

EXTRACT OF MINUTES of a regular public meeting of the President and Board of Trustees of the Village of Clarendon Hills, DuPage County, Illinois, held in the Village Hall, One North Prospect Avenue, Clarendon Hills, Illinois, in said Village at 7:00 o'clock P.M., on the 6th day of February, 2012.

* * *

The meeting was called to order by the President, and upon the roll being called, Thomas Karaba, the President, and the following Trustees were physically present at said location: Trustees Alongi, Flood, Pedersen, Reid, Wallace, and
Williams

The following Trustees were allowed by a majority of the members of the President and Board of Trustees in accordance with and to the extent allowed by rules adopted by the President and Board of Trustees to attend the meeting by video or audio conference: None

No Trustee was permitted to attend the meeting by video or audio conference.

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

The President announced that bids had been received for the purchase of the Village's Refunding Debt Certificates, Series 2012, and that the President and Board of Trustees would consider the adoption of an ordinance providing for the issue of said certificates and the security and means of payment therefor. The President also identified the best bidder for the certificates and the details of the best bid.

Whereupon Trustee Flood presented ~~and the Village Clerk read by~~
~~title~~ an ordinance as follows, a copy of which was provided to each Trustee prior to said meeting and to everyone in attendance at said meeting who requested a copy.

ORDINANCE NO. 12-02-07

AN ORDINANCE of the Village of Clarendon Hills, DuPage County, Illinois, authorizing and providing for an Installment Purchase Agreement for the purpose of the acquisition, by means of refinancing and refunding, of the rights under previously issued installment purchase agreements and related debt certificates, and authorizing and providing for the issue of \$2,360,000 Refunding Debt Certificates, Series 2012, evidencing the rights to payment under such Agreement, prescribing the details of the Agreement and Certificates, and providing for the security for and means of payment under the Agreement of the Certificates.

PREAMBLES

WHEREAS

A. The Village of Clarendon Hills, DuPage County, Illinois (the “*Village*”), is a municipality and unit of local government of the State of Illinois (the “*State*”) operating, *inter alia*, under and pursuant to the following laws:

1. the Illinois Municipal Code (the “*Municipal Code*”);
2. the Local Government Debt Reform Act of the State (the “*Debt Reform Act*”); and
3. all other Omnibus Bond Acts of the State;

in each case, as supplemented and amended (collectively, “*Applicable Law*”).

B. Pursuant to the Installment Purchase Provisions of the Debt Reform Act, as amended, the Village has the powers as follows:

The governing body of each governmental unit may purchase or lease either real or personal property, including investments, investment agreements, or investment services, through agreements that provide that the consideration for the purchase or lease may be paid through installments made at stated intervals for a period of no more than 20 years or another period of time authorized by law, whichever is greater *provided, however*, that investments, investments agreements or investment services purchased in connection with a bond issue may be paid through installments made at stated intervals for a period of time not in

excess of the maximum term of such bond issue. Each governmental unit may issue certificates evidencing the indebtedness incurred under the lease or agreement. The governing body may provide for the treasurer, comptroller, Finance Director and Treasurer, or other officer of the governing body charged with financial administration to act as counter-party to any such lease or agreement, as nominee lessor or seller. When the lease or agreement is executed by the officer of the governmental unit authorized by the governing body to bind the governmental unit thereon by the execution thereof and is filed with and executed by the nominee lessor or seller, the lease or agreement shall be sufficiently executed so as to permit the governmental unit to issue certificates evidencing the indebtedness incurred under the lease or agreement. The certificates shall be valid whether or not an appropriation with respect thereto is included in any annual or supplemental budget adopted by the governmental unit. From time to time, as the governing body executes contracts for the purpose of acquiring and constructing the services or real or personal property that is a part of the subject of the lease or agreement, including financial, legal, architectural, and engineering services related to the lease or agreement, the governing body shall order the contracts filed with its nominee officer, and that officer shall identify the contracts to the lease or agreement; that identification shall permit the payment of the contract from the proceeds of the certificates; and the nominee officer shall duly apply or cause to be applied proceeds of the certificates to the payment of the contracts. The governing body of each governmental unit may sell, lease, convey, and reacquire either real or personal property, or any interest in real or personal property, upon any terms and conditions and in any manner, as the governing body shall determine, if the governmental unit will lease, acquire by purchase agreement, or otherwise reacquire the property, as authorized by this subsection or any other applicable law.

All indebtedness incurred under this subsection, when aggregated with the existing indebtedness of the governmental unit, may not exceed the debt limits provided by applicable law.

C. Pursuant to said provisions, the President and Board of Trustees of the Village (the "*Corporate Authorities*") previously entered into Installment Purchase Agreements described as follows:

INSTALLMENT PURCHASE AGREEMENT for purchase of real or personal property, or both, for the purpose of acquiring and installing two fire engines, dated the 15th day of July, 2002, in and for the Village of Clarendon Hills, DuPage County, Illinois.

and

INSTALLMENT PURCHASE AGREEMENT for purchase of real or personal property, or both, for the purpose of paying the costs of certain capital projects of the Village, specifically the construction of a new police station, dated the 15th day of February 2005, in and for the Village of Clarendon Hills, DuPage County, Illinois.

(together, the "*Prior Agreements*") and did also provide for the issuance of certificates evidencing the debt thereunder, described as follows:

Certificates designated "*Debt Certificates, Series 2002*"; in the amount of \$975,000, dated July 15, 2002; in fully registered form, in denominations of \$5,000 or integral multiples thereof, of which \$385,000 certificates due on or after January 1, 2013, are subject to redemption at the option of the Village on January 1, 2012, or on any date thereafter, at the redemption price of par plus accrued interest to the date of redemption (the "*Series 2002 Certificates*"), and certificates designated "*Debt Certificates, Series 2005*"; in the amount of \$2,800,000, dated February 15, 2005; in fully registered form, in denominations of \$5,000 or integral multiples thereof, of which \$1,895,000 certificates due on or after January 1, 2014, are subject to redemption at the option of the Village on January 1, 2013, or on any date thereafter, at the redemption price of par plus accrued interest to the date of redemption (the "*Series 2005 Certificates*" and, together with the Series 2002 Certificates, the "*Prior Certificates*").

D. The Corporate Authorities have determined that interest rates in the market for tax-exempt obligations such as the Prior Certificates are now more favorable than at the time of issuance and that it is advantageous to the Village to refinance and refund the Prior Agreements and the Prior Certificates (collectively, the "*Prior Obligations*") to achieve debt service savings for the Village, and in so doing acquire all rights to payment in the Prior Agreements and provide for a new installment purchase agreement having such rights and to issue a new series of debt certificates evidencing the interest therein (such refinancing, refunding and acquisition of rights in the Prior Agreements being the "*Refinancing*").

E. The Corporate Authorities find that it is desirable and in the best interests of the Village to avail of the provisions of the Installment Purchase Provisions of the Debt Reform Act, as quoted, as follows:

1. To authorize an Installment Purchase Agreement (the "*Agreement*") more particularly as described and provided below in the text of this Ordinance;
2. To name as counter-party to the Agreement the Treasurer, being an officer of the Corporate Authorities charged with financial administration (the "*Treasurer*"), as nominee-seller;
3. To authorize the President of the Village (the "*President*") and the Village Clerk (the "*Clerk*") to execute and attest, respectively, the Agreement on behalf of the Village and to file same with the Clerk in his capacity as keeper of the records and files of the Village; and
4. To issue certificates evidencing the indebtedness incurred under the Agreement in the amount of \$2,360,000, in form and having such details as set forth below in the text of this Ordinance.

F. In accordance with the terms of the Prior Agreements, the Prior Certificates may be called for redemption in advance of their maturity, and it is necessary and desirable to make such call for redemption of the Prior Certificates on their earliest possible call date.

NOW THEREFORE Be It Ordained by the President and Board of Trustees of the Village of Clarendon Hills, DuPage County, Illinois, as follows:

Section 1. Definitions. Words and terms used in this Ordinance shall have the meanings given them unless the context or use clearly indicates another or different meaning is intended. Words and terms defined in the singular may be used in the plural and vice-versa. Reference to any gender shall be deemed to include the other and also inanimate persons such as corporations, where applicable.

A. The following words and terms are as defined in the preambles hereto.

Applicable Law

Clerk

Corporate Authorities

Debt Reform Act

Installment Purchase Provisions of the Debt Reform Act

Municipal Code

President

Prior Agreements

Prior Certificates

Prior Obligations

Refinancing

Series 2002 Certificates

Series 2005 Certificates

State

Treasurer

Village

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

"Agreement" means the Installment Purchase Agreement, as referred to in the preambles of this Ordinance, for the purpose of the Refinancing and for the payment of all Related Expenses.

"Certificate Fund" means the fund established and defined as such in this Ordinance.

"Certificate Moneys" means moneys on deposit in the Certificate Fund.

"Certificate Register" means the books of the Village kept by the Certificate Registrar to evidence the registration and transfer of the Certificates.

"Certificate Registrar" means U.S. Bank National Association, Chicago, Illinois, in its respective capacities as registrar and paying agent hereunder, or a successor designated as Certificate Registrar hereunder.

"Certificates" means the \$2,360,000 Refunding Debt Certificates, Series 2012, authorized to be issued by this Ordinance.

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

"Ordinance" means this Ordinance, numbered as set forth on the title page hereof, and passed by the Corporate Authorities on the 6th day of February, 2012.

"Purchase Contract" is defined herein.

"Purchase Price" means the price to be paid by the Purchaser pursuant to the Purchase Contract for the Certificates, to-wit \$2,402,869.29.

"Purchaser" means the purchaser of the Certificates, namely, BOSC, Inc., Menomonee Falls, Wisconsin.

"Record Date" means the 15th day of the month next preceding any regular or other interest payment date.

“Related Expenses” means expenses related to the Refinancing or incidental thereto, including financial, legal and other such service expenses.

“Tax-exempt” means, with respect to the Certificates, the status of interest paid and received thereon as not includible in the gross income of the owners thereof under the Code for federal income tax purposes except to the extent that such interest is taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations.

C. Definitions also appear in the preambles hereto or in specific sections, as appear below. The headings in this Ordinance are for the convenience of the reader and are not a part of this Ordinance.

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

Section 3. Determination to Authorize and Enter into Agreement and to Issue Certificates. It is necessary and advisable for the public health, safety, welfare, and convenience of residents of the Village to pay the costs of the Refinancing, including all Related Expenses, and to borrow money and, in evidence thereof and for the purpose of financing same, enter into the Agreement and, further, to provide for the issuance and delivery of the Certificates evidencing the indebtedness incurred under the Agreement.

Section 4. Call of the Prior Certificates. In accordance with the redemption provisions of the ordinances authorizing the issuance of the Prior Certificates, the Village by the Corporate Authorities does hereby make provision for and does hereby call (subject only to the delivery of the Certificates), all of the Series 2002 Certificates for redemption on April 1, 2012,

and the Series 2005 Certificates maturing on and after January 1, 2014, for redemption on January 1, 2013.

Section 5. Agreement is a General Obligation; Annual Appropriation. The Village hereby represents, warrants, and agrees that the obligation to make the payments due under the Agreement shall be a lawful direct general obligation of the Village payable from the corporate funds of the Village and such other sources of payment as are otherwise lawfully available. The Village represents and warrants that the total amount due the Seller under the Agreement, together with all other indebtedness of the Village, is within all statutory and constitutional debt limitations. The Village agrees to appropriate funds of the Village annually and in a timely manner so as to provide for the making of all payments when due under the terms of the Agreement.

Section 6. Execution and Filing of the Agreement. From and after the effective date of this Ordinance, the President and Clerk be and they are hereby authorized and directed to execute and attest, respectively, the Agreement, in substantially the form thereof set forth below in the text of this Ordinance, and to do all things necessary and essential to effectuate the provisions of the Agreement, including the execution of any documents and certificates incidental thereto or necessary to carry out the provisions thereof. Further, as nominee-seller, the Treasurer is hereby authorized and directed to execute the Agreement. Upon full execution, the original of the Agreement shall be filed with the Clerk and retained in the Village records and constitute authority for issuance of the Certificates. Subject to such discretion of the officers signatory to the document as described in the foregoing text, the Installment Purchase Agreement shall be in substantially the form as follows:

INSTALLMENT PURCHASE AGREEMENT for acquisition of those rights under a certain previously issued, existing and outstanding installment purchase agreement and related debt certificates by means of the refinancing and refunding of same, this agreement being dated the 27th day of February, 2012, in and for the Village of Clarendon Hills, DuPage County, Illinois.

THIS INSTALLMENT PURCHASE AGREEMENT (this "*Agreement*") made as of the 27th day of February, 2012 by and between the Treasurer of the Village, as Nominee-Seller (the "*Seller*"), and the Village of Clarendon Hills, DuPage County, Illinois, a municipality and unit of local government of the State of Illinois (the "*Village*");

WITNESSETH

A. The President and Board of Trustees (the "*Corporate Authorities*") of the Village have previously provided for a certain Prior Agreement and related Prior Certificates as such terms have been defined in the Ordinance hereinafter mentioned and defined, all as previously approved in various proceedings by the Corporate Authorities and on file with the Village Clerk (the "*Clerk*").

B. Pursuant to the provisions of the Illinois Municipal Code (the "*Municipal Code*"); the Local Government Debt Reform Act of the State of Illinois (the "*Debt Reform Act*"), and, in particular, the provisions of Section 17 of the Debt Reform Act; and all other Omnibus Bond Acts of the State of Illinois; in each case, as supplemented and amended (collectively "*Applicable Law*"); the Village has the power to refinance and refund such Prior Obligations through a new agreement which provides that the consideration for the refinancing and acquisition of the rights to payment evidenced in the Prior Obligations may be paid through installments made at stated intervals for a period of no more than 20 years and has the power to issue certificates evidencing indebtedness incurred under such agreement.

C. On the 6th day of February, 2012, the Corporate Authorities, pursuant to Applicable Law and the need to provide for the Refinancing, adopted an ordinance (the "*Ordinance*") authorizing the borrowing of money for the Refinancing and Related Expenses, the execution and delivery of this Agreement to finance same, and the issuance of certificates evidencing the indebtedness so incurred.

D. The Ordinance is

- (a) incorporated herein by reference; and
- (b) made a part hereof as if set out at this place in full;

and each of the terms as defined in the Ordinance is also incorporated by reference for use in this Agreement.

E. The Seller, as nominee as expressly permitted by Applicable Law, has agreed to accept the Refinancing on the terms as hereinafter provided.

NOW THEREFORE in consideration of the mutual covenants and agreements hereinafter contained and other valuable consideration, it is mutually agreed between the Seller and the Village as follows:

1. REFINANCING ACCEPTED

The Seller agrees to accept the Refinancing upon the terms herein.

2. CONVEYANCE

The Seller conveys to the Village pursuant to this Agreement all of the rights, title and interest to payments under the Prior Agreement subject to the proper completion of the Refinancing upon terms such that all Prior Certificates shall be defeased in accordance with their terms.

3. PAYMENTS

The payment of the entire sum of \$2,360,000 of said acquisition price shall:

- (a) be payable in installments due on the dates and in the amounts;
- (b) bear interest at the rates percent per annum which interest shall also be payable on the dates and in the amounts;
- (c) be payable at the place or places of payment, in the medium of payment, and upon such other terms, including prepayment (redemption);

all as provided for payment of the Certificates in the Ordinance.

4. ASSIGNMENT

Rights to payment of the Seller as provided in this Agreement are assigned as a matter of law, under Section 17 of the Debt Reform Act, to the owners of the Certificates. This Agreement and any right, title, or interest herein, shall not be further assignable. The Certificates, evidencing the indebtedness incurred hereby, are assignable (registrable) as provided in the Ordinance.

5. TAX COVENANTS

The covenants relating to the Tax-exempt status of the Certificates, as set forth in the Ordinance, insofar as may be applicable, apply to the work to be performed and the payments made under this Agreement.

6. PRIOR AGREEMENT

The Seller's duties to the Village as to the Project, which exist under the Prior Agreement, shall continue in existence as if incorporated herein by reference.

7. LAWFUL CORPORATE OBLIGATION

The Village hereby represents, warrants, and agrees that the obligation to make the payments due hereunder shall be a lawful direct general obligation of the Village payable from the corporate funds of the Village and such other sources of payment as are otherwise lawfully

available. The Village represents and warrants that the total amount due the Seller hereunder, together with all other indebtedness of the Village, is within all statutory and constitutional debt limitations. The Village agrees to appropriate funds of the Village annually and in a timely manner so as to provide for the making of all payments when due under the terms of this Agreement.

8. GENERAL COVENANT AND RECITAL

It is hereby certified and recited by the Seller and the Village, respectively, that as to each, respectively, for itself, all conditions, acts, and things required by law to exist or to be done precedent to and in the execution of this Agreement did exist, have happened, been done and performed in regular and due form and time as required by law.

9. NO SEPARATE TAX

THE SELLER AND THE VILLAGE RECOGNIZE THAT THERE IS NO STATUTORY AUTHORITY FOR THE LEVY OF A SEPARATE TAX IN ADDITION TO OTHER TAXES OF THE VILLAGE OR THE LEVY OF A SPECIAL TAX UNLIMITED AS TO RATE OR AMOUNT TO PAY ANY OF THE AMOUNTS DUE HEREUNDER.

