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VILLAGE OF MELROSE PARK
COOK COUNTY, ILLINOIS

ORDINANCE NO. 1408

AN ORDINANCE PROVIDING FOR THE ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS (TAX INCREMENT ALTERNATE REVENUE SOURCE), SERIES 2010A, OF THE VILLAGE OF MELROSE PARK, COUNTY OF COOK, STATE OF ILLINOIS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$12,500,000, FOR THE PURPOSE OF REFUNDING THE VILLAGE'S (1) \$7,000,000 GENERAL OBLIGATION BONDS (TAX INCREMENT ALTERNATE REVENUE SOURCE), SERIES 1999A, AND (2) \$6,000,000 GENERAL OBLIGATION BONDS (TAX INCREMENT ALTERNATE REVENUE SOURCE), SERIES 2000B.

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

THIS 13TH DAY OF SEPTEMBER 2010

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

Board Of Trustees

CATHLEEN COSSIDENT ITALIA
ANTHONY J. PRIGNANO
ARTURO J. MOTA
MARY RAMIREZ TACONI
JAIME 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 14TH day of SEPTEMBER 2010

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VILLAGE OF MELROSE PARK

COOK COUNTY, ILLINOIS

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WHEREAS by proceedings spread in full upon the records of the Village of Melrose Park, Cook County, Illinois (the "Village" or "Village of Melrose Park") pursuant to the provisions of the Tax Increment Allocation Redevelopment Act of the State of Illinois, 65 ILCS 5/11-74.4-1, *et seq.*, as supplemented and amended (the "Tax Increment Act"), and the Local Government Debt Reform Act, 30 ILCS 350/1, *et seq.*, as supplemented and amended (the "Local Government Debt Reform Act"), the Village President (also sometimes referred to as the "President") and Village Board of Trustees (said President and Board of Trustees being collectively referred to as the "Corporate Authorities") have heretofore proceeded, and do hereby determine, as follows:

A. On December 11, 1989, the Corporate Authorities adopted Ordinance Nos. 89-12-2, 89-12-3 and 89-12-4, approving the Mid Metro Industrial Area Tax Increment Redevelopment Project and Plan (as amended from time to time, the "Mid Metro Redevelopment Plan"), designating the Village's Mid Metro Industrial Tax Increment Finance District (the "Mid Metro TIF District"), a redevelopment project area under the Tax Increment Act and adopting the

financing provisions of the Tax Increment Act and establishing the “Special Tax Allocation Fund, Mid Metro TIF” (the “Mid Metro TIF Special Tax Allocation Fund”) in connection therewith. The term of the Mid Metro TIF District was subsequently extended to 35 years from the date it was originally established.

B. On December 28, 1998, the Corporate Authorities adopted Ordinance No. 391, amending the Mid Metro Redevelopment Plan (“Ordinance 479”).

C. On November 9, 1998, the Corporate Authorities adopted Ordinance Nos. 376, 377 and 378, approving the North Avenue/25th Avenue Redevelopment Plan and Project (as amended from time to time, the “North Avenue/25th Avenue Redevelopment Plan”), designating the Village’s North Avenue and 25th Avenue Tax Increment Finance District (the “North Avenue/25th Avenue TIF District”), a redevelopment project area under the Tax Increment Act and adopting the financing provisions of the Tax Increment Act and establishing the “North Avenue/25th Avenue Special Tax Allocation Fund” in connection therewith.

D. The Village has heretofore issued, pursuant to Ordinance No. 405, its \$7,000,000 General Obligation Bonds (Tax Increment Alternate Revenue Source), Series 1999A, with a current outstanding principal balance of \$5,065,000 (the “Series 1999A Bonds”), and, pursuant to Ordinance No. 497, its \$6,000,000 General Obligation Bonds (Tax Increment Alternate Revenue Source), Series 2000B, with an outstanding principal balance of \$5,805,000 (the “Series 2000B Bonds,” and together with the Series 1999A Bonds, the “Prior Bonds”).

E. Pursuant to Ordinance No. 616 (the “Series 2001A Ordinance”) adopted on May 29, 2001, the Village issued its General Obligation Bonds (Tax Increment Alternate Revenue Source), Series 2001A in the aggregate principal amount of \$8,000,000, for the purpose of

infrastructure improvements and redevelopment of the Mid Metro TIF District (the “Series 2001A Bonds”).

F. Pursuant to the Illinois Municipal Code, the Village is authorized to issue general obligation bonds to accomplish the refunding of the Prior Bonds, and it is deemed necessary and desirable to provide for the issuance of not to exceed \$12,500,000 principal amount General Obligation Refunding Bonds (Tax Increment Alternate Revenue Source), Series 2010A (the “Series 2010A Bonds”) for such purpose, together with the payment of costs associated with the issuance of the Series 2010A Bonds and any costs associated with such redemption of the Prior Bonds.

G. The Village Board has determined that it has insufficient funds on hand to pay such authorized expenses and does hereby determine that it is advisable and in the best interests of the Village to borrow not to exceed \$12,500,000 at this time pursuant to the Act as hereinafter defined for the purpose of paying the costs of refunding the Prior Bonds and fund certain costs associated with the issuance of the Series 2010A Bonds, and, in evidence of such borrowing, issue its alternate revenue source bonds in the principal amount of not to exceed \$12,500,000.

H. The intended revenue source for payment of the Series 2010A Bonds is determined by the Corporate Authorities to provide, in each year, an amount not less than 1.25 times annual debt service (as defined in the Local Government Debt Reform Act) of all alternate bonds payable from such revenue source previously issued and outstanding and including the Series 2010A Bonds. Such determination shall be supported by (1) the Village’s most recent audit, which audit shall be for a fiscal year ending not earlier than 18 months previous to the date of the issuance of the Series 2010A Bonds, or (2) the report (the “Feasibility Report”) of an

accountant or a feasibility analyst, the latter having a national reputation for expertise in such matters, demonstrating the sufficiency of such revenue source.

I. All other notices, hearings and legal requirements which are pre-conditions to the consideration, and/or passage, approval and adoption of this Ordinance have been fulfilled.

WHEREAS, the Corporate Authorities hereby determine that it is advisable to provide for the issuance of the Series 2010A Bonds for said purposes described in paragraph G above; and

WHEREAS, the North Avenue/25th Avenue TIF District and the Mid Metro TIF District are contiguous and, as such, revenues received pursuant to the Tax Increment Act from one redevelopment project area may be utilized for eligible costs in the other redevelopment project area.

WHEREAS, the Series 2010A Bonds are Additional Bonds pursuant to the Series 2001A Ordinance and this Ordinance, and are a general obligation of the Village and the debt service thereon (for which ad valorem taxes are hereinafter levied) are subject to payment from the Bond Fund (as defined below) established for such purpose (and such ad valorem taxes are subject to abatement as provided in this Ordinance); and

WHEREAS, provision is hereinafter made for abatement of said tax levies under certain circumstances and pursuant to the terms contained herein.

NOW THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF MELROSE PARK, COOK COUNTY, ILLINOIS AS FOLLOWS:

ARTICLE I

INCORPORATION OF PREAMBLES; ACCEPTANCE OF FEASIBILITY REPORT

The Corporate Authorities hereby find that all of the recitals contained in the preambles to this Ordinance are full, true and correct and do incorporate them into this Ordinance by this reference. Prior to the issuance of the Series 2010A Bonds, the Village President shall find that the assumptions utilized in the Feasibility Report, if any, are reasonable and appropriate and that a feasibility analyst having a national reputation for expertise in such matters, or an independent accountant, drafted such Feasibility Report.

ARTICLE II

AUTHORITY AND PURPOSE

This Ordinance is adopted pursuant to the powers of the Village (as a non-home rule municipality) under the Tax Increment Act and the Local Government Debt Reform Act, for the purpose of refunding the Prior Bonds and paying the costs of the refunding and the issuance of the Series 2010A Bonds. The foregoing purposes are hereby authorized to be made or undertaken by the Village.

ARTICLE III

AUTHORIZATION

It is hereby found and determined that the Village has been authorized by the Tax Increment Act and the Local Government Debt Reform Act to borrow the sum of an amount not to exceed \$12,500,000, upon the credit of the Village and as evidence of such indebtedness to issue the Series 2010A Bonds, as provided by the Tax Increment Act, to said amount, the proceeds of the Series 2010A Bonds to be used for the purpose of refunding the Prior Bonds.

The Series 2010A Bonds may be issued as bonds paying interest semiannually on June 15 and December 15 of each year, commencing June 15, 2011. The total amount of the Series

2010A Bonds, the maturity dates, principal amounts, interest rates, and all other required terms of the Series 2010A Bonds shall be determined prior to closing by the Village President in consultation with any other Village officials as the President shall deem appropriate, so long as the maximum aggregate principal amount of the Series 2010A Bonds is not exceeded, and there is no material change in the purposes described herein. All such terms shall be set forth in a document acceptable to Wildman, Harrold, Allen & Dixon LLP (“Bond Counsel”) and the Del Galdo Law Group, LLC, as Village Attorney, and such document shall be referred to as the “Bond Determination.” The Bond Determination will be executed at or prior to the closing for the Series 2010A Bonds by the Village President and the Village Clerk and said officials are hereby authorized and directed to establish the terms of the Series 2010A Bonds required to be set forth in the Bond Determination subject to all parameters and terms set forth in this Ordinance and are hereby authorized and directed to execute and deliver the Bond Determination and any and all other documents necessary in the judgment of Bond Counsel, including changes of a technical nature and/or procuring bond insurance, in the opinion of Bond Counsel, to this Ordinance which the President is hereby authorized to make, to complete the transactions contemplated herein on behalf of the Village. This Ordinance, together with such additional ordinances adopted by the Village, and any such Bond Determination governing the Series 2010A Bonds shall constitute complete authority for the Village to issue the Series 2010A Bonds in accordance with applicable law.

The Series 2010A Bonds will be issued only as fully registered bonds in denominations of \$5,000 or any integral multiple thereof and shall bear interest from their date or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of the Series 2010A Bonds is paid, at rates per annum not exceeding 9%, 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 June 15, 2011. The principal of and premium, if any, on each Series 2010A Bond shall be paid by check, draft, wire transfer or electronic transfer of Amalgamated Bank of Chicago, Chicago, Illinois, as bond registrar and paying agent (in its capacity as such, respectively, the "Bond Registrar" or "Paying Agent"), payable upon presentation in lawful money of the United States of America, to the person in whose name such Series 2010A Bond is registered at the close of business on the 15th day of the month next preceding each interest payment date. The principal of, the interest on and the redemption premium, if any, due on of the Series 2010A Bonds shall be payable in lawful money of the United States of America upon presentation thereof at principal corporate trust office of the Bond Registrar on December 15 of each year in accordance with the schedule to be set forth in the Bond Determination.

The Series 2010A Bonds shall be signed by the manual or facsimile signature of the Village President, and shall be attested by the manual or facsimile signature of the Village Clerk, and the seal of the Village shall be affixed thereto or printed thereon, and in case any officer whose signature shall appear on any Series 2010A Bond shall cease to be such officer before the delivery of such Series 2010A 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 Series 2010A 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 for the Series 2010A Bonds and showing the date of authentication. No Series 2010A 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 Series 2010A Bond shall be conclusive evidence that such Series 2010A Bond has been authenticated and delivered under this Ordinance. The certificate of authentication on any Series 2010A Bond shall be deemed to have been executed by the Bond Registrar 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 Series 2010A Bonds issued hereunder.

ARTICLE IV

GLOBAL FORM; SECURITIES DEPOSITORY

It is intended that the Series 2010A Bonds be registered so as to participate in a securities depository system with the Depository Trust Company (“DTC”), as set forth herein. The Series 2010A Bonds shall be initially issued in the form of a single fully registered Series 2010A Bond for each of the maturities established in the Bond Determination. Upon initial issuance, the ownership of the Series 2010A Bonds shall be registered in the name of Cede & Co., or any successor thereto, as nominee for DTC. The Village and the Paying Agent are authorized to execute and deliver such letters to or agreements with DTC as shall be necessary to effectuate the securities depository system of DTC, including the Blanket Letter of Representations (the “Blanket Letter of Representation”) in standard form. With respect to Series 2010A Bonds registered in the name of Cede & Co., as nominee of DTC, the Village, the Bond Registrar and the Paying Agent shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which DTC holds Series 2010A Bonds from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a “Depository Participant”) or to any person on behalf of whom such a Depository Participant holds an interest in the Series 2010A Bonds (each such person being herein referred to as an “Indirect Participant”). Without limiting the immediately preceding sentence, the Village, the

Bond Registrar and the Paying Agent shall have no responsibility or obligation with respect to (a) the accuracy of the records of DTC, Cede & Co., or any Depository Participant with respect to the ownership interest in the Series 2010A Bonds, (b) the delivery to any Depository Participant or any Indirect Participant or any other person, other than a registered owner of a Series 2010A Bond, of any notice with respect to the Series 2010A Bonds, including any notice of redemption, or (c) the payment to any Depository Participant or Indirect Participant or any other person, other than a registered owner of a Series 2010A Bond, of any amount with respect to principal of, premium, if any, or interest on, the Series 2010A Bonds. While in the securities depository system of DTC, no person other than Cede & Co., or any successor thereto, as nominee for DTC, shall receive a Bond Certificate with respect to any Series 2010A Bond. Upon delivery by DTC to the Paying Agent of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions of this Ordinance with respect to the payment of interest by the mailing of checks or drafts to the registered owners of Series 2010A Bonds at the close of business on the record date applicable to any interest payment date, the name "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

In the event that (a) the Paying Agent determines that DTC is incapable of discharging its responsibilities described herein and in the Letter of Representation, (b) the Letter of Representation shall be terminated for any reason, or (c) the Village determines that it is in the best interests of the beneficial owners of the Series 2010A Bonds that they be able to obtain certificated Series 2010A Bonds, the Village shall notify DTC of the availability through DTC of Series 2010A Bond certificates and the Series 2010A Bonds shall no longer be restricted to being registered in the name of Cede & Co., as nominee of DTC. At that time, the Village may

determine that the Series 2010A Bonds shall be registered in the name of and deposited with a successor depository operating a securities depository system, as may be acceptable to the Village or such depository's agent or designee, and if the Village does not select such alternate securities depository system then the Series 2010A Bonds may be registered in whatever name or names registered owners of Series 2010A Bonds transferring or exchanging Series 2010A Bonds shall designate, in accordance with the provisions hereof.

