investment of Bond proceeds (including the information required under Section 4.3 and Section 4.4 hereof and in particular information related to the purchase and sale of securities, SLGS subscriptions, yield calculations for each class of investments if any, actual investment income received from the investment of proceeds, guaranteed investment contracts and documentation of any bidding procedure related thereto and any fees paid for the acquisition or management of investments and any rebate calculations). Such records shall be kept for at least as long as the Bonds are outstanding, plus the period ending three years after the latest of the final payment date of the Bonds or the final payment date of any obligations or series of obligations issued to refund directly or indirectly all or any portion of the Bonds or for such longer period as may be required by this Tax Agreement.

*Section 7.12. Severability.* If any clause, provision or section of this Tax Agreement is ruled invalid by any court of competent jurisdiction, the invalidity of such clause, provision or section shall not affect any of the remaining clauses, sections or provisions hereof.

*Section 7.13. Successors and Assigns.* The terms, provisions, covenants and conditions of this Tax Agreement shall bind and inure to the benefit of the respective successors and assigns of the Issuer.

*Section 7.14. Headings.* The headings of this Tax Agreement are inserted for convenience only and shall not be deemed to constitute a part of this Tax Agreement.

*Section 7.15. Governing Law.* This Tax Agreement shall be governed by and construed in accordance with the laws of State of Illinois.

*Section 7.16. Expectations.* The Issuer (including the undersigned officer) has reviewed the facts, estimates and circumstances presented by the Issuer and other persons in existence on the date of issuance of the Bonds. Such facts, estimates and circumstances, together with the expectations of the Issuer as to future events, are set forth in summary form in this Tax Agreement. Such facts and estimates are true and are not incomplete in any material respect. On the basis of the facts and estimates contained herein, the Issuer has adopted the expectations contained herein. On the basis of such facts, estimates, circumstances and expectations, it is not expected that Sale Proceeds, investment earnings thereon or any other moneys or property will be used in a manner that will cause the Bonds to be arbitrage bonds within the meaning of the Rebate Provisions and the Regulations. Such expectations are reasonable and there are no other facts, estimates and circumstances that would materially change such expectations.

DATED: March 4, 2010

VILLAGE OF DOWNERS GROVE, DUPAGE COUNTY,  
ILLINOIS

By Jody Buttry  
Finance Director/Treasurer

## EXHIBIT A

### ESTIMATED SOURCES AND USES OF FUNDS

#### SOURCES:

Sale Proceeds of Bonds	\$5,805,000.00
Original issue premium	<u>564,983.10</u>
TOTAL	\$6,369,983.10

#### USES:

Underwriter's Discount	\$47,774.88
Costs of Issuance	37,330.00
Escrow Fund	6,281,538.50
Contingency	<u>3,339.72</u>
TOTAL	\$6,369,983.10

## MEMORANDUM

### EXHIBIT C

To: Village of Downers Grove, DuPage County, Illinois

DATE: March 4, 2010

Re: GENERAL OBLIGATION REFUNDING BONDS, SERIES 2010

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We have acted as Bond Counsel in connection with the issuance on this date of the Bonds. In a Tax Exemption Certificate and Agreement delivered by you on this date (the "*Tax Agreement*"), you have agreed to comply with the arbitrage rebate requirements of Section 148 of the Internal Revenue Code of 1986, as amended. The purpose of this memorandum is to set out generally the rules that you must follow to comply with the Tax Agreement. This letter does not describe how to compute the amount to be rebated to the United States, and due to the complexity involved, the computation will, in all likelihood, require consultation with an expert.

The Internal Revenue Service has issued regulations relating to arbitrage and rebate matters. This memorandum is based upon these regulations, which are subject to change in the future. Such changes may require future recalculation of rebate amounts. For these reasons, it is very important for you and your tax advisors to keep abreast of developments in this area.

The following advice is based on factual information contained in the Tax Agreement. If the facts or expectations stated therein change, please call us to determine whether this results in a change in the following rules. Please note that the rules governing permissible Yield on investments set forth in the Tax Agreement are in addition to the rebate rules and, although you might be allowed to earn a Yield in excess of Bond Yield under the Yield rules, such excess may still be required to be rebated. In some cases, the payment of rebate may assist in compliance with the Yield restriction requirements. Thus, rebate compliance and Yield restriction compliance may operate together rather than independently. In any case, rebate compliance is essential to the maintenance of tax exemption even if no amounts are subject to Yield restriction. Terms not defined herein shall have the meanings set forth in the Tax Agreement.

*General Rule.* Except in the case of certain exceptions and elections as summarized below, every five years and at the final retirement of all of the Bonds you must compute and pay (as described below) to the United States the difference (the "*Excess Earnings*") between the amount earned on all investments and reinvestments of "gross proceeds" (as listed on *Exhibit E* to the Tax Agreement) of the Bonds ("*Actual Earnings*") and the amount that would have been earned if gross proceeds of the Bonds had been invested at Bond Yield (the "*Allowable Earnings*"). Earnings to be taken into account are *not* determined under normal tax accounting principles. In addition to taking into account earnings received (either actually or constructively), receipts with respect to investments that have not been liquidated are computed by assuming that such investments are, in essence, converted to cash as of each computation date

(as such dates are described below). The “cash value” of investments determined in this manner is subject to many special rules. Under many circumstances, the “market value” of an investment may be used. The application of these rules is complex and requires a comprehensive understanding of the rebate regulations.

To properly plan for the eventual payment of rebate to the United States, we suggest that you make annual calculations estimating rebate liability. The Tax Agreement establishes a “rebate fund” into which you may also wish to deposit annual estimates of rebate liability so that the payment to the United States may be made from amounts set aside. Federal tax law does *not*, however, require such set asides. In any event, we strongly encourage you to make an annual estimate of the rebate liability. The calculations can be lengthy and often produce surprising results. Experience in operating our rebate calculation service indicates that the calculation is far more difficult as the period of time for which the calculation is being performed increases.

*Phantom Income.* With certain exceptions, amounts paid for administrative costs are not treated as increasing earnings for purposes of rebate calculations. Administrative costs that do not increase earnings are reasonable, direct administrative costs, other than carrying costs, and generally include brokerage commissions for the purchase of investment agreements and separately stated brokerage or selling commissions, but not legal and accounting fees, record keeping, custody, and similar costs and expenses.

*Computation Dates.* Each calculation of Excess Earnings should be made as of a “Computation Date.” The Computation Date should be the same date in each calendar year (except that the final Computation Date should be the date on which all of the Bonds are actually retired). As indicated above, a Computation Date is required at least every five years. The first Computation Date must be on or before the fifth anniversary of the issuance of the Bonds. Each Computation Date, other than the final Computation Date, is the end of a bond year. A bond year ends on any date within one year of the issuance of the Bonds that you choose. If you do not choose an ending date for a bond year, it will be the anniversary date of the issuance of the Bonds.

Excess Earnings on a fixed Yield issue are determined by comparing Actual Earnings as of a Computation Date with Allowable Earnings as of the same date. Allowable Earnings are based on the Bond Yield as of such Computation Date. Bond Yield may change, but for reasons described below under “Bond Yield” it is unlikely to change over the life of the Bonds. If Bond Yield decreases as of a particular Computation Date, rebate (or additional rebate) may be due with respect to investments that have previously matured and the proceeds thereof spent.

*Bond Yield.* For fixed Yield issues, generally Bond Yield is calculated based upon expected payments of principal of and interest on the Bonds (including amounts treated as interest). Bond Yield on a fixed Yield issue is generally not required to be recalculated after the date of issuance except under certain limited circumstances. Generally, recomputation is required upon changes in hedging transactions (*e.g.*, purchase or termination of a swap or cap agreement associated with the Bonds) or the transfer of rights associated with the Bonds (*e.g.*, sale of a call option). The actual rules for computing Bond Yield are quite complex, and if Bond Yield must be calculated or recalculated, an expert should be consulted.

*Gross Proceeds.* Based upon the facts and expectations presented in the Tax Agreement, the gross proceeds of the Bonds are all moneys and investments in the funds and accounts (regardless of where held) listed on *Exhibit E* to the Tax Agreement. If, contrary to the expectations described in the Tax Agreement, moneys or investments are pledged or otherwise set aside for payment of principal of or interest on the Bonds, such amounts may also constitute gross proceeds.

*Universal Cap.* Gross proceeds will cease to be allocated to the Bonds (and will therefore be treated as if spent) to the extent that the amount of gross proceeds exceeds the outstanding amount of the Bonds (the "*Universal Cap*"). Although special rules are applicable in the case of discount bonds, the outstanding amount of bonds is roughly equal to the outstanding principal amount. Generally, but not always, the market value of investments is used to test the amount of gross proceeds. The Universal Cap may cause allocations on the second anniversary of the issue date and as of the first day of each bond year thereafter.

*Commingled Funds.* Funds allocated to two or more issues, or containing amounts that are not gross proceeds of the Bonds and amounts that are gross proceeds of the Bonds (including, for example, parity reserve funds) in which amounts are invested collectively without regard to source of funds must be treated as commingled funds. Investment earnings on commingled funds must be allocated to the gross proceeds of the Bonds according to a consistently applied reasonable allocation method. Such method, for example, may be based on average daily balances. Investments in commingled funds must be valued annually to properly allocate unrealized gain or loss to the gross proceeds of the Bonds. This mark to market requirement will not apply if the weighted average maturity of all investments held in the commingled fund during a particular fiscal year does not exceed 18 months and does not apply to commingled debt service and debt service reserve funds.

*Bona Fide Debt Service Fund Exception to the General Rule.* Based upon the information in the Tax Agreement, the Bond Fund is a bona fide debt service fund. As such, no excess earnings need to be computed on the fund. To the extent that the Bond Fund ceases to be a "bona fide debt service fund" as described in Section 3.2 of the Tax Agreement, some Bond Fund moneys may be subject to the rebate requirement.

*Six-Month Exception to the General Rule.* If all Gross Proceeds of the Bonds (including earnings thereon) are spent within six months of the date the Bonds are issued, other than amounts deposited in a reasonably required reserve fund or a bona fide debt service fund, no rebate is required except as described below in the case of an issue secured by a reasonably required reserve fund or in the case of unexpected gross proceeds arising after the date of Closing. If all proceeds (including earnings thereon) required to be spent are so spent within this six-month period, except for 5% of the Bond proceeds, and you spend the 5% (plus earnings thereon), within one year from the Closing, no rebate is required except as described below in the case of an issue secured by a reasonably required reserve fund. If the issue is secured by a reasonably required reserve fund, rebate is required on the reserve fund from the date the Bonds are issued, but not on the other funds. To qualify for the six-month exception, there must be no other amounts that are treated as Gross Proceeds of the Bonds, other than a reasonably required reserve or replacement fund or a bona fide debt service fund. Even if you qualify for this

exception, you may have to rebate with respect to any amounts that arise or are pledged to the payment of the Bonds at a later date.

*Qualified Tax-Exempt Obligation Exception to the General Rule.* To the extent that any gross proceeds are invested in Qualified Tax Exempt Obligations (as defined in Article I of the Tax Agreement, generally not including as Qualified Tax-Exempt Obligations those obligations subject to the individual alternative minimum tax), the earnings thereon would not be considered when calculating Excess Earnings. To the extent that 100% of gross proceeds are continually invested in Qualified Tax Exempt Obligations, there would be no rebate requirement.

*Investment of Rebate Fund and Other Funds.* Investments of moneys in the Rebate Fund and any other fund must be made in arm's-length transactions in a manner that does not reduce the amount to be rebated to the United States. Investment decisions (other than the decision to invest in Qualified Tax Exempt Obligations to avoid rebate) must be made on the basis of normal investment criteria of safety, Yield, and when the money will be needed. All interest rates and Yields must be market rates and Yields. Money must not be allowed to remain uninvested except for small amounts or for short periods of time, as provided in Section 4.3 of the Tax Agreement. Specific rules exist for certificates of deposit and investment agreements (including repurchase agreements) as set forth in Section 4.3 of the Tax Agreement.

*Rebate Payments.* Within 60 days after the Computation Date that is the end of the fifth bond year and every fifth bond year thereafter, at least 90% of the Excess Earnings and all earnings on the Excess Earnings (net of an appropriate credit depending on whether unexpended gross proceeds continue to exist) must be paid to the United States. Within 60 days of final payment of all principal and interest on the Bonds to the owners of the Bonds, all Excess Earnings and all earnings on the Excess Earnings (net of the credit) must be paid to the United States. All payments to the United States must be mailed to the address provided in the instructions to Form 8038-T or such other form specified by the Internal Revenue Service. Form 8038-T or such other form specified by the Internal Revenue Service must be signed by the Issuer.

*No Rebate Expected:* Based upon verified calculations, no rebate should arise on the Escrow Fund. As discussed above, no rebate should be payable on the Bond Fund. Based upon your representation in the Tax Agreement, there are not expected to be any other gross proceeds. Accordingly, so long as the expectations expressed in the Tax Agreement remain true, then it should be unnecessary to calculate or pay a rebate amount.

**EXHIBIT D**

**SCHEDULE OF ELECTIONS**

With regard to the Bonds, the Issuer hereby makes the elections indicated below with an "X." Any election below that has not been marked with an "X" has *not* been made in this Schedule of Elections:

**A. Election to Waive Temporary Periods or Reasonably Required Reserve or Replacement Fund**

The Issuer hereby waives under Treas. Reg. Section 1.148-2(h) or Treas. Reg. Section 1.148-9(g) its right to invest amounts in the following funds or accounts in higher yielding investments:

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This waiver applies to any exceptions to Yield restriction that might otherwise apply to such amounts for a temporary period or as part of a reasonably required reserve fund. *This election is being made on or before the issue date of the Bonds.*

**B. Waiver of Minor Portion**

The Issuer hereby waives under Treas. Reg. Section 1.148-2(h) or Treas. Reg. Section 1.148-9(g) described below its right to invest amounts in the funds or accounts described below in higher yielding investments as a result of any available minor portion.

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*This waiver may be made at any time.*

**C. Election to Treat Certain General Obligation Refunding Bonds as Part of the Same Issue.**

The issuer hereby elects under Treas. Reg. Section 1.150-1(c)(4)(iii) to treat the following series of Bonds as part of the same issue:

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All of the Bonds described above are general Obligation Refunding Bonds of the Issuer secured by the full faith and credit of the Issuer (or a substantially similar pledge) and were sold and issued on the same dates pursuant to a single offering document.

*This election is being made on or before the issue date of the bonds.*

**D. Election to Treat Certain Bonds as Part of Separate Issues.**

The issuer hereby allocates bonds to particular uses under Treas. Reg. Section 1.150-1(c)(3), so as to treat the following Bonds as part of separate issues for purposes of Sections 103, 141 through 150 of the Code, other than Sections 141, 144(a), 148, 149(d) and 149(g):

Purpose 1:

Description of Bonds:

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Purpose 2:

Description of Bonds:

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The aggregate proceeds, investments will be allocated between each of the separate issues, using a reasonable consistently applied allocation method, as follows:

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Each of the separate issues finance a separate purpose, and the Bonds of each portion would have been tax exempt if sold as a separate issue. The aggregate proceeds, investments, and bonds have been allocated between each of the separate issues using a reasonable, consistently applied allocation method, which does not achieve more favorable results under sections 103 and 141 to 150 than could be achieved with actual separate issues. If any of the Bonds are refunding bonds, the allocations described above meet the rules of Treas. Reg.

Section 1.148-9(h). *All allocations under this election have been made in writing on or before the issue date.*

All terms not defined herein shall have the same meaning as in the Tax Exemption Certificate and Agreement with respect to the Bonds, to which this exhibit is attached.

No Additional Elections Made  
[Authorized Representative of Issuer]

**EXHIBIT E**

**GROSS PROCEEDS**

Bond Fund  
Expense Fund  
Escrow Account

STATE OF ILLINOIS            )  
  ) SS  
COUNTY OF DUPAGE         )

**CERTIFICATE OF TAX REDUCTION**

TO THE COUNTY CLERK OF THE COUNTY OF DUPAGE, ILLINOIS, GREETINGS:

We, the undersigned, being the duly qualified and acting Village Clerk and Village Treasurer of the Village of Downers Grove, DuPage County, Illinois (the "*Village*") do hereby certify and notify you as follows:

1. The Village has issued bonds which have been advance refunded in part, as set forth on EXHIBIT A attached hereto and incorporated herein.

2. For convenience of reference, the aforesaid issues, as originally issued, shall be referred to as the "*Original Bonds*," and the portions of such issues being refunded, as hereinafter more particularly described, shall be referred to as the "*Refunded Bonds*."

3. Pertinent information regarding the Original Bonds is as follows:

ORIGINAL BONDS SERIES	ORDINANCE NUMBER	ADOPTED ON DATE	FILED IN YOUR OFFICE
2000	4196	05/02/2000	05/23/2000
2001	4319	07/17/2001	07/31/2001

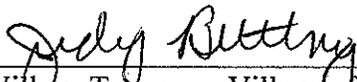
4. The ordinance providing for the Original Bonds levied taxes to pay the Original Bonds (the "*Tax Levies*"). The Tax Levies remain on file with your office as originally filed. The Tax Levies currently on file in your office are stated correctly in EXHIBIT B attached hereto and made a part hereof by this reference.

5. The Village has issued its \$5,805,000 original aggregate principal amount General Obligation Refunding Bonds, Series 2010, the proceeds of which have been used

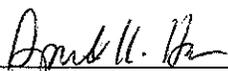
to acquire certain obligations of the United States of America (the "Government Securities"), the principal of and interest on will be sufficient, when paid, to pay the principal of and interest on the Prior Bonds as called for optional redemption on April 5, 2010 for the Series 2000 Bonds and January 1, 2011 for the Series 2001 Bonds (the "Refunding"). The Refunding results in the debt service for the Refunded Bonds being provided for at this time from other sources, and accordingly the Tax Levies may be abated as hereinafter stated.

6. Accordingly, you are hereby notified to make a *partial and proper* abatement of the Tax Levies as shown and set forth on EXHIBIT B, attached hereto and made a part hereof by this reference.

IN WITNESS WHEREOF, we hereunto affix our official signatures and the official corporate seal of the Village this 4th day of March, 2010.

  
\_\_\_\_\_  
Village Treasurer, Village of Downers Grove,  
DuPage County, Illinois

Attest:

  
\_\_\_\_\_  
Village Clerk, Village of Downers Grove,  
DuPage County, Illinois

[SEAL]

**FILED**

FEB 22 2010

  
\_\_\_\_\_  
DuPage County Clerk

STATE OF ILLINOIS            )  
  ) SS  
COUNTY OF DUPAGE         )

**FILING CERTIFICATE**

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of The County of DuPage, Illinois, and as such official I do further certify that on the 22ND day of FEBRUARY, 2010, there was filed in my office a duplicate original of the foregoing "Certificate of Tax Reduction," executed by the Village Clerk and the Village Treasurer of the Village of Downers Grove, DuPage County, Illinois, and dated the 4th day of March, 2010, and that the same has been deposited in the official files and records of my office.

IN WITNESS WHEREOF, I have hereunto affixed my official signature and the seal of The County of DuPage, Illinois, this 22ND day of FEBRUARY, 2010.

  
County Clerk of The County of DuPage, Illinois

[SEAL]

**EXHIBIT A**  
**REFUNDED BONDS AND CALL DATES**

GENERAL OBLIGATION BONDS, SERIES 2000

Original Principal Amount: \$6,200,000  
Dated: May 1, 2000  
Originally Issued: May 24, 2000  
Bond Registrar and Paying Agent: Village Treasurer  
Originally Due Serially: January 1, 2003, to 2020, inclusive  
Amount Refunded: \$225,000  
Call Date: 04/05/10  
Redemption Price: 100%  
Refunded Bonds due January 1 as follows:

YEAR	AMOUNT (\$)	RATE (%)
2011	225,000	6.000

2000 Bonds Remaining Unrefunded and Outstanding as follows:

YEAR	AMOUNT (\$)	RATE (%)
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NONE.

