

RESOLUTION NO. ____

**A RESOLUTION AUTHORIZING EXECUTION OF A LOAN AGREEMENT
BETWEEN THE VILLAGE OF DOWNERS GROVE AND
DOWNERS GROVE NATIONAL BANK**

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

1. That the form and substance of a certain Agreement (the "Agreement"), between the Village of Downers Grove (the "Village") and Downers Grove National Bank (the "Financial Institution"), for a loan agreement not to exceed \$65,000.00 for the purchase of Cardiac Monitor Defibrillators, as set forth in the form of the Agreement submitted to this meeting with the recommendation of the Village Manager, is hereby approved.

2. That the Village Manager and Village Clerk are hereby respectively authorized and directed for and on behalf of the Village to execute, attest, seal and deliver the Agreement, substantially in the form approved in the foregoing paragraph of this Resolution, together with such changes as the Manager shall deem necessary.

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 That all resolutions or parts of resolutions in conflict with the provisions of this Resolution are hereby repealed.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:

Attest: _____
Village Clerk

LOAN NUMBER	LOAN NAME	ACCT. NUMBER	NOTE DATE	INITIALS
	VILLAGE OF DOWNERS GROVE		07/23/03	
NOTE AMOUNT	INDEX (w/Margin)	RATE	MATURITY DATE	LOAN PURPOSE
\$65,000.00	Not Applicable	4.150%	07/23/08	Commercial
Creditor Use Only				

PROMISSORY NOTE

(Commercial - Single Advance - Fixed Rate)

DATE AND PARTIES. The date of this Promissory Note (Note) is July 23, 2003. The parties and their addresses are:

LENDER:

DOWNERS GROVE NATIONAL BANK
5140 S. MAIN STREET
DOWNERS GROVE, Illinois 60515
Telephone: (630) 968-6300

BORROWER:

VILLAGE OF DOWNERS GROVE
801 BURLINGTON
DOWNERS GROVE, Illinois 60515

1. DEFINITIONS. As used in this Note, the terms have the following meanings:

- A. Pronouns.** The pronouns "I," "me," and "my" refer to each Borrower signing this Note, individually and together with their heirs, successors and assigns, and each other person or legal entity (including guarantors, endorsers, and sureties) who agrees to pay this Note. "You" and "Your" refer to the Lender, with its participants or syndicators, successors and assigns, or any person or company that acquires an interest in the Loan.
- B. Note.** Note refers to this document, and any extensions, renewals, modifications and substitutions of this Note.
- C. Loan.** Loan refers to this transaction generally, including obligations and duties arising from the terms of all documents prepared or submitted for this transaction such as applications, security agreements, disclosures or notes, and this Note.
- D. Property.** Property is any property, real, personal or intangible, that secures my performance of the obligations of this Loan.
- E. Percent.** Rates and rate change limitations are expressed as annualized percentages.

2. PROMISE TO PAY. For value received, I promise to pay you or your order, at your address, or at such other location as you may designate, the principal sum of \$77,000.00 (Principal) plus interest from July 23, 2003 on the unpaid Principal balance until this Note matures or this obligation is accelerated.

3. INTEREST. Interest will accrue on the unpaid Principal balance of this Note at the rate of **4.150 percent (Interest Rate)**.

- A. Interest After Default.** If you declare a default under the terms of this Loan, including for failure to pay in full at maturity, you may increase the Interest Rate otherwise payable as described in this section. In such event, interest will accrue on the unpaid Principal balance of this Note at a rate equal to the rate in effect prior to default, plus 5.000 percent, until paid in full.
- B. Maximum Interest Amount.** Any amount assessed or collected as interest under the terms of this Note or obligation will be limited to the Maximum Lawful Amount of interest allowed by state or federal law. Amounts collected in excess of the Maximum Lawful Amount will be applied first to the unpaid Principal balance. Any remainder will be refunded to me.
- C. Statutory Authority.** The amount assessed or collected on this Note is authorized by the Illinois usury laws under 815 ILCS 205.
- D. Accrual.** During the scheduled term of this Loan interest accrues using an Actual/360 days counting method.

