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**VILLAGE OF MELROSE PARK
COOK COUNTY, ILLINOIS**

ORDINANCE NO. 1014

AN ORDINANCE PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED \$7,500,000 GENERAL OBLIGATION LIMITED TAX JUDGMENT FUNDING BONDS, SERIES 2006 (TAXABLE), OF THE VILLAGE OF MELROSE PARK, COOK COUNTY, ILLINOIS AND PROVIDING FOR THE LEVY AND COLLECTION OF A DIRECT ANNUAL TAX FOR THE PAYMENT OF PRINCIPAL OF AND INTEREST ON THOSE BONDS.

**ADOPTED BY THE
PRESIDENT AND BOARD OF TRUSTEES
OF THE
VILLAGE OF MELROSE PARK**

THIS 11TH DAY OF DECEMBER 2006

**RONALD M. SERPICO, Village President
MARY ANN PAOLANTONIO SALEMI, Village Clerk**

Board Of Trustees

**JOHN S. CONTEDEUCA
CATHLEEN COSSIDENT ITALIA
THOMAS KLEIN
RUBEN LOMELI
ARTURO J. MOTA
ANTHONY J. PRIGNANO**

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**Published by authority of the
President and Board of Trustees
Of the Village of Melrose Park,
Cook County, Illinois on
This 12TH day of DECEMBER 2006**

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ORDINANCE NUMBER 1014

AN ORDINANCE providing for the issuance of not to exceed \$7,500,000 General Obligation Limited Tax Judgment Funding Bonds, Series 2006 (Taxable), of the Village of Melrose Park, Cook County, Illinois, and providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on those bonds.

WHEREAS, the Village of Melrose Park, Cook County, Illinois (the "Village") is a duly organized and existing Village created under the provisions of the laws of the State of Illinois and is now operating under the provisions of the Illinois Municipal Code, and all laws amendatory thereof and supplementary thereto, with full powers to enact ordinances for the benefit of the residents of the Village; and

WHEREAS, pursuant to the provisions of Section 8-4-1 of the Illinois Municipal Code, as amended, 65 ILCS 5/8-4-1, the Village has the power to incur debt payable from ad valorem property tax receipts for the purpose of funding judgments rendered against the Village without prior referendum approval; and

WHEREAS, on August 31, 2006 the Circuit Court of Cook County, Illinois County Department, Chancery Division (the "Court") (Docket No. 06 Ch 07967) entered a judgment against the Village and ordered the Village to pay to the plaintiff, Village of Melrose Park Police Pension Fund, the principal sum of \$2,194,030.51 (the "Police Pension Fund Judgment"); and

WHEREAS, on August 31, 2006 the Court (Docket No. 06 CH 07966) entered a judgment against the Village and ordered the Village to pay to the plaintiff, Village of Melrose Park, Firefighters Pension Fund, the principal sum of \$4,131,754.00 (the "Firefighters Pension Fund Judgment"), and together with the "Police Pension Fund Judgment", the "Judgments");

WHEREAS, the estimated cost to the Village of financing the Judgments is the sum of not to exceed \$7,500,000 including a portion of the interest to accrue on the Bonds and costs of issuance; and

WHEREAS, there are insufficient funds on hand and available to pay the costs of the Judgments and certain costs associated with the financing thereof, including capitalized interest, and it is necessary for that purpose that a sum to pay a portion of such costs be borrowed at this time; and

WHEREAS, the Corporate Authorities hereby find that it is authorized at this time to issue bonds in the principal amount of not to exceed \$7,500,000, for the purpose of funding the Judgments, providing for a portion of the interest to accrue on the Bonds and paying certain costs of issuance of the Bonds and it is in the best interests of the Village that such indebtedness be incurred in accordance with Article 8, Division 4 of the Illinois Municipal Code 65 ILCS 5/8-4-1 et seq.; and

WHEREAS, the Property Tax Extension Limitation Law of the State of Illinois, as amended by Public Act 89-385 (the "Tax Limitation Law"), imposes certain limitations on the "aggregate extension" of certain property taxes levied by the Village and the authority of the Village to issue certain bonds without referendum; and

WHEREAS, the bonds so authorized shall be issued as limited bonds under the provisions of Section 15.01 of the Local Government Debt Reform Act of the State of Illinois, as amended, 30 ILCS 350/1 et seq. (the "Debt Reform Act") and as such it is not necessary to submit the proposition of the issuance of the bonds to the voters of the Village for approval; and

WHEREAS, pursuant to and in accordance with the provisions of the Bond Issue Notification Act of the State of Illinois, 30 ILCS 352/1 et seq. the Village President of the Village (the "President"), called a public hearing (the "Hearing") for the 4th day of December,

2006, concerning the intent of the Corporate Authorities to sell not to exceed \$8,000,000 General Obligation Limited Tax Judgment Funding Bonds; and

WHEREAS, notice of the Hearing was given (i) by publication at least once not less than seven (7) nor more than thirty (30) days before the date of the Hearing in the *Pioneer Press*, the same being a newspaper of general circulation in the Village, and (ii) by posting at least 48 hours before the Hearing a copy of said notice at the principal office of the Corporate Authorities; and