Notwithstanding any other provisions of this Ordinance to the contrary, so long as any Series 2010A Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on the Series 2010A Bonds, and all notices with respect to the Series 2010A Bonds shall be made and given, respectively, in the manner provided in the Letter of Representation.

ARTICLE V

TRANSFER, EXCHANGE AND REGISTRY

The Series 2010A Bonds shall be negotiable, subject to the provisions for registration of transfer contained herein. Each Series 2010A Bond shall be transferable only upon the registration books maintained by the Village for that purpose at the principal corporate trust office of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Bond Registrar and duly executed by the registered owner or his duly authorized attorney. Upon the surrender for transfer of any such Series 2010A Bond, the Village shall execute, and the Bond Registrar shall authenticate and deliver, a new Series 2010A Bond or Series 2010A Bonds registered in the name of the transferee, of the same aggregate principal amount, maturity and interest rate as the surrendered Series 2010A Bond. Series 2010A Bonds, upon surrender thereof at the principal corporate trust office of the Bond Registrar, with a written

instrument satisfactory to the Bond Registrar, duly executed by the registered owner or his attorney duly authorized in writing, may be exchanged for an equal aggregate principal amount of Series 2010A Bonds of the same maturity and interest rate and of the denominations of \$5,000 or any integral multiple thereof.

For every such exchange or registration of transfer of Series 2010A Bonds, the Village or the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. No other charge shall be made for the privilege of making such transfer or exchange. The provisions of the Illinois Bond Replacement Act shall govern the replacement of lost, destroyed or defaced Series 2010A Bonds.

The Village and the Bond Registrar may deem and treat the person in whose name any Series 2010A Bond shall be registered upon the registration books as the absolute owner of such Series 2010A Bond, whether such Series 2010A Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of, premium, if any, or interest thereon and for all other purposes whatsoever, and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Series 2010A Bond to the extent of the sum or sums so paid, and neither the Village nor the Bond Registrar shall be affected by any notice to the contrary.

The Bond Registrar shall not be required to transfer or exchange any Series 2010A Bond during the period beginning at the close of business on the 15th day of the month next preceding any interest payment date on such Series 2010A Bond and ending on such interest payment date

nor to transfer or exchange any Series 2010A Bond after notice calling such Series 2010A Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Series 2010A Bonds.

ARTICLE VI

REDEMPTION

Section 1. Optional and Mandatory Redemption. Optional and mandatory redemption provisions, if any, shall be as provided in the Bond Determination.

Section 2. Redemption Procedure. The Village shall, at least forty-five (45) days prior to the redemption date (unless a shorter time period shall be satisfactory to the Bond Registrar), notify the Bond Registrar of such redemption date and of the principal amount of Series 2010A Bonds to be redeemed. For purposes of any redemption of less than all of the Series 2010A Bonds then outstanding (the "Outstanding Series 2010A Bonds") of a single maturity, the particular Series 2010A Bonds or portions of the Series 2010A Bonds to be redeemed shall be selected not more than sixty (60) days prior to the redemption date by the Bond Registrar, from the Outstanding Series 2010A Bonds of the longest maturity or maturities by such method as the Bond Registrar shall deem fair and appropriate and which may provide for the selection for redemption of Series 2010A Bonds or portions of Series 2010A Bonds in principal amounts of \$5,000 and integral multiples thereof. No Series 2010A Bond or portion of Series 2010A Bond shall be called for redemption such that any Series 2010A Bond or portion of Series 2010A Bond remains outstanding in a denomination of less than \$100,000.

The Bond Registrar shall promptly notify the Village in writing of the Series 2010A Bonds or portions of Series 2010A Bonds selected for redemption and, in the case of any Series 2010A Bond selected for partial redemption, the principal amount thereof to be redeemed.

Unless waived by any holder of Series 2010A Bonds to be redeemed, notice of the call for any such redemption shall be given by the Bond Registrar on behalf of the Village by mailing the redemption notice by registered or certified mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the registered owner of the Series 2010A Bond or Series 2010A 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 notices of redemption shall state:

- (1) the redemption date,
- (2) the redemption price,
- (3) if less than all Outstanding Series 2010A Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Series 2010A Bonds to be redeemed,
- (4) that on the redemption date the redemption price will become due and payable upon each such Series 2010A Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and
- (5) the place where such Series 2010A Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office of the Bond Registrar.

Such additional notice as may be agreed upon with the Depository shall also be given as long as any Series 2010A Bonds are held by the Depository.

Prior to any redemption date, the Village shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Series 2010A Bonds or portions of Series 2010A Bonds which are to be redeemed on that date.

Notice of redemption having been given as aforesaid, the Series 2010A Bonds or portions of Series 2010A Bonds to be so redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date such Series 2010A Bonds or portions of Series 2010A Bonds shall cease to bear interest. Upon surrender of such Series 2010A Bonds for redemption in accordance with said notice, such Series 2010A Bonds shall be paid by the Bond Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Series 2010A Bond, there shall be prepared for the registered holder a new Series 2010A Bond or Series 2010A Bonds of the same maturity in the amount of the unpaid principal.

If any Series 2010A Bond or portion of Series 2010A Bond called for redemption shall not be so paid upon surrender thereof for redemption, the principal and premium, if any, shall, until paid, bear interest from the redemption date at the rate borne by the Series 2010A Bond or portion of Series 2010A Bond so called for redemption. All Series 2010A Bonds which have been redeemed shall be canceled and destroyed by the Bond Registrar and shall not be reissued.

In addition to the foregoing notice, further notice shall be given by the Bond Registrar on behalf of the Village as set forth below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (a) the CUSIP numbers of all Series 2010A Bonds being redeemed; (b) the date of issue of the Series 2010A Bonds as originally issued; (c) the rate of interest borne by each Series 2010A Bond being redeemed; (d) the maturity date of

each Series 2010A Bond being redeemed; and (e) any other descriptive information needed to identify accurately the Series 2010A Bonds being redeemed.

Each further notice of redemption shall be sent at least thirty-five (35) or thirty (30) days and not more than sixty (60) days before the redemption date by facsimile to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Series 2010A Bonds (such depositories now include The Depository Trust Company of New York, New York) and to one or more national information services, chosen in the discretion of the Bond Registrar, that disseminate notice of redemption of obligations such as the Series 2010A Bonds.

Upon the payment of the redemption price of Series 2010A 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 Series 2010A Bonds being redeemed with the proceeds of such check or other transfer.

The Series 2010A Bonds or portions thereof specified in said notice shall become due and payable at the applicable redemption price plus accrued interest on the redemption date therein designated, and if, on the redemption date, money for payment of the redemption price of all the Series 2010A Bonds or portions thereof to be redeemed, together with accrued interest to the redemption date, shall be available for such payment on said date, and if notice of redemption shall have been mailed as aforesaid (and notwithstanding any defect therein or the lack of actual receipt thereof by any registered owner) then from and after the redemption date (unless the Village shall default in the payment of the redemption price and accrued interest), interest on such Series 2010A Bonds or portions thereof shall cease to accrue and become payable. Neither the failure to mail such redemption notice, nor any defect in any notice so mailed, to any

particular registered owner of a Series 2010A 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 Series 2010A 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 Series 2010A Bond entitled to receive such notice, either before or after the event and such waiver shall be the equivalent of such notice. Waivers of notice by registered owners shall be filed with the Bond Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver. Upon surrender of such Series 2010A Bonds for redemption in accordance with said notice, such Series 2010A 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.

If there shall be drawn for redemption less than all of a Series 2010A Bond, the Village shall execute and the Bond Registrar shall authenticate and deliver, upon the surrender of such Series 2010A Bond, without charge to the owner thereof, for the unredeemed balance of the Series 2010A Bond so surrendered, Series 2010A Bonds of like maturity, bearing the same rate of interest, and of the denomination of \$5,000 or any integral multiple thereof.

The Bond Registrar shall not be required to transfer or exchange any Series 2010A Bond after notice of the redemption of all or a portion thereof has been mailed. The Bond Registrar shall not be required to transfer or exchange any Series 2010A Bond during a period of fifteen (15) days next preceding the mailing of a notice of redemption which could designate for redemption all or a portion of such Series 2010A Bond.

ARTICLE VII

FORM OF SERIES 2010A BOND

The Series 2010A Bonds shall be issued as fully registered Series 2010A Bonds and shall be in substantially the following form, the blanks to be appropriately completed when the Series 2010A Bonds are printed:

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

(Form of Series 2010A Bond)

REGISTERED
NO. R-«Bond_No»

REGISTERED
\$«Amount»

UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF COOK
VILLAGE OF MELROSE PARK
GENERAL OBLIGATION REFUNDING BOND
(TAX INCREMENT ALTERNATE REVENUE SOURCE)
SERIES 2010A

Interest Rate:
«Rate»%

Maturity Date:
_____, «Year»

Dated Date:
_____, 2010

CUSIP:
«CUSIP»

Registered Owner: **CEDE & CO.**

Principal Amount: «Words»

The VILLAGE OF MELROSE PARK, a municipal corporation and a non-home rule unit of the State of Illinois situated in the County of Cook (the "Village"), acknowledges itself indebted and for value received hereby promises to pay to the registered owner hereof, or registered assigns, the principal sum specified above on the maturity date specified above, and to pay interest on such principal sum from the date hereof at the interest rate per annum specified above, computed on the basis of a 360-day year consisting of twelve 30-day months and payable in lawful money of the United States of America on June 15, 2011 and semiannually thereafter on the fifteenth days of December and June in each year (the "Interest Payment Date") until the

principal sum shall have been paid, by check or draft mailed to the registered owner of record hereof as of the 15th day of the calendar month next preceding such Interest Payment Date, at the address of such owner appearing on the registration books maintained by the Village for such purpose at the principal corporate trust office of Amalgamated Bank of Chicago, Chicago, Illinois, as bond registrar, or its successor (the "Bond Registrar"). This Series 2010A Bond, as to principal and premium, if any, will be payable in lawful money of the United States of America upon presentation and surrender of this Series 2010A Bond at the principal corporate trust office of Amalgamated Bank of Chicago, Chicago, Illinois (the "Paying Agent") for the Series 2010A Bonds. The full faith and credit of the Village are irrevocably pledged for the punctual payment of the principal, premium, if any, and interest on this Series 2010A Bond, according to its terms.

This Series 2010A Bond is one of a series of bonds issued in the aggregate principal amount of \$12,500,000 which are all of like tenor except as to date, maturity, option of redemption and rate of interest, and which are authorized and issued under and pursuant to the Tax Increment Allocation Redevelopment Act of the State of Illinois, found in Illinois Compiled Statutes, 65 ILCS 5/11-74.4, as amended (the "Tax Increment Act") and under and in accordance with an ordinance adopted by the Corporate Authorities on September 13, 2010, entitled: "An Ordinance Providing for the Issuance of General Obligation Refunding Bonds (Tax Increment Alternate Revenue Source), Series 2010A, of the Village of Melrose Park, Cook County, Illinois, in an Aggregate Principal Amount not to Exceed \$12,500,000, for the Purpose of Refunding the Village's (1) \$7,000,000 General Obligation Bonds (Tax Increment Alternate Revenue Source), Series 1999A, and (2) \$6,000,000 General Obligation Bonds (Tax Increment Alternate Revenue Source), Series 2000B," and the Bond Determination as contemplated herein (collectively, referred to as the "Bond Ordinance"). This Series 2010A Bond is issued for the purpose of

refunding the Village's (1) \$7,000,000 General Obligation Bonds (Tax Increment Alternate Revenue Source), Series 1999A (the "Series 1999A Bonds"), and (2) \$6,000,000 General Obligation Bonds (Tax Increment Alternate Revenue Source), Series 2000B (the "Series 2000B Bonds," and together with the Series 1999A Bonds, the "Prior Bonds"), and paying costs associated with issuing the Series 2010A Bonds and refunding the Prior Bonds.

The Series 2010A Bonds are payable from (a) all incremental property tax revenues derived from the North Avenue/25th Avenue TIF District and the Mid Metro TIF District after payment of the Village's expenses (the "Incremental Pledged Revenues"), as provided in the Bond Ordinance, and such other funds of the Village as may be necessary and on hand from time to time and lawfully available for such payment, and (b) ad valorem taxes levied against all of the taxable property in the Village without limitation as to rate or amount, all in accordance with the provisions of the Tax Increment Act and the Illinois Municipal Code, as amended (the "Municipal Code"). For the prompt payment of this Series 2010A Bond, both principal and interest at maturity, the full faith, credit and resources of the Village are hereby irrevocably pledged.

[Insert redemption provisions here, if any.]

This Series 2010A Bond is transferable only upon such registration books by the registered owner hereof in person, or by his attorney duly authorized in writing, upon surrender hereof at the principal corporate trust office of the Bond Registrar together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or by his duly authorized attorney, and thereupon a new registered Bond or Series 2010A Bonds, in the authorized denominations of \$5,000 or any integral multiple thereof and of the same aggregate principal amount, maturity and interest rate as this Series 2010A Bond shall be issued

to the transferee in exchange therefor. In like manner, this Series 2010A Bond may be exchanged for an equal aggregate principal amount of Series 2010A Bonds of the same maturity and interest rate and of any of such authorized denominations. The Village or the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to the transfer or exchange of this Series 2010A Bond. No other charge shall be made for the privilege of making such transfer or exchange. The Village and the Bond Registrar may treat and consider the person in whose name this Series 2010A Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal, premium, if any, and interest due hereon and for all other purposes whatsoever.