GENERAL OBLIGATION BONDS, SERIES 2001

Original Principal Amount: \$6,000,000  
Dated: August 1, 2001  
Originally Issued: August 9, 2001  
Bond Registrar and Paying Agent: Village Treasurer  
Originally Due Serially: January 1, 2007, to 2021, inclusive  
Amount Refunded: \$5,775,000  
Call Date: 01/01/11  
Redemption Price: 100%  
Refunded Bonds due January 1 as follows:

YEAR	AMOUNT (\$)	RATE (%)
2012	135,000	4.750
2013	185,000	5.000
2014	255,000	5.000
2015	150,000	5.000
2016	135,000	5.000
2017	195,000	5.000
2018	180,000	5.000
2019	320,000	5.000
2020	1,530,000	5.125
2021	2,690,000	5.000

2001 Bonds Remaining Unrefunded and Outstanding as follows:

YEAR	AMOUNT (\$)	RATE (%)
2011	65,000	4.750

EXHIBIT A REVIEWED AND APPROVED BY

  
 \_\_\_\_\_  
 Treasurer/Finance Director

**FILED**

FEB 22 2010

  
 DuPage County Clerk

**EXHIBIT B**

**TAXES LEVIED**

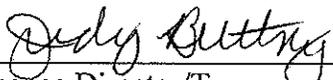
GENERAL OBLIGATION BONDS, SERIES 2000

LEVY YEAR	AMOUNT LEVIED, AS MOST RECENTLY ABATED (\$)	AMOUNT NOW ABATED (\$)	AMOUNT TO BE EXTENDED (\$)
2009	231,750.00	231,750.00	-0-

GENERAL OBLIGATION BONDS, SERIES 2001

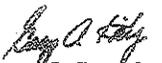
LEVY YEAR	AMOUNT LEVIED, AS MOST RECENTLY ABATED (\$)	AMOUNT NOW ABATED (\$)	AMOUNT TO BE EXTENDED (\$)
2009	358,412.50	290,325.00	68,087.50
2010	425,325.00	425,325.00	-0-
2011	468,912.50	468,912.50	-0-
2012	529,662.50	529,662.50	-0-
2013	411,912.50	411,912.50	-0-
2014	389,412.50	389,412.50	-0-
2015	442,662.50	442,662.50	-0-
2016	417,912.50	417,912.50	-0-
2017	548,912.50	548,912.50	-0-
2018	1,742,912.50	1,742,912.50	-0-
2019	2,824,500.00	2,824,500.00	-0-

EXHIBIT B REVIEWED AND APPROVED BY

  
\_\_\_\_\_  
Finance Director/Treasurer

**FILED**

FEB 22 2010

  
DuPage County Clerk



# Village of Downers Grove Meeting Minutes Downers Grove Village Council

Civic Center  
801 Burlington  
Downers Grove, IL 60515  
630-434-5500

Tuesday, February 9, 2010

7:00 pm

Council Chambers

## 1. Call to Order

Mayor Ron Sandack called the regular meeting of the Village Council of the Village of Downers Grove to order at 7:00 p.m. in the Council Chambers of the Downers Grove Village Hall.

FILED

FEB 22 2010

### Pledge of Allegiance to the Flag

Mayor Sandack led those present in the Pledge of Allegiance to the Flag.

*Ray A. Kelly*  
DuPage County Clerk

## 2. Roll Call

Present: Commissioner Marilyn Schnell, Commissioner Bob Barnett, Commissioner William Waldack, Commissioner Sean P. Durkin, Commissioner Bruce E. Beckman, Commissioner Geoff Neustadt and Mayor Ron Sandack

Non Voting: Village Manager David Fieldman, Village Attorney Enza Petrarca and Village Clerk April Holden

The Council meeting is broadcast over the local FM radio station, WDGC. In addition, a tape recording and videotape of the meeting are being made using Village owned equipment. The videotape of the meeting will be used for later rebroadcast of the Council meeting over the Village cable television Channel 6.

The Council will follow the rules of conduct for this meeting as provided in Sec. 2.5 of the Downers Grove Municipal Code. These offer the public the opportunity to comment at several points in the meeting. First, immediately following approval of the minutes of the past meetings, an opportunity will be given for public comments and questions of a general matter. If a public hearing is scheduled for this meeting, an opportunity is given for public comments and questions related to the subject of the hearing. Finally, an opportunity is given for public comments and questions on items appearing on the Consent Agenda, the Active Agenda and the First Reading.

The presiding officer will ask, at the appropriate time, if there are any comments from the public. If anyone wishes to speak, the individual should raise their hand to be recognized and, after acknowledgment from the presiding officer, approach the microphone and state their name and address. Remarks should be limited to five minutes, and asked that individuals refrain from making repetitive statements.

Mayor Sandack said there are agendas located on either side of the Council Chambers, and he invited the audience to pick up an agenda and follow the progress of the Council meeting.

## 3. Minutes of Council Meetings

Council Meeting - February 2, 2010.

There being no additions or corrections to the minutes, Mayor Sandack said they would be filed as submitted.

### Swearing In Ceremony - Fire Chief James Jackson, Sr.

Dave Fieldman, Village Manager, announced the swearing-in of new Fire Chief James Jackson, Sr., former Deputy Chief with the Village. Village Clerk April Holden administered the oath of office. Chief Jackson thanked the Village Council and the Fire Department for their support, as well as his wife, family, friends and colleagues. Mayor Sandack welcomed Chief Jackson and

*congratulated him, saying the Village is proud to have him as its new Chief. He also thanked the firefighters in attendance, saying the Village is blessed to have them serve the community.*

4. **Public Comments - General Comments on Matters Not Appearing on Tonight's Agenda**
5. **Public Hearings**
6. **Consent Agenda**

*Mayor Sandack asked for a motion to approve the Consent Agenda. Commissioner Waldack asked that items B, RES 00-04034, a resolution authorizing a fifth addendum to a software maintenance agreement with Crowe Horwath, LLP; C, MOT 00-04039, a motion awarding the 2010 traffic signal maintenance contract to Lyons Electric Company, LaGrange, IL; D, RES 00-04042, a resolution authorizing an agreement for prosecution services with Linda S. Pieczynski, Attorney at Law, P.C.; and E, RES 00-04040, a resolution of intent to continue participation in the suburban tree consortium and authorize certain purchases for FY2010, be removed from the Consent Agenda for separate consideration. The Mayor asked for a motion to approve the Consent Agenda as amended.*

- BIL 00-04037** A. List of Bills Payable: No. 5808, February 9, 2010  
**Sponsors:** Accounting  
**A motion was made to Approve this file on the Consent Agenda.**

**Indexes:** N/A

- MOT 00-04038** F. Motion: Note Receipt of Minutes of Boards and Commissions  
**Summary of Item:** Library Board - January 13, 2010  
 Transportation & Parking Commission - May 20, 2009; July 8, 2009; August 12, 2009; September 9, 2009; October 14, 2009  
**A motion was made to Note Receipt Of this file on the Consent Agenda.**

**Indexes:** Boards and Commissions Minutes

### **Passed The Consent Agenda**

**A motion was made by Commissioner Schnell, seconded by Commissioner Barnett, that the consent agenda be passed. The motion carried by the following vote:**

**Votes:** Yea: Commissioner Schnell, Commissioner Barnett, Commissioner Waldack, Commissioner Durkin, Commissioner Beckman, Commissioner Neustadt and Mayor Sandack

## **7. Active Agenda**

- RES 00-04034** B. Resolution: Authorize a Fifth Addendum to a Software Maintenance Agreement with Crowe Horwath, LLP  
**Sponsors:** Information Services  
**Summary of Item:** A RESOLUTION AUTHORIZING EXECUTION OF A FIFTH ADDENDUM TO A SOFTWARE MAINTENANCE AGREEMENT BETWEEN THE VILLAGE OF DOWNERS GROVE AND CROWE HORWATH, LLP  
 RESOLUTION 2010-06  
*Commissioner Waldack said he asked that several items be removed from the Consent Agenda because they were not previously on the First Reading. He believes strongly in a one-week*

waiting period. He asked the Manager if there was any economic consideration or constraint that would cause staff to request that the extra week not be given for public comment. He also asked if there was any time constraint that would cause staff to request that the item not be given the extra week for public comment. The Manager responded to both questions that there were no reasons to deny the additional week for public comment.

Commissioner Waldack then moved that this item be moved from this week's Active Agenda and be placed on next week's Consent Agenda. There was no second on the Motion.

**A motion was made by Commissioner Schnell, seconded by Commissioner Barnett, to Authorize this file. Mayor Sandack declared the motion carried by the following vote:**

**Votes:** Yea: Commissioner Schnell, Commissioner Barnett, Commissioner Durkin, Commissioner Beckman, Commissioner Neustadt and Mayor Sandack  
Nay: Commissioner Waldack

**Indexes:** Computer Licensing

**MOT 00-04039**

C. Motion: Award 2010 Traffic Signal Maintenance Contract to Lyons Electric Company, LaGrange, IL

**Sponsors:** Public Works

**Summary of Item:** This is in the not-to-exceed amount of \$47,000.00.

Commissioner Waldack said that he believes strongly in a one-week waiting period. He asked the Manager if there was any economic consideration or constraint that would cause staff to request that the extra week not be given for public comment. He also asked if there was any time constraint that would cause staff to request that the item not be given the extra week for public comment. The Manager responded to both questions that there were no reasons to deny the additional week for public comment.

Commissioner Waldack then moved that this item be moved from this week's Active Agenda and be placed on next week's Consent Agenda. There was no second on the Motion.

**A motion was made by Commissioner Barnett, seconded by Commissioner Beckman, to Authorize this file. Mayor Sandack declared the motion carried by the following vote:**

**Votes:** Yea: Commissioner Schnell, Commissioner Barnett, Commissioner Durkin, Commissioner Beckman, Commissioner Neustadt and Mayor Sandack  
Nay: Commissioner Waldack

**Indexes:** Traffic Signal Maintenance

**RES 00-04042**

D. Resolution: Authorize an Agreement for Prosecution Services with Linda S. Pieczynski, Attorney at Law, P.C.

**Sponsors:** Village Attorney

**Summary of Item:** A RESOLUTION AUTHORIZING EXECUTION OF AN AGREEMENT FOR PROSECUTION SERVICES BETWEEN THE VILLAGE OF DOWNERS GROVE AND LINDA S. PIECZYNSKI, ATTORNEY AT LAW, P.C.

RESOLUTION 2010-07

Commissioner Waldack asked the Manager if there was any economic consideration or constraint that would cause staff to request that the extra week not be given for public comment. He also asked if there was any time constraint that would cause staff to request that the item not be given the extra week for public comment. The Manager responded to both questions that there were no reasons to deny the additional week for public comment.

Commissioner Waldack then moved that this item be moved from this week's Active Agenda and

*be placed on next week's Consent Agenda. There was no second on the Motion.*

**A motion was made by Commissioner Beckman, seconded by Commissioner Neustadt, to Authorize this file. Mayor Sandack declared the motion carried by the following vote:**

**Votes:** Yea: Commissioner Schnell, Commissioner Barnett, Commissioner Durkin, Commissioner Beckman, Commissioner Neustadt and Mayor Sandack  
Nay: Commissioner Waldack

**Indexes:** Village Prosecutor - Linda Pieczynski

**RES 00-04040**

E. Resolution: Intent to Continue Participation in the Suburban Tree Consortium and Authorize Certain Purchases for FY 2010

**Sponsors:** Public Works

**Summary of Item:** A RESOLUTION EXPRESSING INTENT TO CONTINUE PARTICIPATION IN THE SUBURBAN TREE CONSORTIUM AND TO AUTHORIZE CERTAIN PURCHASES FOR FY 2010

RESOLUTION 2010-08

*Commissioner Waldack asked the Manager if there was any economic consideration or constraint that would cause staff to request that the extra week not be given for public comment. He also asked if there was any time constraint that would cause staff to request that the item not be given the extra week for public comment. The Manager responded to both questions that there were no reasons to deny the additional week for public comment.*

*Commissioner Waldack reiterated his belief that the Council should be given time to review the items. These items were placed on the Agenda Friday, not allowing the one-week waiting period. He does not consider these items routine and believes they deserve more consideration. He has no particular qualms about these items but feels that the one-week waiting period is necessary.*

*Commissioner Waldack then moved that this item be moved from this week's Active Agenda and be placed on next week's Consent Agenda. There was no second on the Motion.*

**A motion was made by Commissioner Neustadt, seconded by Commissioner Durkin, to Adopt this file. Mayor Sandack declared the motion carried by the following vote:**

**Votes:** Yea: Commissioner Schnell, Commissioner Barnett, Commissioner Durkin, Commissioner Beckman, Commissioner Neustadt and Mayor Sandack  
Nay: Commissioner Waldack

**Indexes:** Tree Consortium

**ORD 00-04033**

A. Ordinance: Authorize Extension of a Final Planned Development Amendment for Planned Development #31 for the Construction of a Two-Story Office Building at 3300 Woodcreek Drive

**Sponsors:** Community Development

**Summary of Item:** This authorizes the extension of a final planned development amendment for Planned Development #31 for the construction of a two-story office building at 3300 Woodcreek Drive until February 2, 2011.

AN ORDINANCE AUTHORIZING THE EXTENSION OF A FINAL PLANNED DEVELOPMENT AMENDMENT FOR PLANNED DEVELOPMENT #31 FOR THE CONSTRUCTION OF A TWO-STORY OFFICE BUILDING AT 3300 WOODCREEK DRIVE

ORDINANCE NO. 5121

*Commissioner Beckman asked if there were any changes to last year's proposal, and was advised*

by the Village Manager that no changes have been made to last year's plan.

A motion was made by Commissioner Schnell, seconded by Commissioner Barnett, to Adopt this file. Mayor Sandack declared the motion carried by the following vote:

**Votes:** Yea: Commissioner Schnell, Commissioner Barnett, Commissioner Waldack, Commissioner Durkin, Commissioner Beckman, Commissioner Neustadt and Mayor Sandack

**Indexes:** Planned Development #31 - Esplanade at Locust Point

## 8. First Reading

**ORD 00-04043**

A. Ordinance: Establish a Village Council Policy Regarding User-Fees, Licenses and Fines

**Sponsors:** Manager's Office

**Summary of Item:** This implements a formalized method for comprehensively establishing, reviewing and regularly updating Village user-fees, licenses and fines.

AN ORDINANCE ESTABLISHING A VILLAGE COUNCIL POLICY REGARDING USER-FEES, LICENSES AND FINES

ORDINANCE NO. 5122

*Management Analyst Brandon Dieter provided background on this item, saying there are three goals associated with this project. First, a policy will be drafted to establish user fees, licenses and fines. Second, a formalized process will be developed for staff's use in reviewing user fees, licenses and fines. Third, a comprehensive schedule will be created listing all fees, licenses and fines to be available in one central location. Mr. Dieter said in drafting the policy that staff has consulted with best practices with Government Finance Officers Association (GFOA) and National Advisory Council on State and Local Budgeting (NACSLB).*

*Mr. Dieter then reviewed the definition of user fees. The policy goals are to create a simplified rate structure, and provide a means of recovering the full cost of services based on comparative rates of surrounding communities. He commented that the reason for licensing regulation is to achieve the goals of protecting the public, meeting statutory mandates, maintaining the aesthetic value of the community, and protecting consumers from solicitors' interference,*

*As to cost recovery goals, Mr. Dieter explained that the intent is to recover the full cost of administering and issuing the license, focus on objectives of the license, review marketing factors, study policy goals, and determine competitiveness of surrounding communities.*

*Regarding fines, Mr. Dieter commented that fines are established to discourage certain behaviors. The fines will be established proportionately to the behavior that is being discouraged.*

*There were no comments from the audience.*

*Commissioner Schnell inquired as to the definition of fees, and whether these include administrative fines. She asked if something like a speeding ticket would be covered by this ordinance.*

*Village Attorney Enza Petrarca said municipal issues can be included.*

*Commissioner Barnett said it is important to do this and to establish a structure. The intent here is to establish a base line that covers total costs. Rates might be driven by a variety of things. He believes this is a step in the right direction. Decisions made will be based on input from the community and others, but this provides a basis from which to start.*

Commissioner Beckman commented that he spoke with the Village Manager earlier this week regarding fee waivers or partial waivers, which is apparently another Ordinance. He recommended a cross-reference to waivers in this policy, which would permit this to be more easily used. Mr. Fieldman said that is a logical connection and staff will include a cross-reference in the fee waiver policy.

Commissioner Waldack agreed with Commissioner Beckman's suggestion. He gave an example of a time when the Village was not competitive with respect to fees and was faced with waivers, exceptions, etc. He believes this proposal makes sense. Regarding fees, there are different categories, and he understands from the Village Manager, that a fee proposal will provide information as to what the market is charging, what is competitive, or what influences behavior. Council will not see one proposal for a fee, but instead will see several options with explanations and a recommendation. Council will be able to decide whether to be competitive, to induce behavior or examine how we compare to others. He commended that approach. He expressed concern about the definition with respect to services which provide benefits to a small group and not the community, and services which provide benefits to all members of the community at large. He doesn't see the role of that type of distinction in this process. He can't think of a single service the Village provides that does not affect the community in some way, shape or form. He is concerned about the ramifications. In the financial policy discussions, core and secondary services were defined which eventually turned into a budget matter. The change in meeting agenda is another example, such as "routine items" on the Consent Agenda. He is struggling with the policy that makes these distinctions and has a problem with the definitions. He wants to understand the distinction between fees that affect a few people. He asked why it is being done if it only affects a few people.

Commissioner Barnett asked if Commissioner Waldack was referring to the definitions under Section 1, a & b of the proposed ordinance. Commissioner Waldack answered affirmatively. Commissioner Barnett asked if an example would be the CNG fueling stations discussed at a previous meeting where there was a very narrow scope of non-community at large beneficiary of a service we provide as opposed to matters, such as inspections, etc. that have a broader base. It is almost akin to a resident/non-resident type of structure in that there is a very narrow scope and distinct group. Mr. Dieter agreed with Commissioner Barnett.

Commissioner Waldack said he thinks the CNG fueling station does affect the greater community. He said he doesn't see the need to define it as affecting only a few people rather than the community at large. He said parking benefits the people who park and the entire community that we offer parking. Everything we do affects the community at large to a greater or lesser extent. He does not see the need for the definition.

Commissioner Schnell asked Mr. Dieter if both groups would be treated the same, and whether the same criteria is used regardless of category. Mr. Dieter responded that both groups would be treated the same. The criteria is the same and all will be treated fairly. The fees are proportionate.

Mr. Fieldman commented that they are trying to draw a distinction between public good and fee for service.

Mayor Sandack noted that the proposed Ordinance is a simplification of what currently exists in the Code. The current Code is not user friendly. Cross-referencing to fee waivers is a step in the right direction. The Village is not inventing this, but it is working off of the best practices of the GFOA and NACSLB. An ordinance needs to have defined terms, and all ordinances have definitions. This is fair, balanced, and provides a clean approach. He commended staff for working on this and urged the Council members who want changes to put forth language that they feel would clarify it further.