WHEREAS, the Hearing was held on the 4th day of December, 2006, and at the Hearing, the Corporate Authorities explained the reasons for the proposed bond issue and permitted persons desiring to be heard an opportunity to present written or oral testimony within reasonable time limits; and

WHEREAS, the Hearing was finally adjourned on the 4th day of December, 2006, and not less than seven (7) days have passed since the final adjournment of the Hearing; and

WHEREAS, the Corporate Authorities do hereby determine that it is advisable and in the best interests of the Village to borrow not to exceed \$7,500,000 at this time pursuant to the Act as hereinafter defined for the purpose of funding the Judgments, paying a portion of the interest to accrue on the Bonds and paying certain costs of issuance and, in evidence of such borrowing, issue its general obligation limited tax bonds in the principal amount of not to exceed \$7,500,000;

NOW THEREFORE Be It Ordained by the President and Board of Trustees of the Village of Melrose Park, Cook County, Illinois, as follows:

Section 1. Definitions. In addition to such other words and terms used and defined in this Ordinance, the following words and terms used in this Ordinance shall have the following meanings, unless, in either case, the context or use clearly indicates another or different meaning is intended:

“Act” means, collectively, the Illinois Municipal Code, including, specifically, Section 8-4-1 and the provisions of the Local Government Debt Reform Act, 30 ILCS 350 et seq., including specifically, Section 15.01.

“Bond” or “Bonds” means one or more, as applicable, of the General Obligation Limited Tax Judgment Funding Bonds, Series 2006 (Taxable), authorized to be issued by this Ordinance in the aggregate amount of not to exceed \$7,500,000.

“Bond Fund” means the Bond Fund established and defined in Section 15 of this Ordinance.

“Bond Order” means the Bond Order executed by any two of the Designated Officers setting forth the terms of the Bonds and filed with the Village Clerk as provided in Section 13 of this Ordinance.

“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 Amalgamated Bank of Chicago, Chicago, Illinois, a bank having trust powers, or a successor thereto or a successor designated as Bond Registrar hereunder.

“County Clerk” means the County Clerk of the County of Cook, Illinois.

“Designated Officers” means the Village President, Village Clerk, Village Treasurer or Finance Director of the Village, or successors or assigns, or any of them acting together.

“Ordinance” means this Ordinance, numbered as set forth on the title page hereof, and passed by the Corporate Authorities on the 11th day of December, 2006.

“Paying Agent” means Amalgamated Bank of Chicago, Chicago, Illinois, a bank having trust powers, or a successor thereto or a successor designated as Paying Agent hereunder.

“Pledged Taxes” means the taxes levied on the taxable property within the Village to pay principal of and interest on the Bonds as made in Section 11 hereof and in the Bond Order.

“Trustee” means Amalgamated Bank of Chicago, Chicago, Illinois, a bank having trust powers or a successor thereto, or a successor designated as trustee hereunder.

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 does 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 payment of the Judgments at this time, to pay all related costs and expenses incidental thereto, and to borrow money and issue the Bonds for such purposes. It is hereby found and determined that such borrowing of money 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 such costs, there shall be issued and sold the Bonds in the aggregate principal amount of not to exceed \$7,500,000. The Bonds shall each be designated “General Obligation Limited Tax Judgment Funding Bond, Series 2006 (Taxable)”; be dated December 15, 2006 (the “Dated Date”); and shall also bear the date of authentication thereof. The Bonds shall be in fully registered form, shall be in denominations of \$5,000 or integral multiples thereof (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 become due and payable (subject to the mandatory sinking fund redemption provisions for Term Bonds and subject to right of prior optional redemption as set forth in the Bond Order) on December 15 of the years and in the amounts and bearing interest at the rates percent per annum all as set forth in the Bond Order.

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 on June 15 and December 15 of each year, commencing on December 15, 2007. Interest on each Bond 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 (the "Record Date"), and mailed to the registered owner of the Bond as shown in the Bond Registrar or at such other address furnished in writing by such Registered Owner. The Record Date shall be the first day of the month in which any regular or other interest payment date occurring on the 15th day of any month and 15 days preceding any interest payment date occasioned by the redemption or payment of Bonds on other than the 15th day of a month. The principal of or redemption price due on the Bonds shall be payable in lawful money of the United States of America upon presentation thereof at the principal corporate trust office of the Paying Agent in the City of Chicago, Illinois, or at successor Paying Agent and locality.

Section 5. Global Book-Entry System. The Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the maturities of the Bonds determined as described in Section 4 hereof. Upon initial issuance, the ownership of each such Bond shall be registered in the Bond Register in the name of Cede & Co., or any successor thereto ("Cede"), as nominee of The Depository Trust Company, New York, New York, and its successors and assigns ("DTC"). All of the outstanding Bonds shall be registered in the Bond Register in the name of Cede, as nominee of DTC, except as hereinafter provided. Any Designated Officer is hereby authorized, empowered and directed to execute and deliver, on

behalf of the Village, such letters to or agreements with DTC as shall be necessary to effectuate such book-entry system (any such letter or agreement being referred to herein as the “Representation Letter”), which Representation Letter may provide for the payment of principal of or interest on the Bonds by wire transfer.