This Series 2010A Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been duly executed by the Bond Registrar.

It is hereby certified, recited and declared that all acts, conditions and things required to be done, exist and be performed precedent to and in the issuance of this Series 2010A Bond in order to make it a legal, valid and binding obligation of the Village have been done, exist and have been performed in regular and due time, form and manner as required by law, and that the series of Series 2010A Bonds of which this Series 2010A Bond is one, together with all other indebtedness of the Village is within every debt or other limit prescribed by law.

No recourse shall be had for the payment of any Series 2010A Bonds against any officer who executes the Series 2010A Bonds, or against the Village President, any member of the Village Board of Trustees, the Village Clerk or any official of the Village.

IN WITNESS WHEREOF, the Village of Melrose Park has caused this Series 2010A Bond to be executed in its name and on its behalf by the manual or facsimile signature of its

Village President, and its corporate seal or a facsimile thereof to be hereunto affixed or otherwise reproduced hereon and attested by the manual or facsimile signature of its Village Clerk.

Dated: October _____, 2010

VILLAGE OF MELROSE PARK, COOK
COUNTY, ILLINOIS

By: _____
Village President

(SEAL)

ATTEST:

By: _____
Village Clerk

CERTIFICATE OF AUTHENTICATION

This Series 2010A Bond is one of the General Obligation Refunding Bonds (Tax Increment Alternate Revenue Source), Series 2010A, described in the within-mentioned Bond Ordinance.

AMALGAMATED BANK OF CHICAGO,
Chicago, Illinois, as Bond Registrar

By: _____
Authorized Representative

Dated: October _____, 2010

ASSIGNMENT

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

_____, the
(Name and Address of Assignee)

within Series 2010A Bond and does hereby irrevocably constitute and appoint _____
as attorney to transfer the said Series 2010A Bond on the books kept for registration thereof,
with full power of substitution in the premises.

Dated: _____

Signature Guarantee:

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 Series 2010A Bond in every particular, without alteration or enlargement or any change whatsoever.

ARTICLE VIII

SALE OF SERIES 2010A BONDS; **APPROVAL OF PRELIMINARY OFFICIAL STATEMENT AND THE OFFICIAL STATEMENT**

The Series 2010A Bonds hereby authorized shall be executed as in this Ordinance provided as soon after the passage hereof and the execution of the Bond Determination as may be practical, and thereupon be deposited with the Trustee, and be delivered to Mesrow Financial, Inc. and Bernardi Securities, Inc. (the "Underwriters"), upon receipt of the purchase price therefor, the same being not less than 98% of the aggregate principal amount of the Series 2010A Bonds, plus accrued interest to date of delivery. No person holding any office of the Village either by election or appointment, is in any manner interested, either directly or indirectly, in his own name or in the name of any other person, association, trust or corporation, shall have any interest in any purchase contract for the purchase of the Series 2010A Bonds. The use by the Underwriters of any Preliminary Official Statement and any Official Statement relating to the Series 2010A Bonds is hereby approved, and the actions of the Village and their respective officers and employees relating to the offering, issuance and sale of the Series 2010A Bonds are hereby ratified, approved and confirmed. The Village President and Village Clerk are authorized to execute any and all additional documents as deemed appropriate by Bond Counsel in order to expedite the issuance and sale of the Series 2010A Bonds.

ARTICLE IX

GENERAL OBLIGATIONS

The full faith and credit of the Village are hereby irrevocably pledged to the punctual payment of the principal of, and interest on the Series 2010A Bonds. The Series 2010A Bonds shall be direct and general obligations of the Village, and the Village shall be obligated to levy

ad valorem taxes upon all the taxable property in the Village for the payment of the principal of the Series 2010A Bonds, and the interest thereon, without limitation as to rate or amount except to the extent that such levy may be abated in accordance with Article XX of this Ordinance.

ARTICLE X

VILLAGE COVENANTS

The Village covenants and agrees with the holders of the Series 2010A Bonds that, so long as any Series 2010A Bonds remain outstanding and unpaid:

(1) The Village will punctually pay or cause to be paid the principal of and interest on the Series 2010A Bonds in strict conformity with the terms of the Series 2010A Bonds, this Ordinance, and the Bond Determination.

(2) The Village will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Village, in which complete and correct entries shall be made of all transactions relating to the North Avenue/25th Avenue Redevelopment Plan and the Mid Metro Redevelopment Plan and to the incremental property tax revenues derived from the North Avenue/25th Avenue TIF District and the Mid Metro TIF District.

So long as any Series 2010A Bonds are outstanding, the Village will prepare or cause the preparation of, within two hundred seventy (270) days after the close of each fiscal year of the Village, complete financial statements with respect to the preceding fiscal year showing the amounts and sources of all receipts into the North Avenue/25th Avenue Special Tax Allocation Fund and the Mid Metro TIF Special Tax Allocation Fund, all disbursements from the funds and accounts created by this Ordinance, including the balances in all funds and accounts relating to the Series 2010A Bonds as of the end of such fiscal year, which statements shall be accompanied by a certificate or opinion in writing of an independent certified public accountant. The Village further covenants to meet all annual reporting requirements of the Tax Increment Act.

(3) The Village will preserve and protect the security of the Series 2010A Bonds and the rights of the Bondholders, and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any of the Series 2010A Bonds by the Village, the Series 2010A Bonds shall be uncontestable by the Village.

(4) The Village will use its best efforts to continue implementation or cause the continued implementation of the North Avenue/25th Avenue Redevelopment Plan and the Mid Metro Redevelopment Plan with all practicable dispatch in accord with its stated objectives and purposes in conformity with the Tax Increment Act and the Municipal Code.

(5) The Village will adopt, make, execute and deliver any and all such further ordinances, resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention of, or to facilitate the performance of, this Ordinance, and for the better assuring and confirming unto the holders of the Series 2010A Bonds of the rights and benefits provided in this Ordinance.

(6) As long as the Series 2010A Bonds are outstanding, the Village will continue to make the deposits provided for in this Ordinance and the Bond Determination.

(7) Of the proceeds of sale of the Series 2010A Bonds including accrued interest, the following amounts shall, on the date of the delivery of the Series 2010A Bonds by Amalgamated Bank of Chicago, Chicago, Illinois (in its capacity as such, the "Trustee"), be paid as follows:

(a) To the Bond Insurer of the Series 2010A Bonds, if any, the amount of the premium with respect to the Series 2010A Bond Insurance Policy;

(b) To the Trustee, an amount equal to the accrued interest as set forth in the Bond Determination to be held in the Bond Service Account;

(c) To the Series 1999A Trustee, an amount to refund the Series 1999A Bonds, as further provided in the Bond Determination;

(d) To the Series 2000B Trustee, an amount to refund the Series 2000B Bonds, as further provided in the Bond Determination; and

(e) To the Trustee, the balance of the proceeds of sale of the Series 2010A Bonds, to be held in the Series 2010A Expense Fund.

ARTICLE XI

ADDITIONAL FINANCING

Section 1. Additional Bonds. The Village reserves the right, but not the obligation, to issue additional bonds (the “Additional Bonds”), other than and in addition to the Series 2001A Bonds and the Series 2010A Bonds, from time to time in accordance with the provisions of this Section for the purpose of (i) financing Redevelopment Project Costs of the North Avenue/25th Avenue Redevelopment Plan and the Mid Metro Redevelopment Plan, or (ii) refunding any outstanding bonds of the Village related to this Ordinance. Only amounts in excess of \$12,500,000 shall be considered “Additional Bonds” for purposes of this Section. The Additional Bonds shall share ratably and equally in the Incremental Pledged Revenues (as defined hereinbelow) with the Series 2001A Bonds and the Series 2010A Bonds upon compliance with all of the following conditions:

(1) All deposits and credits required to be made to the North Avenue/25th Avenue Special Tax Allocation Fund and the Mid Metro TIF Special Tax Allocation Fund shall have been made up to and including the date of adoption of any ordinance authorizing the issuance of Additional Bonds; and

(2) A report shall have been prepared by a recognized feasibility consultant including a projection indicating Incremental Pledged Revenues to be equal to at least 125% of Annual

Debt Service (as defined hereinbelow) calculated for all succeeding years on all Outstanding Series 2001A Bonds and Outstanding Series 2010A Bonds, plus the Annual Debt Service on Additional Bonds then proposed to be issued.

“Incremental Pledged Revenues” shall be all of the moneys on deposit in the North Avenue/25th Avenue TIF Special Tax Allocation Fund and the Mid Metro TIF Special Tax Allocation Fund after payment of the Village’s expenses as described herein.

“Annual Debt Service” means at any given time of determination an amount equal to (i) the actual amounts of principal and interest due on the Series 2001A Bonds and the Series 2010A Bonds, and with respect to any Additional Bonds then outstanding in the next succeeding Bond Year (as defined hereinbelow) by reason of stated maturities, scheduled mandatory prepayments or by operation of any mandatory sinking fund. With respect to Additional Bonds proposed to be issued, “Annual Debt Service” shall be the debt service for the next succeeding Bond Year as set forth in the Supplemental Bond Ordinance approving such Additional Bonds. For purposes hereof, “Bond Year” means the period from December 16, 2010 through December 15, 2011 and thereafter, that 12-month period during the term of the Series 2001A Bonds beginning on December 16 of any calendar year and ending on the succeeding December 15.

Notwithstanding the foregoing restrictions, if prior to the payment of the Series 2010A Bonds, the Village shall determine to refund part or all of the Outstanding Series 2010A Bonds, said Outstanding Series 2010A Bonds may be refunded, and any refunding bonds so issued shall share ratably and equally in the Incremental Pledged Revenues and further ad valorem taxes pledged to payment of principal and interest on the Series 2010A Bonds with the portion, if any, of the Series 2010A Bonds which is not refunded; provided, that if any portion of the Series 2010A Bonds is refunded such that the Annual Debt Service is increased, then such refunding

bonds or obligations shall be in all respects subordinate to the Series 2010A Bonds and shall not share ratably and equally in the Incremental Pledged Revenues with the portion of the Series 2010A Bonds remaining outstanding, except that if it is found necessary to refund any annual installment of the Series 2010A Bonds at maturity or within one year of maturity thereof in order to prevent a default, such refunding bonds or obligations may be issued to share ratably and equally in the Incremental Pledged Revenues with the portion of the Series 2010A Bonds not refunded notwithstanding the fact that the interest rate is increased; provided, however, that such refunding bonds or obligations shall not mature at a date earlier than the maturity of any installment of principal of and interest on said Outstanding Series 2010A Bonds not refunded. Any such Additional Bonds which may be issued shall be payable as to principal on December 15 and as to interest on December 15 and June 15.

Section 2. Authorization of Additional Bonds. Additional Bonds shall be issued only after their authorization in accordance with this Ordinance by a Supplemental Bond Ordinance which shall specify and determine as the purpose for which such Additional Bonds are issued, a purpose described in clause (1) or clause (2) of Section 1 above, and shall specify and determine:

- (1) The principal amount of such Additional Bonds;
- (2) The dates and amounts of the maturities of such Additional Bonds and the redemption privileges (if any) of the Village with respect to such Additional Bonds;
- (3) The date or dates of such Additional Bonds;
- (4) The rate or rates of interest or maximum rate of interest to be borne by such Additional Bonds; and

(5) The form of such Additional Bonds and such other matters and things as may be required by the Supplemental Bond Ordinance for authorization of such Additional Bonds.

Section 3. Execution and Delivery of Additional Bonds. After their authorization by a Supplemental Bond Ordinance, a Series of Additional Bonds shall from time to time be executed by or on behalf of the Village in accordance with Section 1 above and be delivered to the Trustee for authentication and thereupon shall be authenticated by the Trustee and, upon fulfillment of the conditions (if any) set forth in such Supplemental Bond Ordinance and of the conditions set forth or referred to in this Article, delivered by the Trustee to the Village or upon its order as authorized by a Supplemental Bond Ordinance.

Section 4. Application of Proceeds of Additional Bonds. The proceeds of sale of Additional Bonds of any series (including accrued interest) shall, on the date of delivery of such Additional Bonds by the Trustee, be applied as provided in the Supplemental Bond Ordinance authorizing such series and as specified in the written order of the Village delivered to the Trustee pursuant to Section 3 above.

Section 5. Conditions Precedent to Delivery of Additional Bonds.

A. The Trustee shall not deliver Additional Bonds of any series upon original issuance unless theretofore or simultaneously therewith the conditions set forth in this Article shall have been fulfilled.

B. No Additional Bonds of any series issued for the purpose described in clause i of Section 1 above shall be delivered until there shall have been filed with the Trustee a Tax Increment Finance Consultant's Certificate (a) estimating the amount of Incremental Pledged Revenues to be collected for each Bond Year (the "Collection Year") to and including the

Collection Year next preceding the final maturity date of all Outstanding Series 2001A Bonds and Outstanding Series 2010A Bonds, as of the time immediately following the issuance of such series of Additional Bonds; (b) stating the amount of interest and principal installments to become due in each Bond Year (the "Payment Year") immediately following each Collection Year on all Outstanding Series 2001A Bonds and Outstanding Series 2010A Bonds, as of the time immediately following the issuance of such Series of Additional Bonds; and (c) stating that for each Collection Year and corresponding Payment Year, the estimated amount described in (a) for the Collection Year will equal not less than 125% of the amount stated in (b) for the corresponding Payment Year.