10. DEFAULT

In the event of a default in payment hereunder by the Village, the Seller or any Certificateholder may pursue any available remedy by suit at law or equity to enforce the payment of all amounts due or to become due under this Agreement, including, without limitation, an action for specific performance.

IN WITNESS WHEREOF the Seller has caused this Installment Purchase Agreement to be executed and attested, and her signature to be attested by the Clerk, and the Village has caused this Installment Purchase Agreement to be executed by its President, and also attested by the Clerk, and the official seal of the Village to be hereunto affixed, all as of the day and year first above written.

SELLER:

Signature: Margaret M. Hartnett

[Here type name]: Margaret M. Hartnett
as Nominee-Seller and the Treasurer

ATTEST:

Aaron M. Jander
Village Clerk

[SEAL]



VILLAGE OF CLARENDON HILLS,
DuPAGE COUNTY, ILLINOIS

Thomas J. Kardon
President

ATTEST:

Aaron M. Jander
Village Clerk

[SEAL]

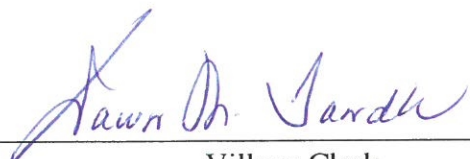


STATE OF ILLINOIS)
) SS
COUNTY OF DUPAGE)

CERTIFICATE OF INSTALLMENT PURCHASE AGREEMENT FILING

I, the undersigned, do hereby certify that I am the duly qualified and acting Village Clerk of the Village of Clarendon Hills, DuPage County, Illinois (the "*Village*"), and as such officer I do hereby certify that on the 27th day of February, 2012 there was filed in my office a properly certified copy of that certain document, executed by the President of the Village, attested by me in my capacity as Village Clerk, and further executed, as Nominee-Seller, by the Treasurer of the Village, also attested by me, dated the 27th day of February, 2012, and entitled "INSTALLMENT PURCHASE AGREEMENT for acquisition of those rights under a certain previously issued, existing and outstanding installment purchase agreement and related debt certificates by means of the refinancing and refunding of same, this agreement being dated the 27th day of February, 2012, in and for the Village of Clarendon Hills, DuPage County, Illinois"; and supporting the issuance of certain Refunding Debt Certificates, Series 2012, of the Village; that attached hereto is a true and complete copy of said Agreement as so filed; and that the same has been deposited in the official files and records of my office.

IN WITNESS WHEREOF I have hereunto affixed my official signature and the seal of the Village of Clarendon Hills, DuPage County, Illinois at Clarendon Hills, Illinois, this 27th day of February, 2012.



Village Clerk

[SEAL]



Section 7. Certificate Details. For the purpose of providing for the Refinancing, there shall be issued and sold the Certificates in the amount of \$2,360,000. The Certificates shall each be designated "Refunding Debt Certificates, Series 2012"; be dated February 27, 2012 (the "*Dated Date*"); and shall also bear the date of authentication thereof. The Certificates shall be in fully registered form, shall be in denominations of \$5,000 each and authorized integral multiples thereof (but no single Certificate shall represent installments of principal maturing on more than one date), shall be numbered 1 and upward, and shall become due and payable serially (subject to prior redemption as hereinafter described) on January 1 of the years and in the amounts and bearing interest at the rates per annum as follows:

YEAR OF MATURITY	PRINCIPAL AMOUNT	RATE OF INTEREST
2013	\$105,000	2.000%
2014	225,000	2.000%
2015	225,000	2.000%
2016	230,000	2.000%
2017	235,000	2.000%
2018	155,000	2.000%
2019	160,000	2.000%
2020	160,000	2.000%
2021	165,000	2.250%
2022	170,000	2.375%
2023	170,000	2.500%
2024	180,000	2.625%
2025	180,000	2.750%

Each Certificate shall bear interest from the later of its Dated Date or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of such Certificate is paid or duly provided for, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable January 1 and July 1 of each year, commencing on July 1, 2012.

Interest on each Certificate shall be paid by check or draft of the Certificate Registrar, payable upon presentation thereof in lawful money of the United States of America, to the person in whose name such Certificate is registered at the close of business on the applicable Record Date, and mailed to the registered owner of the Certificate at the address as shown in the Certificate Register or at such other address furnished in writing by such registered owner. The principal of the Certificates shall be payable in lawful money of the United States of America upon presentation thereof at the principal corporate trust office maintained for such purpose of the Certificate Registrar as currently maintained, as may be relocated from time to time, or at a successor Certificate Registrar and locality.

Section 8. Execution; Authentication. The Certificates shall be executed on behalf of the Village by the manual or facsimile signature of its President and attested by the manual or facsimile signature of its Clerk, and shall have impressed or imprinted thereon the corporate seal or facsimile thereof of the Village. In case any such officer whose signature shall appear on any Certificate shall cease to be such officer before the delivery of such Certificate, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. All Certificates shall have thereon a certificate of authentication, substantially in the form hereinafter set forth, duly executed by the Certificate Registrar as authenticating agent of the Village and showing the date of authentication. No Certificate 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 Certificate Registrar by manual signature, and such certificate of authentication upon any such Certificate shall be conclusive evidence that such Certificate has been authenticated and delivered under this Ordinance. The certificate of authentication on any Certificate shall be deemed to have been executed by it if signed by an authorized officer of the

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

Section 9. Registration of Certificates; Persons Treated as Owners.

(a) *General.* The Village shall cause books (the "*Certificate Register*") for the registration and for the transfer of the Certificates as provided in this Ordinance to be kept at the principal corporate trust office maintained for such purpose by the Certificate Registrar, which is hereby constituted and appointed the registrar of the Village for the Certificates. The Village is authorized to prepare, and the Certificate Registrar or such other agent as the Village may designate shall keep custody of, multiple Certificate blanks executed by the Village for use in the transfer and exchange of Certificates. Subject to the provisions of this Ordinance relating to the Certificates in Book-Entry Form, any Certificate may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in this Ordinance.

Upon surrender for transfer or exchange of any Certificate at the principal corporate trust office of the Certificate Registrar, duly endorsed by or accompanied by a written instrument or instruments of transfer or exchange in form satisfactory to the Certificate Registrar and duly executed by the registered owner or an attorney for such owner duly authorized in writing, the Village shall execute and the Certificate Registrar shall authenticate, date, and deliver in the name of the transferee or transferees or, in the case of an exchange, the registered owner, a new fully registered Certificate or Certificates of like tenor, of the same maturity, bearing the same interest rate, of authorized denominations, for a like aggregate principal amount. The Certificate Registrar shall not be required to transfer or exchange any Certificate during the period from the close of business on the Record Date for an interest payment to the opening of business on such interest payment date nor to transfer or exchange any Certificate after notice calling such

Certificate for redemption has been mailed, nor during a period of fifteen days next preceding mailing of a notice of redemption of any Certificate. The execution by the Village of any fully registered Certificate shall constitute full and due authorization of such Certificate; and the Certificate Registrar shall thereby be authorized to authenticate, date, and deliver such Certificate; *provided, however*, the principal amount of Certificates of each maturity authenticated by the Certificate Registrar shall not at any one time exceed the authorized principal amount of Certificates for such maturity less the amount of such Certificates which have been paid. The person in whose name any Certificate shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on any Certificate shall be made only to or upon the order of the registered owner thereof or his or her legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Certificate to the extent of the sum or sums so paid. No service charge shall be made to any registered owner of Certificates for any transfer or exchange of Certificates, but the Village or the Certificate Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Certificates except in the case of the issuance of a Certificate or Certificates for the unredeemed portion of a Certificate surrendered for redemption.

(b) *Global Book-Entry System.* The Certificates shall be initially issued in the form of a separate single fully registered Certificate for each of the maturities of the Certificates determined as described in Section 7 hereof. Upon initial issuance, the ownership of each such Certificate shall be registered in the Certificate Register in the name of Cede & Co., or any successor thereto ("*Cede*"), as nominee of The Depository Trust Company, New York, New York, and its successors and assigns ("*DTC*"). All of the outstanding Certificates shall be registered in the Certificate Register in the name of Cede, as nominee of DTC, except as

hereinafter provided. The President and Clerk and the Certificate Registrar are each authorized to execute and deliver, on behalf of the Village, such letters to or agreements with DTC as shall be necessary to effectuate such book-entry system (any such letter or agreement being referred to herein as the "*Representation Letter*"), which Representation Letter may provide for the payment of principal of or interest on the Certificates by write transfer.

With respect to Certificates registered in the Certificate Register in the name of Cede, as nominee of DTC, the Village and the Certificate Registrar shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which DTC holds Certificates from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a "*DTC Participant*") or to any person on behalf of whom such a DTC Participant holds an interest in the Certificates. Without limiting the immediately preceding sentence, the Village and the Certificate Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any DTC Participant with respect to any ownership interest in the Certificates, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of a Certificate as shown in the Certificate Register, of any notice with respect to the Certificates, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a registered owner of a Certificate as shown in the Certificate Register, of any amount with respect to the principal of or interest on the Certificates. The Village and the Certificate Registrar may treat and consider the person in whose name each Certificate is registered in the Certificate Register as the holder and absolute owner of such Certificate for the purpose of payment of principal and interest with respect to such Certificate, for the purpose of giving notices of redemption and other matters with respect to such Certificate, for the purpose of registering transfers with respect to such Certificate, and for all other purposes whatsoever. The Certificate

Registrar shall pay all principal of and interest on the Certificates only to or upon the order of the respective registered owners of the Certificates, as shown in the Certificate Register, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Village's obligations with respect to payment of the principal of and interest on the Certificates to the extent of the sum or sums so paid. No person other than a registered owner of a Certificate as shown in the Certificate Register, shall receive a Certificate evidencing the obligation of the Village to make payments of principal and interest with respect to any Certificate. Upon delivery by DTC to the Certificate Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the provisions in Section 7 hereof with respect to the payment of interest to the registered owners of Certificates at the close of business on the 15th day of the month next preceding the applicable interest payment date, the name "Cede" in this resolution shall refer to such new nominee of DTC.

In the event that (i) the Village determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (ii) the agreement among the Village the Certificate Registrar and DTC evidenced by the Representation Letter shall be terminated for any reason or (iii) the Village determines that it is in the best interests of the beneficial owners of the Certificates that they be able to obtain certificated Certificates, the Village shall notify DTC and DTC Participants of the availability through DTC of certificated Register in the name of Cede, as nominee of DTC. At that time, the Village may determine that the Certificates shall be registered in the name of and deposited with such other depository operating a universal book-entry system, as may be acceptable to the Village, or such depository's agent or designee, and if the Village does not select such alternate universal book-entry system, then the Certificates may be registered in whatever name or names registered

owners of Certificates transferring or exchanging Certificates shall designate, in accordance with the provisions of this Ordinance.

Notwithstanding any other provisions of this ordinance to the contrary, so long as any Certificate is registered in the name of Cede, as nominee of DTC, all payments with respect to principal of and interest on such Certificate and all notices with respect to such Certificate shall be made and given, respectively, in the name provided in the Representation Letter.

Section 10. Redemption. The Certificates due on January 1, 2021, shall be subject to redemption prior to maturity at the option of the Village from any available funds, as a whole or in part in integral multiples of \$5,000 in any order of their maturity as determined by the Village (less than all of the Certificates of a single maturity to be selected by the Certificate Registrar), on January 1, 2020, and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date.

The Certificates shall be redeemed only in the principal amount of \$5,000 and integral multiples thereof. The Village shall, at least forty-five (45) days prior to the redemption date (unless a shorter time period shall be satisfactory to the Certificate Registrar) notify the Certificate Registrar of such redemption date and of the principal amount and maturity or maturities of Certificates to be redeemed. For purposes of any redemption of less than all of the outstanding Certificates of a single maturity, the particular Certificates or portions of Certificates to be redeemed shall be selected by lot by the Certificate Registrar from the Certificates of such maturity by such method of lottery as the Certificate Registrar shall deem fair and appropriate; *provided* that such lottery shall provide for the selection for redemption of Certificates or portions thereof so that any \$5,000 Certificate or \$5,000 portion of a Certificate shall be as likely to be called for redemption as any other such \$5,000 Certificate or \$5,000 portion. The Certificate Registrar shall make such selection upon the earlier of the irrevocable deposit of

funds with an escrow trustee sufficient to pay the redemption price of the Certificates to be redeemed or the time of the giving of official notice of redemption.

The Certificate Registrar shall promptly notify the Village in writing of the Certificates or portions of Certificates selected for redemption and, in the case of any Certificate selected for partial redemption, the principal amount thereof to be redeemed.

Section 11. Redemption Procedure. Unless waived by any holder of Certificates to be redeemed, notice of the call for any such redemption shall be given by the Certificate Registrar on behalf of the Village by mailing the redemption notice by first class 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 Certificate or Certificates to be redeemed at the address shown on the Certificate Register or at such other address as is furnished in writing by such registered owner to the Certificate Registrar.

All notices of redemption shall state:

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

(6) such other information then required by custom, practice or industry standard.

Unless moneys sufficient to pay the redemption price of the Certificates to be redeemed at the option of the Village shall have been received by the Certificate Registrar prior to the giving of such notice of redemption, such notice may, at the option of the Village, state that said redemption shall be conditional upon the receipt of such moneys by the Certificate Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice shall be of no force and effect, the Village shall not redeem such Certificates, and the Certificate Registrar shall give notice, in the same manner in which the notice of redemption shall have been given, that such moneys were not so received and that such Certificates will not be redeemed. Otherwise, prior to any redemption date, the Village shall deposit with the Certificate Registrar an amount of money sufficient to pay the redemption price of all the Certificates or portions of Certificates which are to be redeemed on that date.

Subject to the provisions for a conditional redemption described above, notice of redemption having been given as aforesaid, the Certificates or portions of Certificates so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Village shall default in the payment of the redemption price) such Certificates or portions of Certificates shall cease to bear interest. Upon surrender of such Certificates for redemption in accordance with said notice, such Certificates shall be paid by the Certificate 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 Certificate, there shall be prepared for the registered holder a new Certificate or Certificates of the same maturity in the amount of the unpaid principal.

If any Certificate or portion of a Certificate called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, until paid or duly provided for, bear interest from the redemption date at the rate borne by the Certificate or portion of Certificate so called for redemption. All Certificates which have been redeemed shall be cancelled and destroyed by the Certificate Registrar and shall not be reissued.

Section 12. Form of Certificate. The Certificates shall be in substantially the form hereinafter set forth; *provided, however,* that if the text of the Certificates is to be printed in its entirety on the front side of the Certificates, then the second paragraph on the front side and the legend "See Reverse Side for Additional Provisions" shall be omitted and the text of paragraphs set forth for the reverse side shall be inserted immediately after the first paragraph.

[FORM OF CERTIFICATE - FRONT SIDE]

REGISTERED
NO. _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF DUPAGE
VILLAGE OF CLARENDON HILLS
REFUNDING DEBT CERTIFICATE, SERIES 2012

See Reverse Side for
Additional Provisions.

Interest Maturity Dated CUSIP
Rate: _____% Date: January 1, 20____ Date: February 27, 2012 Number: 180396 ____

Registered Owner: CEDE & CO.

Principal Amount:

KNOW ALL PERSONS BY THESE PRESENTS that the Village of Clarendon Hills, DuPage County, Illinois, a municipality and political subdivision of the State of Illinois (the "*Village*"), hereby acknowledges itself to owe and for value received promises to pay from the source and as hereinafter provided to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the later of the Dated Date of this Certificate identified above or from the most recent interest payment date to which interest has been paid or duly provided for, at the Interest Rate per annum identified above, such interest to be payable on January 1 and July 1 of each year, commencing July 1, 2012, until said Principal Amount is paid or duly provided for. The principal of this Certificate is payable in lawful money of the United States of America upon presentation hereof at the principal corporate trust office of U.S. Bank National Association, Chicago, Illinois, as paying agent and registrar (the "*Certificate Registrar*"). Payment of interest shall be made to the Registered Owner hereof as shown on the registration books of the Village maintained by the Certificate Registrar at the close of business on the applicable Record Date (the "*Record Date*"). The Record Date shall be the 15th day of the month next preceding any


regular or other interest payment date. Interest shall be paid by check or draft of the Certificate Registrar, payable upon presentation in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Certificate Registrar, or as otherwise agreed by the Village and the Certificate Registrar and a qualified securities clearing corporation as depository, or nominee, for so long as this Certificate shall be in Book Entry Form as provided for same.

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

It is hereby certified and recited that all conditions, acts, and things required by the Constitution and Laws of the State of Illinois to exist or to be done precedent to and in the issuance of this Certificate, including Applicable Law as defined herein, have existed and have been properly done, happened, and been performed in regular and due form and time as required by law; that the obligation to make payments due hereon are a lawful direct general obligation of the Village payable from the corporate funds of the Village and such other sources of payment as are otherwise lawfully available; that the total amount due under the Agreement, represented by the Certificates, together with all other indebtedness of the Village, is within all statutory and constitutional debt limitations; and that the Village shall appropriate funds annually and in a timely manner so as to provide for the making of all payments hereon when due. THE OWNER OF THIS CERTIFICATE ACKNOWLEDGES THAT THERE IS NO STATUTORY AUTHORITY FOR THE LEVY OF A SEPARATE TAX IN ADDITION TO OTHER TAXES OF THE VILLAGE OR THE LEVY OF A SPECIAL TAX UNLIMITED AS TO RATE OR AMOUNT TO PAY ANY OF THE AMOUNTS DUE HEREUNDER.

