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

ORDINANCE NO. 1346

**AN ORDINANCE AUTHORIZING THE BORROWING OF FUNDS
FOR GENERAL MUNICIPAL CORPORATE PURPOSES OF THE
VILLAGE OF MELROSE PARK, COUNTY OF COOK, STATE OF
ILLINOIS.**

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

THIS 14th DAY OF DECEMBER, 2009

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

Board Of Trustees

**CATHLEEN COSSIDENT ITALIA
ARTURO J. MOTA
ANTHONY J. PRIGNANO
MARY RAMIREZ TACONI
JAMIE ANGUIANO
ANTHONY N. ABRUZZO**

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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 15th day of DECEMBER, 2009**

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**AN ORDINANCE AUTHORIZING THE BORROWING OF FUNDS
FOR THE GENERAL MUNICIPAL CORPORATE PURPOSES OF
THE VILLAGE OF MELROSE PARK, COUNTY OF COOK,
STATE OF ILLINOIS.**

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WHEREAS, the Village of Melrose Park, Cook County, State of 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, the Village President (the "President"), the Honorable Ronald M. Serpico, the Village Clerk, the Honorable Mary Ann Paolantonio Salemi, and the Board of Trustees of the Village (the "Village Board"), the Honorable Cathleen Cossident Italia, Anthony J. Prignano, Arturo J. Mota, Mary Ramirez Taconi, Jaime Anguiano and Anthony N. Abruzzo, having taken office on April 30, 2009, constitute the duly elected, qualified and acting officials of the Village; and

WHEREAS, the Board of Trustees of the Village of Melrose Park, County of Cook, State of Illinois, have determined that it is advisable, necessary and in the best interest of the Village and its residents to authorize the borrowing of funds for the general municipal corporate purposes;

NOW THEREFORE, BE IT ORDAINED by the Village President and the Board of Trustees of the Village of Melrose Park, Cook County, Illinois, as follows:

**ARTICLE I
IN GENERAL**

Section 1.01. Incorporation Clause.

The President and Board of Trustees of the Village (the "Village Board") hereby find that all of the recitals hereinbefore stated as contained in the preambles to this Ordinance are full, true and correct and does hereby, by reference, incorporate and make them part of this Ordinance.

Section 1.02. Purpose.

The purpose of this Ordinance is to authorize the borrowing of funds for the general corporate purposes. Said funds shall be used to refinance a promissory note, the proceeds of which were used to carry on the day-to-day fiscal, economic, financial and business affairs of the Village of Melrose Park.

Section 1.03. Invocation of Authority.

This Ordinance is enacted pursuant to the authority granted to this Village by the Constitution of the State of Illinois and the Illinois Compiled Statutes.

Section 1.04. State Law Adopted.

All applicable provisions of the Illinois Compiled Statutes, including the Illinois Municipal Code, as may be amended from time to time, relating to the purposes of this Ordinance are hereby incorporated herein by reference.

**ARTICLE II
AUTHORIZATION TO BORROW FUNDS**

Section 1.01. Authorization to Borrow.

That the President and the Board of Trustees of the Village of Melrose Park do hereby authorize the Village to borrow funds, as empowered by Illinois Statute 65 ILCS 5/8-1-3.1, upon the terms and conditions as set out in the promissory note in favor of the Pan American Bank

(hereinafter the "Note"), a copy of which is attached hereto and made a part hereof as Exhibit "A."

Section 1.02. Method of Borrowing.

That the President and Board of Trustees hereby authorize the Village to borrow said funds by means of a lump sum loan, in installments, or by any means authorized by law.

Section 1.03. Amount and Term of Note; Registered Form.

That the President and Board of Trustees hereby authorize the Village to borrow a sum of not more than Six Million Five Hundred Thousand Dollars (\$6,500,000.00), for a term not to exceed one (1) year. The Village shall cause books (the "Note Register") for the registration and for the transfer of the Note as provided in this Ordinance to be kept at the office of the Village Clerk maintained for such purpose by the Village Clerk (the "Note Registrar") which is hereby constituted and appointed the registrar of the Village for the Note. The Note may not be transferred or exchanged except in the event substantially all of the assets of Pan American Bank are acquired by another entity. The Note proceeds shall be used by the Village as soon as practicable to pay and discharge outstanding debts and other municipal obligations. The execution by the Village of the fully registered Note shall constitute full and due authorization of such Note; and the Note Registrar shall thereby be authorized to date, and deliver such Note. The person in whose name the Note 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 Note shall be made only to or upon the order of the registered owner thereof or his or her legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon the Note to the extent of the sum or sums so paid.

Section 1.04. Interest on Note.

That the President and Board of Trustees hereby authorize the Village to borrow said sum at a rate of interest not to exceed four and 3/4 percent (4.75%).

Section 1.05. Financial Institution.

That the President and Board of Trustees hereby authorize the Village to borrow said sum, at said rate of interest, from a “financial institution” as that term is defined by Illinois Statute, 65 ILCS 5/8-1-3.1. For the purpose of this Ordinance, “financial institution” shall be defined as any bank subject to the Illinois Banking Act, 205 ILCS 5/1, et. seq., any savings and loan association subject to the Illinois Savings and Loan Act, 205 ILCS 105/1-1, et. seq., and any federally chartered bank or savings and loan association organized and operated in the State of Illinois pursuant to the laws, rules and regulations of the United States.

Section 1.06. Approval and Execution of Documents.