C. No Additional Bonds of any series issued for the purpose described as refunding bonds in clause (ii) of Section 1 above shall be delivered until there shall have been filed with the Trustee:

(1) An Accountant's Certificate verifying that the moneys to be deposited with the Trustee will provide moneys sufficient to pay the principal of, the interest on and the redemption premium, if any, due on the Outstanding Series 2010A Bonds to be refunded; and

(2) Either (i) an Accountant's Certificate stating that, as of the time immediately following the issuance of such Series of Additional Bonds, the amount of interest and Principal Installments to become due in each Bond Year until the final maturity date of all Outstanding Series 2010A Bonds will not be greater than the amount of interest and Principal Installments to become due in each such Bond Year on all Outstanding Series 2010A Bonds as of the time immediately prior to the issuance of such

series of Additional Bonds or (ii) the Tax Increment Finance Consultant's Certificate set forth in Paragraph (B) of this Section 5.

The Village shall maintain the right to issue subordinate lien bonds, notes or other instruments payable from the General Account.

Notwithstanding anything contained herein to the contrary, the Village reserves the right to issue general obligation, revenue, or other bonds, notes or obligations which do not constitute a lien on the Incremental Pledged Revenues.

ARTICLE XII

FUNDS AND ACCOUNTS

Section 1. Pledge Securing Bonds. All Incremental Pledged Revenues and all other moneys deposited in the Mid Metro TIF Special Tax Allocation Fund and the North Avenue/25th Avenue Special Tax Allocation Fund pursuant to the provisions of the Tax Increment Act or this Ordinance shall be held in trust and applied only in accordance with the provisions of this Ordinance. A pledge of all Incremental Pledged Revenues, and all moneys, securities and funds, held or set aside or to be set aside pursuant to this Ordinance by the Trustee in the North Avenue/25th Avenue TIF Special Tax Allocation Fund and the Mid Metro TIF Special Tax Allocation Fund is made as security for the payment of the Series 2001A Bonds and the Series 2010A Bonds (the Series 2001A Bonds and the Series 2010A Bonds are together referred to as the "Bonds").

The pledges hereby made shall be valid and binding from and after the time of delivery by the Trustee of the first Series 2010A Bond authenticated and delivered under this Ordinance and the Bond Determination. Such Incremental Pledged Revenues and such moneys, securities and funds so pledged and then or thereafter received by the Village shall immediately be subject to the lien of such pledge without any physical delivery or further act, and the lien of such pledge

and the obligation to perform the contractual provisions hereby made shall be priority over any or all other obligations and liabilities of the Village with respect to the Incremental Pledged Revenues.

The pledges made pursuant to this Section shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Village.

Section 2. Establishment of Bond Fund and Accounts. The Village hereby establishes the Series 2010A Bond Fund (the “Bond Fund”) and the Bond Service Account, the Administrative Account, the General Account, and the Capitalized Interest Account within the Bond Fund.

Section 3. The Bond Fund. The Trustee will administer the Bond Fund, in which the Trustee shall transfer the annual incremental property taxes from the Mid Metro TIF Special Tax Allocation Fund and the North Avenue/25th Avenue Special Tax Allocation Fund, and from which the principal of and interest on the Series 2010A Bonds will be paid.

Section 4. Deposit of Moneys. From and after the time of delivery by the Trustee of the Series 2010A Bonds, all Incremental Pledged Revenues shall be deposited promptly with the Trustee and shall be paid by the Trustee into the Bond Service Account. The direct annual taxes levied upon all of the taxable property within the Village (the “Full Faith and Credit Taxes”) as set forth in Article XVIII hereof, that are extended for collection shall, when collected, be deposited promptly with the Trustee. All Full Faith and Credit Taxes received by the Trustee shall be paid over to the Bond Service Account and segregated therein for the payment of the principal installments of and interest on the Series 2010A Bonds.

Pursuant to the provisions of Section 11-74.4-10 of the Tax Increment Act, revenue received by the Village from the sale or other disposition of real property acquired by the Village

with the proceeds of the Series 2010A Bonds shall be deposited promptly with the Trustee and shall be paid by the Trustee into the Mid Metro TIF Special Tax Allocation Fund and/or the North Avenue/25th Avenue Special Tax Allocation Fund.

Section 5. Bond Service Account.

A. The Trustee shall, after verifying that the amounts on deposit are not less than 125% of the Bond Service Requirement (as defined hereafter), withdraw from the Bond Service Account, prior to each interest payment date of the Series 2010A Bonds, an amount equal to the unpaid interest due on the Series 2010A Bonds on such interest payment date, and shall cause the same to be applied to the payment of said interest when due. Under the provisions of this Paragraph (A), interest due on the Series 2010A Bonds does not include interest payable from amounts held in any capitalized interest account maintained with respect to the Series 2001A Bonds, or a series of Additional Bonds, or subordinate Bonds.

B. If the withdrawals required under the provisions of Paragraph (A) of this Section with respect to the same and every prior date shall sooner have been made, the Trustee shall withdraw from the Bond Service Account, (i) prior to each maturity date of the Series 2010A Bonds, an amount equal to the principal amount of the Outstanding Series 2010A Bonds, if any, maturing on such maturity date and shall cause the same to be applied to the payment of the principal of said Bonds when due and (ii) prior to each Sinking Fund Installment payment date, if any, an amount equal to the unsatisfied balance of the Sinking Fund Installments of the Outstanding Series 2010A Bonds, if any, due on such date and shall cause the same to be applied to the payment of the sinking fund redemption price of the Series 2010A Bonds to be redeemed on such date by the application of Sinking Fund Installments.

C. All withdrawals from the Bond Service Account under the provisions of Paragraph (A) or Paragraph (B) of this Section shall be made not earlier than three days prior to the date to which they relate, and the amounts so withdrawn shall, for all purposes of this Ordinance, be deemed to remain in and be part of the Bond Service Account until applied to the payment of the principal of, the interest on and the redemption premium, if any, due on the Series 2010A Bonds.

D. As of November 20th of each year, the Trustee shall determine and provide notice to the Village of the amount then held in the Bond Service Account. If such amount is less than the principal, interest and sinking fund installment, if any due in the following Bond Year (the "Bond Service Requirement"), the Trustee shall immediately withdraw from the General Account and pay in to the Bond Service Account the amount sufficient to increase the amount in the Bond Service Account to the Bond Service Requirement.

E. If 10 days prior to any payment date there shall not be a sufficient amount in the Bond Service Account to provide for any withdrawal therefrom required under the provisions of Paragraph (A) or Paragraph (B) of this Section, the Trustee shall immediately withdraw from the General Account and pay into the Bond Service Account the amount sufficient to make up such deficiency therein. If, after making the foregoing transfer, a deficiency still exists in the Bond Service Account, the Trustee shall immediately notify the President and the Village Treasurer and the Village shall immediately pay to the Trustee, for deposit into the Bond Service Account, the amount needed to cure such deficiency.

F. If, as of November 20th of any year, the amount then held in the Bond Service Account equals or exceeds the Bond Service Requirement for the then current Bond Year, the Trustee, within ten days thereafter, shall, out of moneys (if any) in the Bond Service Account in

excess of the Bond Service Requirement, make payments in the following priority, but as to each priority only within the limitation hereinbelow indicated with respect thereto and only after maximum payment within such limitation into every such priority previously mentioned in the following tabulation:

FIRST: At the direction of the Village expressed in an officer's certificate filed with the Trustee, to the Administrative Account, the sum of (i) the estimated amount needed to pay the fees and expenses of the Trustee during the then current Bond Year; (ii) the estimated amount needed to provide for the payment of any amounts to become due to the United States of America pursuant to Section 148(f) of the Internal Revenue Code of 1986 with respect to the Series 2010A Bonds in the current or the next ensuing Bond Year; and then (iii) an amount not to exceed \$100,000 for the administration of the North Avenue/25th Avenue TIF Special Tax Allocation Fund and the Mid Metro TIF Special Tax Allocation Fund.

SECOND: To the Village, the amount required to reimburse the sums previously paid by the Village pursuant to Paragraph (D) of this Section;

THIRD: To the General Account, to any extent.

G. The Trustee shall establish and maintain a bond service account for each particular group of bonds of like series for which sinking fund installments ("Sinking Fund Installments"), if any, are established. Moneys paid into the bond service account as a Sinking Fund Installment in any year shall upon receipt be segregated and set aside in said account in proportion to the respective amounts of the Sinking Fund Installments payment on the next ensuing Sinking Fund Installment date with respect to the particular bonds for which each such account is maintained.

H. The Trustee shall apply moneys in any account established in the Bond Service Account as provided in Paragraph (G) of this Section to the purchase or redemption of the Series 2010A Bonds for which such account is maintained in the manner provided in this Section and Article VI or to the payment of the principal thereof at maturity. If at any date there shall be moneys in any such account and there shall be outstanding none of the Series 2010A Bonds for which such account was established, said account shall be closed and the moneys therein shall be withdrawn therefrom and be applied by the Trustee as if paid into the Bond Service Account on said date.

I. On or prior to the 60th day prior to a particular Sinking Fund Installment date, if any, the moneys held for the payment of such Sinking Fund Installment may be applied for the purchase of the Series 2010A Bonds in an amount not exceeding that necessary to complete the retirement of the unsatisfied balance of the Series 2010A Bonds to be redeemed from such Sinking Fund Installment on the applicable Sinking Fund Installment date. The Series 2010A Bonds purchased pursuant to this paragraph shall be canceled by the Trustee and the principal amount thereof shall be credited against the unsatisfied balance of the applicable Sinking Fund Installment next due and payable. The purchase price paid by the Trustee (excluding accrued interest but including any brokerage and other charges) for any Series 2010A Bond shall not exceed the redemption price of such Series 2010A Bond applicable upon its redemption on the next date on which such Series 2010A Bond could be redeemed in accordance with its terms by the application of Sinking Fund Installments. Subject to the limitations herein before set forth or referred to in this Section, the Trustee shall purchase the Series 2010A Bonds at such times, for such prices, in such amounts and in such manner (whether after advertisement for tenders or otherwise) as directed by the Village in an officer's certificate filed with the Trustee or, in the

absence of such direction, in such manner as the Trustee in its discretion may determine and as may be possible with the amount of moneys available therefor in the Bond Service Account. Accrued interest on the Series 2010A Bonds purchased pursuant to this paragraph shall be paid from the Bond Service Account.

J. As soon as practicable after the 60th and before the 30th day prior to the date of each Sinking Fund Installment, if any, the Trustee shall call for redemption on said date and by application of said Sinking Fund Installment such principal amount of the Series 2010A Bonds entitled to such Sinking Fund Installment as is required to redeem the unsatisfied balance of such Sinking Fund Installment. The Trustee shall withdraw from the Bond Service Account, prior to each sinking fund redemption date, an amount equal to the redemption price of the Series 2010A Bonds called for redemption on said date, and apply the same to the payment of the redemption price of said Series 2010A Bonds when due.

Section 6. Administrative Account. At the direction of the Village expressed in an officer's certificate filed with the Trustee, moneys in the Administrative Account shall be applied to pay (i) the fees and expenses of the Trustee; (ii) any amounts due to the United States of America pursuant to Section 148(f) of the Internal Revenue Code of 1986 with respect to any Series 2010A Bond; and then (iii) an amount not to exceed \$100,000 for administration of the North Avenue/25th Avenue TIF Special Tax Allocation Fund and the Mid Metro TIF Special Tax Allocation Fund.

Section 7. General Account. At the direction of the Village expressed in an officer's certificate filed with the Trustee, the Trustee shall withdraw from the General Account and pay into the Bond Service Account or the Administrative Account, as applicable, the amounts set forth in such officer's certificate.

At the direction of the Village expressed in an officer's certificate filed with the Trustee, moneys in the General Account shall be transferred, applied or withdrawn for any one or more of the following purposes by the Village for the following accounts: (i) to purchase or redeem Series 2010A Bonds; (ii) to pay, to reimburse or to provide for the payment of Redevelopment Project Costs or any other expenditure permitted under the Tax Increment Act; and (iii) to provide for the defeasance and payment of Series 2010A Bonds pursuant to Article XXXI; (iv) to pay, or to secure the payment of, other obligations of the Village issued to pay Redevelopment Project Costs; (v) to provide for the distribution to taxing districts of excess funds in the General Account constituting "surplus" under Section 11-74.47 of the Tax Increment Act; and (vi) to provide for the payment of subordinate notes, if any.

Section 8. Series 2010A Expense Fund. There is hereby created the Series 2010A Expense Fund (the "Series 2010A Expense Fund"). The moneys in the Series 2010A Expense Fund shall be held by the Trustee in trust and applied to pay costs of issuance of the Series 2010A Bonds. Moneys in the Series 2010A Expense Fund may be withdrawn by the Village for such purposes upon the filing with the Trustee of requisitions signed by the President or any other employee of the Village designated by the President in a written certificate filed with the Trustee. Any moneys remaining in the Series 2010A Expense Fund on the 180th day following the date of issuance of the Series 2010A Bonds shall be paid over to the Bond Service Account.

Section 9. Funds Held for Series 2010A Bonds. The amounts held or applied by the Trustee for the payment of the principal of, the interest on and the redemption premium, if any, due on of the Series 2010A Bonds shall, pending such payment, be set aside and held in trust for the holders of the Series 2010A Bonds entitled thereto, and for the purposes of this

Ordinance such principal, interest and redemption premium, if any, due on of the Series 2010A Bonds, after the due date thereof, shall no longer be considered to be unpaid.

Any moneys held by the Trustee in trust for the payment and discharge of any of the Series 2010A Bonds that remain unclaimed for two years after the date when such Series 2010A Bonds have become due and payable, either at maturity or by call for redemption, if such moneys were held by the Trustee at said date, or for two years after the date of deposit of such moneys if deposited with the Trustee after the said date when such Series 2010A Bonds became due and payable, shall be paid by the Trustee to the Village as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the holder of such Series 2010A Bonds shall look only to the Village for the payment thereof.