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

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


President

ATTEST:


Village Clerk



[SEAL]

Date of Authentication: _____, 20__

CERTIFICATE
OF
AUTHENTICATION

Certificate Registrar and Paying Agent:
U.S. Bank National Association
Chicago, Illinois

This Certificate is one of the Certificates described in the within-mentioned Ordinance and is one of the Refunding Debt Certificates, Series 2012, having a Dated Date of February 27, 2012, of the Village of Clarendon Hills, DuPage County, Illinois.

U.S. BANK NATIONAL ASSOCIATION,
as Certificate Registrar

By _____
Authorized Officer

[FORM OF CERTIFICATE - REVERSE SIDE]

This Certificate is one of a series (the "*Certificates*") in the aggregate principal amount of \$2,360,000 issued by the Village for the purpose of providing funds to pay the cost of the Refinancing and Related Expenses, all as described and defined in the ordinance authorizing the Certificates (the "*Ordinance*"), pursuant to and in all respects in compliance with the applicable provisions of the Illinois Municipal Code, as supplemented and amended, and in particular as supplemented by the Local Government Debt Reform Act of the State of Illinois, as amended, and the other Omnibus Bond Acts of the State of Illinois (collectively, "*Applicable Law*"), and with the Ordinance, which has been duly passed by the President and Board of Trustees of the Village on the 6th day of February, 2012, in all respects as by law required. The Certificates issued by the Village in connection with the Refinancing have been issued in evidence of the indebtedness incurred pursuant to a certain Installment Purchase Agreement (the "*Agreement*"), dated as of the 27th day of February, 2012, entered into by and between the Village and its Treasurer, as Seller-Nominee, to which reference is hereby expressly made for further definitions and terms and to all the provisions of which the holder by the acceptance of this certificate assents.

This Certificate is subject to provisions relating to registration, transfer, and exchange; redemption and notice and procedure for redemption; and such other terms and provisions relating to security and payment as are set forth in the Ordinance; to which reference is hereby expressly made; and to all the terms of which the registered owner hereof is hereby notified and shall be subject.

The Village and the Certificate Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and neither the Village nor the Certificate Registrar shall be affected by any notice to the contrary.

ASSIGNMENT

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

[Here insert identifying number such as
TID, SSN, or other]

(Name and Address of Assignee)

the within Certificate and does hereby irrevocably constitute and appoint _____

as attorney to transfer the said Certificate on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature guaranteed: _____

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Certificate in every particular, without alteration or enlargement or any change whatever.

Section 13. Sale of Certificates. The Certificates shall be executed as in this Ordinance provided as soon after the passage hereof as may be, shall be deposited with the Treasurer, and shall thereupon be delivered to the Purchaser upon payment of the Purchase Price. The contract for the sale of the Certificates to the Purchaser (the "*Purchase Contract*") is hereby in all respects approved and confirmed, it being hereby found and determined that the Certificates have been sold at such price and bear interest at such rates that neither the true interest cost (yield) nor the net interest rate received upon such sale exceed the maximum rate otherwise authorized by Illinois law and that the Purchase Contract is in the best interests of the Village and that no person holding any office of the Village, either by election or appointment, is in any manner financially interested directly in his own name or indirectly in the name of any other person,

association, trust or corporation, in the Purchase Contract for the sale of the Certificates to the Purchaser.

The use by the Purchaser of any Preliminary Official Statement and any final Official Statement relating to the Certificates (the "*Official Statement*") is hereby ratified, approved and authorized; the execution and delivery of the Official Statement is hereby authorized; and the officers of the Corporate Authorities are hereby authorized to take any action as may be required on the part of the Village to consummate the transactions contemplated by the Purchase Contract, this Ordinance, said Preliminary Official Statement, the Official Statement and the Certificates.

Section 14. Creation of Funds and Appropriations.

A. There is hereby created the "*Refunding Debt Certificates, Series 2012, Certificate Fund*" (the "*Certificate Fund*"), which shall be the fund for the payment of the principal of and interest on the Certificates. Accrued interest and premium, if any, received upon delivery of the Certificates shall be deposited into the Certificate Fund and be applied to pay the first interest coming due on the Certificates. Funds lawfully available for the purpose shall be deposited into the Certificate Fund and used solely and only for the purpose of paying the principal of and interest on the Certificates. Interest income or investment profit earned in the Certificate Fund shall be retained in the Certificate Fund for payment of the principal of or interest on the Certificates on the interest payment date next after such interest or profit is received or, to the extent lawful and as determined by the Corporate Authorities, transferred to such other fund as may be determined. Moneys in the Certificate Fund shall be applied to pay interest when due and principal when due at maturity.

B. The amount necessary from the proceeds of the Certificates shall be used either to pay expenses directly at the time of issuance of the Certificates, and may be so paid by the

Purchaser, or be deposited into a separate fund, hereby created, designated the "*Expense Fund*," to be used to pay expenses of issuance of the Certificates. Disbursements from such fund shall be made from time to time as necessary. Moneys not disbursed from the Expense Fund within six (6) months shall be transferred by the appropriate financial officers for deposit into the Certificate Fund.

C. The amount necessary from the principal proceeds of the Certificates, together with such additional amounts as may be necessary from the general funds of the Village, shall be used to provide for the Refunding, and the payment of such expenses as may be designated, pursuant to the provisions of an Escrow Agreement with the Escrow Trustee as is designated, all in accordance with the provisions of an Escrow Agreement, substantially in the form attached hereto as *Exhibit A* to this Ordinance, made a part hereof by this reference, and hereby approved; the officers appearing signatory to such Escrow Agreement are hereby authorized and directed to execute same, their execution to constitute conclusive proof of action in accordance with this Ordinance, and approval of all completions or revisions necessary or appropriate to effect the Refunding. The Village expressly authorizes the use of the Government Obligations as set forth in the Escrow Account as set forth in the Escrow Agreement.

Section 15. Non-Arbitrage and Tax-Exemption. One purpose of this Section is to set forth various facts regarding the Certificates and to establish the expectations of the Corporate Authorities and the Village as to future events regarding the Certificates and the use of Certificate proceeds. The certifications, covenants and representations contained herein and at the time of the Closing are made on behalf of the Village for the benefit of the owners from time to time of the Certificates. In addition to providing the certifications, covenants and representations contained herein, the Village hereby covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control

(including, without limitation, making or permitting any use of the proceeds of the Certificates) if taking, permitting or omitting to take such action would cause any of the Certificates to be an arbitrage bond or a private activity bond within the meaning of the hereinafter defined Code or would otherwise cause the interest on the Certificates to be included in the gross income of the recipients thereof for federal income tax purposes. The Village acknowledges that, in the event of an examination by the Internal Revenue Service (“IRS”) of the exemption from federal income taxation for interest paid on the Certificates, under present rules, the Village may be treated as a “taxpayer” in such examination and agrees that it will respond in a commercially reasonable manner to any inquiries from the IRS in connection with such an examination. The Corporate Authorities and the Village certify, covenant and represent as follows:

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

“*Advance Refunding*” means a refunding of Refunded Certificates that is not a Current Refunding.

“*Affiliated Person*” means any Person that (a) at any time during the six months prior to the execution and delivery of the Certificates, (i) has more than five percent of the voting power of the governing body of the Village in the aggregate vested in its directors, officers, owners, and employees or, (ii) has more than five percent of the voting power of its governing body in the aggregate vested in directors, officers, board members or employees of the Village or (b) during the one-year period beginning six months prior to the execution and delivery of the Certificates, (i) the composition of the governing body of which is modified or established to reflect (directly or indirectly) representation of the interests of the Village (or there is an agreement, understanding, or arrangement relating to such a modification or establishment during that one-year period) or (ii) the composition of the governing body of the Village is modified or established to reflect (directly or indirectly) representation of the interests of such Person (or there is an agreement, understanding, or arrangement relating to such a modification or establishment during that one-year period).

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

“Capital Expenditures” means costs of a type that would be properly chargeable to a capital account under the Code (or would be so chargeable with a proper election) under federal income tax principles if the Village were treated as a corporation subject to federal income taxation, taking into account the definition of Placed-in-Service set forth herein.

“Closing” means the first date on which the Village is receiving the purchase price for the Certificates.

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

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

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

- (a) to approve and to remove without cause a controlling portion of the governing body of a Controlled Entity; or
- (b) to require the use of funds or assets of a Controlled Entity for any purpose.

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

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

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

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

“Current Refunding” means a refunding of Refunded Certificates provided that all payments of principal, interest and redemption price of the issue of which such Refunded Certificates are a part that are to be made with proceeds (including investment earnings) of the Certificates are made no later than 90 days after Closing.

“De minimis Amount of Original Issue Discount or Premium” means with respect to an obligation (a) any original issue discount or premium that does not exceed two

percent of the stated redemption price at maturity of the Certificates plus (b) any original issue premium that is attributable exclusively to reasonable underwriter's compensation.

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

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

"Gross Proceeds" means amounts in the Certificate Fund and amounts used to pay the Refunded Certificates.

"Net Sale Proceeds" means amounts actually or constructively received from the sale of the Certificates reduced by any such amounts that are deposited in a reasonably required reserve or replacement fund for the Certificates.

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

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

"Prior Certificate Fund" means the fund or funds established in connection with the issuance of the Prior Certificates to pay the debt service on the Prior Certificates.

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

"Prior Certificates" means the Village's outstanding issues all or a portion of which are being refunded by the Certificates, as more particularly described in the preambles hereof.

"Prior Project" means the facilities financed, directly or indirectly with the proceeds of the Prior Certificates.

"Private Business Use" means any use of the Prior Project by any Person other than a state or local government unit, including as a result of (i) ownership, (ii) actual or beneficial use pursuant to a lease or a management, service, incentive payment, research or output contract or (iii) any other similar arrangement, agreement or understanding, whether written or oral, except for use of the Prior Project on the same basis as the general public. Private Business Use includes any formal or informal arrangement with any person other than a state or local governmental unit that conveys special legal entitlements to any portion of the Prior Project that is available for use by the general public or that conveys to any person other than a state or local governmental unit any special economic benefit with respect to any portion of the Prior Project that is not available for use by the general public.

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

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

"Rebate Fund" means the fund, if any, identified and defined in paragraph 4.2 herein.

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

"Refunded Certificates" means those certain Prior Certificates being refunded by the Certificates.

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

"Reimbursed Expenditures" means expenditures of the Village paid prior to Closing to which Sale Proceeds or investment earnings thereon are or will be allocated.

"Reserve Portion of the Certificate Fund" means the portion of the Certificate Fund funded in excess of the amount of debt service payable each year.

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

"Transferred Proceeds" means amounts actually or constructively received from the sale of the Prior Certificates, plus investment earnings thereon, which have not been spent prior to the date principal on the Refunded Certificates is discharged by the Certificates.

"Yield" means that discount rate which when used in computing the present value of all payments of principal and interest paid and to be paid on an obligation (using semiannual compounding on the basis of a 360-day year) produces an amount equal to the obligation's purchase price (or in the case of the Certificates, the issue price as established in paragraph 5.1 hereof), including accrued interest.

"Yield Reduction Payment" means a rebate payment or any other amount paid to the United States in the same manner as rebate amounts are required to be paid or at such other time or in such manner as the Internal Revenue Service may prescribe that will be treated as a reduction in Yield of an investment under the Regulations.

2.1. Purpose of the Certificates. The Certificates are being issued solely and exclusively to refund in advance of maturity the Refunded Certificates in a prudent manner consistent with the revenue needs of the Village. A breakdown of the sources and uses of funds is set forth in the preceding Section of this Ordinance.

Except for any Advance Refunding and any accrued interest on the Certificates used to pay first interest due on the Certificates, no proceeds of the Certificates will be used more than 90 days after the date of issue of the Certificates for the purpose of paying any principal or interest on any issue of bonds, notes, certificates or warrants or on any installment contract or other obligation of the Village or for the purpose of replacing any funds of the Village used for such purpose.

2.2. Certificate Fund Investment. The investment earnings on the Certificate Fund will be spent to pay interest on the Certificates, or to the extent permitted by law, investment earnings on amounts in the Certificate Fund will be commingled with substantial revenues from the governmental operations of the Village, and the earnings are reasonably expected to be spent for governmental purposes within six months of the date earned. Interest earnings on the Certificate Fund have not been earmarked or restricted by the Corporate Authorities for a designated purpose.

2.3. *Reimbursement.* None of the Sale Proceeds or investment earnings thereon will be used for Reimbursed Expenditures.

2.4. *Working Capital.* All Sale Proceeds and investment earnings thereon will be used, directly or indirectly, to pay principal of, interest on and redemption premium (if any) on the Refunded Certificates, other than the following:

(a) payments of interest on the Certificates for the period commencing at Closing and ending on the date one year after the date on which the Prior Project is Placed-in-Service;

(b) Costs of Issuance and Qualified Administrative Costs of Investments;

(c) payments of rebate or Yield Reduction Payments made to the United States under the Regulations;

(d) principal of or interest on the Certificates paid from unexpected excess Sale Proceeds and investment earnings thereon; and

(e) investment earnings that are commingled with substantial other revenues and are reasonably expected to be spent within six months of the date of the commingling.

2.5. *Consequences of Contrary Expenditure.* The Village acknowledges that if Sale Proceeds and investment earnings thereon are spent other than as permitted by paragraph 2.4 hereof, a like amount of then available funds of the Village will be treated as unspent Sale Proceeds.

2.6. *Investment of Certificate Proceeds.* No portion of the Certificates is being issued solely for the purpose of investing a portion of Sale Proceeds or investment earnings thereon at a Yield higher than the Yield on the Certificates.

2.7. *No Grants.* None of the Sale Proceeds or investment earnings thereon will be used to make grants to any person.

2.8. *Hedges.* Neither the Village nor any member of the same Controlled Group as the Village has entered into or expects to enter into any hedge (*e.g.*, an interest rate swap, interest rate cap, futures contract, forward contract or an option) with respect to the Certificates or the Prior Certificates. The Village acknowledges that any such hedge could affect, among other things, the calculation of Certificate Yield under the Regulations. The Internal Revenue Service could recalculate Certificate Yield if the failure to account for the hedge fails to clearly reflect the economic substance of the transaction.

The Village also acknowledges that if it acquires a hedging contract with an investment element (including, *e.g.*, an off-market swap agreement, or any cap agreement

for which all or a portion of the premium is paid at, or before the effective date of the cap agreement), then a portion of such hedging contract may be treated as an investment of Gross Proceeds of the Certificates, and be subject to the fair market purchase price rules, rebate and yield restriction. The Village agrees not to use proceeds of the Certificates to pay for any such hedging contract in whole or in part. The Village also agrees that it will not give any assurances to any Certificate holder or any credit or liquidity enhancer with respect to the Certificates that any such hedging contract will be entered into or maintained. The Village recognizes that if a portion of a hedging contract is determined to be an investment of gross proceeds, such portion may not be fairly priced even if the hedging contract as a whole is fairly priced.

2.9. Internal Revenue Service Audits. The Village represents that the Internal Revenue Service has not contacted the Village regarding the Prior Certificates or any other obligations issued by or on behalf of the Village. To the best of the knowledge of the Village, no such obligations of the Village are currently under examination by the Internal Revenue Service

2.10. Abusive Transactions. Neither the Village nor any member of the same Controlled Group as the Village will receive a rebate or credit resulting from any payments having been made in connection with the issuance of the Certificates or the refunding of the Refunded Certificates.

3.1. Use of Proceeds. (a) The use of the Sale Proceeds and investment earnings thereon and the funds held under this Ordinance at the time of Closing are described in the preceding Section of this Ordinance. No Sale Proceeds will be used to pre-pay for goods or services to be received over a period of years prior to the date such goods or services are to be received. No Sale Proceeds or any investment earnings thereon will be used to pay for or otherwise acquire goods or services from the Village, any member of the same Controlled Group as the Village, or an Affiliated Person.

(b) Only the funds and accounts described in said Section will be funded at Closing. There are no other funds or accounts created under this Ordinance, other than the Rebate Fund if it is created as provided in paragraph 4.2 hereof.

(c) Principal of and interest on the Certificates will be paid from the Certificate Fund.

(d) Any Costs of Issuance incurred in connection with the issuance of the Certificates to be paid by the Village will be paid at the time of Closing.

3.2. Purpose of Certificate Fund. The Certificate Fund (other than the Reserve Portion of the Certificate Fund) will be used primarily to achieve a proper matching of revenues and earnings with principal and interest payments on the Certificates in each bond year. It is expected that the Certificate Fund (other than the Reserve Portion of the Certificate Fund) will be depleted at least once a year, except for a reasonable carry over amount not to exceed the greater of (a) the earnings on the investment of moneys in the

Certificate Fund (other than the Reserve Portion of the Certificate Fund) for the immediately preceding bond year or (b) 1/12th of the principal and interest payments on the Certificates for the immediately preceding bond year.