**Indexes:** User Fee, License and Fine Umbrella Policy

**MOT 00-04044**

G. Motion: Authorize Change Order #3 for \$38,511.27 to Copenhagen Construction, Inc., Gilberts, IL, for the Washington Park Stormwater Improvement Project (SW-042)

**Sponsors:** Public Works

*The Manager noted that this concerns the Washington Park project, which is a joint project with the Downers Grove Park District. This is the third Change Order and it is in the amount of \$38,511.27, with the Village portion at \$26,500. The changes are based on Park District requests.*

*Commissioner Beckman asked where the Washington Park project stands in terms of the proposed budget. The Manager said this project is over budget and has been since it was awarded. They came in over the original earmark, but they are trying to keep the entire watershed at or under budget. He said they may be seeing another Change Order. It's a large project with two parties involved; however, staff works to minimize Change Orders.*

*Commissioner Schnell said that she thought they seem to be going over on amenities that are not stormwater related items. She sees these as causing overruns. She would rather see the money going for stormwater and not amenities. Commissioner Schnell said given limited resources at this time, they need to be more realistic with respect to other entities. She understands that the Village cannot do anything about this particular item, but she wants to see more being spent on stormwater issues. The Manager said that the Village has the opportunity to focus on dollars for stormwater in the last three projects.*

*Commissioner Durkin asked about the engineering firms involved, and whether the Village is sharing this information with the engineering firms as a learning tool, so we will not face this in other projects. Doing this may provide an opportunity to better handle these matters going forward. The Manager said that the information is being shared for future situations.*

*The Mayor commented that he and the Manager will sit down with the Park District representatives to assure that lines of communication remain open. The Park District doesn't like overruns either. He noted that they still have to do McCollum Park and Sterling North.*

**Indexes:** Washington Park

**ORD 00-04035**

B. Ordinance: Provide for the Issuance of General Obligation Refunding Bonds, Series 2010

**Sponsors:** Finance

**Summary of item:** This authorizes bond refundings pursuant to specific parameters.

AN ORDINANCE PROVIDING FOR THE ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2010, OF THE VILLAGE OF DOWNERS GROVE, DUPAGE COUNTY, ILLINOIS, AUTHORIZING THE EXECUTION OF A BOND ORDER AND AN ESCROW AGREEMENT IN CONNECTION THEREWITH, PROVIDING FOR THE LEVY AND COLLECTION OF A DIRECT ANNUAL TAX FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SAID BONDS AND FURTHERING SECURING SAID BONDS WITH A PLEDGE OF CERTAIN INCREMENTAL TAXES

ORDINANCE NO. 5123

*Mr. Fieldman said this is often referred to as the "Parameters Ordinance." The interest rate environment has changed and the Village has an opportunity to lower interest rates on existing bonds. There is a possible refunding of about \$6 million in existing bonds resulting in approximately a \$300,000 savings.*

Commissioner Durkin asked for clarification that they are authorizing the Village Manager to execute this under the Mayor's signature. The Manager said that was correct. He complimented staff on bringing this forward as it is a huge win for the Village. He noted that the Village's bond counsel will be Chapman and Cutler, and their fees have been lowered which is another win for the Village.

Commissioner Waldack commented that the Village has done this before and will have these opportunities again. He would like an estimate of the time it takes from the beginning to implementation. The Manager responded that the process takes 30-90 days depending upon the transaction and timing of the market. They could introduce a standing "Parameters Ordinance" that would expedite the process. Both Commissioners Waldack and Durkin said it would be a good idea to look at this.

**Indexes:** General Obligation Bond - Refund

**RES 00-04041**

C. Resolution: Authorize an Agreement with the Indian Boundary YMCA to Jointly Conduct the 2010 Downtown Downers Grove Market

**Sponsors:** Community Development

**Summary of Item:** This authorizes an agreement between the Village and the Indian Boundary YMCA to jointly conduct the 2010 Downtown Downers Grove Market.

A RESOLUTION AUTHORIZING AN AGREEMENT BETWEEN THE VILLAGE OF DOWNERS GROVE AND THE INDIAN BOUNDARY YMCA TO JOINTLY CONDUCT THE 2010 DOWNTOWN DOWNERS GROVE MARKET

RESOLUTION 2010-14

Mr. Fieldman commented that the Downtown Market is a great event, and this Resolution is required to approve it. The event will run about five weeks longer than in previous years. The YMCA would reimburse the Village for expenses which are estimated to be about \$7,000.

The Mayor asked representatives of the YMCA if they would like to comment.

Barb Taylor, Executive Director of the YMCA, Chuck Keenley and Marta Cullen were all present. Ms. Taylor thanked the Council for its support of the Market. She then recapped the success of last year. Last year they ran 26 weeks with 62 vendors. The event adds energy to Downers Grove and drives foot traffic to downtown merchants. She noted that 816 volunteers hours were used to put this together. Net proceeds last year were \$23,000, and that money went back into the YMCA programs. They have been giving back to the community, and she said that the Chamber of Commerce acknowledged the YMCA for its contribution to the community. Ms. Taylor then called on Chuck Keenley.

Mr. Keenley told the Council that the YMCA had a goal to make this one of the best markets in the area. He thinks they have met that goal. Paying the Village \$7,000 will impact their profits and they would like to request relief from this fee. He believes the Village can be proud of the Market. He pointed out that the contract says we "jointly facilitate" the Market, and Mr. Keenley asked that the Village help them out with expenses.

Marta Cullen, member of the Board of Directors of the Downtown Management Corporation, said that the Market has positively affected the downtown businesses on Saturdays. A few years back Saturday was one of the slowest days, but during the summer months, with the Market, Saturdays are now the busiest day of the week.

Commissioner Waldack commented that the expanded dates will include the former date of the

*Heritage Festival weekend. He asked what would happen if Heritage Festival is carried out this coming summer. Mr. Fieldman said that the proposals allow for the operation of the Market. Commissioner Waldack said that this project adds a lot to the downtown area, and he thanked the YMCA for their hard work.*

*Commissioner Schnell said she loved the enhancements of last year. She asked if the fees they charge vendors are equal to other communities. Mr. Keenley responded that they raised their fees to \$15.00 two years ago, and the fees are on the low side. They have been kept low due to the economy. If they raise the fees by \$5.00 it would generate about \$3,000. Commissioner Schnell then asked whether the \$5.00 increase would bring their fees in line with those of other communities. Ms. Cullen replied that they don't have an equal comparison. French Markets, such as in Wheaton, are entirely different concepts. Commissioner Schnell asked the YMCA to work with the staff to survey fees of other similar markets. Mr. Keenley added that if they have to raise the fees, he is concerned that they may lose some vendors.*

*Commissioner Beckman commented that the Market has developed into a festive event. He has been to other markets, and this is better than the others he has seen. There are two kinds of vendors, those who go to other sites, and local vendors. He asked what the price point is that creates a barrier. He is not too concerned about the vendors who have multiple sites, but he may be concerned for the local vendors.*

*Commissioner Durkin commented that he has volunteered for the Market for quite a while and enjoys it. He is happy for their success. He then asked for a breakdown of staff time spent on the Market. It appears that establishing the power panel and signage may be the only activities that staff handles. A better breakdown of services would be beneficial to all concerned. The Village has made difficult decisions with respect to its budget based on the economy. The importance of the Market is great and he suggested a two-year implementation of the fee to allow the YMCA to work with the vendors. Mr. Fieldman responded that last year they established the concept of establishing a set amount of Village-provided services. As to Commissioner Durkin's suggestion, that would be a policy discussion. Commissioner Durkin said that this includes one Public Works employee who spends about fifteen minutes at the Market each week. He would like to see how the Village comes up with the \$7,000 figure and upon what services the fee is based*

*Mayor Sandack commented that he thinks the Market is a community gem. He explained that the Village has an overall policy with respect to not-for-profit organizations. He referenced various budget issues and constraints which are felt by all groups in the Village. It is necessary to know the costs. The Village has tried to be transparent as to its expenses. It is hard to set a policy and then chip away at it, because every other organization will want the same consideration. The Mayor said that he will think about this, but agrees with the request for a little more detail of the expenses as related to the services. He expressed the good will of the Council to the YMCA and to the Market.*

**Indexes:** Downtown Downers Grove Market

## **9. Mayor's Report**

### **Proclamation**

*The Mayor proclaimed the week of February 7-13 as Boy Scouts of America Week in the Village in honor of the 100th Anniversary of the Boy Scouts of America. The Mayor congratulated the numerous Boy Scouts troops associated with many organizations in the Village on this anniversary.*

### **Reports**

*Mayor Sandack said he has made two selections to add to the Comprehensive Plan Committee to*

be reported out next week. He invited those two members to the first Comprehensive Planning Committee meeting.

The Mayor then commented in response to Commissioner Waldack's earlier motions, saying that there is a Council member prerogative to remove items from the Consent Agenda. The Ordinance was changed earlier this year, and the meeting schedule of the Council was also changed. One of the goals was that items of a routine nature would be on the Consent Agenda. He said one of the items this evening was prosecution services as suggested by the Village Attorney. This was competitively bid with specific qualifications sent out. The same is true of the tree consortium purchase. He hopes that one member of the Council will not use his prerogative to change what the Council did collectively, and what Commissioner Waldack agreed to do, because of what he believes is not routine. If that is the case, the Mayor will ask his colleagues to consider a rule change to the rule allowing items to be removed from the Consent Agenda at the request of one Council member. He note this rule existed when there were five Council members. There are seven now. He does not think one person should necessarily hold up a Consent Agenda if everyone else thinks it's a routine matter, because if they continue in that direction, they will not achieve the goal of making the meetings efficient. He stressed that is not a threat, but is a legitimate request for a rule change if the Council cannot live up to the rules they just changed. The Council agreed that routine matters would be on the Consent Agenda, and now a couple of weeks into the new rule change it's being gutted. He will work with the Village Attorney and Village Manager on language, have the Council review it, and if a rule change is needed to assure that the process they all voted on and agreed to a few weeks ago is adhered to, so be it.

## 10. Manager's Report

## 11. Attorney's Report

Village Attorney Enza Petrarca said she was presenting three items to the Council: 1) An ordinance providing for the issuance of General Obligation Refunding Bonds, Series 2010, of the Village of Downers Grove, DuPage County, Illinois, authorizing the execution of a bond order and an escrow agreement in connection therewith, providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds and furthering securing said bonds with a pledge of certain incremental taxes; 2) An ordinance establishing a Village Council policy regarding user-fess, licenses and fines; and 3) A resolution authorizing an agreement between the Village of Downers Grove and the Indian Boundary YMCA to jointly conduct the 2010 Downtown Downers Grove Market.

## Future Active Agenda

## 12. Council Member Reports and New Business

Commissioner Neustadt asked staff to look into the possibility of the use of vertical axis wind turbines on Village property at Village Hall or other facilities to generate power to be used for our electrical needs. The Village Hall location is very close to the BNSF train line which displaces air as the trains go by, making this an appropriate consideration. Vertical axis wind turbines can harness wind from any direction and could help generate energy for Village Hall. He said there are many opportunities for federal and State grants based on his research. Commissioner Neustadt said he would like to see this become a "shovel ready" project.

Commissioner Waldack said he would like to reiterate his solution to the one-week waiting period, which would be to place items on the Consent Agenda and expand the Agenda with a heading "Consent Agenda one-week waiting period" without discussion for less routine matters that would automatically be moved to next week's Agenda. The Commissioner said he was told the Consent Agenda would be for routine matters. He said the Council is authorizing multi-year contracts and spending more money than some households make in a year. He does not consider that "routine." Each contract should be looked at anew. There is more of an upside to

*a one-week waiting period than the prospect of efficiency. If one needs to get home early, then perhaps that person shouldn't be here. He asked the Council members to consider his solution which would maintain efficiency, give adequate public notice and essentially solve the problem by placing the item on the following week's Agenda. He hoped his Council members would consider that rather than changing the ability to remove items from the Consent Agenda.*

*Commissioner Waldack then commented that the president of Waste Management was on TV recently, and he commented that 40% of their vehicles run on CNG. Perhaps other vendors would have CNG vehicles, and Commissioner Waldack suggested that, since the Village operates a CNG facility, that could be made part of the waste contract negotiations. The cost of operating CNG vehicles is the increased maintenance, according to the president of Waste Management.*

*Both Commissioners Barnett and Durkin thanked Commissioner Neustadt for bringing his idea forward.*

*Commissioner Durkin then announced that the Ice Sculpture Festival will be held the weekend of February 13 and 14. In addition, there will be face painting, a pancake breakfast, and live entertainment at the Two-Way Coffee House. He said that snow and low temperatures are expected for the weekend events.*

*The Mayor said he is thrilled that the Downtown Management Corporation has stepped up to sponsor the Ice Festival.*

### **13. Adjournment**

*Commissioner Schnell moved to adjourn. Commissioner Barnett seconded the Motion.*

*Mayor Sandack declared the motion carried by voice vote and the meeting adjourned at 8:20 p.m.*

STATE OF ILLINOIS

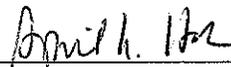
COUNTY OF DU PAGE

CERTIFICATE

I, April K. Holden, DO HEREBY CERTIFY THAT I am the Village Clerk of the Village of Downers Grove, Du Page County, Illinois, and as such officer I have the lawful power and duty to keep an index and record of all proceedings of the Village Council of said Village.

I DO HEREBY FURTHER CERTIFY THAT the foregoing document is a true and correct copy of the minutes of the regular Council Workshop meeting of the Village Council of the Village of Downers Grove of February 9, 2010 duly approved by the Village Council on February 16, 2010.

In witness whereof, I have hereunto set my hand and affixed the corporate seal of the Village of Downers Grove, in the State and County aforesaid, this 19<sup>th</sup> day of February, 2010.



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

SEAL

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

► Under Internal Revenue Code section 149(e)  
 ► See separate Instructions.

OMB No. 1545-0720

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

<b>Part I Reporting Authority</b>			If Amended Return, check here <input type="checkbox"/>	
1 Issuer's name <b>Village of Downers Grove, DuPage County, Illinois</b>	2 Issuer's employer identification number <b>36 : 6005857</b>			
3 Number and street (or P.O. box if mail is not delivered to street address) <b>801 Burlington Avenue</b>	Room/suite	4 Report number <b>3 01</b>		
5 City, town, or post office, state, and ZIP code <b>Downers Grove, Illinois 60515</b>		6 Date of issue <b>03/04/10</b>		
7 Name of issue <b>General Obligation Refunding Bonds, Series 2010</b>		8 CUSIP number <b>260741 MP5</b>		
9 Name and title of officer or legal representative whom the IRS may call for more information <b>Judy Buttny, Finance Director</b>		10 Telephone number of officer or legal representative <b>( 630 ) 434-5500</b>		

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

11 <input type="checkbox"/> Education	11	
12 <input type="checkbox"/> Health and hospital	12	
13 <input type="checkbox"/> Transportation	13	
14 <input type="checkbox"/> Public safety	14	
15 <input type="checkbox"/> Environment (including sewage bonds)	15	
16 <input type="checkbox"/> Housing	16	
17 <input type="checkbox"/> Utilities	17	
18 <input checked="" type="checkbox"/> Other. Describe ► <b>refunding</b>	18	<b>6,369,983.10</b>
19 If obligations are TANs or RANs, check box <input type="checkbox"/> If obligations are BANs, check box <input type="checkbox"/>		
20 If obligations are in the form of a lease or installment sale, check box <input type="checkbox"/>		

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

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	<b>01/01/21</b>	<b>\$ 6,369,983.10</b>	<b>\$ 5,805,000</b>	<b>9.263</b> years	<b>3.1689 %</b>

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

22	Proceeds used for accrued interest		22	-0-
23	Issue price of entire issue (enter amount from line 21, column (b))		23	<b>6,369,983.10</b>
24	Proceeds used for bond issuance costs (including underwriters' discount)	<b>88,444.60</b>	24	
25	Proceeds used for credit enhancement	<b>0</b>	25	
26	Proceeds allocated to reasonably required reserve or replacement fund	<b>0</b>	26	
27	Proceeds used to currently refund prior issues	<b>228,516.99</b>	27	
28	Proceeds used to advance refund prior issues	<b>6,053,021.51</b>	28	
29	Total (add lines 24 through 28)		29	<b>6,369,983.10</b>
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)		30	-0-

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

31	Enter the remaining weighted average maturity of the bonds to be currently refunded	<b>0.825</b> years
32	Enter the remaining weighted average maturity of the bonds to be advance refunded	<b>9.152</b> years
33	Enter the last date on which the refunded bonds will be called	<b>04/05/10, 01/01/11</b>
34	Enter the date(s) the refunded bonds were issued	<b>05/24/00; 08/09/01</b>

**Part VI Miscellaneous**

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

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

**Sign Here**  
 Signature of issuer's authorized representative: Judy Buttny Date: 03/04/10  
 Type or print name and title: Judy Buttny, Finance Director

November 18, 2010

Village of Downers Grove  
Attn: Ms. Judy Buttny, Finance Director  
801 Burlington  
Downers Grove, IL 60515

**RE: Our A/C#1854388001 Village of Downers Grove Refunding Escrow Agreement dated 11/10/2010 ('Escrow Agreement')**

**Refunded Bonds: \$5,285,000 Village of Downers Grove General Obligation Bonds Series 2002 ('2002 Bonds')**

Dear Ms. Buttny:

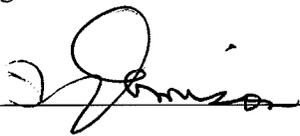
Pursuant to the above-mentioned Escrow Agreement, the Village has elected to refund their 2002 bonds listed above of which you are Registrar and Paying Agent. We are authorized under the Escrow Agreement on behalf of the Village to direct you to redeem \$5,285,000 ("Called Amount") of their Series 2002 Bonds prior to maturity on 1/1/2012 (the "Redemption Date") @ 100% all in the amounts listed on the attached portion from the Escrow Agreement. You are hereby notified to give notice of redemption to bondholders pursuant to the terms of the Resolution or Ordinance for the Series 2002 Bonds.

We will be wiring payments for the Series 2002 Bonds in accordance to the attached payment schedule. **Please fax your written wire instructions for payments on these bonds to the attention of the undersigned at fax# (312) 267-8787.**

Please acknowledge receipt of the above instructions by signing and returning a copy of this letter to the undersigned. We appreciate your cooperation. If you have any questions, please feel free to contact me at (312) 822-8504.

**AMALGAMATED BANK OF CHICAGO**  
As Escrow Agent on behalf of the

Village

BY:  \_\_\_\_\_

Remonia Jamison  
Corporate Trust

Village of Downers Grove hereby acknowledges receipt of this letter instructing us to give notice of the call on the 2002 Bonds

BY: \_\_\_\_\_

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

## Village of Downers Grove, IL

General Obligation Refunding Bonds, Series 2010B

Dated: November 10, 2010

Final Pricing

### Escrow Fund Cashflow

Date	Principal	Rate	Interest	+Transfers	Receipts	Disbursements	Cash Balance
11/10/2010	-	-	-	0.75	0.86	-	0.86
01/01/2011	-	-	1,677.93	116,825.63	118,503.56	118,503.75	0.67
07/01/2011	110,738.00	0.180%	6,064.56	1,700.95	118,503.51	118,503.75	0.43
01/01/2012	5,397,566.00	0.220%	5,937.32	-	5,403,503.32	5,403,503.75	-
<b>Total</b>	<b>\$5,508,304.00</b>	<b>-</b>	<b>\$13,679.81</b>	<b>\$118,527.33</b>	<b>\$5,640,511.25</b>	<b>\$5,640,511.25</b>	<b>-</b>

#### Investment Parameters

Investment Model [PV, GIC, or Securities]	Securities
Default investment yield target	Bond Yield
Cost of Investments Purchased with Fund Transfers	118,503.75
Cash Deposit	0.11
Cost of Investments Purchased with Bond Proceeds	5,508,304.00
Total Cost of Investments	\$5,626,807.86
Target Cost of Investments at bond yield	\$5,358,807.33
Actual positive or (negative) arbitrage	(149,496.78)
Yield to Receipt	0.2194741%
Yield for Arbitrage Purposes	2.6704882%
State and Local Government Series (SLGS) rates for	10/19/2010

## ESCROW AGREEMENT

This Escrow Agreement, dated as of November 10, 2010, but actually executed and delivered the date last hereinbelow written, by and between the Village of Downers Grove, DuPage County, Illinois, and Amalgamated Bank of Chicago, having trust powers, with a corporate trust office located in Chicago, Illinois, not individually but in the capacity as hereinafter described, for and in consideration of mutual covenants set forth:

### WITNESSETH:

#### ARTICLE I. DEFINITIONS

The following words and terms used in this Agreement shall have the following meanings unless the context or use clearly indicates another or different meaning.