Section 10. General Regulations as to Moneys and Funds. Moneys in any fund or account held by the Trustee, on instructions signed by a Village officer, shall be invested by the Trustee in Permitted Investments (as defined below) or be deposited in time or other accounts, maturing in the amounts and at the times necessary to provide funds to make the payments to which such moneys are applicable as determined by the Trustee. For the purpose of this Ordinance, the following obligations will be considered “Permitted Investments” for all purposes, including defeasance investments in refunding escrow accounts:

- (1) Cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in paragraph (2) below), or
- (2) Direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America.

For the purpose of the Ordinance, the following obligations will be considered “Permitted Investments” for all purposes other than defeasance investments in refunding escrow accounts:

- (1) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:

- Export Import Bank
 - Farm Credit System Financial Assistance Corporation
 - Rural Economic Community Development Administration (formerly the Farmers Home Administration)
 - General Services Administration
 - U.S. Maritime Administration
 - Small Business Administration
 - Government National Mortgage Association (GNMA)
 - U.S. Department of Housing & Urban Development (PHA's)
 - Federal Housing Administration
 - Federal Financing Bank;
- (2) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:
- Senior debt obligations rated "Aaa" by Moody's and "AAA" by S&P issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC)
 - Obligations of the Resolution Funding Corporation (REFCORP)
 - Senior debt obligations of the Federal Home Loan Bank System
 - Senior debt obligations of other Government Sponsored Agencies approved by the Bond Insurer;
- (3) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of "A 1" or "A 1+" by S&P and "P 1" by Moody's and maturing no more than 360 days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank.);
- (4) Commercial paper which is rated at the time of purchase in the single highest classification, "A 1+" by S&P and "P 1" by Moody's and which matures not more than 270 days after the date of purchase;
- (5) Investments in a money market fund rated "AAAm" or "AAAm-G" or better by S&P;
- (6) Pre-refunded Municipal Obligations defined as follows: Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and
- (A) which are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of S&P and Moody's or any successors thereto; or

- (B) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph A(2) above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate.
- (7) General obligations of States with a rating of at least "A2/A" or higher by both Moody's and S&P.
- (8) Investment agreements approved in writing by the Bond Insurer with notice to S&P; and
- (9) Other forms of investments (including repurchase agreements) approved in writing by the Bond Insurer with notice to S&P.

The value of the above investments shall be determined as follows:

"Value," which shall be determined as of the end of each month, means that the value of any investments shall be calculated as follows:

- (1) As to investments the bid and asked prices of which are published on a regular basis in The Wall Street Journal (or, if not there, then in The New York Times): the average of the bid and asked prices for such investments so published on or most recently prior to such time of determination;
- (2) As to investments the bid and asked prices of which are not published on a regular basis in The Wall Street Journal or The New York Times: the average bid price at such time of determination for such investments by any two nationally recognized government securities dealers (selected by the Trustee in its absolute discretion) at the time making a market in such investments or the bid price published by a nationally recognized pricing service;
- (3) As to certificates of deposit and bankers acceptances: the face amount thereof, plus accrued interest; and
- (4) As to any investment not specified above: the value thereof established by prior agreement between the Village, the Trustee and the Bond Insurer.

Any obligations so purchased with moneys in any fund or account shall be deemed at all times to be part of said fund or account and the interest thereon and any profit arising on the sale thereof shall be credited to said fund or account, and any loss resulting on the sale thereof shall be charged to said fund or account. Obligations so purchased as an investment of moneys in any such fund or account shall be sold at the best price obtainable whenever it shall be necessary so to do in order to provide moneys to make any transfer, withdrawal, payment or disbursement from said fund or account, or in the case of any required transfer of moneys, may be transferred to that fund or account in lieu of the required moneys. The Trustee shall not be liable or responsible for any loss resulting from any investment or any sale of an investment made in accordance with the Ordinance. In computing for any purpose hereunder the amount in any fund or account on any date, obligations so purchased, if due within one year after such date, shall be valued at the face value exclusive of accrued interest, or, if not due within one year after such date, shall be valued at market value (exclusive of accrued interest) and may be so valued as of any time within 30 days prior to such date.

All moneys (not including securities, except those securities which are Permitted Investments) held by the Trustee may be deposited by it, on demand or time deposit, in its banking department or with such other banks or trust companies which are lawful depositories as may be designated by the Village and approved by the Trustee. No such moneys shall be deposited with any bank or trust company, in an amount exceeding fifty percent (50%) of the amount which an officer of such bank or trust company shall certify to the Trustee as the combined capital and surplus of such bank or trust company.

Interest earnings on any fund or account shall be credited to, remain in, and be used for the same purposes of such fund or account.

ARTICLE XIII

SUPPLEMENTAL BOND ORDINANCES

Section 1. Supplemental Bond Ordinances Effective Upon Filing. For any one or more of the following purposes and at any time or from time to time, an ordinance of the Village supplementing this Ordinance may be adopted by the Corporate Authorities, which ordinance, upon the filing with the Trustee of a copy thereof certified by the Village Clerk, shall be fully effective in accordance with its terms:

(1) To close this Ordinance against, or provide limitations and restrictions in addition to the limitations and restrictions contained in this Ordinance on, the issuance in the future of Additional Bonds, or of other notes, bonds, obligations or evidences of indebtedness;

(2) To add to the covenants or agreements contained in this Ordinance other covenants or agreements to be observed by the Village which are not contrary to or inconsistent with this Ordinance as theretofore in effect;

(3) To add to the limitations or restrictions contained in this Ordinance other limitations or restrictions to be observed by the Village which are not contrary to or inconsistent with this Ordinance as theretofore in effect;

(4) To surrender any right, power or privilege reserved to or conferred upon the Village by this Ordinance;

(5) To confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, this Ordinance;

(6) To specify, determine or authorize any and all matters and things relative to the Series 2010A Bonds or the proceeds thereof which are not contrary to or inconsistent with this Ordinance as theretofore in effect; and

(7) To authorize Additional Bonds or, in connection therewith, specify, determine or authorize the matters and things mentioned or referred to in Article IV and also any other matters and things relative to such Series 2010A Bonds or the proceeds thereof which are not contrary to or inconsistent with this Ordinance as theretofore in effect.

Section 2. Supplemental Bond Ordinances Effective Upon Consent of Trustee.

For any one or more of the following purposes and at any time or from time to time, an ordinance of the Village amending or supplementing this Ordinance may be adopted by the Corporate Authorities, which ordinance, upon the (a) filing with the Trustee of a copy thereof certified by the Village Clerk and (b) filing with the Trustee and the Village of an instrument in writing made by the Trustee consenting to such ordinance, shall be fully effective in accordance with its terms:

(1) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in this Ordinance; and

(2) To insert such provisions clarifying matters or questions arising under this Ordinance as are necessary or desirable and are not contrary to or inconsistent with this Ordinance as theretofore in effect.

Section 3. Supplemental Bond Ordinances Effective with Consent of Bondholders.

A. At any time or from time to time, an ordinance of the Village amending or supplementing this Ordinance may be adopted by the Corporate Authorities modifying any of the provisions of this Ordinance or releasing the Village from any of the obligations, covenants, agreements, limitations, conditions or restrictions therein contained, but no such ordinance shall be effective until after the filing with the Trustee of a copy thereof certified by the Village Clerk

and unless (1) no Series 2010A Bonds authenticated and delivered by the Trustee prior to the adoption of such ordinance remain outstanding at the time it becomes effective, or (2) such ordinance is consented to by or on behalf of the Bondholders.

B. The provisions of Paragraph (A) of this Section shall not be applicable to ordinances of the Village adopted and becoming effective in accordance with the provisions of Section 1 or Section 2 of this Article.

Section 4. Restrictions on Amendments. This Ordinance shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of this Article XIII. The provisions of Paragraph (A) of Section 3 of this Article are in all respects subject and subordinate to the provisions, restrictions, exceptions and limitations set forth in Section 2 of this Article. Nothing in this Section or Section 2 of this Article shall affect or limit the right or obligation of the Village to pass, make, do, execute, acknowledge or deliver any resolution, act, deed, conveyance, assignment, transfer or assurance pursuant to the provisions of Section 1 of this Article or the right or obligation of the Village to execute and deliver to the Trustee an instrument which elsewhere in this Ordinance it is provided shall be delivered to the Trustee.

Section 5. Adoption and Filing of Supplemental Bond Ordinances. Any ordinance of the Village referred to and permitted to be authorized by Sections 1 or 2 of this Article may be adopted by the Corporate Authorities without the vote or consent of any of the Bondholders, but shall become effective only on the conditions, to the extent and at the time provided in said Sections, respectively. Every such ordinance so becoming effective shall thereupon form a part of this Ordinance. The copy of every such ordinance when filed with the Trustee shall be accompanied by an opinion of counsel to the Village (a "Counsel's Opinion") to

the effect that such ordinance has been duly and lawfully adopted by the Corporate Authorities in accordance with the provisions of this Ordinance, is authorized or permitted by the provisions of this Ordinance, and, when effective, will be valid and binding upon the Village and enforceable in accordance with its terms.

Section 6. Authorization to Trustee. The Trustee is hereby authorized to accept the delivery of a certified copy of any ordinance of the Village referred to and permitted or authorized by Sections 1, 2 or 3 of this Article and to consent to such ordinance and to make all further agreements and stipulations which may be therein contained, and the Trustee, in taking such action, shall be fully protected in relying on an opinion of counsel (which may be a Counsel's Opinion) that such ordinance is authorized or permitted by the provisions of this Ordinance or contains no provisions which are contrary to or inconsistent with this Ordinance as theretofore in effect.

ARTICLE XIV

AMENDMENTS

Section 1. Mailing. Any provision in this Article for the mailing of a notice or other paper to Bondholders shall be fully complied with if it is mailed or delivered only to each Bondholder at the address of such Bondholder appearing upon the registration books of the Village kept at the principal office of the Bond Registrar, and to the Trustee.

Section 2. Powers of Amendment. Any amendment of this Ordinance may be made by a supplemental bond ordinance with the written consent given as provided in Section 3(B) of the holders of at least a majority in aggregate principal amount of the Outstanding Series 2010A Bonds. No such amendment shall effect a change in the maturity or terms of redemption of the principal of any Outstanding Series 2010A Bond or of any installment of interest thereon or a reduction in the principal amount, the redemption price thereof or in the rate of interest thereon

without the consent of the holder of such Bond, or shall create a preference or priority of any Bond over any other Bond without the consent of the holder of the Bond adversely affected, or shall change or modify any of the rights or obligations of the Trustee without its written assent thereto, or shall reduce the percentages or otherwise affect the description of Series 2010A Bonds the consent of the holders of which is required to effect any such amendment.

Section 3. Consent of Bondholders.

A. The Corporate Authorities of the Village may at any time adopt an ordinance authorizing an amendment of this Ordinance permitted by the provisions of Section 2 of this Article, to take effect when and as provided in this Section. A copy of such amendment (or summary thereof or reference thereto in form approved by the Trustee) together with a request to Bondholders for their consent thereto in form satisfactory to the Trustee, shall be mailed by the Village to Bondholders, but failure to mail such copy and request shall not affect the validity of such amendment when consented to as in this Section provided. Such amendment shall not be effective unless and until, and shall take effect in accordance with its terms when (a) there shall have been filed with the Trustee (i) the written consents of the holders or at least a majority in aggregate principal amount of Outstanding Series 2010A Bonds, and (ii) a Counsel's Opinion stating that such amendment has been duly authorized by the Village in accordance with the provisions of this Ordinance, is permitted by this Ordinance and, when effective, will be valid and binding upon the Village, the Bondholders and the Trustee, and (b) a notice shall have been mailed as hereinafter in this Section provided. Any such consent shall be effective only if accompanied by proof of the ownership, at the date of such consent, of the Series 2010A Bonds with respect to which such consent is given. A certificate or certificates by the Trustee filed with the Trustee that it has examined such proof and that such proof is sufficient under the provision

of Section 2 of this Article shall be conclusive that consents have been given by the holders of the Series 2010A Bonds described in such certificate or certificates of the Trustee. Any such consent shall be binding upon the holder of the Series 2010A Bonds giving such consent and upon any subsequent holder of such Series 2010A Bonds and of any Series 2010A Bonds issued in exchange therefor whether or not such subsequent holder has notice thereof; provided, however, that any consent may be revoked by any holder of such Series 2010A Bonds by filing with the Trustee, prior to the time when the Trustee's written statement hereafter in this Section referred to is filed, a written revocation, with proof that such Series 2010A Bonds are owned by the signer of such revocation. The fact that a consent has not been revoked may be proved by a certificate of the Trustee to the effect that no revocation thereof is on file with it. Any consent, or revocation thereof, may be delivered or filed prior to any mailing required by this Article and shall not be deemed ineffective by reason of such prior delivery or filing.

B. Within thirty days of any date of which the consents on file with the Trustee and not theretofore revoked shall be sufficient under this Section, the Trustee shall make and file with the Village and the Bond Registrar a written statement that the consents of the holders of the required percentage of Outstanding Series 2010A Bonds have been filed with it. Such written statement shall be conclusive that such consents have been so filed. At any time thereafter notice, stating in substance that the amendment has been consented to by the holders of the required percentage of Outstanding Series 2010A Bonds and will be effective as provided in this Section, shall be given by mailing to the Bondholders at least once within sixty days after such statement of the Trustee has been so filed. A record, consisting of the papers required or permitted by this Section to be filed by or with the Trustee, shall be proof of the matters therein stated.

Section 4. Amendments by Unanimous Action. This Ordinance may be amended in any respect upon the consents of the holders of all the then Outstanding Series 2010A Bonds, each such consent to be accompanied by proof of the ownership at the date of such consent of the Series 2010A Bonds with respect to which such consent is given. Such amendment shall take effect upon the filing (a) with the Trustee of (i) a copy of the ordinance authorizing such amendment, certified as provided in Section 2 of this Article, (ii) such consents and accompanying proofs, and (iii) the Counsel's Opinion referred to in Section 3 of this Article, and (b) with the Village and the Trustee of the Trustee's written statement that the consents of the holders of all Outstanding Series 2010A Bonds have been filed with it. No such amendment shall change or modify any of the rights or obligations of the Trustee without its written assent thereto.