4. REMEDIAL CHARGES. In addition to interest or other finance charges, I agree that I will pay these additional fees based on my method and pattern of payment. Additional remedial charges may be described elsewhere in this Note.

- A. Late Charge.** If a payment is more than 10 days late, I will be charged 5.000 percent of the Amount of Payment or \$25.00, whichever is greater. I will pay this late charge promptly but only once for each late payment.

5. PAYMENT. I agree to pay this Note on demand, but if no demand is made, I agree to pay this Note in installments of Principal and of accrued interest. I will make payments of accrued interest beginning July 23, 2004, and then on the same day each year thereafter. I will make Principal payments of \$15,400.00 beginning July 23, 2004, and then on the same day each year thereafter. A final payment of Principal, together with any accrued but unpaid interest, will be due on July 23, 2008.

Payments will be rounded to the nearest \$.01. With the final payment I also agree to pay any additional fees or charges owing and the amount of any advances you have made to others on my behalf. Payments scheduled to be paid on the 29th, 30th or 31st day of a month that contains no such day will, instead, be made on the last day of such month.

Each interest payment I make on this Note will be applied first to any charges I owe other than late charges, then to accrued, but unpaid interest, then to late charges. Principal payments will be applied first to the amount of the scheduled Principal payment, then to any late charges. If you and I agree to a different application of payments, we will describe our agreement on this Note. The actual amount of my final payment will depend on my payment record.

6. PREPAYMENT. I may prepay this Loan in full or in part at any time. Any partial prepayment will not excuse any later scheduled payments until I pay in full.

7. LOAN PURPOSE. This is a business-purpose loan transaction.

8. SECURITY. This Loan is not secured.

9. DEFAULT. I understand that you may demand payment anytime at your discretion. For example, you may demand payment in full if any of the following occur:

- A. Payments.** I fail to make a payment in full when due.

- B. Insolvency.** I make an assignment for the benefit of creditors or become insolvent, either because my liabilities exceed my assets or I am unable to pay my debts as they become due.
- C. Failure to Perform.** I fail to perform any condition or to keep any promise or covenant of this Note.
- D. Other Documents.** A default occurs under the terms of any other transaction document.
- E. Other Agreements.** I am in default on any other debt or agreement I have with you.
- F. Misrepresentation.** I make any verbal or written statement or provide any financial information that is untrue, inaccurate, or conceals a material fact at the time it is made or provided.
- G. Judgment.** I fail to satisfy or appeal any judgment against me.
- H. Forfeiture.** The Property is used in a manner or for a purpose that threatens confiscation by a legal authority.
- I. Name Change.** I change my name or assume an additional name without notifying you before making such a change.
- J. Property Transfer.** I transfer all or a substantial part of my money or property.
- K. Property Value.** The value of the Property declines or is impaired.
- L. Insecurity.** You reasonably believe that you are insecure.

10. WAIVERS AND CONSENT. To the extent not prohibited by law, I waive protest, presentment for payment, demand, notice of acceleration, notice of intent to accelerate and notice of dishonor.

A. Additional Waivers By Borrower. In addition, I, and any party to this Note and Loan, to the extent permitted by law, consent to certain actions you may take, and generally waive defenses that may be available based on these actions or based on the status of a party to this Note.

- (1) You may renew or extend payments on this Note, regardless of the number of such renewals or extensions.
- (2) You may release any Borrower, endorser, guarantor, surety, accommodation maker or any other co-signer.
- (3) You may release, substitute or impair any Property securing this Note.
- (4) You, or any institution participating in this Note, may invoke your right of set-off.
- (5) You may enter into any sales, repurchases or participations of this Note to any person in any amounts and I waive notice of such sales, repurchases or participations.
- (6) I agree that any of us signing this Note as a Borrower is authorized to modify the terms of this Note or any instrument securing, guarantying or relating to this Note.