With respect to Bonds registered in the Bond Register in the name of Cede, as nominee of DTC, the Village, the Bond Registrar and the Trustee shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which DTC holds Bonds from time to time as securities depository (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 immediately preceding sentence, the Village, the Bond Registrar and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) 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 the principal of or interest on the Bonds. The Village, the Bond Registrar and the Trustee may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Trustee, Paying Agent and Bond Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the respective registered owners of the Bonds, as shown in the Bond

Register, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Village's obligations with respect to payment of the principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner of a Bond as shown in the Bond Register, shall receive a Bond evidencing the obligation of the Village to make payments of principal and interest 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, and subject to the provisions in Section 4 hereof with respect to the payment of interest to the registered owners of Bonds at the close of business on the 15th day of the month of the applicable interest payment date, the name "Cede" in this Ordinance shall refer to such new nominee of DTC.

In the event that (i) the Village determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (ii) the Representation Letter shall be terminated for any reason or (iii) the Village determines 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 through DTC of certificated Bonds and the Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede, as nominee of DTC. At that time, the Village may determine that the Bonds shall be registered in the name of and deposited with such other depository operating a universal 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 universal 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 of Section 9 hereof.

Notwithstanding any other provisions of this Ordinance to the contrary, so long as any Bond is registered in the name of Cede, 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 name provided in the Representation Letter.

Section 6. Execution; Authentication. The Bonds shall be executed on behalf of the Village by the manual or duly authorized facsimile signature of its President 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 7. Redemption. The Bonds shall be subject to optional, mandatory and/or sinking fund redemption as provided in the Bond Order. The principal amounts of Bonds to be mandatorily redeemed, if any, 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 Corporate Authorities 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.

Section 8. Redemption Procedure. The Village shall, at least 45 days prior to the redemption date (unless a shorter time period shall be satisfactory to the Trustee), notify the Trustee of such redemption date and of the maturities and principal amounts of Bonds to be redeemed. 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 not more than 60 days prior to the redemption date by the Trustee for the Bonds of such maturity by such method of lottery as the Trustee shall deem fair and appropriate; provided, however, 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 Trustee shall promptly notify the Village and the Paying Agent, 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 Trustee on behalf of the Village by mailing the redemption notice by first class 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 full 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 principal corporate trust office of the Paying Agent.

Prior to any redemption date, the Village shall deposit with the Paying Agent an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, 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. 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 Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Paying Agent 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. 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.

If any Bond or portion of a Bond called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, until paid or duly provided for, bear interest from the redemption date at the rate borne by the Bond or portion of Bond so called for redemption. 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.

As part of their respective duties hereunder, the Trustee, Bond Registrar and Paying Agent shall prepare and forward to the Village a statement as to notice given with respect to each redemption together with copies of the notices as mailed and published.

Section 9. Registration and Exchange or Transfer of Bonds; Persons Treated as Owners. The Village shall cause books (the "Bond Register") for the registration and for the

transfer of the Bonds as provided in this Ordinance to be kept at the principal corporate trust office of the Bond Registrar in the City of Chicago, 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 corporate trust office of 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 to the opening of business on such interest payment date or during the period of 15 days preceding the giving of notice of redemption of Bonds or to transfer or exchange any Bond all or a portion of which has been called for redemption.

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, that 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 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 10. Form of Bond. The Bonds shall be in substantially the form hereinafter set forth.

[FORM OF BOND]

REGISTERED
No. _____

REGISTERED
\$ _____

**UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF COOK
VILLAGE OF MELROSE PARK
GENERAL OBLIGATION LIMITED TAX JUDGMENT
FUNDING BOND, SERIES 2006 (TAXABLE)**

See Reverse Side for
Additional Provisions.

Interest Rate: _____% Maturity Date: December 15, _____ Dated Date: December 15, 2006 CUSIP: _____

Registered Owner: Cede & Co.

Principal Amount: _____ Dollars

KNOW ALL PERSONS BY THESE PRESENTS that the Village of Melrose Park, Cook County, Illinois, a municipality, and political subdivision of the State of Illinois (the "Village"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above (subject to right of prior redemption as hereinafter stated), the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the later of the Dated Date of this Bond identified above or from the most recent interest payment date to which interest has been paid or duly provided for, at the Interest Rate per annum identified above, such interest to be payable on June 15 and December 15 of each year, commencing December 15, 2007, until said Principal Amount is paid or duly provided for. The principal of or redemption price on this Bond is payable in lawful money of the United States of America upon presentation hereof at the principal corporate trust office of Amalgamated Bank of Chicago, in the City of Chicago, Illinois, as trustee and 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 Amalgamated Bank of Chicago, in the City of Chicago, Illinois, as bond registrar (the "Bond Registrar"), at the close of business on the applicable Record Date (the "Record Date"). The Record Date shall be the first day of the month in which any regular or other interest payment date occurs on the 15th day of any month and 15 days preceding any interest payment date occasioned by the redemption or payment of Bonds on other than the 15th day of a month. Interest 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 by the Village and Cede & Co., as nominee, or successor, for so long as this

Bond is held by The Depository Trust Company, New York, New York, the depository, or nominee, in book-entry only form as provided for same.