The Village will levy taxes to produce an amount sufficient to pay all principal of and interest on the Certificates in each bond year. To minimize the likelihood of an insufficiency, the amount extended to pay the Certificates may in most years be in excess of the amount required to pay principal and interest within one year of collection. This over-collection (if any) may cause the Certificate Fund as a whole to fail to function as a bona fide debt service fund. Nevertheless, except for the Reserve Portion of the Certificate Fund, the Certificate Fund will be depleted each year as described above. The Reserve Portion of the Certificate Fund will constitute a separate account not treated as part of the bona fide debt service fund. The Reserve Portion of the Certificate Fund is subject to yield restriction requirements except as it may otherwise be expected as provided in 5.2 below. It is also subject to rebate requirements.

3.3. *The Prior Certificates.* (a) As of the earlier of (i) the time of the Closing or (ii) the date three years after an issue of the Prior Certificates was issued, all Prior Certificate Proceeds of such issue, including investment earnings thereon, were completely spent to pay the costs of Capital Expenditures.

(b) As of the date hereof, no Prior Certificate Proceeds or money or property of any kind (including cash) is on deposit in any fund or account, regardless of where held or the source thereof, with respect to the Prior Certificates or any credit enhancement or liquidity device relating to the foregoing, or is otherwise restricted to pay the Village's obligations.

(c) The Prior Certificate Funds were used primarily to achieve a proper matching of revenues and earnings with principal and interest payments on the related issue of the Prior Certificates in each bond year. The Prior Certificate Funds were depleted at least once a year, except for a reasonable carry over amount not to exceed the greater of (i) the earnings on the investment of moneys in such account for the immediately preceding bond year or (ii) one-twelfth (1/12th) of the principal and interest payments on the related issue of the Prior Certificates.

(d) At the time each issue of the Prior Certificates was issued, the Village reasonably expected to spend at least 85% of the proceeds (including investment earnings) of such issue to be used for non-refunding purposes for such purposes within three years of the date such issue was issued and such proceeds were so spent. Not more than 50% of the proceeds of any issue of the Prior Certificates to be used for non-refunding purposes was invested in investments having a substantially guaranteed Yield for four years or more.

(e) The Refunded Certificates do not include, directly or indirectly in a series, any advance refunding obligations.

(f) The Village has not been notified that the Prior Certificates are under examination by the Internal Revenue Service, and to the best of the Village's knowledge the Prior Certificates are not under examination by the Internal Revenue Service.

(g) The Village acknowledges that (i) the final rebate payment with respect to the Prior Certificates may be required to be made sooner than if the refunding had not occurred and (ii) the final rebate is due 60 days after the Prior Certificates are paid in full.

3.4. No Other Gross Proceeds. (a) Except for the Certificate Fund and except for investment earnings that have been commingled as described in paragraph 2.2 and any credit enhancement or liquidity device related to the Certificates, after the issuance of the Certificates, neither the Village nor any member of the same Controlled Group as the Village has or will have any property, including cash, securities or any other property held as a passive vehicle for the production of income or for investment purposes, that constitutes:

(i) Sale Proceeds;

(ii) amounts in any fund or account with respect to the Certificates (other than the Rebate Fund);

(iii) Transferred Proceeds;

(iv) amounts that have a sufficiently direct nexus to the Certificates or to the governmental purpose of the Certificates to conclude that the amounts would have been used for that governmental purpose if the Certificates were not used or to be used for that governmental purpose (the mere availability or preliminary earmarking of such amounts for a governmental purpose, however, does not itself establish such a sufficient nexus);

(v) amounts in a debt service fund, redemption fund, reserve fund, replacement fund or any similar fund to the extent reasonably expected to be used directly or indirectly to pay principal of or interest on the Certificates or any amounts for which there is provided, directly or indirectly, a reasonable assurance that the amount will be available to pay principal of or interest on the Certificates or any obligations under any credit enhancement or liquidity device with respect to the Certificates, even if the Village encounters financial difficulties;

(vi) any amounts held pursuant to any agreement (such as an agreement to maintain certain levels of types of assets) made for the benefit of the Certificateholders or any credit enhancement provider, including any liquidity device or negative pledge (*e.g.*, any amount pledged to pay principal of or interest on an issue held under an agreement to maintain the amount at a particular level for the direct or indirect benefit of holders of the Certificates or a guarantor of the Certificates); or

(vii) amounts actually or constructively received from the investment and reinvestment of the amounts described in (i), (ii) or (iii) above.

(b) No compensating balance, liquidity account, negative pledge of property held for investment purposes required to be maintained at least at a particular level or similar arrangement exists with respect to, in any way, the Certificates or any credit enhancement or liquidity device related to the Certificates.

(c) The term of the Certificates is not longer than is reasonably necessary for the governmental purposes of the Certificates. The average reasonably expected remaining economic life of the Prior Project is at least 13 years. The weighted average maturity of the Certificates does not exceed 13 years and does not exceed 120 percent of the average reasonably expected economic life of the Prior Project. The maturity schedule of the Certificates (the "*Principal Payment Schedule*") is based on an analysis of revenues expected to be available to pay debt service on the Certificates. The Principal Payment Schedule is not more rapid (*i.e.*, having a lower average maturity) because a more rapid schedule would place an undue burden on tax rates and cause such rates to be increased beyond prudent levels, and would be inconsistent with the governmental purpose of the Certificates as set forth in paragraph 2.1 hereof.

4.1. Compliance with Rebate Provisions. The Village covenants to take such actions and make, or cause to be made, all calculations, transfers and payments that may be necessary to comply with the Rebate Provisions applicable to the Certificates. The Village will make, or cause to be made, rebate payments with respect to the Certificates in accordance with law.

4.2. Rebate Fund. The Village is hereby authorized to create and establish a special fund to be known as the Rebate Fund (the "*Rebate Fund*"), which, if created, shall be continuously held, invested, expended and accounted for in accordance with this Ordinance. Moneys in the Rebate Fund shall not be considered moneys held for the benefit of the owners of the Certificates. Except as provided in the Regulations, moneys in the Rebate Fund (including earnings and deposits therein) shall be held in trust for payment to the United States as required by the Rebate Provisions and by the Regulations and as contemplated under the provisions of this Ordinance.

4.3. Records. The Village agrees to keep and retain or cause to be kept and retained for the period described in paragraph 7.9 adequate records with respect to the investment of all Gross Proceeds and amounts in the Rebate Fund. Such records shall include: (a) purchase price; (b) purchase date; (c) type of investment; (d) accrued interest paid; (e) interest rate; (f) principal amount; (g) maturity date; (h) interest payment date; (i) date of liquidation; and (j) receipt upon liquidation.

If any investment becomes Gross Proceeds on a date other than the date such investment is purchased, the records required to be kept shall include the fair market value of such investment on the date it becomes Gross Proceeds. If any investment is retained after the date the last Certificate is retired, the records required to be kept shall

include the fair market value of such investment on the date the last Certificate is retired. Amounts or investments will be segregated whenever necessary to maintain these records.

4.4. *Fair Market Value; Certificates of Deposit and Investment Agreements.* The Village will continuously invest all amounts on deposit in the Rebate Fund, together with the amounts, if any, to be transferred to the Rebate Fund, in any investment permitted under this Ordinance. In making investments of Gross Proceeds or of amounts in the Rebate Fund the Village shall take into account prudent investment standards and the date on which such moneys may be needed. Except as provided in the next sentence, all amounts that constitute Gross Proceeds and all amounts in the Rebate Fund shall be invested at all times to the greatest extent practicable, and no amounts may be held as cash or be invested in zero yield investments other than obligations of the United States purchased directly from the United States. In the event moneys cannot be invested, other than as provided in this sentence due to the denomination, price or availability of investments, the amounts shall be invested in an interest bearing deposit of a bank with a yield not less than that paid to the general public or held uninvested to the minimum extent necessary.

Gross Proceeds and any amounts in the Rebate Fund that are invested in certificates of deposit or in GICs shall be invested only in accordance with the following provisions:

(a) Investments in certificates of deposit of banks or savings and loan associations that have a fixed interest rate, fixed payment schedules and substantial penalties for early withdrawal shall be made only if either (i) the Yield on the certificate of deposit (A) is not less than the Yield on reasonably comparable direct obligations of the United States and (B) is not less than the highest Yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public or (ii) the investment is an investment in a GIC and qualifies under paragraph (b) below.

(b) Investments in GICs shall be made only if

(i) the bid specifications are in writing, include all material terms of the bid and are timely forwarded to potential providers (a term is material if it may directly or indirectly affect the yield on the GIC);

(ii) the terms of the bid specifications are commercially reasonable (a term is commercially reasonable if there is a legitimate business purpose for the term other than to reduce the yield on the GIC);

(iii) all bidders for the GIC have equal opportunity to bid so that, for example, no bidder is given the opportunity to review other bids (a last look) before bidding;

(iv) any agent used to conduct the bidding for the GIC does not bid to provide the GIC;

(v) at least three of the providers solicited for bids for the GIC are reasonably competitive providers of investments of the type purchased (*i.e.*, providers that have established industry reputations as competitive providers of the type of investments being purchased);

(vi) at least three of the entities that submit a bid do not have a financial interest in the Certificates;

(vii) at least one of the entities that provided a bid is a reasonably competitive provider that does not have a financial interest in the Certificates;

(viii) the bid specifications include a statement notifying potential providers that submission of a bid is a representation that the potential provider did not consult with any other provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the Village or any other person (whether or not in connection with the Certificates) and that the bid is not being submitted solely as a courtesy to the Village or any other person for purposes of satisfying the federal income tax requirements relating to the bidding for the GIC;

(ix) the determination of the terms of the GIC takes into account the reasonably expected deposit and drawdown schedule for the amounts to be invested;

(x) the highest-yielding GIC for which a qualifying bid is made (determined net of broker's fees) is in fact purchased; and

(xi) the obligor on the GIC certifies the administrative costs that it is paying or expects to pay to third parties in connection with the GIC.

(c) If a GIC is purchased, the Village will retain the following records with its bond documents until three years after the Certificates are redeemed in their entirety:

(i) a copy of the GIC;

(ii) the receipt or other record of the amount actually paid for the GIC, including a record of any administrative costs paid, and the certification under subparagraph (b)(xi) of this paragraph;

(iii) for each bid that is submitted, the name of the person and entity submitting the bid, the time and date of the bid, and the bid results; and

(iv) the bid solicitation form and, if the terms of the GIC deviated from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose for the deviation.

Moneys to be rebated to the United States shall be invested to mature on or prior to the anticipated rebate payment date. All investments made with Gross Proceeds or amounts in the Rebate Fund shall be bought and sold at fair market value. The fair market value of an investment is the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction. Except for investments specifically described in this Section and United States Treasury obligations that are purchased directly from the United States Treasury, only investments that are traded on an established securities market, within the meaning of regulations promulgated under Section 1273 of the Code, will be purchased with Gross Proceeds. In general, an "established securities market" includes: (i) property that is listed on a national securities exchange, an interdealer quotation system or certain foreign exchanges; (ii) property that is traded on a Commodities Futures Trading Commission designated board of trade or an interbank market; (iii) property that appears on a quotation medium; and (iv) property for which price quotations are readily available from dealers and brokers. A debt instrument is not treated as traded on an established market solely because it is convertible into property which is so traded.

An investment of Gross Proceeds in an External Commingled Fund shall be made only to the extent that such investment is made without an intent to reduce the amount to be rebated to the United States Government or to create a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the rebate or Yield restriction requirements not been relevant to the Village. An investment of Gross Proceeds shall be made in a Commingled Fund other than an External Commingled Fund only if the investments made by such Commingled Fund satisfy the provisions of this paragraph.

A single investment, or multiple investments awarded to a provider based on a single bid may not be used for funds subject to different rules relating to rebate or yield restriction.

The foregoing provisions of this paragraph satisfy various safe harbors set forth in the Regulations relating to the valuation of certain types of investments. The safe harbor provisions of this paragraph are contained herein for the protection of the Village, who has covenanted not to take any action to adversely affect the tax-exempt status of the interest on the Certificates. The Village will contact Bond Counsel if it does not wish to comply with the provisions of this paragraph and forego the protection provided by the safe harbors provided herein.

4.5. *Arbitrage Elections.* The Village hereby waives its right to invest amounts to be used for the Advance Refunding in investments with yields higher than Certificate Yield. The President, Clerk and Treasurer of the Corporate Authorities are hereby authorized to execute one or more elections regarding certain other matters with respect to arbitrage.

4.6. *Rebate.* (a) The average maturity of the Certificates exceeds the remaining average maturity of the Refunded Certificates.

(b) The portion of the Certificates used for a Current Refunding will be treated as a separate issue that is not exempt from rebate because of the small issuer exception to rebate pursuant to Section 148(f)(4)(D)(V) of the Code. However, the Village expects that at least 95% of the proceeds of the Certificates allocable to such portion of the Certificates will be expended within six months from the date of Closing and that 100 percent of the proceeds of the Certificates will be expended within one year from the date of Closing. Accordingly, the Village expects that such portion of the Certificates will be exempt from Rebate as a result of the six month spending exception. The Village will monitor expenditures to determine if the six month expenditure test is met. If it is not met, the Village will rebate arbitrage profits on such portion of the Certificates.

(c) The portion of the Certificates used for an Advance Refunding is not exempt from Rebate and the Village will rebate arbitrage profits on such portion of the Certificates; *provided, however*, that the Village will not invest any such amounts in investments with yields higher than Certificate Yield.

5.1. *Issue Price.* For purposes of determining the Yield on the Certificates, the purchase price of the Certificates is equal to the first offering price (including accrued interest) at which the Purchaser reasonably expected to sell at least ten percent of the principal amount of each maturity of the Certificates to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). All of the Certificates have been the subject of a bona fide initial offering to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) at prices equal to those set forth in the Official Statement. Based upon prevailing market conditions, such prices are not less than the fair market value of each Certificate as of the sale date for the Certificates.

5.2. *Yield Limits.* Except as provided in paragraph (a) or (b), all Gross Proceeds shall be invested at market prices and at a Yield (after taking into account any Yield Reduction Payments) not in excess of the Yield on the Certificates.

The following may be invested without Yield restriction:

(a)(i) amounts on deposit in the Certificate Fund (except for capitalized interest and any Reserve Portion of the Certificate Fund) that have not been on deposit under this Ordinance for more than 13 months, so long as the Certificate

Fund (other than the Reserve Portion of the Certificate Fund) continues to qualify as a bona fide debt service fund as described in paragraph 3.2 hereof;

(ii) amounts to be used for a Current Refunding until the earlier to occur of 90 days after Closing or the date of final payment of debt service to be made from Certificate Proceeds on the Refunded Certificates allocable to such Current Refunding;

(b)(i) An amount not to exceed the lesser of \$100,000 or five percent of the Sale Proceeds;

(ii) amounts invested in Qualified Tax Exempt Obligations (to the extent permitted by law and this Ordinance);

(iii) amounts in the Rebate Fund;

(iv) all amounts other than Sale Proceeds for the first 30 days after they become Gross Proceeds; and

(v) all amounts derived from the investment of Sale Proceeds or investment earnings thereon for a period of one year from the date received.

5.3. Yield Limits on Prior Certificate Proceeds. Except for an amount not to exceed the lesser of \$100,000 or five percent of Prior Certificate Proceeds, the Village acknowledges that all Prior Certificate Proceeds must be invested at market prices and at a Yield not in excess of the Yield on the Prior Certificates.

5.4. Continuing Nature of Yield Limits. Except as provided in paragraph 7.10 hereof, once moneys are subject to the Yield limits of paragraph 5.2 hereof, such moneys remain Yield restricted until they cease to be Gross Proceeds.

5.5. Federal Guarantees. Except for investments meeting the requirements of paragraph 5.2(a) hereof and except for amounts used for an Advance Refunding, investments of Gross Proceeds shall not be made in (a) investments constituting obligations of or guaranteed, directly or indirectly, by the United States (except obligations of the United States Treasury or investments in obligations issued pursuant to Section 21B(d)(3) of the Federal Home Loan Bank, as amended (*e.g.*, Refcorp Strips)); or (b) federally insured deposits or accounts (as defined in Section 149(b)(4)(B) of the Code). Except as otherwise permitted in the immediately prior sentence and in the Regulations, no portion of the payment of principal or interest on the Certificates or any credit enhancement or liquidity device relating to the foregoing is or will be guaranteed, directly or indirectly (in whole or in part), by the United States (or any agency or instrumentality thereof), including a lease, incentive payment, research or output contract or any similar arrangement, agreement or understanding with the United States or any agency or instrumentality thereof. No portion of the Gross Proceeds has been or will be used to make loans the payment of principal or interest with respect to which is or will be

guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof). Neither this paragraph nor paragraph 5.6 hereof applies to any guarantee by the Federal Housing Administration, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, the Student Loan Marketing Association or the Bonneville Power Administration pursuant to the Northwest Power Act (16 U.S.C. 839d) as in effect on the date of enactment of the Tax Reform Act of 1984.

5.6. Investments After the Expiration of Temporary Periods, Etc. Any amounts, that are subject to the yield limitation in Section 5.2 because Section 5.2(a) is not applicable and amounts not subject to yield restriction only because they are described in Section 5.2(b) cannot be invested in (i) federally insured deposits or accounts (as defined in Section 149(b)(4)(B) of the Code or (ii) investments constituting obligations of or guaranteed, directly or indirectly, by the United States (except obligations of the United States Treasury or investments in obligations issued pursuant to Section 21B(d)(3) of the Federal Home Loan Bank Act, as amended (*e.g.*, Refcorp Strips).