B. No Waiver By Lender. Your course of dealing, or your forbearance from, or delay in, the exercise of any of your rights, remedies, privileges or right to insist upon my strict performance of any provisions contained in this Note, or other Loan documents, shall not be construed as a waiver by you, unless any such waiver is in writing and is signed by you.

11. REMEDIES. After I default, and after you give any legally required notice and opportunity to cure the default, you may at your option do any one or more of the following.

- A. Acceleration.** You may make all or any part of the amount owing by the terms of this Note immediately due.
- B. Sources.** You may use any and all remedies you have under state or federal law or in any instrument securing this Note.
- C. Insurance Benefits.** You may make a claim for any and all insurance benefits or refunds that may be available on my default.
- D. Payments Made On My Behalf.** Amounts advanced on my behalf will be immediately due and may be added to the balance owing under the terms of this Note, and accrue interest at the highest post-maturity interest rate.
- E. Set-Off.** You may use the right of set-off. This means you may set-off any amount due and payable under the terms of this Note against any right I have to receive money from you.

My right to receive money from you includes any deposit or share account balance I have with you; any money owed to me on an item presented to you or in your possession for collection or exchange; and any repurchase agreement or other non-deposit obligation. "Any amount due and payable under the terms of this Note" means the total amount to which you are entitled to demand payment under the terms of this Note at the time you set-off.

Subject to any other written contract, if my right to receive money from you is also owned by someone who has not agreed to pay this Note, your right of set-off will apply to my interest in the obligation and to any other amounts I could withdraw on my sole request or endorsement.

Your right of set-off does not apply to an account or other obligation where my rights arise only in a representative capacity. It also does not apply to any Individual Retirement Account or other tax-deferred retirement account.

You will not be liable for the dishonor of any check when the dishonor occurs because you set-off against any of my accounts. I agree to hold you harmless from any such claims arising as a result of your exercise of your right of set-off.

F. Waiver. Except as otherwise required by law, by choosing any one or more of these remedies you do not give up your right to use any other remedy. You do not waive a default if you choose not to use a remedy. By electing not to use any remedy, you do not waive your right to later consider the event a default and to use any remedies if the default continues or occurs again.

12. COLLECTION EXPENSES AND ATTORNEYS' FEES. On or after Default, to the extent permitted by law, I agree to pay all expenses of collection, enforcement or protection of your rights and remedies under this Note. Expenses include reasonable attorneys' fees. These expenses are due and payable immediately. If not paid immediately, these expenses will bear interest from the date of payment until paid in full at the highest interest rate in effect as provided for in the terms of this Note. All fees and expenses will be secured by the Property I have granted to you, if any. To the extent permitted by the United States Bankruptcy Code, I agree to pay the reasonable attorneys' fees you incur to collect this Debt as awarded by any court exercising jurisdiction under the Bankruptcy Code.

13. WARRANTIES AND REPRESENTATIONS. I have the right and authority to enter into this Note. The execution and delivery of this Note will not violate any agreement governing me or to which I am a party.

14. APPLICABLE LAW. This Note is governed by the laws of Illinois, the United States of America and to the extent required, by the laws of the jurisdiction where the Property is located. In the event of a dispute, the exclusive forum, venue and place of jurisdiction will be in Illinois, unless otherwise required by law.

15. JOINT AND INDIVIDUAL LIABILITY AND SUCCESSORS. My obligation to pay this Loan is independent of the obligation of any other person who has also agreed to pay it. You may sue me alone, or anyone else who is obligated on this Loan, or any number of us together, to collect this Loan. Extending this Loan or new obligations under this Loan, will not affect my duty under this Loan and I will still be obligated to pay this Loan. The duties and benefits of this Loan will bind and benefit the successors and assigns of you and me.

16. AMENDMENT, INTEGRATION AND SEVERABILITY. This Note may not be amended or modified by oral agreement. No amendment or modification of this Note is effective unless made in writing and executed by you and me. This Note is the complete and final expression of the agreement. If any provision of this Note is unenforceable, then the unenforceable provision will be severed and the remaining provisions will still be enforceable.