This bond is one of a series of bonds (the "Bonds") in the aggregate principal amount of \$_____ issued by the Village for the purpose of (i) paying certain outstanding judgments entered against the Village, (ii) providing for a portion of the interest to accrue on the Bonds, and (iii) paying the costs of issuance incurred in connection with the issuance of such Bond, all as described and defined in the ordinance authorizing the Bonds (the "Ordinance"), and a Bond Order executed pursuant thereto and in all respects in compliance with the applicable provisions of the Illinois Municipal Code, as supplemented and amended, and the Local Government Debt Reform Act, as amended, (collectively, being the "Act"), and with the Ordinance, which has been duly passed by the President and Board of Trustees of the Village, approved by the President, and published, in all respects as by law required.

This 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 Ordinance. Upon surrender for transfer or exchange of this Bond at the principal corporate trust office of the Bond Registrar in the City of Chicago, 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 to the opening of

business on such interest payment date or during the period of 15 days preceding the giving of notice of redemption of Bonds or to transfer or exchange any Bond all or a portion of which has been called for redemption.

Those of the Bonds due on or after December 15, _____, are subject to redemption prior to maturity at the option of the Village, from any available funds, in whole or in part, on any date on or after December 15, _____, and if in part, in any order of maturity as selected by the Village, and if less than an entire maturity, in integral multiples of \$5,000, selected by lot by the Bond Registrar as hereinafter provided, at the redemption price of par plus accrued interest to the redemption date.

[The Bonds coming due on December 15 of the years _____ are term bonds and are subject to mandatory sinking fund redemption on December 15 of the years and in the amounts as follows, at a redemption price of par plus accrued interest:

For the _____ Term Bonds:	<u>Year</u>	<u>Amount</u>
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For the _____ Term Bonds:	<u>Year</u>	<u>Amount</u>
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For the _____ Term Bonds:	<u>Year</u>	<u>Amount</u>
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For the _____ Term Bonds:	<u>Year</u>	<u>Amount</u>
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Unless waived by the Registered Owner of Bonds to be redeemed, notice of any such redemption shall be given by the Trustee on behalf of the Village by mailing the redemption notice by registered or certified 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. 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. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, 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 Paying Agent 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. 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.

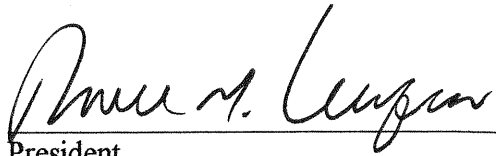
The Village, the Trustee, the Bond Registrar and the Paying Agent may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and the Village, the Trustee, the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

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, including the authorizing Act, 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 a direct annual tax, in addition to all other taxes, on all of the taxable property in the Village sufficient to pay the interest hereon as the same falls due and also to pay and discharge the principal hereof at maturity. Although this Bond constitutes a general obligation of the Village and no limit exists on the rate of said direct annual tax, the amount of said tax is limited by the provisions of the Property Tax Extension Limitation Law of the State of Illinois, as amended (the "Tax Limitation Law"). The Tax Limitation Law provides that the annual amount of the taxes to be extended to pay the issue of bonds, of which this Bond is one, and all other limited tax bonds (as defined in the Local Government Debt Reform Act of the State of Illinois) hereafter issued by the Village shall not exceed the debt service extension base (as defined in the Tax Limitation Law) of the Village (the "Base"), less the amount extended to pay certain other non-referendum bonds heretofore and hereafter issued by the Village, as more fully described in the proceedings of the Village providing for the issue of this Bond. The Village is authorized to issue, from time to time, additional limited tax bonds payable from the Base and additional non-referendum bonds payable from property taxes unlimited as to rate or amount, as permitted by law, and to determine the lien priority of payments to be made from the Base to pay the Village's limited tax bonds.

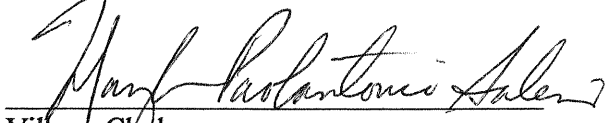
This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar.

IN WITNESS WHEREOF the Village of Melrose Park, Cook County, Illinois, by its President and Board of Trustees, has caused this Bond to be executed by the manual or duly authorized facsimile signature of its President 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.



President
Village of Melrose Park
Cook County, Illinois

ATTEST:



Village Clerk
Village of Melrose Park
Cook County, Illinois

[SEAL]

Date of Authentication: _____, 20__

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Ordinance and is one of the General Obligation Limited Tax Judgment Funding Bonds, Series 2006 (Taxable), having a Dated Date of December 15, 2006, of the Village of Melrose Park, Cook County, Illinois.

AMALGAMATED BANK OF CHICAGO,
as Bond Registrar

By _____
Authorized Officer

ASSIGNMENT

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

Here insert Social Security Number, Employer Identification Number or other Identifying Number

(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: _____, 20____

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.