The form, terms and provisions of the Note hereby approved in substantially the same form as attached hereto as Exhibit A. The form, terms and provisions of the Tax Compliance Agreement are hereby approved in substantially the same form as attached hereto as Exhibit B (the “Tax Agreement”). The Village President and Village Attorney are hereby authorized to make such changes to the Note and Tax Agreement as shall be approved by the officers of the Village executing such documents, such officers' signatures thereon being conclusive evidence of their approval and the Village's approval thereof to address certain rights and obligations of the parties pursuant to such documents.

The Village President and Village Attorney are hereby authorized and directed to negotiate the terms and conditions of the Note and/or other appropriate lending instrument consistent with the terms and conditions of this Ordinance, together with such other provisions as the Village President and Village Attorney deem appropriate and to execute and deliver the Tax

Agreement, consistent with the terms of the Tax Agreement, together with such other provisions as the Village President and Village Attorney deem appropriate. The Village President is further authorized and directed to execute said Note and/or other appropriate lending instrument and any related exhibits attached thereto and the Village Clerk is authorized and directed to attest, countersign and affix the seal of the Village of Melrose Park to such documents and any and all other documents necessary to carry out and give effect to the purpose and intent of this Ordinance.

Section 1.07. Bank Qualification.

The Village represents that the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds, as defined in Section 141 of the Internal Revenue Code of 1986, as amended (the "Code")) which will be issued by the Village and all subordinate entities of the Village during calendar year 2009 will not exceed \$30,000,000. The Village intends that the Note qualify as a "qualified tax-exempt obligation" under Section 265(b)(3)(B) of the Code and designates the Note for such purpose. The Village and all subordinate entities of the Village have not so designated any other obligations for such purpose during calendar year 2009.

Section 1.08. Other Actions Authorized.

That the Village President, Village Attorney and Village Comptroller are hereby authorized and directed to do all things necessary, essential, or convenient to carry out and give effect to the purpose and intent of this Ordinance. Each of the officials or officers of the Village are hereby authorized to execute and deliver such other documents and agreements and perform such other acts as may be necessary or desirable in connection with the Note, including, but not limited to, the exercise following the delivery date of the Note of any power or authority delegated to such official under this Ordinance with respect to the Note upon original issuance, but subject to any limitations on or restrictions of such power or authority as herein set forth. All

actions of the officials or officers of the Village that are in conformity with the purposes and intent of this Ordinance are hereby in all respects ratified, approved, and confirmed.

Section 1.09. Acts of Village Officials.

That all acts and doings of the officials of the Village, past, present, and future which are in conformity with the purpose and intent of this Ordinance, are hereby, in all respects, ratified, approved, authorized and confirmed.

**Article II.
SAVINGS CLAUSES,
PUBLICATION, EFFECTIVE DATE**

Section 2.01. Headings.

The headings for the articles, sections, paragraphs and sub-paragraphs of this Ordinance are inserted solely for the convenience of reference and form no substantive part of this Ordinance nor should they be used in any interpretation or construction of any substantive provisions of this Ordinance.

Section 2.02. Severability.

The provisions of this Ordinance are hereby declared to be severable and should any provision, clause, sentence, paragraph, sub-paragraph, section, or part of this Ordinance be determined to be in conflict with any law, statute or regulation by a court of competent jurisdiction, said provision shall be excluded and deemed inoperative, unenforceable, and as though not provided for herein, and all other provisions shall remain unaffected, unimpaired, valid and in full force and effect. It is hereby declared to be the legislative intent of the Board of Trustees that this Ordinance would have been adopted had not such unconstitutional or invalid provision, clause, sentence, paragraph, sub-paragraph, section, or part thereof had not been included.

Section 2.03. Superseder.

All code provisions, ordinances, resolutions and orders, or parts thereof, in conflict herewith, are to the extent of such conflict hereby superseded.

Section 2.04. Publication.

A full, true and complete copy of this Ordinance shall be published in pamphlet form or in a newspaper published and of general circulation within the Village as provided by the Illinois Municipal Code, as amended.

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Section 2.05. Effective Date.

This Ordinance shall be in full force and effect upon passage and approval, as provided by the Illinois Municipal Code, as amended.

Section 3.06. Conflict. This Ordinance shall control over any provision of any attached Exhibit in conflict with this Ordinance, to the extent of such conflict.

On The Individual Poll and Voice Vote Of The Board Of Trustees:

AYE VOTES: Trustee Italia, Trustee Prignano, Trustee Mota,
Trustee Taconi, Trustee Anguiano, Trustee Abruzzo

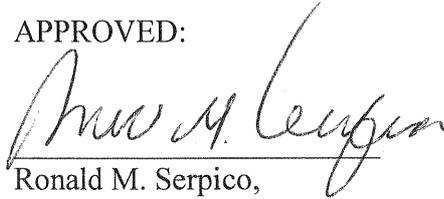
NAY VOTES:

ABSTAIN:

ABSENT:

SO PASSED, ADOPTED, APPROVED AND ENACTED IN AND AT THE VILLAGE OF MELROSE PARK, COUNTY OF COOK, STATE OF ILLINOIS, THIS FOURTEENTH DAY OF DECEMBER, 2009 A.D.

APPROVED:



Ronald M. Serpico,
Village President

ATTEST:


Mary Ann Paolantonio Salemi,
Village Clerk

(SEAL)

Recorded in the Municipal Records: December 14, 2009.
Published in pamphlet form: December 15, 2009.