*"Agreement"* means this Escrow Agreement dated as of November 10, 2010.

*"Aggregate Refunded Bond Payment Requirement"* means the payment when due, on each interest or principal or Call Date, of all interest on and principal of the Refunded Bonds from the date hereof through the Final Maturity or the Call Date for the Refunded Bonds, as may be applicable.

*"Bond Ordinance"* means the ordinance adopted by the Corporate Authorities on the 12th day of October, 2010, and entitled:

AN ORDINANCE providing for the issuance of one or more series of General Obligation Refunding Bonds, of the Village of Downers Grove, DuPage County, Illinois, authorizing the execution of one or more bond orders and escrow agreements in connection therewith, providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds and furthering securing said bonds with a pledge of certain incremental taxes.

(as supplemented by a Bond Order and Notification of Sale) authorizing the Bonds.

“*Bond Registrar*” means the bond registrar for the Refunded Bonds, as set forth in the description attached hereto as *Exhibit A*.

“*Bonds*” means the General Obligation Refunding Bonds, Series 2010B, of the Village.

“*Call Date*” means, for the Refunded Bonds to be paid at an optional early redemption date, such date, as set forth in the description of such series attached hereto as *Exhibit A*.

“*Corporate Authorities*” means the Council of the Village.

“*Escrow Account*” means the trust fund created under the terms of this Agreement with the Escrow Agent and comprised of the Government Obligations and a certain beginning deposit as more fully described in 2.02 hereof.

“*Escrow Agent*” means Amalgamated Bank of Chicago, with a corporate trust office located in Chicago, Illinois, not individually but in the capacity for the uses and purposes hereinafter mentioned, or any successor thereto.

“*Final Maturity*” means, for each maturity of the Refunded Bonds to be paid through to the date of its final maturity, without optional early redemption, such final maturity date.

“*Government Obligations*” means the Qualified Government Obligations *initially* deposited hereunder as described on *Exhibit B* attached hereto.

“*Paying Agent*” means the paying agent for the Refunded Bonds, respectively, as set forth in the description of such series attached hereto as *Exhibit A*.

“*Qualified Government Obligations*” means (A) direct and general obligations of the United States of America (being United States Bills, Notes, Bonds or STRPS or SLGS) or obligations the timely payment of the principal of and interest on which are fully guaranteed by the United States of America and not subject to redemption at the option of the issuer of (B) obligations issued or guaranteed by any of the following agencies, and not subject to

redemption at the option of the issuer, *provided* that such obligations are backed by the full faith and credit of the United States:

(a) Export-Import Bank of the United States (Eximbank) direct obligations or fully guaranteed certificates of beneficial ownership

(b) Federal Financing Bank

(c) Farmers Home Administration (FmHA) certificates of beneficial ownership

(d) Federal Housing Administration Debentures

(e) Government National Mortgage Association guaranteed mortgage-backed bonds

(f) General Services Administration participation certificates

(g) United States Maritime Administration obligations guaranteed under Title XI

(h) New Communities Debentures

(i) United States Public Housing Bonds and Notes

(j) United States Department of Housing and Urban Development (HUD)

Project Notes and Local Authority Bonds

“*Refunded Bonds*” means the bonds of the Village described as set forth in *Exhibit A* attached hereto.

“*SLGS*” means U.S. Treasury Obligations of the State and Local Government Series.

“*Treasurer*” means the Village Treasurer of the Village.

“*Verification Report*” means the report attached hereto as *Exhibit C*, that the principal of, interest on and profit realized from the Government Obligations, when received, and the beginning deposit on demand held hereunder will be sufficient at all times to meet the Aggregate Refunded Bond Payment Requirement.

“*Village*” means the Village of Downers Grove, DuPage County, Illinois.

## **ARTICLE II. CREATION OF ESCROW ACCOUNT**

2.01. The Refunded Bonds are hereby refunded, so as to meet the Aggregate Refunded Bond Payment Requirement, by the deposit with the Escrow Agent of moneys sufficient to purchase the Government Obligations described in 2.02 hereof and of moneys to provide for the beginning cash balance as therein set forth.

2.02. The Village has deposited with the Escrow Agent at the execution and delivery of this Escrow Agreement the sum of \$5,508,304.11 derived from proceeds of the Bonds (“*Bond Proceeds*”). The Bond Proceeds have been used to acquire the Government Obligations and to establish a beginning cash balance (“*Bond Proceeds Beginning Cash*”). The Escrow Agent now holds the Government Obligations (described on *Exhibit B* attached hereto) and the Bond Proceeds Beginning Cash in the amount of \$0.11. The Village has deposited with the Escrow Agent at the execution and delivery of this Escrow Agreement the sum of \$118,503.75 derived from funds held to pay debt service on the Refunded Bonds (“*Unrestricted Proceeds*” and, together with the Bond Proceeds, the “*Proceeds*”). The Unrestricted Proceeds have been used to acquire the Government Obligations and to establish a beginning cash balance (“*Unrestricted Proceeds Beginning Cash*” and, together with the Bond Proceeds Beginning Cash, the “*Beginning Cash*”). The Escrow Agent now holds the Government Obligations (described on *Exhibit B* attached hereto) and the Unrestricted Proceeds Beginning Cash in the amount of \$0.75.

## **ARTICLE III. COVENANTS OF ESCROW AGENT**

The Escrow Agent covenants and agrees with the Village as follows:

3.01. The Escrow Agent will hold the Government Obligations and all interest, income and profit derived therefrom and all uninvested cash in a segregated and separate trust fund

account for the sole and exclusive benefit of the Village and of the holders and registered owners of the Refunded Bonds and the Bonds, all to the purposes for which Escrowed.

3.02. The Beginning Cash in the Escrow Account shall remain uninvested and be applied to the payment of first interest due therefrom. Thereafter, from time to time at each interest or principal payment date of the Refunded Bonds, certain ending balances may exist. The Escrow Agent agrees, without further order or direction whatsoever, to reinvest such ending balances solely and only in accordance with the terms of this section. The Escrow Agent acknowledges that no such ending balance in an aggregate amount of \$1,000 or more will be available and that no such reinvestment thereof shall occur. To the extent the foregoing directions require the Escrow Agent to invest and reinvest in SLGS, the Escrow Agent will reinvest all available uninvested balances (rounded to an even \$100) in the Escrow Account on deposit from time to time, whenever said balances exceed \$1,000. As stated above, such investments shall, to the fullest extent possible, be in zero-yield SLGS.<sup>1</sup> Such investments shall be made only to the extent permitted by, and shall be made in accordance with, the applicable statutes, rules and regulations governing such investments issued by the Bureau of Public Debt. Such rules and regulations currently require that a subscription for purchase of the investment be submitted at least 15 but no more than 60 days prior to the date of investment.

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<sup>1</sup> If the Department of the Treasury (or the Bureau of Public Debt) of the United States suspends the sale of SLGS causing the Escrow to be unable to purchase SLGS, then the Escrow will take the following actions: On the date it would have purchased SLGS had it been able to do so, the Escrow will purchase Qualified Government Obligations maturing not more than 90 days after the date of purchase (the "*Alternate Investment*"). The purchase price of the Alternate Investment shall be as close as possible to the principal amount of the SLGS that would have been purchased on such date if they had been available for purchase. The Escrow will purchase each Alternate Investment at a price no higher than the fair market value of the Alternate Investment and will maintain records demonstrating compliance with this requirement. On the maturity of each Alternate Investment, the Escrow shall pay the difference between the total of the receipts on the Alternate Investment and the purchase price of the Alternate Investment to the County with a notice to the County that such amount must be paid to the Internal Revenue Service pursuant to Rev. Proc. 95-47. If the Alternate Investment matures more than 29 days prior to the next succeeding interest payment date on the Refunded Bonds on which such proceeds will be needed to pay principal of or interest on the Refunded Bonds, the Escrow shall treat such amounts as an uninvested balance available for reinvestment and shall take all reasonable steps to invest such amounts in Slgs (or additional Alternate Investments as provided in this Section).

The Escrow Agent acknowledges that the schedule of cash flows into and out of the Escrow Account appears in the schedules and columns of the Verification Report.

3.03. The Escrow Agent shall hold all balances not invested or reinvested as hereinabove described and on deposit in the Escrow Account on demand and in trust for the purposes hereof and shall secure same in accordance with applicable Illinois law for the securing of public funds.

3.04. The Escrow Agent will take no action in the investment or securing of the proceeds of the Government Obligations which would cause the Bonds or the Refunded Bonds to be classified as “arbitrage bonds” under applicable sections of the Internal Revenue Code of 1986, as amended, and all lawful regulations promulgated thereunder; provided, it shall be under no duty to affirmatively inquire whether the Government Obligations as deposited are properly invested under said section; and, provided, further, it may rely on all specific directions in this Agreement in the investment or reinvestment of balances held hereunder.

3.05. The Escrow Agent will promptly collect the principal of, interest on and income and profit from the Government Obligations and promptly apply the same solely and only to pay the Aggregate Refunded Bond Payment Requirement.

3.06. The Escrow Agent will remit to the 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, and each such remittance shall fully release and discharge the Escrow Agent from any further duty or obligation thereto under this Agreement.

3.07. The Escrow Agent will make no payment of fees, due or to become due, of any Bond Registrar or Paying Agent, and the Village covenants to pay the same as they become due.

3.08. The costs and expenses of the Escrow Agent will be paid by the Village from funds other than those deposited hereunder. The Escrow Agent shall have no lien or right of set-off of

any kind on the Escrow Account and shall look solely to the Village and its other funds for payment. The Escrow Agent shall charge such fees for its services as are reasonable and usual for like services rendered by similar institutions.

3.09. 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 Village 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.

3.10. The Escrow Agent may in good faith buy, sell or hold and deal in any of the Bonds or Refunded Bonds.

3.11. As more particularly shown on *Exhibit A*, Refunded Bonds of the following series are hereby called for redemption on the designated Call Dates therefor at the designated optional Redemption Prices therefor, all described as follows:

SERIES	AMOUNT REDEEMED (\$)	CALL DATE	REDEMPTION PRICE (%)	REDEMPTION PRICE (\$)
2002	5,285,000	01/01/12	100	5,285,000

The form and time of the giving of the notice of redemption shall be as specified in 3.12 hereof.

3.12. The form and time of the giving of notice of redemption shall be as specified in the bond ordinance, and on file with the Bond Registrar, authorizing the issuance and specifying the

terms of the Refunded Bonds. In addition, for Refunded Bonds held in book-entry-only form, required notice shall also be given to the securities depositories. The Escrow Agent shall act as agent for the Village in performing all acts, causing to be given all notices, and providing such directions to each Bond Registrar to effect the payment and redemption of the Refunded Bonds as aforesaid. The Escrow Agent acknowledges receipt of a certified copy of such ordinance of the Village authorizing and providing for the issuance of the Refunded Bonds. The Escrow Agent shall cause the Bond Registrar to give such further notices of redemption as may be required by any applicable rule of the Securities and Exchange Commission, the Municipal Securities Rulemaking Board, the Comptroller of the Currency, or any other agency or person having appropriate jurisdiction; but the giving of any such notice shall be directory only, and any failure or defect with respect to such notice shall not invalidate or diminish in any way the validity of the redemption of the Refunded Bonds as provided herein upon the giving of official notice of redemption.

3.13. The Escrow Agent will submit to the Treasurer a statement on January 2 and July 2 of each calendar year, commencing January 2, 2011, itemizing all moneys received by it and all payments made by it under the provisions of this Agreement during the preceding six month period.

3.14. If at any time it shall appear to the Escrow Agent that the available proceeds of the Government Obligations and funds on deposit in the Escrow Account will not be sufficient to make any payment (whether principal, interest or redemption price) due to the holders or registered owners of any of the Refunded Bonds, as and to the extent provided herein, the Escrow Agent shall notify the Village as soon as practicable prior to such date, and the Village agrees that it will from any funds lawfully available for such purpose make up the anticipated deficit so that no default in the making of any such payment will occur.

3.15. If required, the Escrow Agent shall promptly notify the Bond Registrar to give notice of the defeasance of the Refunded Bonds to the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule. Such notice shall be filed by the Bond Registrar in such manner and format and accompanied by identifying information as prescribed by the MSRB or the Securities and Exchange Commission at the time of delivery of such notice.

#### **ARTICLE IV. COVENANTS AND DIRECTION OF THE VILLAGE**

The Village covenants and agrees with the Escrow Agent as follows:

4.01. The Escrow Agent shall have no responsibility or liability whatsoever for (a) any of the recitals of the Village herein, (b) the performance of or compliance with any covenant, condition, term or provision of the Bond Ordinance, and (c) any undertaking or statement of the Village hereunder.

4.02. To the fullest extent it is required under the terms of the Refunded Bonds, the Village will promptly and without delay remit to the Escrow Agent, promptly after receipt of its written request, such sum or sums of money as are necessary to make the payments required under 3.14 hereof and to fully pay and discharge any obligation or obligations or charges, fees or expenses incurred by the Escrow Agent in carrying out any of the duties, terms or provisions of this Agreement. The Village will promptly pay all Bond Registrar fees.

4.03. The Village does hereby *wave* any rights it may have to pay any of the Refunded Bonds on any other dates than may be as provided herein (*i.e.*, for the respective series, to the Call Date or Final Maturity, as may be applicable).

## ARTICLE V. AMENDMENTS AND IRREVOCABILITY OF AGREEMENT

5.01. This Agreement may be amended or supplemented solely to provide that the Government Obligations or any portion thereof may be sold or redeemed, and moneys derived therefrom invested or reinvested (but only in Qualified Government Obligations which are not redeemable prior to maturity) or disbursed in any manner provided (any such amendment, supplement, direction to sell or redeem or invest, reinvest or disburse to be referred to as a "*Subsequent Action*"), upon submission to the Escrow Agent of each of the following:

A. Certified copy of proceedings of the Corporate Authorities authorizing the Subsequent Action and copy of the document effecting the Subsequent Action signed by duly designated officers of the Village.

B. An opinion of nationally recognized bond counsel or tax counsel nationally recognized as having an expertise in the area of tax-exempt municipal bonds that the Subsequent Action will not cause the interest on any of the Bonds or any of the Refunded Bonds to become includible in the gross income of the owners for federal income tax purposes and not exempt from federal income taxes of such owners under the laws of the United States of America providing for taxation of income as and to the extent contemplated when such bonds were issued and that the Subsequent Action does not materially adversely affect the legal rights of the registered owners or holders of any of the Bonds or any of the Refunded Bonds.

C. An opinion of a firm of nationally recognized independent certified public accountants that the amounts, which must consist of funds or receipts from Qualified Government Obligations, not subject to redemption prior to maturity, all of which shall be held hereunder, available or to be available for payment of the Refunded Bonds will remain sufficient after the Subsequent Action to pay when due and as called for redemption all principal of and interest on and redemption price of the Refunded Bonds.

5.02. The Village and the Escrow Agent may amend or add to the terms of this Agreement to correct errors, clarify ambiguities or insert inadvertently omitted material but only if any such correction, clarification or insertion has absolutely no adverse impact on the holders or registered owners of any of the Bonds or any of the Refunded Bonds. The Village may supplement this Agreement by providing for notice prior to any amendment to such parties as it may name in any such supplement, which will be effective upon filing with the Escrow Agent.

5.03. Except as provided in 5.01 and 5.02 hereof, all of the rights, powers, duties and obligations of the Escrow Agent hereunder shall be irrevocable and shall not be subject to amendment by the Escrow Agent and shall be binding on any successor to the Escrow Agent during the term of this Agreement.

5.04. Except as provided in 5.01 and 5.02 hereof, all of the rights, powers, duties and obligations of the Village hereunder shall be irrevocable and shall not be subject to amendment by the Village and shall be binding on any successor to the Corporate Authorities during the term of this Agreement.

5.05. Except as provided in 5.01 and 5.02 hereof, all of the rights, powers, duties and obligations of the Treasurer hereunder shall be irrevocable and shall not be subject to amendment by the Treasurer and shall be binding on any successor to said official now in office during the term of this Agreement.

#### **ARTICLE VI. NOTICES**

6.01. All notices and communications to the Village and the Corporate Authorities shall be addressed in writing to:

Finance Director/Treasurer  
Village of Downers Grove  
801 Burlington  
Downers Grove, Illinois 60515

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

6.02. All notices and communications to the Escrow Agent shall be addressed in writing to:

Amalgamated Bank of Chicago  
One West Monroe Street  
Attention: Corporate Trust Department  
Chicago, Illinois 60603

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

6.03. All notices and communications to the Treasurer shall be addressed in writing to:

Village Treasurer  
Village of Downers Grove  
801 Burlington  
Downers Grove, Illinois 60515

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

#### **ARTICLE VII. RESIGNATION OF ESCROW AGENT**

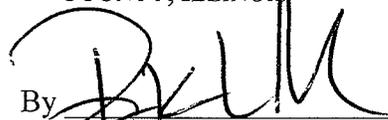
The Escrow Agent may at any time resign as Escrow Agent under this Agreement by giving 30 days written notice to the Village, and such resignation shall take effect upon the appointment of a successor Escrow Agent by the Village. The Village may select as successor Escrow Agent any financial institution with capital, surplus and undivided profits of at least \$50,000,000 and located within the City of Chicago, Illinois, or the City of New York, Borough of Manhattan, New York, and which is authorized to maintain trust accounts for corporations in Illinois under applicable law.

#### **ARTICLE VIII. TERMINATION OF AGREEMENT**

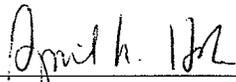
Upon either the final disbursement for the payment of the Refunded Bonds as hereinabove provided for, the Escrow Agent will transfer any balance remaining in the Escrow Account to the Treasurer with due notice thereof mailed to the Village, and thereupon this Agreement shall terminate.

IN WITNESS WHEREOF the Village has caused this Agreement to be signed in its name by its Mayor and to be attested by the Village Clerk of the Village under its corporate seal hereunto affixed; and the Escrow Agent, not individually, but in the capacity as hereinabove described, has caused this Agreement to be signed in its corporate name by one of its \_\_\_\_\_ and to be attested by one of its Trust Officers under its corporate seal hereunto affixed, all this 10th day of November, 2010.

VILLAGE OF DOWNERS GROVE, DUPAGE  
COUNTY, ILLINOIS

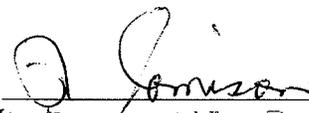
By   
Mayor

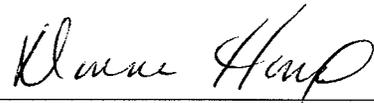
ATTEST:

  
Village Clerk

[SEAL]

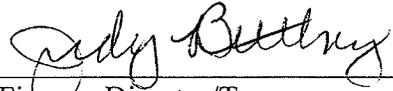
AMALGAMATED BANK OF CHICAGO

By   
Its Assistant Vice President

  
Its Assistant Vice President

[SEAL]

The foregoing Escrow Agreement has been received and acknowledged by me as of the date last written.