STATEMENT OF INSURANCE

[Insert if applicable].

Section 11. 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, direct annual taxes (the “Pledged Taxes”) in the amounts set forth in the Bond Order.

The Pledged Taxes and other moneys on deposit in the Bond Fund shall be applied to pay the principal of and interest on the Bonds.

Interest or principal coming due at any time when there are insufficient funds on hand from the Pledged Taxes to pay the same shall be paid promptly when due from current funds on hand in advance of the collection of the Pledged Taxes herein levied; and when the Pledged Taxes shall have been collected, reimbursement shall be made to said funds in the amount so advanced. The Village covenants and agrees with the purchasers 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 levy. The Village and its officers will comply with all present and future applicable laws in order to assure that the Pledged Taxes may be levied, extended and collected as provided herein and deposited into the Bond Fund.

Section 12. Filing of Ordinance; Extension of Taxes by the County Clerk. Forthwith upon the passage of this Ordinance, the Clerk of the Village is hereby directed to file a certified copy of this Ordinance with the County Clerk of Cook County (the “County Clerk”), and it shall be the duty of the County Clerk to annually, in and for each of the years 2006 to 2024 inclusive, ascertain the rate necessary to produce the tax levied herein and pursuant to the Bond Order; and the County Clerk shall extend the same for collection on the tax books in connection with other taxes 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 taxes for general corporate purposes for said years are levied and collected, and in addition to and in excess of all other taxes.

Section 13. Sale of Bonds; Official Statement.

(a) Any two of the Designated Officers are authorized to execute on behalf of the Village, a Bond Purchase Agreement for the purchase of the Bonds to Bernardi Securities, Inc. (the "Purchaser) pursuant to a negotiated sale on such terms as the Designated Officers may deem to be in the best interests of the Village, as provided in this Ordinance. Any underwriter's discount or Purchaser's fee shall not exceed 3% of the principal amount of the Bonds. Such terms include, without limitation, the aggregate principal amount of the Bonds, the amount of any original issue discount, the maturities of the Bonds, the issuance of such Bonds as serial bonds or as term bonds subject to mandatory sinking fund redemption, or in any combination of serial bonds or term bonds, the interest rate or rates for such Bonds and the redemption terms applicable to such Bonds, all as provided in and subject to the limitations expressed in this Section 13. The purchase price of the Bonds shall not be less than ninety-seven percent (97%) of the original principal amount of such Bonds plus any accrued interest on such Bonds from their date to the date of their delivery and less any original issue discount on the Bonds. The Bonds shall bear interest at a rate not to exceed 9.0% per annum and shall mature not later than thirty years from their date of issuance. The Bond Purchase Agreement shall be in substantially the form previously used for similar financings of the Village with appropriate revisions to reflect the terms and provisions of the Bonds and such other revisions in text as the Designated Officers executing the Bond Purchase Agreement shall determine are desirable or necessary in connection with the sale of the Bonds. Any two Designated Officers may in the Bond Order make such changes to the terms of the Bonds from those provided in this Ordinance as such officers shall determine but that shall result in the Bonds having substantially the terms and being in substantially the form provided by this Ordinance.

(b) Subsequent to such sale, any two of the Designated Officers shall file in the Office of the Village Clerk, (i) a Bond Order setting forth, or referring to the Bonds and this Ordinance to evidence, and setting forth (A) the terms of sale of the Bonds, (B) the interest rate or rates and maturity dates for such Bonds, (C) the date or dates on and price or prices at which the Bonds may be redeemed, (D) the amount of any original issue discount or premium, (E) the amount of taxes to be levied in each year as required by Section 11 of this Ordinance, (F) the amount of proceeds to be deposited to the Bond Fund and the Expense Fund; and (ii) an executed copy of the Bond Purchase Agreement. The Bond Order may contain such additional provisions or revisions to this Ordinance, that are not inconsistent with the parameters set forth in this Section, as are necessary to accommodate the sale of the Bonds.

Any one or more of the Designated Officers are hereby authorized to execute such closing certificates, documents and agreements as in their reasonable judgment shall be necessary to provide for the issuance of the Bonds.

The distribution and use by the Purchaser of the Preliminary Official Statement relating to the Bonds, dated December __, 2006, is hereby in all respects ratified, 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 authorized and approved.

Such officer or officers of the Village as are designated therein are hereby authorized to execute and deliver the Official Statement on behalf of the Village.

Section 14. Limitation on Extension; General Obligation Pledge; Additional Obligations. Notwithstanding any other provision of this Ordinance, the annual amount of the taxes to be extended by the County Clerk to pay the Bonds and all other "limited bonds" (as defined in the Local Government Debt Reform Act) hereafter issued by the Village shall not

exceed the debt service extension base (as defined in the Tax Limitation Law) of the Village (the “Base”).

No limit, however, exists on the rate of the direct annual tax levied herein, and the Bonds shall constitute a general obligation of the Village.