6.1. Payment and Use Tests. (a) No more than five percent of the proceeds of each issue of the Prior Certificates and investment earnings thereon were used, directly or indirectly, in whole or in part, in any Private Business Use. The Village acknowledges that, for purposes of the preceding sentence, Gross Proceeds used to pay costs of issuance and other common costs (such as capitalized interest and fees paid for a qualified guarantee or qualified hedge) or invested in a reserve or replacement fund must be ratably allocated among all the purposes for which Gross Proceeds are being used.

(b) The payment of more than five percent of the principal of or the interest on the Certificates or on each issue of the Prior Certificates considered separately will not be, directly or indirectly (i) secured by any interest in (A) property used or to be used in any Private Business Use or (B) payments in respect of such property or (ii) on a present value basis, derived from payments (whether or not to the Village or a member of the same Controlled Group as the Village) in respect of property, or borrowed money, used or to be used in any Private Business Use.

(c) No more than the lesser of \$5,000,000 or five percent of the sum of the proceeds of each issue of the Prior Certificates and investment earnings thereon were used, and no more than the lesser of \$5,000,000 or five percent of the sum of the Sale Proceeds and investment earnings thereon will be used, directly or indirectly, to make or finance loans to any persons. The Village acknowledges that, for purposes of the preceding sentence, Gross Proceeds used to pay costs of issuance and other common costs (such as capitalized interest and fees paid for a qualified guarantee or qualified hedge) or invested in a reserve or replacement fund must be ratably allocated among all the purposes for which Gross Proceeds are being used.

(d) No user of the Prior Project other than a state or local governmental unit will use more than five percent of such facilities, considered separately, on any basis other than the same basis as the general public.

6.2. *I.R.S. Form 8038-G.* The information contained in the Information Return for Tax-Exempt Governmental Obligations, Form 8038-G, is true and complete. The Village will file Form 8038-G (and all other required information reporting forms) in a timely manner.

6.3. *Bank Qualification.* (a) The Village hereby designates each of the Certificates as a "qualified tax-exempt obligation" for the purposes and within the meaning of Section 265(b)(3) of the Code. In support of such designation, the Village hereby certifies that (i) none of the Certificates will be at any time a "private activity bond" (as defined in Section 141 of the Code), (ii) as of the date hereof in calendar year 2012, other than the Certificates, no tax-exempt obligations of any kind have been issued (x) by or on behalf of the Village, (y) by other issuers any of the proceeds of which have been or will be used to make any loans to the Village or (z) any portion of which has been allocated to the Village for purposes of Section 265(b) of the Code and (iii) not more than \$10,000,000 of obligations of any kind (including the Certificates) issued (x) by or on behalf of the Village, (y) by other issuers any of the proceeds of which have been or will be used to make any loans to the Village or (z) any portion of which has been allocated to the Village for purposes of Section 265(b) of the Code during calendar year 2012 will be designated for purposes of Section 265(b)(3) of the Code.

(b) The Village is not subject to Control by any entity, and there are no entities subject to Control by the Village.

(c) On the date hereof, the Village does not reasonably anticipate that for calendar year 2012 it will issue, have another entity issue on behalf of the Village, borrow the proceeds of or have allocated to the Village for purposes of Section 265(b) of the Code more than \$10,000,000 Section 265 Tax-Exempt Obligations (including the Certificates). "Section 265 Tax-Exempt Obligations" are obligations the interest on which is excludable from gross income of the owners thereof under Section 103 of the Code, *except for* private activity bonds other than qualified 501(c)(3) bonds, both as defined in Section 141 of the Code. The Village will not, in calendar year 2012 issue, permit the issuance on behalf of it or by any entity subject to Control by the Village (which may hereafter come into existence), borrow the proceeds of or have allocated to it for purposes of Section 265(b) of the Code Section 265 Tax-Exempt Obligations (including the Certificates) that exceed the aggregate amount of \$10,000,000 during calendar year 2012 unless it first obtains an opinion of Bond Counsel to the effect that such issuance, borrowing or allocation will not adversely affect the treatment of the Certificates as "qualified tax-exempt obligations" for the purpose and within the meaning of Section 265(b)(3) of the Code.

(d) The Certificates have not been sold in conjunction with any other obligation.

7.1. *Termination; Interest of Village in Rebate Fund.* The terms and provisions set forth in this Section shall terminate at the later of (a) 75 days after the Certificates have been fully paid and retired or (b) the date on which all amounts remaining on deposit in the Rebate Fund, if any, shall have been paid to or upon the order of the United

States and any other payments required to satisfy the Rebate Provisions of the Code have been made to the United States. Notwithstanding the foregoing, the provisions of paragraphs 4.3, 4.4(c) and 7.9 hereof shall not terminate until the third anniversary of the date the Certificates are fully paid and retired.

7.2. Separate Issue. Since a date that is 15 days prior to the date of sale of the Certificates by the Village to the Purchaser, neither the Village nor any member of the same Controlled Group as the Village has sold or delivered any tax-exempt obligations other than the Certificates that are reasonably expected to be paid out of substantially the same source of funds as the Certificates. Neither the Village nor any member of the same Controlled Group as the Village will sell or deliver within 15 days after the date of sale of the Certificates any tax-exempt obligations other than the Certificates that are reasonably expected to be paid out of substantially the same source of funds as the Certificates.

7.3. No Sale of the Prior Project. (a) Other than as provided in the next sentence, neither the Prior Project nor any portion thereof has been, is expected to be, or will be sold or otherwise disposed of, in whole or in part, prior to the earlier of (i) the last date of the reasonably expected economic life to the Village of the property (determined on the date of issuance of the Certificates) or (ii) the last maturity date of the Certificates. The Village may dispose of personal property in the ordinary course of an established government program prior to the earlier of (i) the last date of the reasonably expected economic life to the Village of the property (determined on the date of issuance of the Certificates) or (ii) the last maturity of the Certificates, provided: (A) the weighted average maturity of the Certificates financing the personal property is not greater than 120 percent of the reasonably expected actual use of that property for governmental purposes; (B) the Village reasonably expects on the issue date that the fair market value of that property on the date of disposition will be not greater than 25 percent of its cost; (C) the property is no longer suitable for its governmental purposes on the date of disposition; and (D) the Village deposits amounts received from the disposition in a commingled fund with substantial tax or other governmental revenues and the Village reasonably expects to spend the amounts on governmental programs within six months from the date of the commingling.

(b) The Village acknowledges that if property financed with the Prior Certificates is sold or otherwise disposed of in a manner contrary to (a) above, such sale or disposition may constitute a "deliberate action" within the meaning of the Regulations that may require remedial actions to prevent the Certificates from becoming private activity bonds. The Village shall promptly contact Bond Counsel if a sale or other disposition of Certificate-financed property is considered by the Village.

7.4. Purchase of Certificates by Village. The Village will not purchase any of the Certificates except to cancel such Certificates.

7.5. First Call Date Limitation. The period between the date of Closing and the first call date of the Certificates is not more than 10-1/2 years.

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

7.7. *First Amendment.* The Village acknowledges and agrees that it will not use, or allow the Prior Project to be used, in a manner which is prohibited by the Establishment of Religion Clause of the First Amendment to the Constitution of the United States of America or by any comparable provisions of the Constitution of the State of Illinois.

7.8. *Future Events.* The Village acknowledges that any changes in facts or expectations from those set forth herein may result in different Yield restrictions or rebate requirements from those set forth herein. The Village shall promptly contact Bond Counsel if such changes do occur.

7.9. *Records Retention.* The Village agrees to keep and retain or cause to be kept and retained sufficient records to support the continued exclusion of the interest paid on the Certificates from federal income taxation, to demonstrate compliance with the covenants in this Ordinance and to show that all tax returns related to the Certificates submitted or required to be submitted to the Internal Revenue Service are correct and timely filed. Such records shall include, but are not limited to, basic records relating to the Certificate transaction (including this Ordinance and the Bond Counsel opinion); documentation evidencing the expenditure of Certificate proceeds; documentation evidencing the use of Certificate-financed property by public and private entities (*i.e.*, copies of leases, management contracts and research agreements); documentation evidencing all sources of payment or security for the Certificates; and documentation pertaining to any investment of Certificate proceeds (including the information required under paragraphs 4.3 and 4.4 hereof and in particular information related to the purchase and sale of securities, SLGs subscriptions, yield calculations for each class of investments, actual investment income received from the investment of proceeds, guaranteed investment contracts and documentation of any bidding procedure related thereto and any fees paid for the acquisition or management of investments and any rebate calculations). Such records shall be kept for as long as the Certificates are outstanding, plus three (3) years after the later of the final payment date of the Certificates or the final payment date of any obligations or series of obligations issued to refund directly or indirectly all or any portion of the Certificates.

7.10. *Permitted Changes; Opinion of Bond Counsel.* The Yield restrictions contained in paragraph 5.2 hereof or any other restriction or covenant contained herein need not be observed or may be changed if such nonobservance or change will not result in the loss of any exemption for the purpose of federal income taxation to which interest on the Certificates is otherwise entitled and the Village receives an opinion of Bond Counsel to such effect. Unless the Village otherwise directs, such opinion shall be in

such form and contain such disclosures and disclaimers as may be required so that such opinion will not be treated as a covered opinion or a state or local bond opinion for purposes of Treasury Department regulations governing practice before the Internal Revenue Service (Circular 230) 31 C.F.R. pt. 10.

7.11. Excess Proceeds. Gross Proceeds of the Certificates and investment earnings thereon and all unspent Prior Certificate Proceeds as of the date of Closing and investment earnings thereon do not exceed by more than one percent of the Sale Proceeds of the Certificates the amount that will be used for:

- (i) payment of principal of or interest or call premium on the Refunded Certificates;
- (ii) payment of pre-issuance accrued interest on the Certificates and interest on the Certificates that accrues for a period up to the completion date of any capital project for which the prior issue was issued, plus one year;
- (iii) payment of cost of issuance of the Certificates;
- (iv) payment of administrative costs allocable to repaying the Refunded Certificates, carrying and repaying the Certificates or investments of the Certificates;
- (v) Prior Certificate Proceeds that will be used or maintained for the governmental purpose of the Refunded Certificates; and
- (vi) interest on purpose investments.

7.12. Successors and Assigns. The terms, provisions, covenants and conditions of this Section shall bind and inure to the benefit of the respective successors and assigns of the Corporate Authorities and the Village.

7.13. Expectations. The Corporate Authorities has reviewed the facts, estimates and circumstances in existence on the date of issuance of the Certificates. Such facts, estimates and circumstances, together with the expectations of the Village as to future events, are set forth in summary form in this Section. Such facts and estimates are true and are not incomplete in any material respect. On the basis of the facts and estimates contained herein, the Village has adopted the expectations contained herein. On the basis of such facts, estimates, circumstances and expectations, it is not expected that Sale Proceeds, investment earnings thereon or any other moneys or property will be used in a manner that will cause the Certificates to be arbitrage bonds within the meaning of the Rebate Provisions and the Regulations. Such expectations are reasonable and there are no other facts, estimates and circumstances that would materially change such expectations.

The Village also agrees and covenants with the purchasers and holders of the Certificates from time to time outstanding that, to the extent possible under Illinois law, it will comply with whatever federal tax law is adopted in the future which applies to the Certificates and affects the tax-exempt status of the Certificates.

The Corporate Authorities hereby authorize the officials of the Village responsible for issuing the Certificates, the same being the President, Clerk and Treasurer of the Village, to make such further covenants and certifications as may be necessary to assure that the use thereof will not cause the Certificates to be arbitrage bonds and to assure that the interest in the Certificates will be exempt from federal income taxation. In connection therewith, the Village and the Corporate Authorities further agree: (a) through their officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (b) to consult with counsel approving the Certificates and to comply with such advice as may be given; (c) to pay to the United States, as necessary, such sums of money representing required rebates of excess arbitrage profits relating to the Certificates; (d) to file such forms, statements, and supporting documents as may be required and in a timely manner; and (e) if deemed necessary or advisable by their officers, to employ and pay fiscal agents, financial advisors, attorneys, and other persons to assist the Village in such compliance.

Section 16. Pertaining to the Certificate Registrar. If requested by the Certificate Registrar, any officer of the Village is authorized to execute a standard form of agreement between the Village and the Certificate Registrar with respect to the obligations and duties of the Certificate Registrar under this Ordinance. In addition to the terms of such agreement and subject to modification thereby, the Certificate Registrar by acceptance of duties under this Ordinance agrees (a) to act as registrar, paying agent, authenticating agent, and transfer agent as provided herein; (b) to maintain a list of Certificateholders as set forth herein and to furnish such

list to the Village upon request, but otherwise to keep such list confidential to the extent permitted by law; (c) to give notice of redemption of Certificates as provided herein; (d) to cancel and/or destroy Certificates which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer; (e) to furnish the Village at least annually a certificate with respect to Certificates cancelled and/or destroyed; and (f) to furnish the Village at least annually an audit confirmation of Certificates paid, Certificates outstanding and payments made with respect to interest on the Certificates. The Village covenants with respect to the Certificate Registrar, and the Certificate Registrar further covenants and agrees as follows:

A. The Village shall at all times retain a Certificate Registrar with respect to the Certificates; it will maintain at the designated office(s) of such Certificate Registrar a place or places where Certificates may be presented for payment, registration, transfer, or exchange; and it will require that the Certificate Registrar properly maintain the Certificate Register and perform the other duties and obligations imposed upon it by this Ordinance in a manner consistent with the standards, customs, and practices of the municipal securities industry.

B. The Certificate Registrar shall signify its acceptance of the duties and obligations imposed upon it by this Ordinance by executing the certificate of authentication on any Certificate, and by such execution the Certificate Registrar shall be deemed to have certified to the Village that it has all requisite power to accept and has accepted such duties and obligations not only with respect to the Certificate so authenticated but with respect to all the Certificates. Any Certificate Registrar shall be the agent of the Village and shall not be liable in connection with the performance of its duties except for its own negligence or willful wrongdoing. Any Certificate Registrar

shall, however, be responsible for any representation in its certificate of authentication on Certificates.

C. The Village may remove the Certificate Registrar at any time. In case at any time the Certificate Registrar shall resign, shall be removed, shall become incapable of acting, or shall be adjudicated a bankrupt or insolvent, or if a receiver, liquidator, or conservator of the Certificate Registrar or of the property thereof shall be appointed, or if any public officer shall take charge or control of the Certificate Registrar or of the property or affairs thereof, the Village covenants and agrees that it will thereupon appoint a successor Certificate Registrar. The Village shall give notice of any such appointment made by it to each registered owner of any Certificate within twenty days after such appointment in the same manner. Any Certificate Registrar appointed under the provisions of this Section shall be a bank, trust company, or national banking association maintaining its principal corporate trust office in Illinois and having capital and surplus and undivided profits in excess of \$100,000,000. The Village Clerk is hereby directed to file a certified copy of this Ordinance with the Certificate Registrar.

Section 17. Defeasance. Any Certificate or Certificates which (a) are paid and cancelled, (b) which have matured and for which sufficient sums been deposited with the Certificate Registrar to pay all principal and interest due thereon, or (c) for which sufficient United States of America dollars and direct United States Treasury obligations have been deposited with the Certificate Registrar or similar institution to pay, taking into account investment earnings on such obligations, all principal of and interest on (and redemption premium, if any, on) such Certificate or Certificates when due at maturity or as called for redemption, if applicable, pursuant to an irrevocable escrow or trust agreement, shall cease to have any lien on or right to receive or be paid from the Certificate Moneys hereunder and shall

no longer have the benefits of any covenant for the registered owners of outstanding Certificates as set forth herein as such relates to lien and security of the outstanding Certificates. All covenants relative to the Tax-exempt status of the Certificates; and payment, registration, transfer, and exchange; are expressly continued for all Certificates whether outstanding Certificates or not.

Section 18. Continuing Disclosure Undertaking. The President of the Village is hereby authorized, empowered and directed to execute and deliver a Continuing Disclosure Undertaking under Section (b)(5) of Rule 15c2-12 adopted by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "*Continuing Disclosure Undertaking*"). When the Continuing Disclosure Undertaking is executed and delivered on behalf of the Village as herein provided, the Continuing Disclosure Undertaking will be binding on the Village and the officers, employees and agents of the Village, and the officers, employees and agents of the Village are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Continuing Disclosure Undertaking as executed. Notwithstanding any other provision of this Ordinance, the sole remedy for failure to comply with the Continuing Disclosure Undertaking shall be the ability of the beneficial owner of any Certificate to seek mandamus or specific performance by court order to cause the Village to comply with its obligations under the Continuing Disclosure Undertaking.

Section 19. Purchase of the Government Securities. The Escrow Trustee, the Purchaser and Chapman and Cutler LLP, Chicago, Illinois, be and the same are each hereby authorized to act as agent for the Village in the purchase of the Government Obligations described and set forth in the Escrow Agreement.