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Finance Director/Treasurer  
Village of Downers Grove, DuPage  
County, Illinois

## **LIST OF EXHIBITS**

- A — Refunded Bonds and Call Dates
- B — Government Obligations
- C — Verification Report

**EXHIBIT A**

**REFUNDED BONDS AND CALL DATES**

GENERAL OBLIGATION BONDS, SERIES 2002

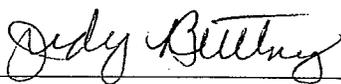
Original Principal Amount: \$6,000,000  
Dated: August 1, 2002  
Originally Issued: August 19, 2002  
Bond Registrar and Paying Agent: Village Treasurer  
Originally Due Serially: January 1, 2007 to 2021, inclusive  
Amount Refunded: \$5,285,000  
Call Date: 01/01/12  
Redemption Price: 100%  
Refunded Bonds due January 1 as follows:

YEAR	AMOUNT (\$)	RATE (%)
2013	185,000	4.00
2014	265,000	4.00
2015	355,000	4.15
2016	220,000	4.25
2017	560,000	4.35
2018	685,000	4.45
2019	830,000	4.55
2020	980,000	4.60
2021	1,205,000	4.75

Series 2002 Bonds Remaining Unrefunded and Outstanding as follows:

YEAR	AMOUNT (\$)	RATE (%)
2011	100,000	4.00
2012	120,000	4.50

EXHIBIT A REVIEWED AND APPROVED BY:

  
\_\_\_\_\_  
Finance Director/Treasurer

**VILLAGE OF DOWNERS GROVE, ILLINOIS**  
**DOWNTOWN TIF REPORT (TIF #1)**

Report Period 1/1/10 – 12/31/10

**Financial Analysis: TIF Obligations**

A financial analysis was prepared by the Village Finance Department for the Downtown TIF District this fiscal year. (See Attachment)

## ATTACHMENT J

6/6/2011

	Series 2001	Series 2002	Series 2005	Series 2008B	Series 2009	Series 2010A	Series 2010B
Type	G.O.						
Auth. Issue	6,000,000	6,000,000	9,950,000	3,900,000	9,030,000	5,805,000	5,150,000
Outstanding Principal	65,000	220,000	9,555,000	3,885,000	9,030,000	5,805,000	5,150,000
Purpose	Downtown TIF Improvements	Downtown TIF Improvements	Refund 1999 & 2000 Bonds	Refund '99, '00, '03 Bonds	Refund '03 Bonds	Refund 2000 & 2001 Bonds	Refund 2002 Bonds
Funding Source	TIF Increment (Prop. Taxes)						
<b>Remaining Debt Service Payments (Principal &amp; Interest):</b>							
FY 2011	66,544	107,400	417,775	496,675	1,320,275	471,000	126,922
FY 2012		125,400	425,150	770,713	1,318,250	238,700	197,800
FY 2013			422,350	842,176	1,313,100	238,700	197,800
FY 2014			1,166,250	153,788	1,312,400	490,513	394,800
FY 2015			1,465,694	108,000	1,032,250	405,138	566,100
FY 2016			1,610,268	108,000	1,034,263	385,550	416,800
FY 2017			1,698,608	108,000	1,033,026	434,925	741,600
FY 2018			1,869,420	108,000	1,028,388	413,200	840,900
FY 2019			1,888,197	108,000	1,025,100	538,000	949,900
FY 2020			902,036	1,136,624		1,710,400	1,058,200
FY 2021				1,136,624		2,757,250	1,234,200
<b>Totals</b>	<b>66,544</b>	<b>232,800</b>	<b>11,865,748</b>	<b>5,076,600</b>	<b>10,417,052</b>	<b>8,083,376</b>	<b>6,725,022</b>
	Subtotal TIF	Series 2001A	Series 2007	Series 2008A	Total		
Type		G.O.	G.O.	G.O.			
Auth. Issue		4,000,000	9,250,000	25,000,000			
Outstanding Principal	33,710,000	955,000	9,150,000	22,165,000	65,980,000		
Purpose		Installation of AMR System	Construct Fire Station #2	Stormwater Improvements			
Funding Source		Water Fund Revenues	Capital Proj. Fund Revenues	Stormwater Fund Revenues			
<b>Remaining Debt Service Payments (Principal &amp; Interest):</b>							
FY 2011	3,006,591	503,033	704,308	3,931,150	8,145,082		
FY 2012	3,076,013	496,155	700,108	3,463,763	7,736,039		
FY 2013	3,014,126		700,408	1,147,050	4,861,584		
FY 2014	3,517,751		700,108	1,144,800	5,362,659		
FY 2015	3,577,182		691,308	1,146,187	5,414,677		
FY 2016	3,554,881		688,758	1,146,087	5,389,726		
FY 2017	4,016,159		684,051	1,145,387	5,845,597		
FY 2018	4,259,908		682,345	1,144,087	6,086,340		
FY 2019	4,509,197		684,748	1,140,037	6,333,982		
FY 2020	4,807,260		686,268	1,142,913	6,636,441		
FY 2021	5,128,074		677,085	1,139,663	6,944,822		
FY 2022			681,835	1,140,287	1,822,122		
FY 2023			685,335	1,139,663	1,824,998		
FY 2024-2028			3,391,508	5,680,045	9,071,553		
FY 2029-2038				11,291,250	11,291,250		
<b>Totals</b>	<b>42,467,142</b>	<b>-</b>	<b>999,188</b>	<b>12,358,173</b>	<b>-</b>	<b>-</b>	<b>92,766,872</b>

**FINANCIAL AND  
COMPLIANCE REPORT**

**ATTACHMENTS  
K & L**

**VILLAGE OF DOWNERS GROVE  
DOWNTOWN REDEVELOPMENT  
TAX INCREMENT FINANCING FUNDS**

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT  
AND COMPLIANCE REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2010**

**VILLAGE OF DOWNERS GROVE**  
**DOWNTOWN REDVELOPMENT TAX INCREMENT FINANCING FUNDS**  
TABLE OF CONTENTS  
DECEMBER 31, 2010

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	<b><u>PAGE</u></b>
Independent Auditors' Report .....	1
Independent Auditors' Compliance Report.....	2
 <b><u>FINANCIAL STATEMENTS</u></b>  	
Balance Sheet.....	3
Statement of Revenues, Expenditures and Changes in Fund Balances .....	4
Notes to Financial Statements.....	5-10

## INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Members of the Village Council  
Village of Downers Grove  
801 Burlington Avenue  
Downers Grove, Illinois 60515

We have audited the accompanying financial statements of the Village of Downers Grove Downtown Redevelopment Tax Increment Financing Funds for the year ended December 31, 2010, as listed in the table of contents. These financial statements are the responsibility of management of the Village of Downers Grove. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The financial statements present only the Village of Downers Grove Downtown Redevelopment Tax Increment Financing Funds and do not purport to, and does not, present fairly, the financial position of the Village of Downers Grove, as of December 31, 2010, the changes in its financial position, or, where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Village of Downers Grove Downtown Redevelopment Tax Increment Financing Funds as of December 31, 2010 and its changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Village of Downers Grove Downtown Redevelopment Tax Increment Financing Funds has not presented the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

We have also issued a report dated May 16, 2011, on our consideration of the Village of Downers Grove Downtown Redevelopment Tax Increment Financing Fund's compliance with laws, regulations, contracts and grants.

Oak Brook, Illinois  
May 16, 2011

## INDEPENDENT AUDITORS' COMPLIANCE REPORT

The Honorable Mayor and Members of the Village Council  
Village of Downers Grove  
801 Burlington Avenue  
Downers Grove, Illinois 60515

We have audited the financial statements of the Village of Downers Grove Downtown Redevelopment Tax Increment Financing Funds as of and for the year ended December 31, 2010, and have issued our report dated May 16, 2010. The financial statements are the responsibility of the Village of Downers Grove's management. Our responsibility is to express an opinion on the financial statements based upon our audit.

Our audit was made in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Compliance with laws, regulations, contracts and grants applicable to the Village of Downers Grove Downtown Redevelopment Tax Increment Financing Funds is the responsibility of the Village of Downers Grove's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatements, we performed test of the Village of Downers Grove's compliance with provisions in Subsection (q) of Section 11-74.4-3 of Public Act 85-1142, "An Act in Relation to Tax Increment Financing." However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests indicate that, with respect to the items tested, the Village of Downers Grove complied, in all material respects, with Subsection (q) of Section 11-74.4-3 of Public Act 85-1142.

This report is intended solely for the information and use of the Village Board, management, the State of Illinois, and others within the Village and is not intended to be, and should not be, used by anyone other than the specified parties.

Oak Brook, Illinois  
May 16, 2010

**VILLAGE OF DOWNERS GROVE**  
**DOWNTOWN REDEVELOPMENT TAX INCREMENT FINANCING FUNDS**  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENED DECEMBER 31, 2010

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	G.O. Bonds Downtown Redevelopment TIF	Downtown Redevelopment TIF
<b>Assets</b>		
Cash and investments	\$ 242,074	\$ 800,998
Property tax receivable	-	2,774,828
Other receivable	-	466
 Total assets	\$ 242,074	\$ 3,576,292
 <b>Liabilities and Fund Balance</b>		
 <b>Liabilities</b>		
Deferred revenue	\$ -	\$ 2,750,000
 Total liabilities	-	2,750,000
 <b>Fund Balance</b>		
Fund balance	242,074	826,292
 Total fund balance	242,074	826,292
 Total liabilities and fund balance	\$ 242,074	\$ 3,576,292

See Notes to Financial Statements

# VILLAGE OF DOWNERS GROVE

## DOWNTOWN REDEVELOPMENT TAX INCREMENT FINANCING FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED DECEMBER 31, 2010

	G.O. Bonds Downtown Redevelopment TIF	Downtown Redevelopment TIF
<b>Revenues:</b>		
Property tax revenue	\$ -	\$ 2,650,449
Investment income	1,571	666
<b>Total revenues</b>	<u>1,571</u>	<u>2,651,115</u>
<b>Expenditures:</b>		
Current		
Community development	-	10,545
Public works	-	9,876
Capital outlay	-	36,155
Debt service		
Principal	1,415,000	-
Interest	1,492,966	-
Issuance costs	167,928	-
<b>Total expenditures</b>	<u>3,075,894</u>	<u>56,576</u>
<b>Excess (deficiency) of revenue over expenditures</b>	<u>(3,074,323)</u>	<u>2,594,539</u>
<b>Other Financing Sources (Uses)</b>		
Transfers in from other funds	2,375,431	-
Transfers (out) to other funds	-	(2,119,304)
Refunding bonds issued	10,955,000	-
Payment to escrow agent	(11,789,843)	-
Bond premium	1,009,322	-
<b>Total other financing sources (uses)</b>	<u>2,549,910</u>	<u>(2,119,304)</u>
<b>Net change in fund balances</b>	<u>(524,413)</u>	<u>475,235</u>
<b>Fund balance, beginning of year</b>	<u>766,487</u>	<u>351,057</u>
<b>Fund balance, end of year</b>	<u>\$ 242,074</u>	<u>\$ 826,292</u>

See Notes to Financial Statements

**VILLAGE OF DOWNERS GROVE**  
**DOWNTOWN REDEVELOPMENT TAX INCREMENT FINANCING FUNDS**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Downtown Redevelopment Tax Increment Financing District Funds of the Village of Downers Grove, Illinois (the Village), have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Village's accounting policies are described below.

**Fund Accounting**

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

**Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With the measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The Village recognizes property taxes when they become both measurable and available and for the period intended to finance. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred.

The revenues susceptible to accrual are property taxes and investment income.

**Long-term Obligations**

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual proceeds received, are reported as expenditures.

**Fund Balance**

Reserves represent those portions of fund balances not appropriable for expenditure of legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

**Interfund Transactions**

Interfund transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

All other interfund transactions, except interfund services and reimbursements, are reported as transfers.

**VILLAGE OF DOWNERS GROVE**  
**DOWNTOWN REDEVELOPMENT TAX INCREMENT FINANCING FUNDS**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010

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**NOTE 2 – CASH AND INVESTMENTS**

*Permitted Deposits and Investments*

The Village's investment policy authorizes the Village to invest in all investments allowed by Illinois Compiled Statutes. These include deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and Illinois Funds (created by the Illinois State Legislature under the control of the State Comptroller that maintains a \$1 per share value which is equal to the participants fair value).

It is the policy of the Village to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Village and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, legality, safety, liquidity, and yield.

At December 31, 2010, the total cash and investments of the Funds was \$1,043,072. The cash and investments were comprised solely of investments in Illinois Funds.

*Interest Rate Risk*

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. In accordance with its investment policy, the Village limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for cash requirements for ongoing operations in shorter-term securities. As of December 31, 2010, the Funds' investments in Illinois Funds were due on demand.

*Credit Risk*

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The Village limits its exposure to credit risk limiting investments to the safest types of securities; pre-qualifying the financial institutions, intermediaries, and advisors with which the Village will conduct business; and diversifying the investment portfolio so that potential losses on individual investments will be minimized. Illinois Funds are rated AAA.

**NOTE 3 – RECEIVABLES - TAXES**

Property taxes for 2010 attach as an enforceable lien on January of the year of the levy on property values assessed as the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about May 1, 2011 and August 1, 2011, and are payable in two installments, on or about June 1, 2011 and September 1, 2011. Tax Increment Financing (TIF) property tax receipts are received in two installments similar to levied taxes described above. TIF property taxes are not levied, but are paid by the County from incremental property tax receipts of all taxing bodies within a TIF district. The County collects such taxes and remits them periodically. Management has determined that an allowance for uncollectible accounts is not necessary. As the 2010 tax levy is intended to fund expenditures for the 2011 fiscal year, these taxes are deferred as of December 31, 2010.

**VILLAGE OF DOWNERS GROVE**  
**DOWNTOWN REDEVELOPMENT TAX INCREMENT FINANCING FUNDS**  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2010

**NOTE 4 – LONG-TERM DEBT**

**General Obligation Bonds**

The Village issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government.

General obligation bonds currently outstanding are as follows:

The changes in the general long-term debt during the year ended December 31, 2010, were as follows:

	<i>Balance December 31, 2009</i>	<i>Increases</i>	<i>Decreases</i>	<i>Balance December 31, 2010</i>
\$6,500,000 General Obligation Bonds, Series 1999 dated July 1, 1999 due in installments of \$50,000 to \$1,000,000 plus interest at 4.70% to 6.00% due January 1, 2019. This bond issue was partially defeased in 2005 and 2008.	\$ 250,000	\$ -	\$ 250,000	-
\$6,200,000 General Obligation Bonds, Series 2000 dated May 1, 2000, due in installments of \$35,000 to \$905,000 plus interest ranging from 5.38% to 6.00% due January 1, 2020. This bond issue was partially defeased in 2005 and 2008.	395,000	-	395,000	-
\$6,000,000 General Obligation Bonds, Series 2001 dated August 1, 2001, due in installments of \$20,000 to \$2,690,000 plus interest ranging from 4.5% to 5.125% due January 1, 2021.	5,900,000	-	5,835,000	65,000

**VILLAGE OF DOWNERS GROVE**  
**DOWNTOWN REDEVELOPMENT TAX INCREMENT FINANCING FUNDS**  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2010

---

<p>\$6,000,000 General                      Obligation Bonds, Series                      2002 dated August 1, 2002,                      due in installments of                      \$105,000 to \$1,205,000 plus                      interest ranging from 3.5% to                      4.75% due January 1, 2021.</p>	5,605,000	-	5,385,000	220,000
<p>\$12,000,000 General                      Obligation Bonds, Series                      2003A, dated November 1,                      2003, due in installments of                      \$175,000 to \$1,120,000 plus                      interest ranging from 3.0% to                      5.0% due January 1, 2021.                      This bond issue was partially                      defeased in 2008 and 2009.</p>	750,000	-	750,000	-
<p>\$9,950,000 General                      Obligation Refunding Bonds,                      Series 2005, dated March 1,                      2005, due in installments of                      \$120,000 to \$1,820,000 plus                      interest ranging from 2.30%                      to 3.85% due January 1,                      2020.</p>	9,625,000	-	70,000	9,555,000
<p>\$3,900,000 General                      Obligation Refunding Bonds,                      Series 2008B, dated August                      13, 2008, due in installments                      of \$15,000 to \$1,105,000                      beginning January 1, 2010                      plus interest ranging from                      3.0% to 5.0% due January 1,                      2021.</p>	3,900,000	-	15,000	3,885,000
<p>\$9,030,000 General                      Obligation Refunding Bonds,                      Series 2009, dated April 9,                      2009, due in installments of                      \$880,000 to \$1,130,000                      beginning January 1, 2011                      plus interest ranging from                      2.50% to 5.00% due                      January 1, 2019.</p>	9,030,000	-	-	9,030,000

**VILLAGE OF DOWNERS GROVE**  
**DOWNTOWN REDEVELOPMENT TAX INCREMENT FINANCING FUNDS**  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2010

\$5,805,000 General Obligation Refunding Bonds, Series 2010A, dated March 4, 2010, due in installments of \$175,000 to \$2,690,000 beginning January 1, 2011 plus interest ranging from 2.00% to 5.00% due January 1, 2021.	-            5,805,000            -            5,805,000
5,150,000 General Obligation Refunding Bonds, Series 2010B, dated November 10, 2010, due in installments of \$200,000 to \$1,210,000 beginning January 1, 2014 plus interest ranging from 3.00% to 4.00% due January 1, 2021	-            5,150,000            -            5,150,000
Total	\$    35,455,000    \$    10,955,000    \$    12,700,000    \$    33,710,000

**Debt Service Requirements and Maturities**

Annual debt service requirements to maturity for general obligation bonds are as follows:

	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2011	\$ 1,825,000	\$ 1,180,435	\$ 3,005,435
2012	1,895,000	1,181,013	3,076,013
2013	1,900,000	1,114,126	3,014,126
2014	2,470,000	1,047,751	3,517,751
2015	2,610,000	967,181	3,577,181
2016 – 2020	18,005,000	3,142,405	21,147,405
2021	5,005,000	119,074	5,124,074
Total	<u>\$ 33,710,000</u>	<u>\$ 8,751,985</u>	<u>\$ 42,461,985</u>

**VILLAGE OF DOWNERS GROVE**  
**DOWNTOWN REDEVELOPMENT TAX INCREMENT FINANCING FUNDS**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010

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**Refundings - General Obligation Bonds**

On March 4, 2010, the Village issued \$5,805,000 General Obligation Refunding Bonds, Series 2010 to refund \$225,000 of 2000 General Obligation Bonds and \$5,775,000 of 2001 General Obligation Bonds. As a result of the refunding, the Village achieved a cash flow savings of \$568,503 and a present value savings of \$534,773.

On November 10, 2010, the Village issued \$5,150,000 General Obligation Refunding Bonds, Series 2010B to refund \$5,285,000 of 2002 General Obligation Bonds. As a result of the refunding, the Village achieved a cash flow savings of \$352,011 and a present value savings of \$329,423.

The balance of the Village's defeased bonds outstanding at December 31, 2010 is \$11,060,000.

**VILLAGE OF DOWNERS GROVE, ILLINOIS**  
**DOWNTOWN TIF REPORT (TIF #1)**

Report Period 1/1/10 to 12/31/10

**Intergovernmental Agreements**

The Village of Downers Grove did not enter into any intergovernmental agreements regarding the Downtown TIF district during the fiscal year.