The Village is authorized to issue from time to time additional limited bonds payable from the Base and additional non-referendum-bonds payable from property taxes unlimited as to rate or amount, as permitted by law, and to determine the lien priority of payments to be made from the Base to pay the Village’s limited bonds.

Section 15. Creation of Funds and Appropriations. There is hereby created with the Trustee a Special Fund of the Village to be held and maintained by the Trustee, and known as the “General Obligation Limited Tax Judgment Funding Bonds, Series 2006 Bond Fund” (the “Bond Fund”), which is a trust fund established for the purpose of paying principal of and interest on the Bonds. Accrued interest, if any, and capitalized interest, if any, received upon delivery of the Bonds shall be deposited into the Bond Fund and be applied to pay first interest coming due on the Bonds. The Pledged Taxes shall either be deposited into the Bond Fund and be used solely and only for paying the principal of and interest on the Bonds or be used to reimburse a fund or account from which advances to the Bond Fund may have been made to pay principal of or interest on the Bonds prior to receipt of Pledged Taxes. Interest income or investment profit earned in the Bond Fund shall be retained in the Bond Fund for payment of the principal of or interest on the Bonds on the interest payment date next after such interest or profit is received. The Village hereby pledges, as equal and ratable security for the Bonds, all Pledged Taxes and all proceeds of the Pledged Taxes on deposit in the Bond Fund for the sole benefit of the registered owners of the Bonds, subject to the reserved right of the Corporate Authorities to

transfer certain amounts on deposit in the Bond Fund to reimburse the Village for advances made to the Bond Fund, as described above.

The Village shall cause the County Collector to transfer, all Pledged Taxes directly to the Trustee for deposit to the Bond Fund and shall execute an automatic deposit agreement with the County, in such form as the County shall require, to provide for such deposit.

The amount necessary from the proceeds of the Bonds shall be either used to pay expenses directly at the time of issuance of the Bonds or be deposited into a separate fund, hereby created and maintained with the Trustee, designated the "General Obligation Limited Tax Judgment Funding Bonds, Series 2006 Expense Fund" (the "Expense Fund") to be used to pay expenses and costs of issuance of the Bonds. Disbursements from such fund shall be made from time to time as necessary. Moneys not disbursed from the Expense Fund within six (6) months of the date of issuance of the Bonds shall be transferred by the Trustee into the Bond Fund.

The remaining proceeds of the Bonds shall be immediately disbursed to pay the Judgments on the date the Bonds are issued.

Section 16. Continuing Disclosure Undertaking. The President or the Village Clerk of the Village is hereby authorized, empowered and directed to execute and deliver the Continuing Disclosure Undertaking (the "Continuing Disclosure Undertaking") in substantially the same form as now before the Corporate Authorities, or with such changes therein as the individual executing the Continuing Disclosure Undertaking on behalf of the Village shall approve, the official's execution thereof to constitute conclusive evidence of the approval of such changes. When the Continuing Disclosure Undertaking is executed and delivered on behalf of the Village as herein provided, the Continuing Disclosure Undertaking will be binding on the Village and the officers, employees and agents of the Village, and the officers, employees and agents of the Village are hereby authorized, empowered 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 the Continuing Disclosure Undertaking as executed. Notwithstanding any other provision of this Ordinance, the sole remedies for failure to comply with the 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 the Village to comply with its obligations under the Continuing Disclosure Undertaking.

Section 17. Rights and Duties of Bond Registrar and Paying Agent. If requested by the Bond Registrar or the Paying Agent, or both, any officer of the Village is authorized to execute standard forms of agreements between the Village and the Bond Registrar or Paying Agent with respect to the obligations and duties of the Bond Registrar or Paying Agent hereunder. In addition to the terms of such 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 provided herein;
- (b) as to 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) as to 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) as to the Bond Registrar, to furnish the Village at least annually a certificate with respect to Bonds cancelled and/or destroyed; and
- (e) 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.

Section 18. Provisions Relating to the Trustee.

(a) Acceptance of the Trusts. The Village hereby approves Amalgamated Bank of Chicago as Trustee. The Trustee shall accept and agree to execute the trusts imposed upon it by this Ordinance, but only upon the terms and conditions set forth herein. The Trustee, prior to the occurrence of an event of default and after the curing of all events which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Ordinance and to perform such trusts as an ordinarily prudent trustee under an ordinance and no implied covenants or obligations should be read into this Ordinance against the Trustee. If any event of default hereunder has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Ordinance and shall use the same degree of care as a prudent person would exercise in the circumstances in the conduct of such prudent person's own affairs. The Trustee shall agree to perform such trusts only upon and subject to the following expressed terms and conditions:

(1) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees but shall be answerable for the conduct of the same in accordance with the standard specified above, and shall be entitled to advice of counsel concerning all matters of trusts hereof and duties hereunder, and may in all cases pay such reasonable compensation to any attorney, agent, receiver or employee retained or employed by it in connection herewith. The Trustee may act upon the opinion or advice of an attorney, surveyor, engineer or accountant selected by it in the exercise of reasonable care or, if selected or retained by the Village, approved by the Trustee in the exercise of such care. The Trustee shall not be responsible for

any loss or damage resulting from any action or non-action based on its good faith reliance upon such opinion or advice.