Section 20. Record-Keeping Policy and Post-Issuance Compliance Matters. On July 18, 2011, the Corporate Authorities adopted a record-keeping policy to assist the Village in demonstrating compliance with its covenants and expectations to ensure the appropriate federal tax status for the Certificates or other bonds or debt obligations of the Village (collectively, the “Policy”). The Corporate Authorities hereby amends the Policy to include the following provision:

Training. The Compliance Officer shall undertake to maintain reasonable levels of knowledge concerning the rules related to tax-exempt bonds (and build America bonds and tax credit bonds to the extent the Village has outstanding build America bonds or tax-credit bonds) so that such officer may fulfill the duties described in this Section. The Compliance Officer may consult with counsel, attend conferences and presentations of trade groups, read materials posted on various web sites, including the web site of the Tax-Exempt Bond function of the IRS, and use other means to maintain such knowledge. Recognizing that the Compliance Officer may not be fully knowledgeable in this area, the Compliance Officer may consult with outside counsel, consultants and experts to assist him or her in exercising his or her duties hereunder. The Compliance Officer will endeavor to make sure that the Village’s staff is aware of the need for continuing compliance. The Compliance Officer will provide copies of this Ordinance and the Tax Exemption Certificate and Agreement or other applicable tax documents for each series of Tax-Exempt Obligations then currently outstanding (the “Tax Agreements”) to staff members who may be responsible for taking actions described in such documents. The Compliance Officer will review this Ordinance and each of the Tax Agreements periodically to determine if there are portions that need further explanation and, if so, will attempt to obtain such explanation from counsel or from other experts, consultants or staff.

Section 21. Severability. If any section, paragraph, clause or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

Section 22. *Superseder and Effective Date.* All ordinances, resolutions, and orders, or parts thereof, in conflict herewith, are to the extent of such conflict hereby superseded; and this Ordinance shall be in full force and effect upon its passage and approval.

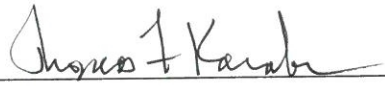
ADOPTED by the Corporate Authorities on the 6th day of February, 2012.

Aye: Trustees Alongi, Flood, Pedersen, Reid, Wallace,
and Williams

Nay: None

Absent: None

APPROVED by me, as President of the Village of Clarendon Hills, DuPage County, Illinois, the 6th day of February, 2012.


President

PASSED by the President and Board of Trustees of the Village of Clarendon Hills, DuPage County, Illinois, the 6th day of February, 2012.

Attest: 
Village Clerk



EXHIBIT A

FORM OF ESCROW AGREEMENT

This Escrow Agreement, dated as of February 27, 2012, but actually executed on the date witnessed hereinbelow, by and between the Village of Clarendon Hills, DuPage County, Illinois (the "*Village*"), and U.S. Bank National Association, a national banking association, having trust powers, with principal offices located in Chicago, Illinois (the "*Escrow Trustee*"), in consideration of the mutual promises and agreements herein set forth:

WITNESSETH:

ARTICLE I

DEFINITIONS

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

Section 1.01. "*Agreement*" means this Escrow Agreement between the Village and the Escrow Trustee.

Section 1.02. "*Board*" means the President and Board of Trustees which is the governing body of the Village.

Section 1.03. "*Certificates*" means the Refunding Debt Certificates, Series 2012, of the Village, a part of the proceeds of which are to be used for the refunding of the Refunded Certificates.

Section 1.04. "*Certificate Ordinance*" means the ordinance adopted by the Board on the 6th day of February, 2012, entitled:

AN ORDINANCE of the Village of Clarendon Hills, DuPage County, Illinois, authorizing and providing for an Installment Purchase Agreement for the purpose of the acquisition, by means of refinancing and refunding, of the rights under previously issued installment purchase agreements and related debt certificates, and authorizing and providing for the issue of \$2,360,000 Refunding Debt Certificates, Series 2012, evidencing the rights to payment under such Agreement, prescribing the details of the Agreement

and Certificates, and providing for the security for and means of payment under the Agreement of the Certificates.

Section 1.05. “*Certificate Registrar*” means the certificate registrar for the Refunded Certificates, namely, U.S. Bank National Association, Chicago, Illinois.

Section 1.06. “*Code*” means Section 148 of the Internal Revenue Code of 1986, and all lawful regulations promulgated thereunder.

Section 1.07. “*Escrow Account*” means the trust account established under this Agreement by the deposit of the Government Securities and the beginning cash.

Section 1.08. “*Escrow Trustee*” means U.S. Bank National Association, a national banking association, having trust powers, with principal offices located in Chicago, Illinois, not individually but in the capacity for the uses and purposes hereinafter mentioned, or any successor thereto.

Section 1.09. “*Government Securities*” means the non-callable direct obligations of or non-callable obligations guaranteed by the full faith and credit of the United States of America as to principal and interest deposited hereunder as more particularly described in *Exhibit A* to this Agreement.

Section 1.10. “*Paying Agent*” means the Certificate Registrar.

Section 1.11. “*Refunded Certificates*” means the outstanding certificates of the Village described as follows:

(a) \$385,000 Debt Certificates, Series 2002, dated July 15, 2002, being all of the certificates outstanding from an issue in the original principal amount of \$975,000, fully registered and without coupons, due serially on January 1 of the years, in the amounts and bearing interest at the rates per annum as follows:

YEAR OF MATURITY	PRINCIPAL AMOUNT	RATE OF INTEREST
2013	\$70,000	4.50%
2014	75,000	4.60%
2015	75,000	4.70%
2016	80,000	4.80%
2017	85,000	4.90%

(the “*Series 2002 Certificates*”), which certificates are subject to redemption and payment prior to their maturity on January 1, 2012, or on any date thereafter, at a redemption price of par and accrued interest to the date of redemption.

(b) \$1,895,000 Debt Certificates, Series 2005, dated February 15, 2005, being a portion of the certificates outstanding from an issue in the original principal amount of \$2,800,000, fully registered and without coupons, due serially on January 1 of the years, in the amounts and bearing interest at the rates per annum as follows:

YEAR OF MATURITY	PRINCIPAL AMOUNT	RATE OF INTEREST
2014	\$125,000	3.60%
2015	130,000	3.70%
2016	135,000	3.80%
2017	140,000	3.90%
2018	145,000	4.00%
2019	155,000	4.10%
2020	160,000	4.15%
2021	165,000	4.20%
2022	175,000	4.25%
2023	180,000	4.30%
2024	190,000	4.35%
2025	195,000	4.40%

(the “*Series 2005 Certificates*”), which certificates are subject to redemption and payment prior to their maturity on January 1, 2013, or on any date thereafter. at a redemption price of par and accrued interest to the date of redemption.

Section 1.12. “*Treasurer*” means the Treasurer of the Village.

Section 1.13. “*Village*” means the Village of Clarendon Hills, DuPage County, Illinois.

ARTICLE II

CREATION OF ESCROW

Section 2.01. The Village by the Certificate Ordinance has authorized the issue and delivery of the Certificates, proceeds of which, together with certain funds of the Village on hand and legally available for such purpose, are to be used to refund the Refunded Certificates by the deposit on demand and to purchase on behalf of the Village the Government Securities. Such

deposit and securities will provide all moneys necessary to pay the principal of and interest on the Refunded Certificates up to and including the redemption dates therefor.

Section 2.02. The Village deposits \$2,360,357.06 from the proceeds of the Certificates and \$0 from funds on hand and legally available for the purchase of the Government Securities and the funding of a beginning cash escrow deposit on demand in the amount of \$0.06. The beginning deposit and the Government Securities are held in an irrevocable trust fund account for the Village to the benefit of the holders of the Refunded Certificates to pay the principal of and interest on the Refunded Certificates up to and including the redemption dates thereof.

Section 2.03. The Escrow Trustee and the Village have each received the report of Sikich LLP, Aurora, Illinois, attached hereto as *Exhibit B* (the "*Verification Report*"), that the principal of and income and profit to be received from the Government Securities, when paid at maturity, and the cash held in accordance with Section 2.02 hereof, will be sufficient, at all times pending the final payment of the Refunded Certificates, to pay all interest on and all principal of the Refunded Certificates on the redemption dates thereof as evidenced by said Report.

ARTICLE III

COVENANTS OF ESCROW TRUSTEE

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

Section 3.01. The Escrow Trustee will hold the Government Securities and all interest income or profit derived therefrom and all uninvested cash in an irrevocable segregated and separate trust fund account for the sole and exclusive benefit of the holders of the Refunded Certificates until final payment thereof.

Section 3.02. The beginning cash escrow deposit shall not be invested by the Escrow Trustee. Otherwise, the Escrow Trustee will reinvest all available uninvested balances (rounded to an even \$100) in the Escrow Account on deposit from time to time, whenever said balances

exceed \$1,000 and acknowledges that the schedule of amounts available for reinvestment appears in the cash flow tables in the Verification Report. Investments so made shall be in direct obligations of or obligations guaranteed by the full faith and credit of the United States of America and shall be scheduled to mature on or prior to the next succeeding interest payment date on the Refunded Certificates on which such proceeds will be needed to pay the principal of or interest on the Refunded Certificates. Such investments shall, to the extent possible, be in zero-yield obligations issued directly by the Bureau of Public Debt of the United States Treasury (currently designated "*U.S. Treasury Securities—State and Local Government Series Certificates of Indebtedness, Notes or Certificates*") ("*SLGS*"). Such investments shall be made only to the extent permitted by, and shall be made in accordance with, the applicable statutes, rules and regulations governing such investments issued by the Bureau of Public Debt. The Escrow Trustee expressly recognizes that under current regulations all SLGS must be subscribed for not less than 5 days prior to date of issuance.

If the Department of the Treasury (or the Bureau of Public Debt) of the United States suspends the sale of SLGS causing the Escrow Trustee to be unable to purchase SLGS, then the Escrow Trustee will take the following actions. On the date it would have purchased SLGS had it been able to do so, the Escrow Trustee will purchase direct obligations of or obligations guaranteed by the full faith and credit of the United States maturing no more than 90 days after the date of purchase (the "*Alternate Investment*"). The purchase price of the Alternate Investment shall be as close as possible to the principal amount of the SLGS that would have been purchased on such date if they had been available for purchase. The Escrow Trustee will purchase each Alternate Investment at a price no higher than the fair market value of the Alternate Investment and will maintain records demonstrating compliance with this requirement. On the maturity of each Alternate Investment, the Escrow Trustee shall pay the difference

between the total of the receipts on the Alternate Investment and the purchase price of the Alternate Investment to the Village with a notice to the Village that such amount must be paid to the Internal Revenue Service pursuant to Rev. Proc. 95-47. If the Alternate Investment matures more than 14 days prior to the next succeeding interest payment date on the Refunded Certificates on which such proceeds will be needed to pay principal of or interest on the Refunded Certificates, the Escrow Trustee shall treat such amounts as an uninvested balance available for reinvestment and shall take all reasonable steps to invest such amounts in SLGS (or additional Alternate Investments as provided in this Section).

The Escrow Trustee shall hold balances not so invested in the Escrow Account on demand and in trust for the purposes hereof and shall secure same in accordance with applicable Illinois law for the securing of public funds.

Section 3.03. The Escrow Trustee will take no action in the investment or securing of the proceeds of the Government Securities which would cause the Certificates to be classified as "arbitrage bonds" under the Code, *provided*, it shall be under no duty to affirmatively inquire whether the Government Securities as deposited are properly invested under the Code; and, *provided, further*, it may rely on all specific directions in this Agreement in the investment or reinvestment of balances held hereunder.

Section 3.04. The Escrow Trustee will promptly collect the principal, interest or profit from the Government Securities and promptly apply the same as necessary to the payment of principal and interest on the Refunded Certificates on the redemption dates thereof as herein provided.

Section 3.05. The Escrow Trustee will remit to the Paying Agent, in good funds on or before each principal or interest payment date on the Refunded Certificates, moneys sufficient to pay such principal and interest as will meet the requirements for the retirement of the Refunded

Certificates, and such remittances shall fully release and discharge the Escrow Trustee from any further duty or obligation thereto under this Agreement.

Section 3.06. The Escrow Trustee will make no payment of fees, charges or expenses due or to become due, of the Paying Agent or the certificate registrar and paying agent on the Certificates, and the Village either paid such fees, charges and expenses in advance as set forth in Section 3.07 hereof or covenants to pay the same as they become due.

Section 3.07. The charges, fees and expenses of the Escrow Trustee (other than any charges, fees and expenses incurred pursuant to Section 3.08 hereof) have been paid in advance, and all charges, fees or expenses of the Escrow Trustee in carrying out any of the duties, terms or provisions of this Agreement shall be paid solely therefrom. The Escrow Trustee is also providing certificate registrar and paying agent services for the Certificates, and the acceptance fee and first annual fee of the Escrow Trustee for such certificate registrar and paying agent services have been paid in advance, and all remaining charges, fees or expenses of the Escrow Trustee for such services shall be paid by the Village upon receipt of invoices therefor.

Section 3.08. The Village has called the Series 2002 Certificates for redemption and payment prior to maturity on April 1, 2012, at a redemption price of par plus accrued interest to the redemption date, and the Series 2005 Certificates for redemption and payment prior to maturity on January 1, 2013, at a redemption price of par plus accrued interest to the redemption date. The Escrow Trustee will cause the Paying Agent to provide for and give timely notice of the call for redemption of the Refunded Certificates. In the event the Escrow Trustee determines that the Paying Agent will not give such timely notice, the Escrow Trustee will give such notice. The form and time of the giving of such notice regarding the Refunded Certificates shall be as specified in the ordinance authorizing the issuance of the Refunded Certificates. The Village shall reimburse the Escrow Trustee for any actual out of pocket expenses incurred in the giving

of such notice, but the failure of the Village to make such payment shall not in any respect whatsoever relieve the Escrow Trustee from carrying out any of the duties, terms or provisions of this Agreement.

The Escrow Trustee shall also give notice of the call of the Refunded Certificates, on or before the date the notice of such redemption is given to the holders of the Refunded Certificates, to the Municipal Securities Rulemaking Board (the “MSRB”) through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. Information with respect to procedures for submitting notice can be found at <https://msrb.org>.

Section 3.09. The Escrow Trustee has all the powers and duties herein set forth with no liability in connection with any act or omission to act hereunder, except for its own negligence or willful breach of trust, and shall be under no obligation to institute any suit or action or other proceeding under this Agreement or to enter any appearance in any suit, action or proceeding in which it may be defendant or to take any steps in the enforcement of its, or any, rights and powers hereunder, nor shall be deemed to have failed to take any such action, unless and until it shall have been indemnified by the Village to its satisfaction against any and all costs and expenses, outlays, counsel fees and other disbursements, including its own reasonable fees, and if any judgment, decree or recovery be obtained by the Escrow Trustee, payment of all sums due it, as aforesaid, shall be a first charge against the amount of any such judgment, decree or recovery.

Section 3.10. The Escrow Trustee may in good faith buy, sell or hold and deal in any of the Certificates or the Refunded Certificates.

Section 3.11. The Escrow Trustee will submit to the Treasurer a statement within forty-five (45) days after January 1 and July 1 of each calendar year, commencing July 1, 2012, itemizing all moneys received by it and all payments made by it under the provisions of this Agreement during the preceding six (6) month period (or, for the first period, from the date of delivery of the Certificates to July 1, 2012), and also listing the Government Securities on deposit therewith on the date of said report, including all moneys held by it received as interest on or profit from the collection of the Government Securities.

Section 3.12. If at any time it shall appear to the Escrow Trustee that the available proceeds of the Government Securities and deposits on demand in the Escrow Account will not be sufficient to make any payment due to the holders of any of the Refunded Certificates, the Escrow Trustee shall notify the Treasurer and the Board, not less than five (5) days prior to such date, and the Village agrees that it will from any funds legally available for such purpose make up the anticipated deficit so that no default in the making of any such payment will occur.

ARTICLE IV

COVENANTS OF VILLAGE

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

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

Section 4.02. All payments to be made by, and all acts and duties required to be done by, the Escrow Trustee under the terms and provisions of this Agreement, shall be made and done by the Escrow Trustee without any further direction or authority of the Village or the Treasurer.

Section 4.03. The Village will take no action regarding the proceeds of the Certificates which would cause the Certificates to be classified as “arbitrage bonds” under the Code, and the Village will take any and all further action necessary to ensure that adequate provision is made for the payment of the Refunded Certificates and that neither the Refunded Certificates nor the Certificates are classified as “arbitrage bonds” under the Code.

ARTICLE V

AMENDMENTS, REINVESTMENT OF FUNDS, IRREVOCABILITY OF AGREEMENT

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

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

Section 5.03. Except as provided in Section 5.04 hereof, all of the rights, powers, duties and obligations of the Treasurer hereunder shall be irrevocable and shall not be subject to amendment by the Treasurer and shall be binding on any successor to said official now in office during the term of this Agreement.

Section 5.04. This Agreement may be amended or supplemented, and the Government Obligations or any portion thereof may be sold, redeemed, invested or reinvested, in any manner provided (any such amendment, supplement, or direction to sell, redeem, invest or reinvest to be referred to as a “*Subsequent Action*”), upon submission to the Escrow Trustee of each of the following:

(1) Certified copy of proceedings of the Board of the Village authorizing the Subsequent Action and copy of the document effecting the Subsequent Action signed by duly designated officers of the Village.