## **SECTIONS 3.1 to 8**

**SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))**  
**Provide an analysis of the special tax allocation fund.**

Reporting Year	Cumulative
----------------	------------

Fund Balance at Beginning of Reporting Period \$ 1,117,543.00

**Revenue/Cash Receipts Deposited in Fund During Reporting FY:**

			% of Total
Property Tax Increment	\$ 2,650,449	\$ 13,440,975	12%
State Sales Tax Increment	\$ -	\$ -	0%
Local Sales Tax Increment	\$ -	\$ -	0%
State Utility Tax Increment	\$ -	\$ -	0%
Local Utility Tax Increment	\$ -	\$ -	0%
Interest	\$ 2,237	\$ 756,906	1%
Land/Building Sale Proceeds	\$ -	\$ 1,359,454	1%
Bond Proceeds	\$ 10,955,000	\$ 78,515,000	72%
Transfers from Municipal Sources	\$ 256,125	\$ 8,400,426	8%
Private Sources	\$ -	\$ 20,144	0%
Other (identify source __premium on bond proceeds__; if multiple other sources, attach schedule)	\$ 1,009,322	\$ 6,855,722	6%

**Total Amount Deposited in Special Tax Allocation Fund During Reporting Period** \$ 14,873,132

**Cumulative Total Revenues/Cash Receipts** \$ 109,348,627 100%

**Total Expenditures/Cash Disbursements (Carried forward from Section 3.2)** \$ 14,922,312.69

**Distribution of Surplus** \$ -

**Total Expenditures/Disbursements** \$ 14,922,313

**NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS** \$ (49,181)

**FUND BALANCE, END OF REPORTING PERIOD** \$ 1,068,362

- if there is a positive fund balance at the end of the reporting period, you must complete Section 3.3

**SECTION 3.2 A- (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))**  
**ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND**  
 (by category of permissible redevelopment cost, amounts expended during reporting period)

**FOR AMOUNTS >\$10,000 SECTION 3.2 B MUST BE COMPLETED**

**Category of Permissible Redevelopment Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)]**

		Reporting Fiscal Year
1. Costs of studies, administration and professional services—Subsections (q)(1) and (o) (1)		
Financial Auditing	1,465	
Planning	9,080	
		\$ 10,545
2. Cost of marketing sites—Subsections (q)(1.6) and (o)(1.6)		
		\$ -
3. Property assembly, demolition, site preparation and environmental site improvement costs. Subsection (q)(2), (o)(2) and (o)(3)		
		\$ -
4. Costs of rehabilitation, reconstruction, repair or remodeling and replacement of existing public buildings. Subsection (q)(3) and (o)(4)		
Façade Improvement Program (Private)	36,155	
		\$ 36,155
5. Costs of construction of public works and improvements. Subsection (q)(4) and (o)(5)		
Streetscaping	9,876	
		\$ 9,876
6. Costs of removing contaminants required by environmental laws or rules (o)(6) - Industrial Jobs Recovery TIFs ONLY		
		\$ -

7. Cost of job training and retraining, including "welfare to work" programs Subsection (q)(5), (o)(7) and (o)(12)		
		\$ -
8. Financing costs. Subsection (q) (6) and (o)(8)		
Financial Advisor Fee	30,955	
Bond Counsel	17,650	
Underwriter Costs	89,732	
Debt Principal Payments/Refundings	13,204,843	
Debt Interest Payments	1,492,966	
Other Debt Issue Related Costs	29,591	
		\$ 14,865,737
9. Approved capital costs. Subsection (q)(7) and (o)(9)		
		\$ -
10. Cost of Reimbursing school districts for their increased costs caused by TIF assisted housing projects. Subsection (q)(7.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
11. Relocation costs. Subsection (q)(8) and (o)(10)		
		\$ -
12. Payments in lieu of taxes. Subsection (q)(9) and (o)(11)		
		\$ -
13. Costs of job training, retraining advanced vocational or career education provided by other taxing bodies. Subsection (q)(10) and (o)(12)		
		\$ -

14. Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. Subsection (q)(11)(A-E) and (o)(13)(A-E)		
		\$ -
15. Costs of construction of new housing units for low income and very low-income households. Subsection (q)(11)(F) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
16. Cost of day care services and operational costs of day care centers. Subsection (q) (11.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
<b>TOTAL ITEMIZED EXPENDITURES</b>		<b>\$ 14,922,313</b>



**SECTION 3.3 - (65 ILCS 5/11-74.4-5 (d) (5) 65 ILCS 11-74.6-22 (d) (5))**  
**Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period**  
**(65 ILCS 5/11-74.4-5 (d) (5) (D) and 65 ILCS 5/11-74.6-22 (d) (5) (D))**

**FUND BALANCE, END OF REPORTING PERIOD** \$ 1,068,362

	Amount of Original Issuance	Amount Designated
<b>1. Description of Debt Obligations</b>		
General Obligation Bond Series 1999	\$ 6,500,000	\$ -
General Obligation Bond Series 2000	\$ 6,200,000	\$ -
General Obligation Bond Series 2001	\$ 6,000,000	\$ 66,544
General Obligation Bond Series 2002	\$ 6,000,000	\$ 232,800
General Obligation Bond Series 2003A	\$ 12,000,000	\$ -
General Obligation Refunding Bond Series 2005	\$ 9,950,000	\$ 11,865,748
Taxable General Obligation Bond Series 2005	\$ 4,500,000	\$ -
General Obligation Refunding Bond Series 2008B	\$ 3,900,000	\$ 5,072,600
General Obligation Refunding Bond Series 2009	\$ 9,030,000	\$ 10,417,052
General Obligation Refunding Bond Series 2010A	\$ 5,805,000	\$ 8,083,376
General Obligation Refunding Bond Series 2010B	\$ 5,150,000	\$ 6,725,022

**Total Amount Designated for Obligations** \$ 75,035,000 \$ 42,463,142

<b>2. Description of Project Costs to be Paid</b>		
Street Light Painting		\$ 10,500
Landscape		\$ 15,000
Corner Enhancements		\$ 25,000
Common Trash Dumpster Enclosure		\$ 35,000
Redevelopment Agreement (Charles Place)		\$ 35,000
Parking Study		\$ 30,000
Consultant		\$ 30,000

**Total Amount Designated for Project Costs** \$ 180,500

**TOTAL AMOUNT DESIGNATED** \$ 42,643,642

**SURPLUS\*/(DEFICIT)** \$ (41,575,280)

\* NOTE: If a surplus is calculated, the municipality may be required to repay the amount to overlapping taxing districts (See instructions and statutes)

**SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]**

Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.

X  **No property was acquired by the Municipality Within the Redevelopment Project Area**

**Property Acquired by the Municipality Within the Redevelopment Project Area**

Property (1):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (2):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (3):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (4):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

**SECTION 5 - 65 ILCS 5/11-74.4-5 (d) (7) (G) and 65 ILCS 5/11-74.6-22 (d) (7) (G)**

Please include a brief description of each project.

**\_\_\_\_\_ No Projects Were Undertaken by the Municipality Within the Redevelopment Project Area**

	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
<b>TOTAL:</b>	<b>2011 Budget</b>		
Private Investment Undertaken (See Instructions)	\$ 75,931,055	\$ 10,000,000	\$ 88,534,746
Public Investment Undertaken	\$ 44,358,400	\$ 118,500	\$ 46,472,327
Ratio of Private/Public Investment	1.71		1.91
<b>Project 1: Redev Project Area Planning</b>			
Private Investment Undertaken (See Instructions)	\$ -	\$ -	\$ -
Public Investment Undertaken	\$ 1,107,011	\$ 10,000	\$ 1,500,000
Ratio of Private/Public Investment	0		0
<b>Project 2: Infrastructure</b> <i>Phases I-IV and various improvements</i>			
Private Investment Undertaken (See Instructions)	\$ -	\$ -	\$ -
Public Investment Undertaken	\$ 15,333,861	\$ 53,500	\$ 17,000,000
Ratio of Private/Public Investment	0		0
<b>Project 3: Block 117 (Station Crossing)</b> <i>965 Rogers; Completed Nov '03 - Rcd NFR Letter</i>			
Private Investment Undertaken (See Instructions)	\$ 8,601,000	\$ -	\$ 8,601,000
Public Investment Undertaken	\$ 666,164	\$ -	\$ 666,164
Ratio of Private/Public Investment	12.91		12.91
<b>Project 4: Landbank (Georgian Courts)</b> <i>Row Homes - Gilbert &amp; Curtiss Sts; Completed 2004</i>			
Private Investment Undertaken (See Instructions)	\$ 3,948,000	\$ -	\$ 3,948,000
Public Investment Undertaken	\$ 150,663	\$ -	\$ 150,663
Ratio of Private/Public Investment	26.20		26.20
<b>Project 5: Parking Deck - Village</b> <i>945 Curtiss Street; Completed 10/1/04</i>			
Private Investment Undertaken (See Instructions)	\$ -	\$ -	\$ -
Public Investment Undertaken	\$ 20,693,167	\$ -	\$ 20,693,167
Ratio of Private/Public Investment	0		0
<b>Project 6: Curtiss Block (Acadia on the Green)</b> <i>4 Mixed Use Buildings; 2009: 90% Complete</i>			
Private Investment Undertaken (See Instructions)	\$ 30,000,000	\$ 10,000,000	\$ 40,000,000
Public Investment Undertaken	\$ 6,294,831	\$ -	\$ 6,294,831
Ratio of Private/Public Investment	4.77		6.35

<b>Project 7: Main and Maple Dev. 5245 Main</b> <i>NFR Rcd '08. Site Beautification Planned</i>			
Private Investment Undertaken (See Instructions)	\$ -	\$ -	
Public Investment Undertaken	\$ 6,450		\$ 6,450
Ratio of Private/Public Investment	0		0

<b>Project 8: Community Bank</b> <i>1111 Warren Avenue; Completed 12/12/06</i>			
Private Investment Undertaken (See Instructions)	\$ 2,408,519	\$ -	\$ 2,408,519
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

<b>Project 9: Forest Avenue Condo's (28 Units)</b> <i>4929 Forest Avenue; Complete 10/29/08</i>			
Private Investment Undertaken (See Instructions)	\$ 6,691,000	\$ -	\$ 6,691,000
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

<b>Project 10: Ballydoyle Restaurant &amp; Pub</b> <i>5157 Main Street; Completed 11/17/04</i>			
Private Investment Undertaken (See Instructions)	\$ 1,665,000	\$ -	\$ 1,665,000
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

<b>Project 11: Emmett's Ale House</b> <i>5200 Main Street; Completed 6/15/04</i>			
Private Investment Undertaken (See Instructions)	\$ 310,000	\$ -	\$ 310,000
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

<b>Project 12: Morningside Square Condominiums</b> <i>5329 Main Street; Completed 8/20/02</i>			
Private Investment Undertaken (See Instructions)	\$ 10,000,000		\$ 10,000,000
Public Investment Undertaken	\$ 9,046	\$ -	\$ 9,046
Ratio of Private/Public Investment	1105.50		1105.50

<b>Project 13: Charles Place - Office Condo's</b> <i>5151 Mochel Drive; RDA Appr 8/1/06; 2008 Interior Bldouts; Completed 9/15/09</i>			
Private Investment Undertaken (See Instructions)	\$ 5,017,500	\$ -	\$ 5,017,500
Public Investment Undertaken	\$ -	\$ 20,000	\$ 20,000
Ratio of Private/Public Investment	0		250.88

<b>Project 14: Downers Grove Townhomes (28 unit)</b> <i>922 Warren Ave; In 2008, 50% Completed</i>			
Private Investment Undertaken (See Instructions)	\$ 2,888,000		\$ 5,588,000
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

<b>Project 15: Caribou Coffee</b> <i>5100 Main Street, Completed 6/30/05</i>			
Private Investment Undertaken (See Instructions)	\$ 150,000	\$ -	\$ 150,000
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

<b>Project 16: Coldwell Banker Real Estate</b> <i>5114 Main Street, Completed 8/16/06</i>			
Private Investment Undertaken (See Instructions)	\$ 180,000	\$ -	\$ 180,000
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

<b>Project 17: West Suburban Bank</b> <i>5330 Main Street, Completed 9/29/05</i>			
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Private Investment Undertaken (See Instructions)	\$ 86,000	\$ -	\$ 86,000
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

**Project 18: Bob's Grille**  
*4946 Main Street, Completed 5/30/06*

Private Investment Undertaken (See Instructions)	\$ 25,000	\$ -	\$ 25,000
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

**Project 19: Cellar Door (The)**  
*5150A Main Street, Completed 8/12/05*

Private Investment Undertaken (See Instructions)	\$ 55,000	\$ -	\$ 55,000
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

**Project 20: Every Day's A Sundae**  
*990 Warren Avenue, Completed 6/4/04*

Private Investment Undertaken (See Instructions)	\$ 83,000	\$ -	\$ 83,000
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

**Project 21: Happy Dog Barkery**  
*5116 Main Street, Completed 5/7/04*

Private Investment Undertaken (See Instructions)	\$ 8,500	\$ -	\$ 8,500
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

**Project 22: State Farm Insurance Agency**  
*960 Warren Avenue, Completed 1/29/04*

Private Investment Undertaken (See Instructions)	\$ 34,195	\$ -	\$ 34,195
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

**Project 23: Mia Alexander Salon**  
*980 Warren Avenue, Completed 4/21/04*

Private Investment Undertaken (See Instructions)	\$ 89,800	\$ -	\$ 89,800
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

**Project 24: Let's Go Bistro**  
*970 Warren Avenue, Completed 2/13/04*

Private Investment Undertaken (See Instructions)	\$ 33,000	\$ -	\$ 33,000
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

**Project 25: Al's Beef**  
*994 Warren Avenue, Completed 11/1/06*

Private Investment Undertaken (See Instructions)	\$ 38,000	\$ -	\$ 38,000
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

**Project 26: Stillwater Restaurant & Wine Bar**  
*5141 Main St. Completed 10/22/07*

Private Investment Undertaken (See Instructions)	\$ 100,000	\$ -	\$ 100,000
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

**Project 27: Heritage House Florist**  
*5109 Main St. Completed 5/15/07*

Private Investment Undertaken (See Instructions)	\$ 25,000	\$ -	\$ 25,000
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

<b>Project 28: The Olive Tap</b> <i>5151 Main St. Completed 6/13/07</i>			
Private Investment Undertaken (See Instructions)	\$ 15,000	\$ -	\$ 15,000
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

<b>Project 29: Weichert Realtors</b> <i>5002 Main St. Bldout Offices, Completed 8/28/07</i>			
Private Investment Undertaken (See Instructions)	\$ 50,000	\$ -	\$ 50,000
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

<b>Project 30: Elm Creek Properties (Dr's Offices)</b> <i>5207 Main; Bldout Offices Completed 3/17/09</i>			
Private Investment Undertaken (See Instructions)	\$ 268,427	\$ -	\$ 268,427
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

<b>Project 31: Advanced Bionics</b> <i>5157 Main; Bldout Offices, Completed 1-25-08</i>			
Private Investment Undertaken (See Instructions)	\$ 80,000	\$ -	\$ 80,000
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

<b>Project 32: Egg Harbor</b> <i>5128 Mochel Dr., Completed 2/8/08</i>			
Private Investment Undertaken (See Instructions)	\$ 423,000	\$ -	\$ 423,000
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

<b>Project 33: DG Management Office</b> <i>933A Curtiss; Completed 1/30/08</i>			
Private Investment Undertaken (See Instructions)	\$ 20,700	\$ -	\$ 20,700
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

<b>Project 34: Humidor</b> <i>949 Burlington; Completed 12/27/07</i>			
Private Investment Undertaken (See Instructions)	\$ 54,000	\$ -	\$ 54,000
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

<b>Project 35: Healthy Heaven 7 to 7</b> <i>1028 Curtiss; Waiting to be finalized</i>			
Private Investment Undertaken (See Instructions)	\$ 108,742	\$ -	\$ 108,742
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

<b>Project 36: The Pine Cone Cottage</b> <i>1027 Burlington; Reroof Completed 10/30/07</i>			
Private Investment Undertaken (See Instructions)	\$ 16,250	\$ -	\$ 16,250
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

<b>Project 37: Nu Living Mgmt Co. 421 Burlington</b> <i>New Balconies and Lights; Complete 10/2006</i>			
Private Investment Undertaken (See Instructions)	\$ 44,000	\$ -	\$ 44,000
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

<b>Project 38: Façade Program (Design &amp; Implement)</b> <i>\$100K Grant Program &amp; Revolving Loan (50/50)</i>			
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Private Investment Undertaken (See Instructions)	\$ 187,353	\$ -	\$ 91,044
Public Investment Undertaken	\$ 64,489	\$ -	\$ 64,489
Ratio of Private/Public Investment	2 86/95		1 7/17

**Project 39: DT Alley Design & Construction**  
*ST-019 - 2009: Incorp into Façade Grant Program*

Private Investment Undertaken (See Instructions)	\$ -	\$ -	\$ -
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

**Project 40: DT Common Trash Dumpsters**  
*CIP: ST-020 2 Strategic Sites Identified*

Private Investment Undertaken (See Instructions)	\$ -	\$ -	\$ -
Public Investment Undertaken	\$ 2,700	\$ 35,000	\$ 37,500
Ratio of Private/Public Investment	0		0

**Project 41: Wayfinding & Cemetary Sign Design**  
*CIP: TR-013*

Private Investment Undertaken (See Instructions)	\$ -	\$ -	\$ -
Public Investment Undertaken	\$ -		
Ratio of Private/Public Investment	0		0

**Project 42: Style Studio**  
*1013-1015 Curtiss; Interior Demo Complete 3/5/08*

Private Investment Undertaken (See Instructions)	\$ 31,000	\$ -	\$ 31,000
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

**Project 43: Gatto's Restaurant**  
*5123 Main; New Restaurant; C.O. 11/10/08*

Private Investment Undertaken (See Instructions)	\$ 292,400	\$ -	\$ 292,400
Public Investment Undertaken	\$ 30,018	\$ -	\$ 30,018
Ratio of Private/Public Investment	9 20/27		9 20/27

**Project 44: Capri Restaurant**  
*5101 Burlington; Completed 5/1/09*

Private Investment Undertaken (See Instructions)	\$ 334,500	\$ -	\$ 334,500
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

**Project 45: DG Park District**  
*935 Maple; Completed 10/22/09*

Private Investment Undertaken (See Instructions)	\$ 150,000	\$ -	\$ 150,000
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

**Project 46: SOS Chicago - Charles Place**  
*5151 Mochel, Ste 202 Completed 10/9/09*

Private Investment Undertaken (See Instructions)	\$ 75,000		\$ 75,000
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

**Project 47: Don Duncan**  
*5151 Mochel, Ste 301 (Tenant Build-Out)  
 Complete 9/22/08*

Private Investment Undertaken (See Instructions)	\$ 35,000	\$ -	\$ 35,000
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

**Project 48: Zano Salon**  
*980 Warren; Remodel (C.O. 4/17/08)*

Private Investment Undertaken (See Instructions)	\$ 74,000	\$ -	\$ 74,000
Public Investment Undertaken	\$ -	\$ -	\$ -

Ratio of Private/Public Investment	0		0
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**Project 49: Starbucks**  
*5002 Main; Remodel (C.O. 3/20/08)*

Private Investment Undertaken (See Instructions)	\$ 60,000	\$ -	\$ 60,000
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

**Project 50: Rocco's Mexican Grill**  
*994 Warren (C.O. 6/10/08)*

Private Investment Undertaken (See Instructions)	\$ 33,780	\$ -	\$ 33,780
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

**Project 51: Edward Jones**  
*926 Curtiss (Acadia Bldg 1, Space #2) C.O. 1/20/09*

Private Investment Undertaken (See Instructions)	\$ 50,000	\$ -	\$ 50,000
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

**Project 52: William & Leslie North**  
*947 Maple; replace pkg lot & drive. Complete 8/13/08*

Private Investment Undertaken (See Instructions)	\$ 20,445	\$ -	\$ 20,445
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

**Project 53: Ekrem Menedovski**  
*1001 Curtiss Street; New Stairs to 2nd Floor; 8/29/08*

Private Investment Undertaken (See Instructions)	\$ 5,000	\$ -	\$ 5,000
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

**Project 54: Larson Eye Clinic (New Building)**  
*4958 Forest Avenue; Completed 9/21/09*

Private Investment Undertaken (See Instructions)	\$ 461,500	\$ -	\$ 461,500
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

**Project 55: Baum Downers Grove LLC**  
*5100 Main; Commercial Remodel; Completed 6/29/09*

Private Investment Undertaken (See Instructions)	\$ 75,323	\$ -	\$ 75,323
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

**Project 56: The Wedding Etc.**  
*1008 Curtiss; Remodel/Fire Alarm; Completed 6/3/09*

Private Investment Undertaken (See Instructions)	\$ 5,300	\$ -	\$ 5,300
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

**Project 57: Advantage Planning Grove, LLC**  
*911 Rogers; Fire Alarm/Remodel; Complete 7/21/09*

Private Investment Undertaken (See Instructions)	\$ 7,000	\$ -	\$ 7,000
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

**Project 58: Jerry Braun**  
*1027-1029 Burlington; Tuckpointing; Complete 7/31/09*

Private Investment Undertaken (See Instructions)	\$ 6,200	\$ -	\$ 6,200
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

**Project 59: Will Cullen (Apartment Remodeled)**

FY 2010

TIF Name: Central Business District Downtown TIF

<i>5116 Main; Finished 9/28/09</i>			
Private Investment Undertaken (See Instructions)	\$ 2,500	\$ -	\$ 2,500
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