(2) The Trustee shall not be responsible for any recital herein, or in the Bonds (except with respect to the certificate of the Trustee endorsed on the Bonds), or for the investment of moneys as herein provided, or for the recording or re-recording, filing or re-filing of this Ordinance, or any supplement or amendment thereto, or the filing of financing statements, or for the validity of the execution by the Village of this Ordinance, or of any supplemental ordinance or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby, or for the value or title of the property herein conveyed or otherwise as to the maintenance of the security hereof. The Trustee may (but shall under no duty to) require of the Village full information and advice as to the performance of the covenants, conditions and agreements in this Ordinance and shall make its best efforts, but without any obligation, to advise the Village of any impending default known to the Trustee. The Trustee shall have no obligation to perform any of the duties of the Village under this Ordinance.

(3) The Trustee shall not be accountable for the use or application by the Village of any of the Bonds or the proceeds thereof or for the use or application of any money paid over by the Trustee in accordance with the provisions of this Ordinance or for the use and application of money received by any Paying Agent (except when the Trustee acts as Paying Agent). The Trustee may become the owner of Bonds secured hereby with the same rights it would have if not Trustee.

(4) The Trustee shall be protected in acting upon any notice, order, requisition, request, consent, certificate, order, opinion (including an opinion of Independent Counsel), affidavit, letter, telegram or other paper or document in good faith believed by it to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant to this Ordinance upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the owner of any Bond, shall be conclusive and binding upon all future owners of the same Bond and upon Bonds issued in exchange therefore or in place thereof.

(5) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceedings, the Trustee shall be entitled to rely upon a certificate signed on behalf of the Village by its President or its Clerk as sufficient evidence of the facts therein contained and prior to the occurrence of a default of which the Trustee has been notified as provided in subsection (7) of this Section, or of which by said subsection it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a certificate of the Village President or the Village Clerk under its seal to the effect that a resolution in the form therein set forth has been adopted by the Village as conclusive evidence that such resolution has been duly adopted and is in full force and effect.

(6) The permissive right of the Trustee to do things enumerated in this Ordinance shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful misconduct.

(7) The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except failure by the Village to cause to be made any of the payments to the Trustee required to be made by this Ordinance unless the Trustee shall be specifically notified in writing of such default by the Village or by the holders of at least 25% in aggregate principal amount of all Bonds then outstanding and all notices or other instruments required by this Ordinance to be delivered to the Trustee must, in order to be effective, be delivered at the principal corporate trust office of the Trustee, and in the absence of such notice so delivered, the Trustee may conclusively assume there is no default except as aforesaid.

(8) At any and all reasonable times, the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right to fully inspect any and all books, papers and records of the Village pertaining to the Bonds, and to take such memoranda from and in regard thereto as may be desired.

(9) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers.

(10) Notwithstanding anything elsewhere in this Ordinance contained, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any cash, the release of any

property, or any action whatsoever within the purview of this Ordinance, any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action by the Trustee deemed desirable for the purpose of establishing the right of the Village to the authentication of any Bonds, the withdrawal of any cash, or the taking of any action by the Trustee.

(11) All moneys received by the Trustee, or any Paying Agent shall, until used or applied or invested as provided in this Ordinance, be held in trust for the purposes of which they were received but need not be segregated from other funds except to the extent required by law or by this Ordinance.

(b) Fees of Trustee. The Trustee shall be entitled to payment and/or reimbursement for reasonable fees and for its services rendered hereunder, including its services as Paying Agent and Bond Registrar, and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Trustee in connection with such services from amounts paid by the Village to the Trustee, or from amounts on deposit hereunder other than amounts on deposit in the Bond Fund. The Trustee shall be entitled to payment and reimbursement for the reasonable fees and charges of the Trustee as Paying Agent and Bond Registrar for the Bonds as hereinabove provided.

(c) Successor Trustee. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, provided such corporation or association is otherwise eligible under paragraph (d) below, shall be and become the

successor Trustee hereunder and vested with all of the title to the whole property or trust estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

(d) Trustee Required; Eligibility. There shall at all times be a Trustee hereunder which shall be a commercial bank or trust company within Illinois organized under the laws of the United States of America or the State of Illinois, authorized to exercise corporate trust powers, subject to supervision or examination by federal or state authorities, and having a reported combined capital and surplus and undivided profits of not less than \$10,000,000. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner provided in paragraph (e) below. No resignation or removal of the Trustee and no appointment of a successor Trustee shall become effective until the successor Trustee has accepted its appointment under paragraph (h) hereof.

(e) Resignation by the Trustee. The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving written notice to the Village and to each registered owner of the Bonds then outstanding, as shown by the Bond Register, by first class mail, postage prepaid. Such notice to the Village may be served personally or sent by registered or certified mail.