17. INTERPRETATION. Whenever used, the singular includes the plural and the plural includes the singular. The section headings are for convenience only and are not to be used to interpret or define the terms of this Note.

18. NOTICE, FINANCIAL REPORTS AND ADDITIONAL DOCUMENTS. Unless otherwise required by law, any notice will be given by delivering it or mailing it by first class mail to the appropriate party's address listed in the DATE AND PARTIES section, or to any other address designated in writing. Notice to one party will be deemed to be notice to all parties. I will inform you in writing of any change in my name, address or other application information. I will provide you any financial statement or information you request. All financial statements and information I give you will be correct and complete. I agree to sign, deliver, and file any additional documents or certifications that you may consider necessary to perfect, continue, and preserve my obligations under this Loan and to confirm your lien status on any Property. Time is of the essence.

19. CREDIT INFORMATION. I agree to supply you with whatever information you reasonably request. You will make requests for this information without undue frequency, and will give me reasonable time in which to supply the information.

20. ERRORS AND OMISSIONS. I agree, if requested by you, to fully cooperate in the correction, if necessary, in the reasonable discretion of you of any and all loan closing documents so that all documents accurately describe the loan between you and me. I agree to assume all costs including by way of illustration and not limitation, actual expenses, legal fees and marketing losses for failing to reasonably comply with your requests within thirty (30) days.

CONFESSION OF JUDGMENT. If I default, I authorize any attorney to appear in a court of record and confess judgment against me in favor of you. The confession of judgment may be without process and for any amount due on this Note including collection costs and reasonable attorneys' fees. This is in addition to other remedies.

21. SIGNATURES. By signing, I agree to the terms contained in this Note. I also acknowledge receipt of a copy of this Note.

BORROWER:

VILLAGE OF DOWNERS GROVE

By _____
Authorized Signer

DISBURSEMENT AUTHORIZATION

DATE AND PARTIES. The date of this Disbursement Authorization is July 23, 2003. The parties and their addresses are:

LENDER:

DOWNERS GROVE NATIONAL BANK
 5140 S. MAIN STREET
 DOWNERS GROVE, Illinois 60515
 Telephone: (630) 968-6300

BORROWER:

VILLAGE OF DOWNERS GROVE
 801 BURLINGTON
 DOWNERS GROVE, Illinois 60515

1. DEFINITIONS. As used in this Disbursement Authorization, the terms have the following meanings:

A. Pronouns. The pronouns "I", "me" and "my" refer to all Borrowers signing this Disbursement Authorization, individually and together with their heirs, executors, administrators, successors and assigns. "You" and "Your" refer to the Lender, with its participants, successors and assigns, or any person or company that acquires an interest in the Loan.

B. Loan. "Loan" refers to this transaction generally, including obligations and duties arising from the terms of all documents prepared or submitted for this transaction such as applications, security agreements, disclosures or notes, and this Disbursement Authorization.

2. DISBURSEMENT SUMMARY. The following summarizes the disbursements from the Loan.

Loan		\$65,000.00
Cash Paid In (see Cash Payment Summary)		\$0.00
Disbursed to Borrowers	\$65,000.00	
Disbursed to Lender	\$0.00	
Disbursed to Other Payees	\$0.00	
Total Amounts Disbursed		\$65,000.00
Amount Remaining To Be Disbursed		\$0.00
Undisbursed Fees/Charges		\$0.00

3. DISBURSEMENT AUTHORIZATION. I authorize you to disburse the following amounts from my Loan.

DISBURSED TO:	DATE:	AMOUNT DISBURSED:
Disbursements to Borrower:		\$65,000.00
Check # payable to VILLAGE OF DOWNERS GROVE	07/23/2003	\$65,000.00
Disbursements to Lender:		\$0.00
Disbursements to third parties:		\$0.00
TOTAL DISBURSED FROM LOAN PROCEEDS:		\$65,000.00

Amount remaining to be disbursed, if any: \$0.00

I acknowledge receipt of a copy of this Disbursement Authorization on July 23, 2003.

BORROWER:

VILLAGE OF DOWNERS GROVE

By _____
 Authorized Signer