(2) An opinion of nationally recognized bond counsel or tax counsel nationally recognized as having an expertise in the area of tax-exempt municipal bonds that the Subsequent Action has been duly authorized by the Board of the Village and will not adversely affect the tax-exempt status of the interest on the Certificates or the Refunded Certificates nor violate the covenants of the Village not to cause the Certificates or the Refunded Certificates to become "arbitrage bonds" under the Code, and that the Subsequent Action does not materially adversely affect the legal rights of the holders of the Certificates and the Refunded Certificates.

(3) An opinion of a firm of nationally recognized independent certified public accountants or consultants nationally recognized as having an expertise in the area of refunding escrows that the amounts (which will consist of cash or deposits on demand held in trust or receipts from non-callable direct obligations of or non-callable obligations guaranteed by the full faith and credit of the United States of America, all of which shall be held hereunder) available or to be available for payment of the Refunded Certificates will remain sufficient to pay when due all principal and interest on the Refunded Certificates after the taking of the Subsequent Action.

ARTICLE VI

MERGER, CONSOLIDATION OR RESIGNATION OF ESCROW TRUSTEE

Any banking association or corporation into which the Escrow Trustee may be merged, converted or with which the Escrow Trustee may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Escrow Trustee shall be a party, or

any banking association or corporation to which all or substantially all of the corporate trust business of the Escrow Trustee shall be transferred, shall succeed to all the Escrow Trustee's rights, obligations and immunities hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding. The Escrow Trustee may at any time resign as Escrow Trustee under this Agreement by giving 30 days' written notice to the Village, and such resignation shall take effect upon the appointment of a successor Escrow Trustee by the Village. The Village may select as successor Escrow Trustee any financial institution with capital, surplus and undivided profits of at least \$75,000,000 and having a corporate trust office within the State of Illinois, and which is authorized to maintain trust accounts for municipal corporations in Illinois under applicable law.

ARTICLE VII

NOTICES TO THE VILLAGE, THE TREASURER AND THE ESCROW TRUSTEE

Section 7.01. All notices and communications to the Village and the Board shall be addressed in writing to:

Village Clerk
Village of Clarendon Hills
One North Prospect Avenue
Clarendon Hills, Illinois 60514

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

Section 7.02. All notices and communications to the Escrow Trustee shall be addressed in writing to:

U.S. Bank National Association
190 South LaSalle Street, 10th Floor
Chicago, Illinois 60603

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

Section 7.03. All notices and communications to the Treasurer shall be addressed in writing to:

Treasurer
Village of Clarendon Hills
One North Prospect Avenue
Clarendon Hills, Illinois 60514

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

ARTICLE VIII

TERMINATION OF AGREEMENT

Section 8.01. That, upon final disbursement of funds sufficient to pay the principal and interest of the Refunded Certificates as hereinabove provided for, the Escrow Trustee will transfer any balance remaining in the Escrow Account to the Treasurer with due notice thereof mailed to the Board, and thereupon this Agreement shall terminate.

IN WITNESS WHEREOF the Village has caused this Agreement to be signed in its name by its President and to be attested by the Village Clerk under its corporate seal hereunto affixed; and U.S. Bank National Association, Chicago, Illinois, not individually, but in the capacity as hereinabove described, has caused this Agreement to be signed in its corporate name by one of its officers and to be attested by one of its officers under its corporate seal hereunto affixed, all this 27th day of February, 2012.

VILLAGE OF CLARENDON HILLS
DuPAGE COUNTY, ILLINOIS

By James J. Kuchar
President

ATTEST:

Aaron M. Jandke
Village Clerk

[SEAL]



ATTEST:

By _____
Its _____

[SEAL]

U.S. BANK NATIONAL ASSOCIATION,
Chicago, Illinois

By _____
Its _____

This Escrow Agreement received and acknowledged by me this 27th day of February, 2012.

Margaret M. Nathaniel
Treasurer
Village of Clarendon Hills
DuPage County, Illinois

EXHIBIT A

GOVERNMENT SECURITIES

EXHIBIT B
VERIFICATION REPORT

Trustee Flood moved and Trustee Williams seconded the motion that said ordinance as presented and read by title by the Village Clerk be adopted.

After a full discussion thereof, the President directed that the roll be called for a vote upon the motion to adopt said ordinance.

Upon the roll being called, the following Trustees voted AYE: Trustees Alongi, Flood, Pedersen, Reid, Wallace, and Williams

and the following Trustees voted NAY: None

Whereupon the President declared the motion carried and said ordinance adopted, approved and signed the same in open meeting and directed the Village Clerk to record the same in full in the records of the President and Board of Trustees of the Village of Clarendon Hills, DuPage County, Illinois, which was done.

Other business not pertinent to the adoption of said ordinance was duly transacted at said meeting.

Upon motion duly made, seconded and carried, the meeting was adjourned.

Kawn M. Sande
Village Clerk



STATE OF ILLINOIS)
) SS
COUNTY OF DUPAGE)

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 Clarendon Hills, DuPage County, Illinois, and as such official I am the keeper of the records and files of the Village and of the President and Board of Trustees (the "Corporate Authorities") thereof.

I 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 the 6th day of February, 2012, insofar as the same relates to the adoption of Ordinance No. 12-02-07 entitled:

AN ORDINANCE of the Village of Clarendon Hills, DuPage County, Illinois, authorizing and providing for an Installment Purchase Agreement for the purpose of the acquisition, by means of refinancing and refunding, of the rights under a previously issued installment purchase agreement and related debt certificates, and authorizing and providing for the issue of \$2,360,000 Refunding Debt Certificates, Series 2012, evidencing the rights to payment under such Agreement, prescribing the details of the Agreement and Certificates, and providing for the security for and means of payment under the Agreement of the Certificates.

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 conducted 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 of the news media requesting such notice, that an agenda for said meeting was posted at the location where said meeting was held and at the principal office of the Corporate Authorities at least 72 hours in advance of the holding of said meeting, that a true, correct and complete copy of said agenda as so posted is attached hereto as *Exhibit A*, that said meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, and with the provisions of the Illinois Municipal Code of the State of Illinois, as amended, and that 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 WITNESS WHEREOF, I hereunto affix my official signature and seal of said Village, this
6th day of February, 2012.

(SEAL)

[Attach Exhibit A]



Kawn M. Jandke

Village Clerk

STATE OF ILLINOIS)
) SS
COUNTY OF DUPAGE)

CERTIFICATE OF FILING

We, the undersigned, do hereby certify that we are, respectively, the duly qualified and acting Village Clerk of the Village of Clarendon Hills, DuPage County, Illinois (the "Village"), and the Treasurer of the Village, and as such officers we do hereby certify that on the 6th day of February, 2012, there was filed with each of us, respectively, and placed on deposit in our respective records, a properly certified copy of Ordinance Number 12-02-07 passed by the President and Board of Trustees of the Village, on the 6th day of February, 2012, and approved by the President, and entitled:

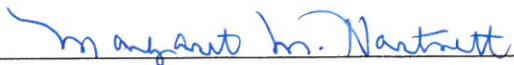
AN ORDINANCE of the Village of Clarendon Hills, DuPage County, Illinois, authorizing and providing for an Installment Purchase Agreement for the purpose of the acquisition, by means of refinancing and refunding, of the rights under a previously issued installment purchase agreement and related debt certificates, and authorizing and providing for the issue of \$2,360,000 Refunding Debt Certificates, Series 2012, evidencing the rights to payment under such Agreement, prescribing the details of the Agreement and Certificates, and providing for the security for and means of payment under the Agreement of the Certificates.

IN WITNESS WHEREOF we have hereunto affixed our official signatures and the seal of the Village, at Clarendon Hills, Illinois, this 6th day of February, 2012.

[SEAL]




Village Clerk


Treasurer

**AGENDA FOR THE
REGULAR VILLAGE BOARD MEETING OF THE
VILLAGE OF CLARENDON HILLS
PRESIDENT AND BOARD OF TRUSTEES
MONDAY, FEBRUARY 6, 2012 – 7:00 P.M.
VILLAGE HALL
1 NORTH PROSPECT AVENUE**

**Call to Order
Item**

- 1 Roll Call**
- 2 Petitions and Communications/President's Report:**
 - 2.1 Announce the Informational Community Meeting to discuss home rule:
Wednesday, February 15, 7:00 p.m. at Prospect School, 100 N. Prospect
 - 2.2 Announce Village offices will be closed on Monday, February 20 in observance
of President's Day
 - 2.3 Announce the next Village Board Meeting is scheduled for Tuesday, February
21, 7:00 p.m., Village Hall board room
 - 2.4 Announce Operation Straight ID is scheduled for Tuesday, February 28 and
Tuesday, April 24 at 7 p.m. at the Police Station
- 3 Recess to Committee Meetings: (Roll Call Vote)**

Community and Intergovernmental Affairs
Finance
Land Use
Public Safety
- 4 Reconvene: (Roll Call Only)**
- 5 Addresses from the Audience – Agenda Items**
- 6 Consent Agenda/Omnibus Vote: (Roll Call Vote)**
 - 6.1 Approval of the Regular Village Board Meeting Minutes of January 16, 2012
 - 6.2 Authorization to issue a temporary liquor license and waive the liquor license
fee for the Notre Dame Fish Fry to be held on February 24, 2012 (*Community
and Intergovernmental Affairs*)
 - 6.3 Claims Ordinance 12-02-01 (*Finance*)
 - 6.4 Claims Ordinance 12-02-01M (*Finance*)
 - 6.5 Waive first consideration, second consideration/passage of an Ordinance
authorizing and providing for an Installment Purchase Agreement for the
purpose of the acquisition, by means of refinancing and refunding, of the rights

under a previously issued installment purchase agreement and related debt certificates, and authorizing and providing for the issue of \$2,425,000 Refunding Debt Certificates, Series 2012, evidencing the rights to payment under such Agreement, prescribing the details of the Agreement and Certificates, and providing for the security for and means of payment under the Agreement of the Certificates (*Finance*)

- 6.6 Authorization to retain the services of the audit firm of Sikich LLP as the Village's auditor for FY 2011/2012.
- 6.7 First Consideration of an Ordinance Amending Chapter 2 of the Clarendon Hills Village Code to Establish a Voluntary Restriction on the Ability to Increase the Tax Levy to be Extended by the Village of Clarendon Hills Above the Tax Cap in the Event the Electors Approve the Home Rule Status at the March 20, 2012 General Primary Election.
- 6.8 First consideration of an Ordinance Granting an Amended Special Use Permit Approval for an Automobile Sales and Service Agency in the B-3 Highway Business District (427 Ogden Avenue) (*Land Use*)
- 6.9 Second consideration/passage of an Ordinance Authorizing the Execution of an Annexation Agreement for Certain Property Commonly Known as 5505 Clarendon Hills Road (*Land Use*)
- 6.10 Second consideration/passage of an Ordinance Annexing Certain Property Commonly known as 5505 Clarendon Hills Road (*Land Use*)
- 6.11 Second consideration/passage of an Ordinance Approving a Zoning Map Amendment to the O-R Office Research District for the Property Located at 5505 Clarendon Hills Road (*Land Use*)
- 6.12 Waive first consideration, second consideration/passage of an Ordinance Amending Chapter 41, Section 41.54 of the Clarendon Hills Village Code in Regard to Vehicle Seizure and Impoundment (*Public Safety*)

7 Approval of Minutes

8 Reports from Standing Committees

8.1 Public Services

8.2 Finance

8.3 Administrative/Legislative

8.4 Community and Intergovernmental Affairs

8.4.1 Announce the Special Events Committee Meeting will be held Wednesday, February 22 at 7 p.m.

8.5 Land Use

8.5.1 Announce ZBA Meeting scheduled for Thursday, February 16 is cancelled

8.6 Public Safety

9 Report of Officers

10 Other Business

11 Addresses from the Audience

- **Non Agenda Items**

12. Executive Session

12.1 To discuss information regarding the appointment, employment and compensation of a specific employee or employees of the Village

13 Adjournment

AGENDA
VILLAGE BOARD MEETING OF THE
VILLAGE OF CLARENDON HILLS
1 NORTH PROSPECT AVENUE
MONDAY, FEBRUARY 6, 2012– 7:00 P.M.

COMMUNITY & INTERGOVERNMENTAL AFFAIRS

1. Liquor License for Notre Dame Parish Fish Fry – February 24, 2012

FINANCE

1. Passage of Ordinance regarding an Installment Purchase Agreement
2. Renewal of Independent Audit Services
3. First consideration of an ordinance regarding voluntary restrictions on the ability to increase the tax levy in the event electors approve home rule status in the March 20, 2012 General Primary Election.

LAND USE

1. First consideration of an ordinance regarding approval for an Automobile Sales and Service Agency (Fullers - 427 Ogden Avenue)
2. Passage of ordinances regarding 5505 Clarendon Hills Road (Country House)

PUBLIC SAFETY

1. Passage of an ordinance in regard to vehicle seizure and impoundment

INSTALLMENT PURCHASE AGREEMENT for acquisition of those rights under a certain previously issued, existing and outstanding installment purchase agreement and related debt certificates by means of the refinancing and refunding of same, this agreement being dated the 27th day of February, 2012, in and for the Village of Clarendon Hills, DuPage County, Illinois.

THIS INSTALLMENT PURCHASE AGREEMENT (this "*Agreement*") made as of the 27th day of February, 2012 by and between the Treasurer of the Village, as Nominee-Seller (the "*Seller*"), and the Village of Clarendon Hills, DuPage County, Illinois, a municipality and unit of local government of the State of Illinois (the "*Village*");

WITNESSETH

A. The President and Board of Trustees (the "*Corporate Authorities*") of the Village have previously provided for a certain Prior Agreement and related Prior Certificates as such terms have been defined in the Ordinance hereinafter mentioned and defined, all as previously approved in various proceedings by the Corporate Authorities and on file with the Village Clerk (the "*Clerk*").

B. Pursuant to the provisions of the Illinois Municipal Code (the "*Municipal Code*"); the Local Government Debt Reform Act of the State of Illinois (the "*Debt Reform Act*"), and, in particular, the provisions of Section 17 of the Debt Reform Act; and all other Omnibus Bond Acts of the State of Illinois; in each case, as supplemented and amended (collectively "*Applicable Law*"); the Village has the power to refinance and refund such Prior Obligations through a new agreement which provides that the consideration for the refinancing and acquisition of the rights to payment evidenced in the Prior Obligations may be paid through installments made at stated intervals for a period of no more than 20 years and has the power to issue certificates evidencing indebtedness incurred under such agreement.

C. On the 6th day of February, 2012, the Corporate Authorities, pursuant to Applicable Law and the need to provide for the Refinancing, adopted an ordinance (the "*Ordinance*") authorizing the borrowing of money for the Refinancing and Related Expenses, the execution and delivery of this Agreement to finance same, and the issuance of certificates evidencing the indebtedness so incurred.

D. The Ordinance is

- (a) incorporated herein by reference; and
- (b) made a part hereof as if set out at this place in full;

and each of the terms as defined in the Ordinance is also incorporated by reference for use in this Agreement.

E. The Seller, as nominee as expressly permitted by Applicable Law, has agreed to accept the Refinancing on the terms as hereinafter provided.

NOW THEREFORE in consideration of the mutual covenants and agreements hereinafter contained and other valuable consideration, it is mutually agreed between the Seller and the Village as follows:

1. REFINANCING ACCEPTED

The Seller agrees to accept the Refinancing upon the terms herein.

2. CONVEYANCE

The Seller conveys to the Village pursuant to this Agreement all of the rights, title and interest to payments under the Prior Agreement subject to the proper completion of the Refinancing upon terms such that all Prior Certificates shall be defeased in accordance with their terms.

3. PAYMENTS

The payment of the entire sum of \$2,360,000 of said acquisition price shall:

- (a) be payable in installments due on the dates and in the amounts;
- (b) bear interest at the rates percent per annum which interest shall also be payable on the dates and in the amounts;
- (c) be payable at the place or places of payment, in the medium of payment, and upon such other terms, including prepayment (redemption);

all as provided for payment of the Certificates in the Ordinance.

4. ASSIGNMENT

Rights to payment of the Seller as provided in this Agreement are assigned as a matter of law, under Section 17 of the Debt Reform Act, to the owners of the Certificates. This Agreement and any right, title, or interest herein, shall not be further assignable. The Certificates, evidencing the indebtedness incurred hereby, are assignable (registrable) as provided in the Ordinance.

5. TAX COVENANTS

The covenants relating to the Tax-exempt status of the Certificates, as set forth in the Ordinance, insofar as may be applicable, apply to the work to be performed and the payments made under this Agreement.

6. PRIOR AGREEMENT

The Seller's duties to the Village as to the Project, which exist under the Prior Agreement, shall continue in existence as if incorporated herein by reference.

7. LAWFUL CORPORATE OBLIGATION

The Village hereby represents, warrants, and agrees that the obligation to make the payments due hereunder shall be a lawful direct general obligation of the Village payable from the corporate funds of the Village and such other sources of payment as are otherwise lawfully

available. The Village represents and warrants that the total amount due the Seller hereunder, together with all other indebtedness of the Village, is within all statutory and constitutional debt limitations. The Village agrees to appropriate funds of the Village annually and in a timely manner so as to provide for the making of all payments when due under the terms of this Agreement.

8. GENERAL COVENANT AND RECITAL

It is hereby certified and recited by the Seller and the Village, respectively, that as to each, respectively, for itself, all conditions, acts, and things required by law to exist or to be done precedent to and in the execution of this Agreement did exist, have happened, been done and performed in regular and due form and time as required by law.