<b>Project 60: Airborne Worthy Woman Spa</b> <i>5002-6 Main; Remodel; Complete 3/30/09</i>			
Private Investment Undertaken (See Instructions)	\$ 2,418	\$ -	\$ 2,418
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

<b>Project 61: Bello Tea</b> <i>5111 Main; Interior Remodel; Complete 12/1/09</i>			
Private Investment Undertaken (See Instructions)	\$ 25,000	\$ -	\$ 25,000
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

<b>Project 62: Will Cullen (Commercial Space)</b> <i>5116 Main; Interior Remodel; Complete 2/11/10</i>			
Private Investment Undertaken (See Instructions)	\$ 14,300	\$ -	\$ 14,300
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

<b>Project 63:</b> <i>5135 Main; Alley Improvements; Complete 6/2/10</i>			
Private Investment Undertaken (See Instructions)	\$ 3,000	\$ -	\$ 3,000
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

<b>Project 64: Another Round</b> <i>5141 Main; Interior Remodel; Complete 4/7/10</i>			
Private Investment Undertaken (See Instructions)	\$ 119,846	\$ -	\$ 119,846
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

<b>Project 65: ATI Physical Therapy</b> <i>939 Burlington; Interior build-out; Complete 6/15/10</i>			
Private Investment Undertaken (See Instructions)	\$ 300,000	\$ -	\$ 300,000
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

<b>Project 66: Community Bank</b> <i>1111 Warren; Tenant build-out; Complete 5/7/10</i>			
Private Investment Undertaken (See Instructions)	\$ 5,895	\$ -	\$ 5,895
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

<b>Project 67: 5100 Forest Avenue</b> <i>5100 Forest; Electrical Upgrade; Complete 2/15/10</i>			
Private Investment Undertaken (See Instructions)	\$ 3,000	\$ -	\$ 3,000
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

<b>Project 68: Baum Downers Grove LLC</b> <i>5100 Main; Electrical Upgrade; Complete 11/5/10</i>			
Private Investment Undertaken (See Instructions)	\$ 1,500	\$ -	\$ 1,500
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

<b>Project 69: Justin Tedrowe</b> <i>5300 Main; Roof replacement; Complete 11/16/10</i>			
Private Investment Undertaken (See Instructions)	\$ 19,562	\$ -	\$ 19,562
Public Investment Undertaken	\$ -	\$ -	\$ -

Ratio of Private/Public Investment	0		0
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<b>Project 70: 603-635 Rogers LLC</b> <i>924-926 Warren; Fire Alarm; Complete 11/30/10</i>			
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Private Investment Undertaken (See Instructions)	\$ 3,500	\$ -	\$ 3,500
Public Investment Undertaken	\$ -	\$ -	
Ratio of Private/Public Investment	0		0

<b>Project 71: Scarlett's</b> <i>994 Warren; Mech Improvements; Complete 11/11/10</i>			
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Private Investment Undertaken (See Instructions)	\$ 10,100	\$ -	\$ 10,100
Public Investment Undertaken	\$ -	\$ -	
Ratio of Private/Public Investment	0		0

Optional: Information in the following sections is not required by law, but would be helpful in evaluating the performance of TIF in Illinois.

**SECTION 6**

Provide the base EAV (at the time of designation) and the EAV for the year reported for the redevelopment project area

Year redevelopment project area was designated	Base EAV	Reporting Fiscal Year EAV
12/22/1997	\$ 16,050,452	\$ 60,600,000

List all overlapping tax districts in the redevelopment project area.  
If overlapping taxing district received a surplus, list the surplus.

The overlapping taxing districts did not receive a surplus.

Overlapping Taxing District	Surplus Distributed from redevelopment project area to overlapping districts
DUPAGE COUNTY	\$ -
FOREST PRESERVE DISTRICT OF DUPAGE	\$ -
DUPAGE WATER COMMISSION	\$ -
DUPAGE AIRPORT AUTHORITY	\$ -
DOWNERS GROVE TOWNSHIP	\$ -
DOWNERS GROVE TOWNSHIP ROAD	\$ -
VILLAGE OF DOWNERS GROVE	\$ -
VILLAGE OF DOWNERS GROVE FIRE	\$ -
VILLAGE OF DOWNERS GROVE LIBRARY	\$ -
DOWNERS GROVE SSA #2	\$ -
DOWNERS GROVE PARK DISTRICT	\$ -
DOWNERS GROVE SANITARY DISTRICT	\$ -
GRADE SCHOOL DISTRICT #59 Ex Bds	\$ -
HIGH SCHOOL DISTRICT #99	\$ -
JUNIOR COLLEGE #502	\$ -

**SECTION 7**

Provide information about job creation and retention

Number of Jobs Retained	Number of Jobs Created	Description and Type (Temporary or Permanent) of Jobs	Total Salaries Paid
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -

**SECTION 8**

Provide a general description of the redevelopment project area using only major boundaries:

See Attached Map

Optional Documents	Enclosed
Legal description of redevelopment project area	YES
Map of District	YES

## **SECTION 8**

### **LEGAL DESCRIPTION OF THE REDEVELOPMENT PROJECT AREA**

#### **MAP OF DISTRICT**

**EXHIBIT A**

The legal description of the proposed amended Redevelopment Project Area is as follows:

THAT PART OF THE EAST HALF OF SECTION 7 AND THE WEST HALF OF SECTION 8, TOWNSHIP 38 NORTH, RANGE 11 EAST OF THIRD PRINCIPAL MERIDIAN BOUNDED AND DESCRIBED AS FOLLOWS: BEGINNING AT THE INTERSECTION OF THE SOUTH LINE OF FRANKLIN STREET AND THE EAST LINE OF FOREST AVENUE (SAID POINT OF INTERSECTION ALSO BEING THE NORTHWEST CORNER OF LOT 14 IN THE RE-SUBDIVISION OF BLOCK 5 OF E.H. PRINCE AND COMPANY'S ADDITION TO DOWNERS GROVE, A RESUBDIVISION RECORDED AS DOCUMENT NO.46830); THENCE EASTERLY FOLLOWING ALONG THE SAID SOUTH LINE OF FRANKLIN STREET TO THE NORTHEAST CORNER OF LOT 9 IN E.H. PRINCE AND COMPANY'S ADDITION AFORESAID; THENCE SOUTH ALONG THE EAST LINE OF LOTS 9,8,7 AND 6 IN SAID E.H. PRINCE AND COMPANY'S ADDITION TO THE SOUTHEAST CORNER OF SAID LOT 6 (SAID SOUTHEAST CORNER ALSO BEING THE SOUTHWEST CORNER OF LOT 3 IN AFORESAID ADDITION); THENCE EAST ALONG THE SOUTH LINE OF SAID LOT 3, A DISTANCE OF 30 FEET TO THE WEST LINE OF THE EAST 135 FEET OF LOT 4 IN SAID E.H. PRINCE & COMPANY'S ADDITION; THENCE SOUTH TO THE SOUTH LINE OF THE NORTH 82 FEET OF SAID LOT 4; THENCE WEST ALONG THE SAID

SOUTH LINE OF THE NORTH 82 FEET, TO THE EAST LINE OF THE WEST 110 FEET OF SAID LOT 4; THENCE SOUTH ALONG SAID EAST LINE TO THE SOUTH LINE OF SAID LOT 4; THENCE WEST ALONG THE SAID SOUTH LINE OF LOT 4, TO THE NORTHEAST CORNER OF LOT 5 IN SAID E.H. PRINCE & COMPANY'S ADDITION; THENCE SOUTH ALONG THE EAST LINE OF SAID LOT 5 TO THE NORTH LINE OF THE SOUTH 58.63 FEET OF SAID LOT 5; THENCE EAST ALONG THE NORTH LINE OF THE WEST 30 FEET OF THE SOUTH 60 FEET OF LOT 13 IN BLOCK 3 OF FOOTES ADDITION RECORDED AS DOCUMENT 21769, A DISTANCE OF 30 FEET; THENCE SOUTH ALONG THE EAST LINE OF SAID WEST 30 FEET OF THE SOUTH 60 FEET, TO THE NORTH LINE OF LOT 11 IN ROGER'S SUBDIVISION, RECORDED AS DOCUMENT NUMBER 127751; THENCE EAST ALONG SAID NORTH LINE TO THE NORTHEAST CORNER OF SAID LOT 11; THENCE SOUTH ALONG THE EAST LINE OF LOTS 11 AND 10 IN SAID ROGER'S SUBDIVISION TO THE SOUTHEAST CORNER OF SAID LOT 10; THENCE SOUTH TO THE NORTHEAST CORNER OF LOT 8 IN SAID ROGER'S SUBDIVISION; THENCE SOUTH ALONG THE EAST LINE OF SAID LOT 8 AND THE SOUTHERLY EXTENSION THEREOF, TO THE NORTH LINE OF LOT 6 IN AFORESAID ROGER'S SUBDIVISION; THENCE EASTERLY, ALONG THE NORTH LINES OF LOTS 6 AND 5 IN SAID ROGER'S SUBDIVISION, AND THE EASTERLY EXTENSION THEREOF, TO THE EAST LINE OF HIGHLAND AVENUE; THENCE NORTH ALONG SAID EAST LINE TO THE SOUTH LINE OF ROGERS STREET; THENCE EAST ALONG SAID SOUTH LINE OF ROGERS STREET, TO THE WEST LINE OF WASHINGTON STREET; THENCE SOUTH ALONG SAID WEST LINE TO THE WESTERLY EXTENSION OF THE NORTH LINE OF THE SOUTH 100 FEET OF LOT 6 IN BEARDSLEY'S ADDITION, RECORDED AS DOCUMENT NUMBER 9654; THENCE EAST ALONG SAID WESTERLY EXTENSION AND THE NORTH LINE OF SAID SOUTH 100 FEET OF LOT 6 TO THE WEST LINE OF LOT 7 IN SAID BEARDSLEY'S ADDITION; THENCE NORTH ALONG THE SAID WEST LINE TO THE NORTHWEST CORNER OF THE WEST HALF OF THE SOUTH HALF OF SAID LOT 7; THENCE EAST ALONG THE NORTH LINE OF SAID WEST HALF OF THE SOUTH HALF OF LOT 7 TO THE NORTHEAST CORNER OF SAID WEST HALF OF THE SOUTH HALF THEREOF; THENCE SOUTH ALONG THE EAST LINE OF THE WEST HALF TO THE NORTH LINE OF WARREN AVENUE; THENCE EAST, ALONG THE NORTH LINE OF WARREN AVENUE TO THE EAST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 8; THENCE SOUTHERLY, ALONG THE SAID EAST LINE OF THE NORTHWEST QUARTER TO THE SOUTH LINE OF THE BURLINGTON NORTHERN RAILROAD; THENCE WESTERLY, ALONG SAID SOUTH LINE, TO THE NORTHERLY EXTENSION OF THE WEST LINE OF LOT 6 IN RANDALL'S RESUBDIVISION RECORDED AS DOCUMENT NUMBER 20748; THENCE SOUTH ALONG THE WEST LINE OF SAID LOT 6 TO THE SOUTHWEST CORNER THEREOF; THENCE WESTERLY ALONG THE SOUTHERLY LINE OF LOTS 7 AND 8 IN SAID RANDALL'S RESUBDIVISION TO THE EASTERLY LINE OF LOT 7 IN BLOCK 2 IN CURTISS' ADDITION RECORDED AS DOCUMENT NUMBER 7317; THENCE SOUTH ALONG THE EASTERLY LINE OF SAID LOT 7 TO THE SOUTHEAST CORNER OF SAID LOT 7 IN BLOCK 2; THENCE SOUTH TO THE

NORTHEAST CORNER OF LOT 6 IN BLOCK 3 IN SAID CURTISS' ADDITION; THENCE SOUTH ALONG THE EAST LINE OF SAID LOT 6 AND THE SAID EAST LINE EXTENDED SOUTH, TO THE NORTH LINE OF LOT 13 IN ASSESSOR'S SUBDIVISION RECORDED AS DOCUMENT NUMBER 14481; THENCE SOUTHERLY ALONG A LINE THAT IS 74.25 FEET, (RECORD), EASTERLY, AS MEASURED ALONG THE NORTH LINE OF SAID LOT 13, AND PARALLEL WITH SAID WEST LINE OF SAID LOT 13, A DISTANCE OF 100.8 FEET, (RECORD); THENCE WESTERLY TO A POINT ON THE EAST LINE OF WASHINGTON STREET THAT IS 84.44 FEET, (RECORD), SOUTH OF THE SAID NORTH LINE OF LOT 14 OF THE ASSESSOR'S SUBDIVISION; THENCE SOUTH, ALONG THE EAST LINE OF WASHINGTON STREET, TO THE NORTH LINE OF THE NORTH 67 FEET OF THE SOUTH 192.38 FEET OF SAID LOT 14; THENCE EAST 121.44 FEET, TO THE EASTERLY LINE OF SAID LOT 14; THENCE SOUTHEASTERLY, ALONG THE SAID EASTERLY LINE OF LOT 14 IN SAID ASSESSOR'S SUBDIVISION, 53 FEET; THENCE SOUTHWESTERLY, 143.5 FEET TO A POINT ON AN EASTERLY LINE OF WASHINGTON STREET, THAT IS 125.38 FEET, AS MEASURED ALONG SAID EASTERLY LINE, NORTHERLY OF THE NORTHERLY LINE OF MAPLE AVENUE; THENCE SOUTHERLY, ALONG SAID EASTERLY LINE TO THE NORTHERLY LINE OF MAPLE AVENUE; THENCE SOUTHWESTERLY ALONG SAID NORTHERLY LINE OF MAPLE AVENUE TO THE EASTERLY LINE, EXTENDED NORTHERLY OF LOT 25 IN ASSESSOR'S SUBDIVISION RECORDED AS DOCUMENT NUMBER 14481; THENCE SOUTHEASTERLY ALONG SAID EXTENDED EASTERLY LINE AND THE EASTERLY LINE OF SAID LOT 25 TO THE NORTH LINE OF LOT 14 IN CURTISS' SUBDIVISION RECORDED AS DOCUMENT NUMBER 29341; THENCE NORTHEASTERLY ALONG THE NORTHERLY LINE OF SAID LOT 14 TO THE NORTHEAST CORNER THEREOF, THENCE SOUTHERLY ALONG THE EASTERLY LINE OF SAID LOT 14 THE NORTHERLY LINE OF RANDALL STREET; THENCE SOUTHWESTERLY, ALONG THE NORTHERLY LINE OF RANDALL STREET, TO THE WESTERLY LINE OF WEBSTER STREET; THENCE SOUTHERLY, ALONG THE WESTERLY LINE OF WEBSTER STREET, TO THE SOUTH LINE OF LOT 11 IN AFORESAID CURTISS' SUBDIVISION; THENCE SOUTHWESTERLY, ALONG SAID SOUTHERLY LINE OF LOT 11 TO THE EAST LINE OF LOT 7 IN SAID CURTISS' SUBDIVISION; THENCE SOUTH ALONG SAID EAST LINE OF SAID LOT 7 TO THE SOUTHEAST CORNER THEREOF; THENCE WEST ALONG THE SOUTH LINE OF SAID LOT 7, TO THE SOUTHEAST CORNER OF LOT 36 IN ASSESSOR'S SUBDIVISION RECORDED AS DOCUMENT NUMBER 14481; THENCE WEST, ALONG THE SAID SOUTH LINE OF LOT 36 AND SAID LINE EXTENDED WEST TO THE CENTER LINE OF MAIN STREET; THENCE SOUTHWESTERLY TO THE SOUTH LINE OF THE NORTHWESTERLY 10 FEET OF LOT 5 IN BLANCHARD'S SUBDIVISION RECORDED AS DOCUMENT NUMBER 12880; THENCE SOUTHWESTERLY ALONG THE SOUTH LINE OF THE SAID NORTHWESTERLY 10 FEET OF LOT 5 TO THE WESTERLY LINE OF SAID LOT 5; THENCE NORTHERLY ALONG SAID WESTERLY LINE, THE WESTERLY LINE OF LOTS 4, 3 AND 2 IN SAID BLANCHARD'S SUBDIVISION AND THE SAID WESTERLY LINE EXTENDED OF LOT 2 TO THE NORTHERLY LINE OF MAPLE AVENUE, SAID LINE BEING THE

SOUTH LINE OF LOTS 44 AND 45 IN SAID ASSESSOR'S SUBDIVISION; THENCE EASTERLY ALONG SAID NORTHERLY LINE TO POINT IN SAID NORTHERLY LINE OF MAPLE AVENUE THAT IS 75 FEET EASTERLY, AS MEASURED ALONG THE NORTHERLY LINE OF SAID MAPLE AVENUE, OF THE SOUTHWEST CORNER OF LOT 45; THENCE NORTHERLY ALONG A LINE PARALLEL TO THE WESTERLY LINE OF LOT 45 IN SAID ASSESSOR'S SUBDIVISION TO A POINT 40 FEET SOUTHERLY OF THE LAND CONVEYED BY EDWARD THATCHER TO QUIRIN SCHMIDT BY DEED DATED APRIL 16, 1889 AND RECORDED AS DOCUMENT 139636, SAID POINT BEING ON THE SOUTH LINE OF LAND CONVEYED BY DEED DATED OCTOBER 17, 1902, RECORDED AUGUST 1, 1904 AS DOCUMENT 82172; THENCE EASTERLY, ALONG SAID LINE TO WESTERLY LINE OF LOT 5 IN HOFERT'S SUBDIVISION RECORDED AS DOCUMENT NUMBER 52764; THENCE NORTHERLY ALONG SAID WESTERLY LINE AND THE WESTERLY LINE EXTENDED NORTHERLY TO THE SOUTH LINE OF GROVE STREET; THENCE NORTHWESTERLY ACROSS SAID GROVE STREET TO A POINT ON THE NORTHERLY LINE THEREOF 132.99 FEET WEST OF THE WEST LINE OF MAIN STREET; THENCE WEST ALONG SAID NORTHERLY LINE TO A POINT ON SAID NORTHERLY LINE 244.53 FEET WEST OF THE SAID WEST LINE OF MAIN STREET; THENCE NORTH IN A STRAIGHT LINE TO A POINT ON THE SOUTH LINE OF LOT 55 IN ASSESSOR'S SUBDIVISION AFORESAID, 233.64 FEET WEST OF THE SAID WEST LINE OF MAIN STREET; THENCE WEST ALONG SAID SOUTH LINE TO THE SOUTHEAST CORNER OF FIRST CHURCH OF CHRISTIAN SCIENTIST RECORDED AS DOCUMENT NUMBER 145113; THENCE NORTHERLY ALONG THE EASTERLY LINE OF SAID FIRST CHURCH OF CHRISTIAN SCIENTIST TO THE SOUTH LINE OF CURTISS STREET; THENCE NORTHERLY, TO THE INTERSECTION OF THE NORTH LINE OF CURTISS STREET WITH THE WEST LINE OF FOREST AVENUE, (FOOTE STREET); THENCE NORTHWESTERLY FOLLOWING ALONG THE CENTER LINE OF A CREEK ON AN ASSUMED BEARING OF NORTH 26 DEGREES WEST, 73.92 FEET; THENCE NORTH 42 DEGREES WEST, 68.64 FEET; THENCE NORTH 58 1/4 DEGREES WEST, 44.22 FEET; THENCE SOUTH 89 3/4 DEGREES WEST, 26.4 FEET; THENCE SOUTH 78 DEGREES WEST, 109.89 FEET; THENCE SOUTH 12 DEGREES EAST, PERPENDICULAR TO THE NORTH LINE OF CURTISS STREET, TO THE NORTH LINE OF CURTISS STREET; THENCE SOUTHWESTERLY, ALONG THE NORTH LINE OF CURTISS STREET TO THE EAST LINE OF THE CURTISS STREET CONDOMINIUM, RECORDED AS DOCUMENT R70-10748; THENCE NORTHWESTERLY, ALONG SAID EAST LINE, TO THE NORTH LINE THEREOF; THENCE SOUTHWESTERLY, ALONG SAID NORTH LINE TO THE EAST LINE OF LOT 2 OF BLODGETT'S RESUBDIVISION RECORDED AS DOCUMENT 137939; THENCE SOUTHERLY, ALONG SAID EAST LINE TO THE SOUTH LINE OF SAID RESUBDIVISION; THENCE SOUTHWESTERLY, ALONG SAID SOUTH LINE, TO THE EAST LINE OF CARPENTER STREET; THENCE NORTHWESTERLY, ALONG SAID EAST LINE TO THE SOUTH LINE OF GILBERT AVENUE; THENCE EASTERLY, ALONG THE SOUTH LINE OF GILBERT AVENUE TO A POINT THAT IS 50 FEET EAST OF THE QUARTER SECTION LINE BETWEEN SECTIONS 7 AND 8;

THENCE NORTH PARALLEL WITH SAID QUARTER SECTION LINE TO THE SOUTHERLY LINE OF THE LANDS OF THE BURLINGTON NORTHERN RAILROAD; THENCE WEST ALONG THE SOUTHERLY LINE OF SAID RAILROAD TO THE WEST LINE OF SAID SECTION 8; THENCE NORTHERLY, ALONG SAID SECTION LINE TO THE NORTH LINE OF SAID RAILROAD LANDS; THENCE EASTERLY, ALONG SAID NORTH LINE TO ITS POINT OF INTERSECTION WITH THE EASTERLY LINE EXTENDED SOUTH OF THE WEST THREE FEET OF LOT 5 IN FOOTE'S ADDITION RECORDED AS DOCUMENT 21769; THENCE NORTH ALONG SAID EXTENDED LINE AND THE EAST LINE OF THE SAID WEST THREE FEET OF LOT 5 TO THE SOUTH LINE OF WARREN AVENUE; THENCE EAST ALONG SAID SOUTH LINE OF WARREN AVENUE TO EAST LINE EXTENDED SOUTH OF LOT 16 IN E.H. PRINCE AND COMPANY'S ADDITION RECORDED AS DOCUMENT NUMBER 43600; THENCE NORTH ALONG SAID EXTENDED LINE AND THE EAST LINE OF SAID LOT 16 TO THE NORTH LINE, EXTENDED WEST, OF LOT 15 IN SAID E.H. PRINCE AND COMPANY'S ADDITION; THENCE EAST ALONG SAID EXTENDED LINE, THE NORTH LINE OF SAID LOT 15 AND SAID NORTH LINE EXTENDED EAST TO THE EAST LINE OF FOREST AVENUE; THENCE NORTH ALONG SAID EAST LINE OF FOREST AVENUE TO THE POINT OF BEGINNING, IN DUPAGE COUNTY, ILLINOIS.