Section 5. Exclusion of Series 2010A Bonds. Series 2010A Bonds owned or held by or for the account of the Village shall be excluded and shall not be deemed outstanding for the purpose of any calculation of Outstanding Series 2010A Bonds provided for in this Article. At the time of any consent or other action under this Article, the Village shall furnish the Trustee an officer's certificate, upon which the Trustee may rely, describing all Series 2010A Bonds so to be excluded.

Section 6. Notation on Series 2010A Bonds. Series 2010A Bonds authenticated and delivered after the effective date of any action taken as in Article XIII or this Article provided may, and if the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the Village and the Trustee as to such action and in that case upon demand of the holder of any Outstanding Series 2010A Bond at such effective date and presentation of such Outstanding Series 2010A Bond for the purpose at the principal office of the Trustee suitable

notation shall be made on such Bond by the Trustee as to any such action. If the Village or the Trustee shall so determine, new Series 2010A Bonds so modified as in the opinion of the Trustee and the Village to conform to such action shall be prepared, authenticated and delivered, and upon demand of the holder of any Outstanding Series 2010A Bond shall be exchange, without cost to such Bondholder, for Series 2010A Bonds of the same Series, designation, maturity and interest rate then outstanding, upon surrender of such Series 2010A Bonds.

Section 7. Contracts or Indentures. The Village, so far as it may be authorized by law, may and if requested by the Trustee shall enter into a contract or an indenture with the Trustee giving effect to any modification or amendment of this Ordinance as hereinabove in Article XIII or this Article provided.

ARTICLE XV

REMEDIES ON DEFAULT

Section 1. Powers of Trustee. The Village determines that there shall be, and there hereby are, vested in the Trustee, in addition to all its property, rights, powers and duties mentioned or referred to in any other provision of this Ordinance, the rights, powers and duties in this Section provided in trust for the Bondholders.

Section 2. Events of Default. Each of the following shall constitute an event of default under this Ordinance and is hereby called "Event of Default":

(1) interest on any of the Series 2010A Bonds of a particular Series shall become due on any date and shall not be paid on said date, or a principal installment or the redemption price of any of the Series 2010A Bonds of a particular Series shall become due on any date, whether at maturity or upon call for redemption, and shall not be paid on said date; or

(2) a default shall be made in the observance or performance of any covenant, contract or other provision in the Series 2010A Bonds or this Ordinance and such default shall

continue for a period of thirty days after written notice to the Village from the Trustee specifying such default and requiring the same to be remedied; or

(3) there shall be filed by the Village a petition seeking an adjustment of indebtedness under any applicable law or statute of the United States of America or of the State of Illinois.

Section 3. Enforcement by Trustee. Upon the happening and continuance of an Event of Default or an event which upon sufficient notice may become an Event of Default described in the preceding Section, the Trustee in its own name and as trustee of an express trust, on behalf and for the benefit and protection of the holders of all Series 2010A Bonds, may proceed, and upon the written request of the holders of not less than twenty-five percent (25%) in aggregate principal amount of the then Outstanding Series 2010A Bonds of the Series with respect to which such Event of Default has happened shall proceed, subject to the provisions of Section 2 of this Article, to protect and enforce its rights and any rights of the Trustee and, to the full extent that the holders of such Series 2010A Bonds themselves might do, the rights of such Bondholders under the laws of the State of Illinois or under this Ordinance by such suits, actions or proceedings in equity or at law, either for the specific performance of any covenant or contract contained herein or in aid or execution of any power herein granted or for any legal or equitable remedy as the Trustee shall deem most effectual to protect and enforce the rights aforesaid.

Section 4. Representation of Bondholders by Trustee. The Trustee is hereby irrevocably appointed (and the Bondholders, by accepting and holding the same, shall be conclusively deemed to have so appointed the Trustee and to have mutually covenanted and agreed, each with the other, not to revoke such appointment) as true and lawful attorney-in-fact of the Bondholders with power and authority, at any time in its discretion:

(1) Pursuant to this Ordinance or the Tax Increment Act or any law, after the happening of an Event of Default, (a) by action in lieu of mandamus or other prerogative writ or by other suit, action or proceeding in equity or at law, to enforce all rights of the Bondholders including the right to require the Village and the members and officers thereof to fulfill any covenant or agreement with the Bondholders and to perform its and their duties under this Ordinance and the Tax Increment Act, (b) to bring suit upon the Series 2010A Bonds, (c) by action or suit in equity, to require the Village to account as if it were a trustee of an express trust for the Bondholders, or (d) by action or suit in equity, to enjoin any acts or things which may be lawful or in violation of the rights of the Bondholders; and

(2) To make and file in any proceeding for the adjustment of the debts of the Village either in the respective names of the Bondholders or on behalf of all the Bondholders as a class, any proof of debt, amendment of proof of debt, petition or other document, to receive payment of any sums becoming distributable to the Bondholders, and to execute any other papers and documents and do and perform any and all such acts and things as may be necessary or advisable in the opinion of the Trustee in order to have the respective claims of the Bondholders against the Village allowed in any such proceeding.

Section 5. Limitation on Powers of Trustee. Nothing in this Ordinance contained shall be deemed to give power to the Trustee either as such or as attorney in fact of the Bondholders to vote the claims of the Bondholders in any bankruptcy proceeding or to accept or consent to any plan or reorganization, readjustment, arrangement or composition of other like plan, or by other action of any character to waiver or change any right of any Bondholder to any modification or amendment of this Ordinance requiring such consent or to any ordinance requiring such consent pursuant to the provisions of Article XIII or Article XIV.

Section 6. Action by Trustee.

A. All rights of action under this Ordinance or upon any of the Series 2010A Bonds, enforceable by the Trustee, may be enforced by the Trustee without the possession of any of the Series 2010A Bonds, or the production thereof at the trial or other proceedings relative thereto, and any such suit, action or proceeding instituted by the Trustee may be brought in its name for the ratable benefit of the holders of said Series 2010A Bonds, subject to the provisions of this Ordinance.

B. In the enforcement of any rights under this Ordinance, the Trustee shall be entitled to sue for, enforce payment of and to receive any and all amounts then or during any default becoming, and at any time remaining, due for principal, interest or otherwise under any of the provisions of the Tax Increment Act or this Ordinance or of the Series 2010A Bonds and unpaid, with interest on overdue payments, together with any and all costs and expenses of collection and of all proceedings hereunder and under such Series 2010A Bonds, without prejudice to any other right or remedy of the Trustee or of the Bondholders, and to recover and enforce judgment or decree against the Village for any portion of such amounts remaining unpaid, with interest costs and expenses as aforesaid, and to collect in any manner provided by law, the moneys adjudged or decreed to be payable.

C. In any action, suit or other proceeding by the Trustee, the fees, counsel fees and expenses of the Trustee shall constitute taxable costs and disbursements, and all costs and disbursements, allowed by the court, shall be a first charge on the Incremental Pledged Revenues and the Full Faith and Credit Taxes.

Section 7. Accounting and Examination of Records after Default. The Village covenants with the Trustee that, if an Event of Default shall have happened and shall not have

been remedied, (1) the books of record and account of the Village and all records relating to the North Avenue/25th Avenue Redevelopment Plan and the Mid Metro Redevelopment Plan shall at all times be subject to the inspection and use of the Trustee and of its agents and attorneys, and (2) the Village, whenever the Trustee shall demand, will account, as if it were the trustee of an express trust, for all Incremental Pledged Revenues and Full Faith and Credit Taxes and other moneys, securities and funds pledged or held under this Ordinance for such period as shall be stated in such demand.

Section 8. Limitation on Rights of Bondholders. No holder of any Series 2010A Bond shall have any right to institute any suit, action, mandamus or other proceeding in equity or at law hereunder, for the protection or enforcement of any right under this Ordinance or any right under law unless (a) such holder shall have given to the Trustee written notice of the Event of Default or breach of duty on account of which such suit, action or proceeding is to be taken, (b) the holders of not less than twenty-five percent (25%) in aggregate principal amount of the then Outstanding Series 2010A Bonds shall have made written request of the Trustee after the right to exercise such powers shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers herein granted or to institute such action, suit or proceeding in its name, (c) there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby and (d) the Trustee shall have refused or neglected to comply with such request within a reasonable time. Nothing in this Article contained shall affect or impair the right of any Bondholder to enforce the payment of the principal of, the interest on and the redemption premium, if any, due on of the Series 2010A Bonds, or the obligation of the Village to pay the principal of, the interest on and

the redemption premium, if any, due on of the Series 2010A Bonds to the holder thereof at the time and place in said Bond expressed.

Section 9. Priority of Payments After Default.

A. In the event that upon the happening and continuance of any Event of Default, the funds held by the Trustee shall be insufficient for the payment of the principal of, the interest on and the redemption premium, if any, due on of the Series 2010A Bonds, such funds (other than funds held for the payment or redemption of particular Series 2010A Bonds which have theretofore become due at maturity or by call for redemption) and any other moneys received or collected by the Trustee, after making provision for the payment of any expenses necessary to protect the interests of the holders of the Series 2010A Bonds and for the payment of the charges and expenses (including attorneys' fees) and liabilities incurred and advances made by the Trustee in the performance of their respective duties under this Ordinance, shall be applied as follows:

FIRST: To the payment to the persons entitled thereto of all installments of interest then due in the order of the due dates of such installments, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference, and

SECOND: To the payment to the persons entitled thereto of the unpaid principal or redemption price, if any, of any Series 2010A Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Series 2010A Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or

redemption price, if any, due on such date, to the persons entitled thereto, without any discrimination or preference.

B. Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section, interest on the amounts of principal to be paid on such date of application shall cease to accrue. The Trustee shall give such notice as it may deem appropriate for the fixing of any such date. The Trustee shall not be required to make payment to the holder of any unpaid Series 2010A Bonds unless such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 10. Remedies Not Exclusive. No remedy by the terms of this Ordinance conferred upon or reserved to the Trustee (or to Bondholders) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder now or hereafter existing at law or in equity or by statute, except as otherwise provided herein.

Section 11. Control of Proceedings. In the case of an Event of Default described in Section 2 of this Article, the holders of a majority in aggregate principal amount of the then Outstanding Series 2010A Bonds shall have the right, subject to the provisions herein, by an instrument in writing executed and delivered to the Trustee, to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee; provided, however, that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action or proceeding so directed may not lawfully be taken, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to Bondholders not parties to such direction.

Section 12. Effect of Waiver and Other Circumstances. No delay or omission of the Trustee or of any holders of Series 2010A Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or acquiescence therein, and every right, power and remedy given by this Ordinance to them or any of them may be exercised from time to time and as often as may be deemed expedient by the Trustee or, in an appropriate case, by the Bondholders. In case the Trustee shall have proceeded to enforce any right under this Ordinance, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the Village, the Bondholders and the Trustee will be restored to their former positions and rights hereunder with respect to all rights, remedies and powers of the Trustee and the Bondholders, which shall continue as if no such proceedings had been taken.

Section 13. Notice of Default. The Trustee shall give to the Bondholders notice of each Event of Default of which it has notice, unless such Event of Default shall have been remedied or cured or necessary amounts provided before the giving of such notice; but, except in the case of default in the payment of the principal of, the interest on and the redemption premium, if any, due on of the Series 2010A Bonds, the Trustee shall be protected in withholding such notice if and so long as the Trustee in good faith determines that the withholding of such notice is in the interest of the Bondholders. Each such notice shall be given by the Trustee by mailing written notice to each holder of Series 2010A Bonds at his address, appearing upon the registration books.

ARTICLE XVI

THE TRUSTEE

Section 1. Appointment. Amalgamated Bank of Chicago, having its principal office in Chicago, Illinois, is hereby appointed as trustee hereunder, and the property, rights, powers and duties of the Trustee under this Ordinance are hereby vested in said trustee in trust for the Bondholders. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by this Ordinance by executing the certificate of authentication endorsed upon the Series 2010A Bonds, and, by executing such certificate upon any Bond, the Trustee shall be deemed to have accepted such duties and obligations not only with respect to the Bond so authenticated, but with respect to all the Series 2010A Bonds thereafter to be issued, but only, however, upon the terms and conditions set forth in this Ordinance.

Section 2. Responsibilities of Trustee.

A. The recitals of fact herein and in the Series 2010A Bonds contained shall be taken as the statements of the Village and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Ordinance or of any Series 2010A Bonds issued thereunder or in respect of the security afforded by this Ordinance, and the Trustee shall not incur any responsibility in respect thereof. The Trustee shall, however, be responsible for its representation contained in its certificate of authentication on the Series 2010A Bonds. The Trustee shall not be under any responsibility or duty with respect to the issuance of the Series 2010A Bonds for value or the application of the proceeds thereof, except to the extent such proceeds are paid to the Trustee in its capacity as Trustee, or the application of any moneys paid to the Village or others in accordance with this Ordinance. The Trustee shall not be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any action or suit in respect of

this Ordinance or Series 2010A Bonds, or to advance any of its own moneys, unless properly indemnified. The Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence or default.

B. The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Ordinance. In case an Event of Default has occurred (which has not been cured or waived), the Trustee shall exercise such of the rights and powers vested in it by this Ordinance, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his own affairs.

Section 3. Funds Held in Trust. All moneys held by the Trustee, as such, at any time pursuant to the terms of this Ordinance shall be and hereby are assigned, transferred and set over unto the Trustee in trust for the purposes and under the terms and conditions of this Ordinance.