(f) Removal of the Trustee. The Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the Trustee and to the Village, and signed by the owners of a majority in aggregate principal amount of the Bonds then outstanding. So long as no default has occurred and is continuing under this

Ordinance, the Trustee may be removed, at any time by an instrument or concurrent instruments in writing signed by the Village and delivered to the Trustee. The foregoing notwithstanding, the Trustee may not be removed by the Village unless written notice of the delivery of such instrument or instruments signed by the Village is mailed to the Owner of all Bonds outstanding under this Ordinance, which notice indicates the Trustee will be removed and replaced by the successor trustee named in such notice, such removal and replacement to become effective on the date set forth in such notice. Such notice shall be mailed by first class mail, postage prepaid, to the owners of all such Bonds then outstanding at the address of such owners then shown on the Bond Register.

(g) Appointment of Successor Trustee by the Bondholders; Temporary Trustee. In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in the process of dissolution or liquidation, or otherwise becomes incapable of acting hereunder, or in the case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the Village, by an instrument in writing signed by the Village President and attested by the Village Clerk or other Designated Officer of the Village. If a successor Trustee has not been appointed and has not accepted such appointment within 30 days after notice of resignation or removal of the Trustee has been given, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor Trustee, and the costs, expenses and reasonable attorney's fees which are incurred in connection with such a proceeding shall be payable pursuant to paragraph (b) above.

(h) Concerning Any Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Village an instrument in writing accepting such appointment hereunder, and thereupon

such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor, but such predecessor shall, nevertheless, on the written request of the Village, or of its successor, execute and deliver an instrument transferring to such successor Trustee all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as Trustee hereunder to its successors. Should any instrument in writing from the Village be required by any successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Village. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Section, shall be filed and/or recorded by the successor Trustee in each recording office, if any, where this Ordinance shall have been filed and/or recorded.

(i) Interpleader; Survival of Certain Provisions; Trustee Protected in Relying Upon Resolution, Etc. In the event of a dispute between any of the parties hereto with respect to the disposition of any funds held by the Trustee hereunder, or the Trustee receives conflicting demands made upon the Trustee with respect to the Trustee's duties hereunder or any other document related to the Bonds, the Trustee shall be entitled to file a suit in interpleader in a court of competent jurisdiction seeking to require the parties to interplead and litigate in such court their several claims and rights among themselves. In the event that the Trustee remains as Trustee under this Ordinance and receives a court order, directive or other request regarding the interpleader suit, the Trustee shall be

entitled to rely upon instruction without incurring any obligation or liability and the parties hereto release, hold harmless and indemnify the Trustee for any obligation or liability for so relying on such court instruction.

The rights, remedies and indemnifications contained in this Ordinance shall survive the release, discharge and satisfaction of this Ordinance.

The resolutions, opinions, certificates and other instruments provided for in this Ordinance may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Trustee for the release of property and the withdrawal of cash hereunder.

(j) Successor Trustee as Trustee of Funds, Paying Agent and Bond Registrar.

In the event of a change in the office of the Trustee, the predecessor Trustee which has resigned or been removed shall cease to be Trustee of any Funds established hereunder and shall cease to be the Bond Registrar and Paying Agent for the principal of, premium, if any, and interest on the Bonds, and the successor Trustee shall become such Trustee, Bond Registrar and Paying Agent unless a separate Paying Agent or Agents are appointed by the Village in connection with the appointment of any successor Trustee.

(k) Acknowledgement of Ordinance. The Trustee shall execute an instrument acknowledging receipt of a certified copy of this Ordinance and agreeing to perform all duties and obligations as trustee and bond registrar with respect to the Bonds set forth in this Ordinance.

(l) Cooperation with Village. The Trustee shall cooperate with the Village and its auditors in complying with provisions of the Act and this Ordinance.

Section 19. Defeasance. Any Bond or 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 and interest due thereon, or (c) for which sufficient U.S. funds and direct U.S. Treasury obligations 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 such Bond or Bonds when due at maturity or as called for redemption, pursuant to an irrevocable escrow or trust agreement, shall cease to have any lien on or right to receive or be paid from the Pledged 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.

Section 20. Municipal Bond Insurance. In the event that the Bonds are sold with municipal bond insurance, the provisions of any commitment issued in connection therewith shall be attached hereto as Exhibit A and incorporated herein by this reference.

Section 21. Filings by Village Clerk. Promptly, as soon as this Ordinance becomes effective, copies hereof, certified by the Village Clerk of the Village, shall be filed with the County Clerk, the Bond Registrar and the Paying Agent.

Section 22. 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.

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Section 23. 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, approval and publication.

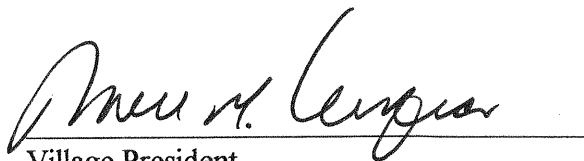
AYES: Trustee Conteduca, Trustee Italia, Trustee Mota, Trustee Prignano

NAYS:

ABSENT: Trustee Klein, Trustee Lomeli

ADOPTED: December 11, 2006

APPROVED: December 12, 2006



Village President
Village of Melrose Park
Cook County, Illinois

ATTEST:



Village Clerk
Village of Melrose Park
Cook County, Illinois

[SEAL]