TOGETHER WITH

THAT PART OF THE SOUTHWEST QUARTER OF SECTION 8, TOWNSHIP 38 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE NORTHERLY LINE OF GROVE STREET 244.53 FEET WEST OF THE WEST LINE OF MAIN STREET; THENCE EAST, ALONG THE NORTHERLY LINE OF GROVE STREET TO A POINT 132.99 FEET WEST OF THE WEST LINE OF MAIN STREET; THENCE SOUTHERLY, TO THE INTERSECTION OF THE SOUTHERLY LINE OF GROVE STREET WITH THE NORTHERLY EXTENSION OF THE WEST LINE OF LOT 5 IN HOFER'S SUBDIVISION, RECORDED AS DOCUMENT NUMBER 52764; THENCE WEST, ALONG THE SOUTHERLY LINE OF GROVE STREET, TO A POINT LYING PERPENDICULAR SOUTH OF THE POINT OF BEGINNING; THENCE NORTH, TO THE POINT OF BEGINNING, ALL IN DU PAGE COUNTY, ILLINOIS.

TOGETHER WITH

THAT PART OF THE SOUTHWEST QUARTER OF SECTION 8, TOWNSHIP 38 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT THE INTERSECTION OF THE EAST LINE OF CURTIS STREET CONDOMINIUM , RECORDED AS DOCUMENT NUMBER R70-10748, WITH THE NORTH LINE OF CURTISS STREET; THENCE NORTHEASTERLY, ALONG THE NORTH LINE OF CURTISS STREET TO THE INTERSECTION OF THE NORTH LINE OF CURTISS STREET WITH THE WEST LINE OF FOREST AVENUE; THENCE

SOUTHEASTERLY, TO THE INTERSECTION OF THE EAST LINE OF FIRST CHURCH OF CHRISTIAN SCIENTIST, RECORDED AS DOCUMENT NUMBER 145113 AND THE SOUTH LINE OF CURTISS STREET; THENCE SOUTHWESTERLY, ALONG THE SOUTH LINE OF CURTISS STREET, TO THE SOUTHERLY EXTENSION OF THE EAST LINE OF AFORESAID CURTISS STREET CONDOMINIUM; THENCE NORTHERLY, ALONG SAID SOUTHERLY EXTENSION OF THE EAST LINE OF CURTISS STREET CONDOMINIUM, TO THE POINT OF BEGINNING, ALL IN DU PAGE COUNTY, ILLINOIS.

TOGETHER WITH

THAT PART OF THE EAST HALF OF SECTION 7 AND THE WEST HALF OF SECTION 8, TOWNSHIP 38 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT THE INTERSECTION OF THE EASTERLY LINE OF CARPENTER STREET WITH THE SOUTH LINE OF BLODGETT'S RESUBDIVISION, RECORDED AS DOCUMENT NUMBER 137939; THENCE WESTERLY, PERPENDICULAR TO SAID EAST LINE OF CARPENTER STREET, TO THE WEST LINE OF CARPENTER STREET; THENCE NORTHWESTERLY, ALONG THE WEST LINE OF CARPENTER STREET ON THE NORTHERLY EXTENSION THEREOF, TO THE NORTH LINE OF GILBERT AVENUE; THENCE EAST, ALONG THE NORTH LINE OF GILBERT AVENUE, TO A POINT THAT IS 50 FEET EAST OF THE QUARTER SECTION LINE BETWEEN SECTIONS 7 AND 8 ; THENCE SOUTH PARALLEL WITH SAID QUARTER SECTION LINE TO THE SOUTH LINE OF GILBERT AVENUE; THENCE WEST, ALONG THE SOUTH LINE OF GILBERT AVENUE, TO THE EAST LINE OF CARPENTER STREET; THENCE SOUTHEASTERLY, ALONG THE EAST LINE OF CARPENTER STREET, TO THE POINT OF BEGINNING, ALL IN DU PAGE COUNTY, ILLINOIS.

TOGETHER WITH

THAT PART OF THE NORTHWEST QUARTER OF SECTION 8, TOWNSHIP 38 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHEAST CORNER OF LOT 16 IN E.H. PRINCE AND COMPANY'S ADDITION RECORDED AS DOCUMENT NUMBER 43600, SAID SOUTHEAST CORNER BEING ON THE NORTH LINE OF WARREN AVENUE; THENCE SOUTH, ALONG THE EAST LINE OF SAID LOT 16 EXTENDED SOUTH, TO THE SOUTH LINE OF WARREN AVENUE; THENCE WEST, ALONG THE SOUTH LINE OF WARREN AVENUE, TO THE EAST LINE OF THE WEST THREE FEET OF LOT 5 IN FOOTE'S ADDITION, RECORDED AS DOCUMENT 21769; THENCE NORTH, ALONG THE NORTHERLY EXTENSION OF THE WEST THREE FEET OF SAID LOT 5, TO THE NORTH LINE OF WARREN AVENUE; THENCE EAST, ALONG THE NORTH LINE OF WARREN AVENUE, TO THE POINT OF BEGINNING, ALL IN DU PAGE COUNTY, ILLINOIS.

TOGETHER WITH

THAT PART OF THE NORTHWEST QUARTER OF SECTION 8, TOWNSHIP 38 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT THE INTERSECTION OF THE NORTH LINE OF FRANKLIN STREET WITH THE WEST LINE OF FOREST STREET; THENCE EAST, FOLLOWING ALONG THE NORTH LINE OF FRANKLIN STREET, TO THE NORTHERLY EXTENSION OF THE EAST LINE OF LOT 9 IN THE RE-SUBDIVISION OF BLOCK 5 OF E.H. PRINCE AND COMPANY'S ADDITION TO DOWNERS GROVE, A RE-SUBDIVISION RECORDED AS DOCUMENT NUMBER 46830; THENCE SOUTH, ALONG SAID NORTHERLY EXTENSION OF THE EAST LINE OF LOT 9, TO THE SOUTH LINE OF FRANKLIN STREET; THENCE WEST, FOLLOWING ALONG THE SOUTH LINE OF FRANKLIN STREET, TO THE EAST LINE OF FOREST STREET; THENCE SOUTH, ALONG THE EAST LINE OF FOREST STREET, TO THE EASTERLY EXTENSION OF THE NORTH LINE OF LOT 15 IN E.H. PRINCE AND COMPANY'S ADDITION RECORDED AS DOCUMENT NUMBER 43600; THENCE WEST, ALONG SAID EASTERLY EXTENSION OF LOT 15, TO THE WEST LINE OF FOREST AVENUE; THENCE NORTH, FOLLOWING ALONG THE WEST LINE OF FOREST AVENUE, TO THE POINT OF BEGINNING, ALL IN DU PAGE COUNTY, ILLINOIS.

TOGETHER WITH

THAT PART OF THE NORTHWEST QUARTER OF SECTION 8, TOWNSHIP 38 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT THE INTERSECTION OF THE NORTH LINE OF ROGERS STREET WITH THE EAST LINE OF WASHINGTON STREET; THENCE WESTERLY, FOLLOWING ALONG THE NORTH LINE OF ROGERS STREET, TO THE EAST LINE OF LOT 10 IN ROGER'S RESUBDIVISION, RECORDED AS DOCUMENT NUMBER 127751; THENCE SOUTH TO THE NORTHEAST CORNER OF LOT 8 IN SAID ROGER'S SUBDIVISION; THENCE SOUTH, ALONG THE EAST LINE OF SAID LOT 8 AND THE SAID SOUTHERLY EXTENSION THEREOF, TO THE NORTH LINE OF LOT 6 IN AFORESAID ROGER'S SUBDIVISION; THENCE EASTERLY, ALONG THE NORTH LINES OF LOT 6 AND 5 IN SAID ROGER'S SUBDIVISION, AND THE EASTERLY EXTENSION THEREOF TO THE EAST LINE OF HIGHLAND AVENUE; THENCE NORTH ALONG THE SAID EAST LINE TO THE SOUTH LINE OF ROGERS STREET; THENCE EAST, ALONG THE SAID SOUTH LINE OF ROGERS STREET, TO THE WEST LINE OF WASHINGTON STREET; THENCE SOUTH, ALONG THE SAID WEST LINE OF WASHINGTON STREET, TO THE WESTERLY EXTENSION OF THE NORTH LINE OF THE SOUTH 100 FEET OF LOT 6 IN BEARDSLEY'S ADDITION, RECORDED AS DOCUMENT NUMBER 9654; THENCE EAST, ALONG THE AFORESAID WESTERLY EXTENSION OF THE NORTH LINE OF THE SOUTH 100 FEET, TO THE EAST LINE OF WASHINGTON STREET; THENCE NORTH, FOLLOWING ALONG THE EAST LINE OF WASHINGTON STREET, TO THE POINT OF BEGINNING, ALL IN DU PAGE COUNTY, ILLINOIS.

TOGETHER WITH

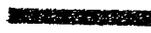
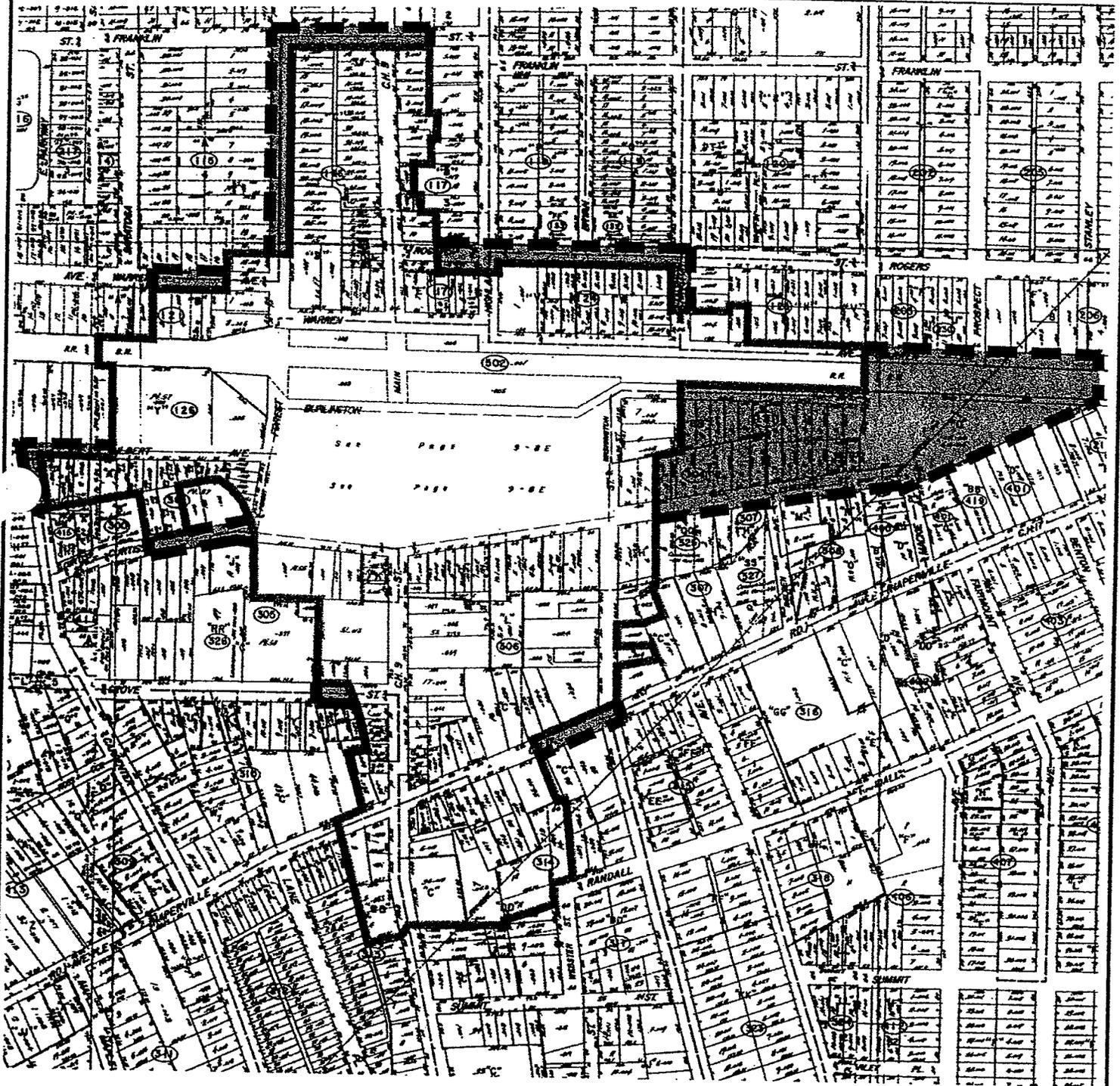
THAT PART OF SECTION 8, TOWNSHIP 38 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT THE INTERSECTION OF THE SOUTHERLY LINE OF CURTISS STREET, WITH THE EAST LINE OF LOT 6 IN BLOCK 3 IN CURTISS' ADDITION, RECORDED AS DOCUMENT NUMBER 7317, SAID POINT BEING THE NORTHEAST CORNER OF SAID LOT 6 IN BLOCK 3; THENCE NORTHEASTERLY, FOLLOWING ALONG THE SOUTHERLY LINE OF CURTISS STREET, TO THE WESTERLY LINE OF MACKIE PLACE; THENCE SOUTHERLY, ALONG THE WESTERLY LINE OF MACKIE PLACE, TO THE WESTERLY EXTENSION OF THE SOUTHERLY LINE OF LOT 1 OF THOMAS LYMAN HOMESTEAD, RECORDED AS DOCUMENT NUMBER 76332; THENCE NORTHEASTERLY, ALONG SAID WESTERLY EXTENSION OF THE SOUTHERLY LINE OF LOT 1 AND THE SOUTHERLY LINE OF LOT 1, TO THE SOUTH LINE OF THE BURLINGTON NORTHERN RAILROAD; THENCE NORTHERLY, PERPENDICULAR TO THE SOUTH LINE OF THE BURLINGTON NORTHERN RAILWAY, TO THE NORTH LINE OF VACATED WARREN AVENUE; THENCE WESTERLY, FOLLOWING ALONG THE NORTH LINE OF VACATED WARREN AVENUE AND THE NORTH LINE OF WARREN AVENUE, TO THE EAST LINE OF THE SOUTHWEST QUARTER OF SECTION 8, TOWNSHIP 38 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN; THENCE SOUTHERLY ALONG THE EAST LINE OF SAID SOUTHWEST QUARTER, TO THE SOUTHERLY LINE OF THE BURLINGTON NORTHERN RAILROAD; THENCE WESTERLY ALONG SAID SOUTHERLY LINE OF THE BURLINGTON NORTHERN RAILROAD, TO THE NORTHERLY EXTENSION OF THE WEST LINE OF LOT 6 IN RANDALL'S RESUBDIVISION, RECORDED AS DOCUMENT NUMBER 20748; THENCE SOUTH, ALONG SAID NORTHERLY EXTENSION OF THE WESTERLY LINE OF LOT 6 AND THE WEST LINE OF LOT 6, TO THE SOUTHWEST CORNER THEREOF; THENCE WESTERLY, ALONG THE SOUTHERLY LINE OF LOTS 7 AND 8 IN SAID RANDALL'S RESUBDIVISION, TO THE EASTERLY LINE OF LOT 7 IN BLOCK 2 IN CURTISS' ADDITION RECORDED AS DOCUMENT NUMBER 7317; THENCE SOUTH, ALONG THE EASTERLY LINE OF LOT 7 TO THE SOUTHEAST CORNER OF SAID LOT 7 IN BLOCK 2; THENCE SOUTH TO THE NORTHEAST CORNER OF SAID, LOT 6 IN BLOCK 3 IN CURTISS' ADDITION, AFORESAID, AND THE POINT OF BEGINNING, ALL IN DU PAGE COUNTY, ILLINOIS.

TOGETHER WITH

THAT PART OF THE SOUTHWEST QUARTER OF SECTION 8, TOWNSHIP 38 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT THE INTERSECTION OF THE EASTERLY LINE EXTENDED NORTHERLY OF LOT 25 IN ASSESSOR'S SUBDIVISION, RECORDED AS DOCUMENT NUMBER 14481 WITH THE NORTH LINE OF MAPLE AVENUE; THENCE NORTHEASTERLY. FOLLOWING ALONG THE NORTH LINE OF MAPLE

AVENUE, TO THE EAST LINE OF WASHINGTON STREET; THENCE SOUTHERLY,  
PERPENDICULAR TO THE NORTH LINE OF MAPLE AVENUE, TO THE SOUTH  
LINE OF MAPLE AVENUE; THENCE SOUTHWESTERLY, FOLLOWING ALONG THE  
SOUTH LINE OF MAPLE AVENUE, TO THE EASTERLY LINE OF AFORESAID LOT  
25 IN ASSESSOR'S SUBDIVISION; THENCE NORTHERLY ALONG THE  
NORTHERLY EXTENSION OF THE EASTERLY LINE OF AFORESAID LOT 25, TO  
THE POINT OF BEGINNING, ALL IN DU PAGE COUNTY, ILLINOIS.

# AMENDED TAX INCREMENT FINANCING DISTRICT BOUNDARY MAP



EXISTING TIF DISTRICT



TIF AMMENDMENTS