Section 4. Evidence on Which Trustee May Act. The Trustee shall be protected in acting upon any notice, ordinance, resolution, request, consent, order, certificate, opinion, bond, or other paper or document believed by it to be genuine, and to have been signed or presented by the proper party or parties. The Trustee may consult with and rely on the advice or opinion of accountants with respect to any appropriate matter, including verification of any mathematical computation required to be made. Whenever the Trustee shall deem it necessary or desirable that a fact or matter be proved or established prior to taking or suffering any action hereunder, such fact or matter, unless other evidence in respect thereof be therein specifically prescribed, may be deemed to be conclusively proved and established by an officer's certificate stating the same, but in its discretion the Trustee may in lieu thereof accept other evidence of such fact or matter.

Section 5. Compensation and Expenses. Unless otherwise provided by contract with the Trustee, the Village shall pay to the Trustee from time to time reasonable compensation in accordance with existing fee schedules, for all services rendered by it hereunder, and also reimbursement for all its reasonable expenses, charges, legal, accounting and engineering fees and other disbursements and those of its attorneys, agents and employees, incurred in and about the performance of its powers and duties hereunder. The Village shall indemnify and save the Trustee harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder and which are not due to its gross negligence or willful misconduct.

Section 6. Resignation. The Trustee may at any time resign and be discharged of its duties and obligations by giving not less than sixty days' written notice to the Village and mailing notice thereof of each Bondholder within twenty days after the giving of such written notice. Such resignation shall take effect when a successor shall have been appointed by the Village or Bondholders as herein provided.

Section 7. Removal. The Village may remove the Trustee at any time, except during the existence of an Event of Default, for such cause as shall be determined in the sole discretion of the Village by filing with the Trustee an instrument signed by a Village officer. The Trustee may be removed at any time by the holders of a majority in principal amount of the Outstanding Series 2010A Bonds, excluding any Series 2010A Bonds held by or for the account of the Village, by an instrument or concurrent instruments in writing signed and delivered to the Village. Copies of each such instrument shall be delivered by the Village to the Trustee.

Section 8. Appointment of Successor. In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee or of its property shall be

appointed, or if any public officer or court shall take charge or control of the Trustee or of its property or affairs, a successor may be appointed by the holders of a majority in principal amount of the Outstanding Series 2010A Bonds, excluding any Series 2010A Bonds held by or for the account of the Village, by an instrument or concurrent instruments in writing signed by such Bondholders or their attorneys duly authorized in writing and delivered to such successor Trustee, notification thereof being given to the Village and the predecessor Trustee. Pending such appointment, the Village agrees to forthwith appoint a Trustee to fill such vacancy until a successor Trustee shall be appointed by Bondholders. If in a proper case no appointment of a successor Trustee shall have been given to the Village written notice of resignation as provided in Section 6 of this Article or after the occurrence of any other event requiring or authorizing such appointment, the resigning Trustee or any Bondholder may apply to any court of competent jurisdiction to appoint a successor. Any Trustee appointed under the provisions of this Section shall be a bank, trust company or national banking association, having its principal office in the State of Illinois, having trust powers and authorized to perform all the duties imposed upon it by this Ordinance.

Section 9. Transfer of Rights and Property to Successor. Any successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Village, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, but the Trustee ceasing to act shall nevertheless, on the written request of the Village or of the successor Trustee, execute, acknowledge and deliver such instruments of conveyance and further assurance as may be required to vest and confirm in such successor Trustee all rights, title and interest of the

predecessor Trustee in and to any property held by it, and shall pay over, assign and deliver to such successor Trustee any moneys or other property subject to the trusts and conditions herein set forth. The Village hereby agrees to deliver, or cause to be delivered, any deed, conveyance or instrument required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such moneys, estates, properties, rights, powers and duties.

Section 10. Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party, or any company to which such Trustee or any public officer or court may sell or transfer all or substantially all of its corporate trust business, shall be the successor to such Trustee without the execution or filing of any paper or the performance of any further act; provided, however, that such company shall be a bank, trust company or national banking association which is qualified to be a successor to the Trustee under Section 8 of this Article.

Section 11. Adoption of Authentication. In case any of the Series 2010A Bonds contemplated to be issued under this Ordinance shall have been authenticated but not delivered, any successor Trustee may adopt the certification of authentication of any predecessor Trustee so authenticating such Series 2010A Bonds and deliver such Series 2010A Bonds so authenticated, and in case any of the said Series 2010A Bonds shall not have been authenticated, any successor Trustee may authenticate such Series 2010A Bonds in the name of the predecessor Trustee or in the name of the successor Trustee.

Section 12. Certain Permitted Acts. The Trustee may become the owner of or may deal in Series 2010A Bonds as fully and with the same rights it would have if it were not the

Trustee. To the extent permitted by law, the Trustee may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or effect or aid in any readjustment of debts growing out of the enforcement of the Series 2010A Bonds or this Ordinance, whether or not any such committee shall represent the holders of a majority in aggregate principal amount of the Outstanding Series 2010A Bonds.

ARTICLE XVII

BOND INSURANCE

The Village may purchase a bond insurance policy (the “Bond Insurance Policy”) issued by a bond insurer (the “Bond Insurer”) for the payment of principal and interest on the Series 2010A Bonds or any maturity thereof. As long as such Bond Insurance Policy shall be in full force and effect, the Village and the Bond Registrar agree to comply with such usual and reasonable provisions regarding presentment and payment of the Series 2010A Bonds, subrogation of the rights of the Series 2010A Bondholders to the Bond Insurer upon payment of the Series 2010A Bonds by the Bond Insurer, amendment hereof, or other terms, as approved by the Village President on advice of counsel, his or her approval to constitute full and complete acceptance by the Village of such terms and provisions under authority of this Article. The Bond Determination may establish the specific terms of any such Bond Insurance Policy.

ARTICLE XVIII

TAX LEVY

For the purpose of providing additional funds to pay the principal of and interest on the Series 2010A Bonds in the years for which any of the Series 2010A Bonds are outstanding, there are hereby levied the Full Faith and Credit Taxes for each of the years while the Series 2010A

Bonds or any of them are outstanding, in amounts sufficient for that purpose in addition to all other taxes as set forth in the Bond Determination.

The Full Faith and Credit Taxes are hereby pledged to the payment of the Series 2010A Bonds and, subject to the provisions of this Ordinance permitting the abatement of such taxes, the Village covenants and agrees to provide for and apply such Full Faith and Credit Taxes to the payment of the Series 2010A Bonds.

Interest or principal coming due at any time when there are insufficient funds on hand to pay the same shall be paid promptly when due from current funds on hand in advance of the collection of the Full Faith and Credit Taxes herein levied; and when the Full Faith and Credit 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 the owners of the Series 2010A Bonds that so long as any of the Series 2010A Bonds remain outstanding, the Village will take no action or fail to take any action which in any way would adversely affect the ability of the Village to collect the Incremental Pledged Revenues or to levy and collect the Full Faith and Credit Taxes. The Village and its officers will comply with all present and future applicable laws in order to assure that the Incremental Pledged Revenues will be available and that the Full Faith and Credit Taxes will be levied, extended and collected as provided herein and deposited in the Bond Service Account subject to the provisions of Article XII herein.

ARTICLE XIX

FILING WITH COUNTY CLERK

After this Ordinance becomes effective, a copy hereof certified by the Village Clerk, shall be filed together with the Bond Determination, if any, with the County Clerk of Cook County, Illinois (the "County Clerk"), who is hereby directed to ascertain the rate required to

produce the aggregate Full Faith and Credit Taxes hereinbefore provided to be levied in each of the applicable years; 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 Full Faith and Credit Taxes shall be levied and collected by and for and on behalf of the Village in like manner as taxes for general corporate purposes of the Village for said years are levied and collected, and in addition to and in excess of all other taxes.

ARTICLE XX

ABATEMENT OF FULL FAITH AND CREDIT TAXES

Whenever the Village has received a certificate from the Trustee certifying that funds are available to pay any principal of or interest on the Series 2010A Bonds when due and are on deposit with the Trustee in the Bond Service Account, so as to enable the abatement of the Full Faith and Credit Taxes levied for the same, the Corporate Authorities, or the officers of the Village acting with proper authority, shall direct the deposit of such funds into the Bond Fund created solely for such purpose. The Corporate Authorities shall direct the abatement of the Full Faith and Credit Taxes by such amount, and proper notification of such abatement shall be filed with the County Clerk, in a timely manner to effect such abatement.

ARTICLE XXI

INCREMENTAL PLEDGED REVENUES AND FULL FAITH AND CREDIT TAXES

The Incremental Pledged Revenues and the Full Faith and Credit Taxes shall be set aside as collected and shall be deposited with the Trustee as provided in this Ordinance. The Series 2001A Bonds and the Series 2010A Bonds are secured by the Incremental Pledged Revenues and such Incremental Pledged Revenues on deposit in the North Avenue/25th Avenue TIF Special Tax Allocation Fund and the Mid Metro TIF Special Tax Allocation Fund are hereby

appropriated for the purpose of paying the principal of and interest on the Series 2001A Bonds and the Series 2010A Bonds in accordance herewith, and such pledge and appropriation are irrevocable until the Series 2001A Bonds and the Series 2010A Bonds have been paid in full or until the obligations of the Village are discharged under this Ordinance.

ARTICLE XXII

USE OF SERIES 2010A BOND PROCEEDS

The Village will cause the proceeds of the initial sale of the Series 2010A Bonds to be deposited with the Trustee for deposit as provided for herein or in the Bond Determination.

ARTICLE XXIII

TAX ALLOCATION FUNDS

Section 1. North Avenue/25th Avenue TIF Special Tax Allocation Fund. The North Avenue/25th Avenue TIF Special Tax Allocation Fund was established pursuant to an ordinance adopted by the President and Board of Trustees of the Village on November 9, 1998, entitled "An Ordinance Adopting Tax Increment Allocation Financing for the North Avenue/25th Avenue Redevelopment Project Area in the Village of Melrose Park, County of Cook, State of Illinois". The North Avenue/25th Avenue TIF Special Tax Allocation Fund shall be maintained and administered by the Trustee in accordance with the provisions of this Ordinance. The Village shall deposit into the North Avenue/25th Avenue TIF Special Tax Allocation Fund the incremental real property tax revenues generated within the North Avenue/25th Avenue TIF District from time to time and the interest earned on the investment of such revenues from time to time, in accordance herewith. Moneys held in the North Avenue/25th Avenue TIF Special Tax Allocation Fund are to be used for the payment of the principal and interest on the Series 2001A Bonds and the Series 2010A Bonds and for the payment of Redevelopment Project Costs in accordance with the Redevelopment Agreement.

Section 2. Mid Metro TIF Special Tax Allocation Fund. The Mid Metro TIF Special Tax Allocation Fund was established pursuant to an ordinance adopted by the President and Board of Trustees of the Village on December 11, 1989, entitled “An Ordinance Adopting Tax Increment Financing for the Mid Metro Industrial Area Redevelopment Project Area”. The Mid Metro TIF Special Tax Allocation Fund shall be maintained and administered by the Trustee in accordance with the provisions of this Ordinance. The Village shall deposit into the Mid Metro TIF Special Tax Allocation Fund the incremental real property tax revenues generated within the Mid Metro TIF District from time to time and the interest earned on the investment of such revenues from time to time, in accordance herewith. Moneys held in the Mid Metro TIF Special Tax Allocation Fund are to be used for the payment of the principal and interest on the Series 2001A Bonds and the Series 2010A Bonds and for the payment of Redevelopment Project Costs in accordance with the Redevelopment Agreement.

ARTICLE XXIV

NOT PRIVATE ACTIVITY BONDS

None of the Series 2010A Bonds is a “private activity bond” as defined in Section 141(a) of the Internal Revenue Code of 1986, as amended (the “Code”). In support of such conclusion, the Village certifies, represents and covenants as follows:

(a) No direct or indirect payments are to be made on any Series 2010A Bond with respect to any private business use by any person other than a state or local governmental unit.

(b) None of the proceeds of the Series 2010A Bonds is to be used, directly or indirectly, to make or finance loans to persons other than a state or local governmental unit.

ARTICLE XXV

GENERAL ARBITRAGE COVENANTS

The Village represents and certifies as follows with respect to the Series 2010A Bonds:

(1) The Village has not been notified of any disqualification or proposed disqualification of it by the Commissioner of the Internal Revenue Service as a bond issuer which may certify bond issues under Treasury Regulations Section 1.148-2(b)(2); and

(2) Moneys on deposit in any fund or account in connection with the Series 2010A Bonds, whether or not such moneys were derived from the proceeds of the sale of the Series 2010A Bonds or from any other source, will not be used in a manner which will cause the Series 2010A Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code and any lawful regulations promulgated thereunder, as the same presently exist or may from time to time hereafter be amended, supplemented or revised.

ARTICLE XXVI

ARBITRAGE REBATE

The Village certifies and covenants as follows with respect to the requirements of Section 148(f) of the Code, relating to the rebate of “excess arbitrage profits” (the “Rebate Requirement”) to the United States as they relate to the Series 2010A Bonds:

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

(2) Relating to applicable exceptions, the Village Treasurer or the Village President is hereby authorized to make such elections under the Code as either such officer shall deem reasonable and in the best interests of the Village. If such election may result in a “penalty in lieu of rebate” as provided in the Code, and such penalty is incurred (the “Penalty”), then the Village shall pay such Penalty.

(3) The officers of the Village shall cause to be established, at such time and in such manner as they may deem necessary or appropriate hereunder, the Rebate Fund, and such officers shall further, not less frequently than annually, cause to be transferred to the Rebate Fund the amount determined to be the accrued liability under the Rebate Requirement or Penalty. Said officers shall cause to be paid to the United States, without further order or direction from the Corporate Authorities, from time to time as required, amounts sufficient to meet the Rebate Requirement or to pay the Penalty.

(4) Interest earnings in the North Avenue/25th Avenue Special Tax Allocation Fund and the Mid Metro TIF Special Tax Allocation Fund are hereby authorized to be transferred, without further order or direction from the Corporate Authorities, from time to time as required, to the Rebate Fund for the purposes herein provided; and proceeds of the Series 2010A Bonds and other funds of the Village are also hereby authorized to be used to meet the Rebate Requirement or to pay the Penalty, but only if necessary after application of investment earnings as aforesaid and only if appropriated by the Corporate Authorities.

ARTICLE XXVII

FURTHER TAX COVENANTS

The Village covenants with the holders of the Series 2010A Bonds from time to time outstanding that it (i) will take all actions which are necessary to be taken (and avoid any actions which it is necessary to avoid taking) so that interest on the Series 2010A Bonds will not be or become included in gross income for federal income tax purposes under existing law including, without limitation, the Code; (ii) will take all actions reasonably within its power to take which are necessary to be taken (and avoid taking any actions which are reasonably within its power to avoid taking and which it is necessary to avoid) so that interest on the Series 2010A Bonds will not be or become included in gross income for federal income tax purposes under the federal

income tax laws as in effect from time to time; and (iii) will take no action in the investment of the proceeds of the Series 2010A Bonds, the North Avenue/25th Avenue TIF Special Tax Allocation Fund, the Mid Metro TIF Special Tax Allocation Fund or any other fund of the Village which would result in making interest on the Series 2010A Bonds subject to federal income taxes by reason of causing the Series 2010A Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code. In furtherance of the foregoing provisions, but without limiting their generality, the Village agrees: (i) through its officers, to make such further specific covenants, certifications and representations as shall be truthful, and assurances as may be necessary or advisable; (ii) to comply with all representations, covenants and assurances contained in certificates or agreements as may be prepared by counsel approving the Series 2010A Bonds; (iii) to consult with such counsel and to comply with such advice as may be given; (iv) to file such forms, statements and supporting documents as may be required and in a timely manner; and (v) if deemed necessary or advisable by its officers, to employ and pay fiscal agents, financial advisors, attorneys and other persons to assist the Village in such compliance.

ARTICLE XXVIII

REGISTERED FORM

The Village recognizes that Section 149(a) of the Code requires the Series 2010A Bonds to be issued and to remain in fully registered form in order that interest thereon is exempt from federal income taxation under laws in force at the time the Series 2010A Bonds are delivered. In this connection, the Village agrees that it will not take any action to permit the Series 2010A Bonds to be issued in, or converted into, bearer or coupon form.

ARTICLE XXIX

LIST OF BONDHOLDERS

The Bond Registrar shall maintain a list of the names and addresses of the holders of all Series 2010A Bonds and upon any transfer shall add the name and address of the new Bondholder and eliminate the name and address of the transferor Bondholder.

ARTICLE XXX

DUTIES OF BOND REGISTRAR

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

- (1) to act as bond registrar, authenticating agent, paying agent and transfer agent as provided herein;
- (2) 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;
- (3) to cancel and/or destroy Series 2010A Bonds which have been paid at maturity or submitted for exchange or transfer;
- (4) to furnish the Village at least annually a certificate with respect to Series 2010A Bonds canceled and/or destroyed; and
- (5) to furnish the Village at least annually an audit confirmation of Series 2010A Bonds paid, Outstanding Series 2010A Bonds, and payments made with respect to interest on the Series 2010A Bonds.

ARTICLE XXXI

CALL OF PRIOR BONDS

Section 1. Call of Certain of the Prior Bonds for Redemption.

The principal of the Series 1999A Bonds maturing on or after the date provided in the Bond Determination shall be called for redemption on the date provided in the Bond Determination at a price not greater than 103% of the principal amount thereof plus accrued interest to the redemption date, provision having been made in this Ordinance and the Bond Determination for the payment of the redemption price of such bonds on such date. The principal of the Series 2000B Bonds maturing on or after the date provided in the Bond Determination shall be called for redemption on the date provided in the Bond Determination at a price not greater than 103% of the principal amount thereof plus accrued interest to the redemption date, provision having been made in this Ordinance and the Bond Determination for the payment of the redemption price of such bonds on such date. Such redemption shall be conducted and notice given in accordance with the provisions of Ordinance No. 405 for the Series 1999A Bonds and Ordinance No. 497 for the Series 2000B Bonds.

Section 2. Abatement of Taxes. All taxes previously levied by the Village pursuant to Ordinance Nos. 405 and 497, respectively, and the bond determinations relating thereto to pay principal of and interest on the Prior Bonds are hereby abated in their entirety.

ARTICLE XXXII

DEFEASANCE AND PAYMENT OF SERIES 2010A BONDS

If the Village shall pay or cause to be paid to the holders of the Bonds, the principal of, the interest on and the redemption premium, if any, due on of the Series 2010A Bonds, at the times and in the manner stipulated therein and in this Ordinance and the Bond Determination, then, at the option of the Village expressed in an officer's certificate delivered to the Trustee, the

pledge of Full Faith and Credit Taxes and Incremental Pledged Revenues shall become ineffective and the pledge of other moneys, securities and funds hereby pledged and the covenants, agreements and other obligations of the Village to the Bondholders hereunder shall be discharged and satisfied. In such event, the Trustee shall, upon the request of the Village expressed in an officer's certificate delivered to the Trustee, execute and deliver to the Village all such instruments as may be desirable to evidence such discharge and satisfaction and the Trustee shall pay over or deliver to the Village all moneys, securities and assets held by it pursuant to this Ordinance which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

Any Bonds, or interest installments appertaining thereto, whether at or prior to the maturity or the redemption date of such Bonds, shall be deemed to have been paid within the meaning of this Section if (1) in case any such Bonds are to be redeemed prior to the maturity thereof, there shall have been taken all action necessary to call such Bonds for redemption and notice of such redemption shall have been duly given or provision satisfactory to the Trustee shall have been made for the giving of such notice, (2) there shall have been deposited with the Trustee for such purpose either (i) moneys in an amount which shall be sufficient, or (ii) Federal Obligations the principal of and interest on which when due will provide moneys which, together with any moneys on deposit with the Trustee at the same time for such purpose, shall be sufficient, to pay when due the principal of, the interest on and the redemption premium, if any, due on of the Series 2010A Bonds and to become due on said Bonds on and prior to the redemption date or maturity date thereof as the case may be and (3) in the event said Bonds are not by their terms subject to redemption within the next succeeding 45 days, the Village shall have given the Trustee, in form satisfactory to it, irrevocable instruments to mail, as soon as

practicable, a notice to the holders of such Bonds that the deposit required by clause (2) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal of, the redemption price of, if any, and accrued interest on, said bonds. Except as provided in paragraph (C) of this Section, neither the Federal Obligations or any moneys so deposited with the Trustee nor any moneys received by the Trustee on account of principal of or interest on said Federal Obligations shall be withdrawn or used for any purpose other than, and all such moneys shall be held in trust for and be applied to, the payment, when due, of the principal or redemption price of the Bonds for the payment or redemption of which they were deposited and the interest accrued thereon to the date of maturity or redemption.

Federal Obligations and moneys held pursuant to this Section may be withdrawn by the Village provided that there is substituted in place of such Federal Obligations and moneys other Federal Obligations and moneys sufficient for the purposes of this Section and, provided further that, prior to such substitution there is filed with the Trustee (i) a verification report signed by an independent certified public accountant stating that the Federal Obligations and moneys, as substituted, are sufficient to pay the principal and redemption price of, and interest on, all Bonds with respect to which provision for payment was made by deposit of such substituted Federal Obligations pursuant to the provisions of this Section and (ii) an opinion of nationally recognized bond counsel to the effect such substitution has been duly authorized in accordance with this Ordinance and will not affect adversely the tax-exempt status of any Bonds previously authenticated and delivered under this Ordinance.

In the event that the principal and/or interest on any insured Series 2010A Bond shall be paid by the Bond Insurer pursuant to the applicable Bond Insurance Policy, such insured Series 2010A Bond shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Village, and the assignment and pledge of the Full Faith and Credit Taxes and Incremental Pledged Revenues and all covenants, agreements and other obligations of the Village to the holder of such insured Series 2010A Bond shall continue to exist and shall run to the benefit of the Bond Insurer, and the Bond Insurer shall be subrogated to the rights of such holder.

ARTICLE XXXIII

BANK QUALIFICATION

The Village has designated the Series 2010A Bonds as “qualified tax-exempt obligations” pursuant to the small issuer exception provided by Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, which affords banks and thrift institutions purchasing the Series 2010A Bonds more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of such Code for the taxable years of such institutions ending after December 31, 1986.

ARTICLE XXXIV

MISCELLANEOUS

Section 1. Evidence of Signatures of Bondholders and Ownership of Bonds. Any instrument which this Ordinance may require or permit to be signed and executed by Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys duly authorized in writing. Any request, consent or other instrument executed by the holder or owner of any Bond shall bind all future holders of such Bond in respect of anything done or suffered to be done hereunder by the Village

or the Trustee in accordance therewith. Proof of (i) the execution of any such instrument, or of an instrument appointing or authorizing any such attorney, or (ii) the ownership by any person of any Bonds, shall be sufficient for any purpose of this Ordinance if made in the following manner, or in any other manner satisfactory to the Trustee which may, nevertheless in its discretion, require further or other proof in cases where it deems the same desirable:

(1) The fact and date of the execution by any Bondholder or his attorney of any such instrument may be proved by the certificate of a notary public or other officer authorized to take acknowledgments of deeds to be recorded in the jurisdiction in which he purports to act that the person signing such instrument acknowledged to him the execution thereof, or by the affidavit of a witness of such execution, duly sworn to before such a notary public or other officer.

(2) The authority of a person or persons to execute any such instrument on behalf of a corporate Bondholder may be established without further proof if such instrument is signed by a person purporting to be an officer of such corporation with a corporate seal affixed, and is attested by a person purporting to be its secretary or an assistant secretary.

(3) The ownership of Bonds, the amount, numbers and other identification thereof, and the dates of owning the same, shall be proved by the registry books.

Section 2. Cancellation of Bonds. All Bonds purchased, redeemed or paid shall, if surrendered to the Village, be canceled by it and delivered to the Trustee, or if surrendered to the Trustee, be canceled by it. No such Bonds shall be deemed outstanding under this Ordinance and no Bonds shall be issued in lieu thereof. All such Bonds shall be canceled and destroyed by the Trustee and a certificate thereof delivered to the Village.

Section 3. Preservation and Inspection of Documents. All reports, certificates, statements, and other documents received by the Trustee under the provisions of this Ordinance shall be retained in its possession and shall be available at all reasonable times to the inspection of the Village or any Bondholder, and their agents and their representatives, any of whom may make copies thereof, but any such reports, certificates, statements or other documents may, at the election of the Trustee, be destroyed or otherwise disposed of at any time six years after such date as the pledges created by this Ordinance shall be discharged as provided herein.

Section 4. Conflicts. Reserved

Section 5. Severability. If any section, paragraph or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this ordinance.

Section 6. Exhibit. All exhibits hereto are accepted in substantially the form presented subject, however, to any need to amend or alter such exhibits for the purpose of compliance with the Bond Determination.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Section 7. Repeal. All ordinances, resolutions or parts thereof in conflict herewith be and the same are hereby repealed, and this Ordinance shall be in full force and effect forthwith upon its adoption.

Adopted September 13, 2010.

AYES: Trustee Italia, Trustee Prignano, Trustee Mota, Trustee Taconi, Trustee Anguiano

NAYS:

ABSENT: Trustee Abruzzo

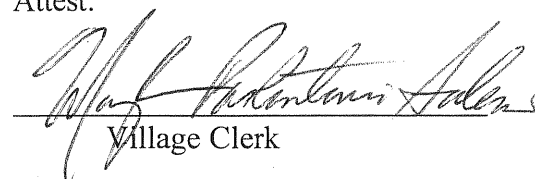
ABSTAIN:

Approved September 13, 2010.


Village President

Recorded in the Village Records on September 13, 2010.

Attest:


Village Clerk

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

CERTIFICATION OF MINUTES AND ORDINANCE

I, the undersigned, do hereby certify that I am the duly qualified and acting Village Clerk of the Village of Melrose Park, Cook County, Illinois (the "Village"), and as such official I am the keeper of the official journal of proceedings, books, records, minutes and files of the Village and of the Village President and Board of Trustees (the "Corporate Authorities") thereof.


I do further certify that the foregoing is a full, true and complete transcript of that portion of the minutes of the meeting of the Corporate Authorities held on September 13, 2010, insofar as the same relates to the adoption of an ordinance, numbered _____:

AN ORDINANCE PROVIDING FOR THE ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS (TAX INCREMENT ALTERNATE REVENUE SOURCE), SERIES 2010A, OF THE VILLAGE OF MELROSE PARK, COOK COUNTY, ILLINOIS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$12,500,000, FOR THE PURPOSE OF REFUNDING THE VILLAGE'S (1) \$7,000,000 GENERAL OBLIGATION BONDS (TAX INCREMENT ALTERNATE REVENUE SOURCE), SERIES 1999A, AND (2) \$6,000,000 GENERAL OBLIGATION BONDS (TAX INCREMENT ALTERNATE REVENUE SOURCE), SERIES 2000B.

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

I do further certify that the deliberations of the Corporate Authorities on the adoption of said ordinance were taken openly; that the vote on the adoption of said ordinance was taken openly; that said meeting was held at a specified time and place convenient to the public; that notice of said meeting was duly given to all newspapers, radio or television stations and other news media requesting such notice; and that said meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as supplemented and amended, and the Illinois Municipal Code, as supplemented and amended, and the Corporate Authorities have complied with all of the provisions of said Act and said Code and with all of the procedural rules of the Corporate Authorities in the adoption of said ordinance.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of the Village this 13th day of September, 2010.



Mary Ann Paolantonio Salemi
Village Clerk

(SEAL)