9. NO SEPARATE TAX

THE SELLER AND THE VILLAGE RECOGNIZE THAT THERE IS NO STATUTORY AUTHORITY FOR THE LEVY OF A SEPARATE TAX IN ADDITION TO OTHER TAXES OF THE VILLAGE OR THE LEVY OF A SPECIAL TAX UNLIMITED AS TO RATE OR AMOUNT TO PAY ANY OF THE AMOUNTS DUE HEREUNDER.

10. DEFAULT

In the event of a default in payment hereunder by the Village, the Seller or any Certificateholder may pursue any available remedy by suit at law or equity to enforce the payment of all amounts due or to become due under this Agreement, including, without limitation, an action for specific performance.

IN WITNESS WHEREOF the Seller has caused this Installment Purchase Agreement to be executed and attested, and her signature to be attested by the Clerk, and the Village has caused this Installment Purchase Agreement to be executed by its President, and also attested by the Clerk, and the official seal of the Village to be hereunto affixed, all as of the day and year first above written.

SELLER:

Signature: Margaret M. Hartnett

[Here type name]: Margaret M. Hartnett
as Nominee-Seller and the Treasurer

ATTEST:

Kawn M. Jandke
Village Clerk

[SEAL]



VILLAGE OF CLARENDON HILLS,
DuPAGE COUNTY, ILLINOIS

Thomas F. Karbon
President

ATTEST:

Kawn M. Jandke
Village Clerk

[SEAL]



STATE OF ILLINOIS)
) SS
COUNTY OF DuPAGE)

CERTIFICATE OF INSTALLMENT PURCHASE AGREEMENT FILING

I, the undersigned, do hereby certify that I am the duly qualified and acting Village Clerk of the Village of Clarendon Hills, DuPage County, Illinois (the "*Village*"), and as such officer I do hereby certify that on the 27th day of February, 2012 there was filed in my office a properly certified copy of that certain document, executed by the President of the Village, attested by me in my capacity as Village Clerk, and further executed, as Nominee-Seller, by the Treasurer of the Village, also attested by me, dated the 27th day of February, 2012, and entitled "INSTALLMENT PURCHASE AGREEMENT for acquisition of those rights under a certain previously issued, existing and outstanding installment purchase agreement and related debt certificates by means of the refinancing and refunding of same, this agreement being dated the 27th day of February, 2012, in and for the Village of Clarendon Hills, DuPage County, Illinois"; and supporting the issuance of certain Refunding Debt Certificates, Series 2012, of the Village; that attached hereto is a true and complete copy of said Agreement as so filed; and that the same has been deposited in the official files and records of my office.

IN WITNESS WHEREOF I have hereunto affixed my official signature and the seal of the Village of Clarendon Hills, DuPage County, Illinois at Clarendon Hills, Illinois, this 27th day of February, 2012.



Village Clerk

[SEAL]



STATE OF ILLINOIS)
) SS
COUNTY OF DUPAGE)

ORGANIZATION CERTIFICATE

We, the undersigned, do hereby certify that we are the duly qualified and acting President and Village Clerk, respectively, of the Village of Clarendon Hills, DuPage County, Illinois (the "Village"), and as such officials we do further certify as follows:

1. That the Village was organized and incorporated as a Village under the laws of the State of Illinois in the year 1924, has continuously since its incorporation operated under the general laws of the State of Illinois as a Village governed by a President and Board of Trustees (the "*Board*"), has never changed its form of government, is now operating under the provisions of the Illinois Municipal Code, as amended (65 ILCS 5/1-1-1 *et seq.*) (the "*Code*"), and is not now operating under the provisions of any special act or charter.
2. That the Village has not adopted and is not now operating under the provisions of Article 4 of the Code, said article providing for The Commission Form of Municipal Government, has not adopted and is not now operating under the provisions of Article 5 of the Code, said article providing for The Managerial Form of Municipal Government, has not adopted and is not now operating under the provisions of Articles 6, 14 and 18 of the Election Code of the State of Illinois, as amended (10 ILCS 5/6, 5/14 and 5/18), said articles being known as the City Election Law, and has not elected by referendum to become a home rule unit under the provisions of the 1970 Constitution of the State of Illinois.
3. That the present duly qualified and acting officials of the Village are as follows:

Thomas F. Karaba,	President
Allan Alongi,	Trustee
Edward Reid,	Trustee
Mary Williams,	Trustee
Paul Pedersen,	Trustee
Paul Flood,	Trustee
Steve Wallace,	Trustee
Dawn Tandle,	Village Clerk
Margaret M. Hartnett,	Village Treasurer

and that said members of the Board have been the duly qualified and acting Board since May 16, 2011, and provided there are no vacancies created by resignation or otherwise, will constitute the Board until the election for members of the Board to be held on April 9, 2013, is canvassed and a new Board duly constituted.

4. That the changes in the boundaries of the Village since July 18, 2011, were as follows: See attached.

(Attach copy of the orders and ordinances providing for all such changes. If no changes have occurred, please so indicate with the word "none".)

5. That The County of DuPage, Illinois, is the only county within which the Village is wholly or partly located, and that said county has adopted and is now operating under the provisions of Article 6A of the Election Code of the State of Illinois, as amended (10 ILCS 5/6A), said article providing for a county board of election commissioners.
6. That the Village is located in a county of 3,000,000 or more inhabitants, a county contiguous to a county with 3,000,000 or more inhabitants or a county that has held a referendum on the applicability of the Property Tax Extension Limitation Law of the State of Illinois, as amended (35 ILCS 200/18-185 *et seq.*).
7. That *The Doings* is a local, community newspaper with a general circulation within the Village.
8. That all of the news media that have filed a request for notice of the meetings of the Board pursuant to the Open Meetings Act of the State of Illinois, as amended (5 ILCS 120/1 *et seq.*), are as follows: None.
9. That the regular meetings of the Board are held on the first and third Monday of each month at 7:00 o'clock P.M., at the Village Hall, One North Prospect Avenue, within the Village, that the Board has given public notice of said schedule of regular meetings stating the regular dates, times and places of said meetings at the beginning of each calendar or fiscal year by posting a copy of said public notice at the principal office of the Board and by supplying copies of said public notice to all of the newspapers, radio or television stations and other news media that have filed a request for such notice, and that the Board has made said schedule available to the public.
10. That the Village has a population of 8,427, and that there are approximately 5,453 legal voters in the Village.
11. That no petition has been filed or is now pending praying for the disconnection of any territory from the present corporate limits of the Village.
12. That there is no litigation or controversy pending or threatened and there are no tax objections pending or threatened questioning or affecting in any manner whatsoever the corporate existence of the Village, the boundaries thereof, the right of the Village to levy taxes for municipal purposes or the title of any of its present officials to their respective offices.

IN WITNESS WHEREOF, we hereunto affix our official signatures and the seal of the Village, this 6th day of February, 2012.

Thomas F. Kauder

President

Karen M. Jardle

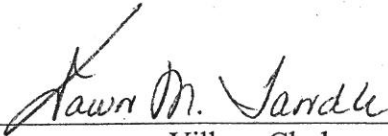
Village Clerk

(SEAL)



CERTIFICATE

I, Dawn M. Tandle, do hereby certify that I am the duly elected Clerk of the Village of Clarendon Hills, DuPage County, Illinois, that I am keeper of its records, and that the attached is a true and exact copy of Ordinance No. 12-02-05 passed and approved by the President and Board of Trustees on February 6, 2012. In witness thereof, I hereby set my hand and affix the seal of the Village of Clarendon Hills this 7th day of February, 2012.


Village Clerk



ORDINANCE NO. 12-02-05

**AN ORDINANCE ANNEXING CERTAIN PROPERTY
COMMONLY KNOWN AS 5505 CLARENDON HILLS ROAD**

WHEREAS, the provisions of 65 ILCS 5/7-1-1 et seq. grant municipalities the right to annex territory that is not within the corporate limits of any other municipality but is contiguous to the annexing municipality; and

WHEREAS, it is in the best interests of the Village of Clarendon Hills, DuPage County, Illinois, that certain property commonly known as 5505 Clarendon Hills Road, which is contiguous to the Village, be annexed into said Village, and

WHEREAS, a petition for annexation, a copy of which is attached hereto as EXHIBIT A, and made a part hereof, has been submitted to the Village, and all statutory notices required by 65 ILCS 5/7-1-1 have been given, copies of which are attached hereto as EXHIBIT B and made part hereof, and

WHEREAS, a plat of annexation for the property described in Section 1 of this Ordinance, a copy of which is attached hereto as EXHIBIT C and made part hereof, has been submitted to the Village and found to be acceptable; and

WHEREAS, the statutory provisions of 65 ILCS 5/7-1-1 et seq., as amended, for the annexation of contiguous territory have been fully complied with;

NOW, THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Village of Clarendon Hills, DuPage County, Illinois, as follows:

SECTION 1. The following described property is, pursuant to 65 ILCS 5/7-1-8, hereby annexed into the corporate limits of the Village of Clarendon Hills:

LOT 5 (EXCEPT THE EAST 90 FEET THEREOF) IN RICHERT'S SUBDIVISION OF LOT 2 OF HALL'S SUBDIVISION OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT OF SAID RICHERT'S SUBDIVISION, RECORDED JANUARY 12, 1925, AS DOCUMENT NO. 187115, IN DU PAGE COUNTY, ILLINOIS.

P.I.N. No.: 09-14-100-020;

Common Address: 5505 Clarendon Hills Road, Clarendon Hills, Illinois.

SECTION 2. The new boundary of the Village of Clarendon Hills shall extend to the far side of any adjacent right-of-way, provided said right-of-way is not currently located within the corporate limits of another municipality, and shall include all of every right-of-way within the area annexed hereby.

SECTION 3. The Village Clerk is hereby instructed to record with the Recorder of Deeds of DuPage County, Illinois, and to file with the County Clerk of DuPage County, Illinois:

- a) a copy of this Ordinance certified by the Village Clerk; and
- b) a plat of the annexed territory, said plat to be attached to the aforesaid certified copy of this Ordinance (EXHIBIT C).

SECTION 4. The various provisions of this Ordinance are to be considered severable and if any part or portion of this Ordinance shall be held invalid by any court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions of this Ordinance.

SECTION 5. All ordinances or parts of ordinances in conflict or which are inconsistent with this Ordinance shall be repealed to the extent of any such conflict or inconsistency.

SECTION 6. This Ordinance shall be in full force and effect after its passage, approval and publication in pamphlet form as provided by law.

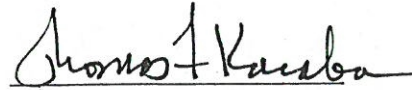
PASSED this 6th day of February, 2012, pursuant to a roll call vote as follows:

AYES: Trustees Alongi, Flood, Pedersen, Reid, Wallace, and Williams

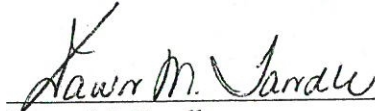
NAYS: None

ABSENT: None

APPROVED by me this 6th day of February, 2012.



Thomas F. Karaba
Village President



Dawn M. Tandle
Village Clerk

Published by me in pamphlet form this 7 day of February, 2012.



Dawn M. Tandle
Village Clerk



Recorded by and return to:

Village of Clarendon Hills
1 N. Prospect Avenue
Clarendon Hills, Illinois 60514

EXHIBIT A

PETITION FOR ANNEXATION TO
THE VILLAGE OF CLARENDON HILLS

STATE OF ILLINOIS)
) SS
COUNTY OF DU PAGE)

TO: The President and Board of Trustees
 Village of Clarendon Hills
 1 N. Prospect Avenue
 Clarendon Hills, IL 60514

The undersigned petitioner (hereinafter referred to as "PETITIONER"), being first duly sworn on oath, hereby respectfully represents and petitions as follows:

1. The PETITIONER is and includes (i) the owner of record of all land within the territory (the "TERRITORY") hereinafter more particular described, to be annexed to the Village of Clarendon Hills, Illinois, pursuant to this Petition, and (ii) at least 51% of the electors, if any, residing in the TERRITORY;
2. The TERRITORY is contiguous to the Village of Clarendon Hills, Illinois, and is not included within the corporate limits of any municipality;
3. The PETITIONER requests that the TERRITORY, more particularly described as follows, to-wit:

LOT 5 (EXCEPT THE EAST 90 FEET THEREOF) OF RICHERT'S SUBDIVISION OF LOT 2 OF HALL'S SUBDIVISION, OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT OF SAID RICHERT'S SUBDIVISION, RECORDED JANUARY 12, 1925, AS DOCUMENT 187115, IN DUPAGE COUNTY, ILLINOIS.

P.I.N 09-14-100-020
Common Address: 5505 Clarendon Hills Rd. Clarendon Hills, Illinois 60514

together with any public streets or highways adjacent to or within the TERRITORY that have not previously been annexed to any municipality, to be annexed to and become a part of the Village of Clarendon Hills, Illinois; and

4. A Plat of Annexation, certified by a Registered Illinois Land Surveyor, of the TERRITORY is attached hereto as Exhibit X.

WHEREFORE, the Petitioner respectfully requests that an Ordinance be adopted by the Board of Trustees of the Village of Clarendon Hills, Illinois, annexing the TERRITORY to said Village and that all such other proceedings be had as are required by law to effect the annexation of the TERRITORY to the Village of Clarendon Hills, Illinois.

Dated: February 13, 2012

Respectfully submitted,

Owners: Kaiser Assets, Inc

By: [Signature]

Printed Name: DEAN TIMSON

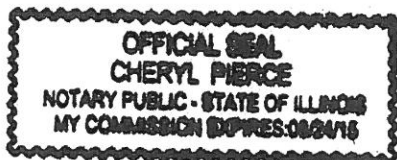
Title: VP

Address: 241 W. 55th Street
Clarendon Hills, Illinois 60514
Phone no.: 630-325-1444

Subscribed and sworn to before me this

13th day of February, 2012

[Signature]
Notary Public



Electors:
(if any)

NONE

NOTICE TO

TOWNSHIP OF DOWNERS GROVE

Attn: Frank Wurster, Supervisor
Robert DelSarto, Trustee
Kathleen Abbate, Trustee
Rita Carlson, Trustee
William Swanston, Trustee
Diane Konicek, Clerk
Lawrence Anderson, Highway Commissioner
4340 Prince Street
Downers Grove, Illinois 60515

FROM THE
VILLAGE OF CLARENDON HILLS

Notice is hereby given to those taxing districts, which are required to be notified in accordance with State Statutes, that Kaiser Assets, Inc., has filed with the Village of Clarendon Hills a petition for annexation. The property subject to the annexation is vacant property commonly known as 5505 Clarendon Hills Road and is legally described as:

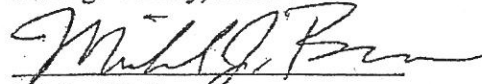
Lot 5(except the East 90 Feet thereof) in Richert's Subdivision of Lot 2 of Hall's Subdivision of the Northwest Quarter of Section 14, Township 38 North, Range 11 East of the Third Principal Meridian, according to the plat of said Richert's Subdivision, recorded January 12, 1925, as Document No. 187115, in DuPage County, Illinois.

P.I.N.s: 09-14-100-020

Common Address: 5505 Clarendon Hills Road, Clarendon Hills, Illinois.

The Village Board is scheduled to take final action on the annexation of the property in the Board Room of the Village Hall, 1 N. Prospect Avenue, Clarendon Hills, Illinois, at 7:00 p.m., Monday, December 19, 2011.

By order of the Village of Clarendon Hills,
DuPage County, Illinois



Michael J. Brown

Director of Community Development

Sent by certified mail, return receipt requested: December 6, 2011

NOTICE TO

TRI-STATE FIRE PROTECTION DISTRICT

Attn: Hamilton Gibbons, President

Jill Strenzel, Treasurer

Michael L. Orrico, Secretary

419 Plainfield Road

Darien, Illinois 60561

FROM THE VILLAGE OF CLARENDON HILLS

Notice is hereby given to those taxing districts, which are required to be notified in accordance with State Statutes, that Kaiser Assets, Inc., has filed with the Village of Clarendon Hills a petition for annexation. The property subject to the annexation is vacant property commonly known as 5505 Clarendon Hills Road and is legally described as:

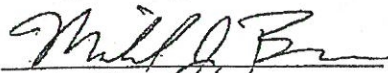
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By order of the Village of Clarendon Hills,
DuPage County, Illinois



Michael J. Brown

Director of Community Development

Sent by certified mail, return receipt requested: December 6, 2011

NOTICE TO

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT

Attn: Crystal Megaridis, President
JoAnn Schusterich, Vice President
Marian Krupicka, Treasurer
Victoria Suriano, Secretary
Paul Oggerino, Trustee
Luanne Spiros, Trustee
Robert Thomas, Trustee

401 Plainfield Road
Darien, Illinois 60561

FROM THE
VILLAGE OF CLARENDON HILLS

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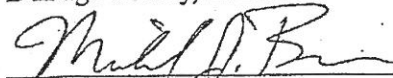
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P.I.N.s: 09-14-100-020

Common Address: 5505 Clarendon Hills Road, Clarendon Hills, Illinois.

The Village Board is scheduled to take final action on the annexation of the property in the Board Room of the Village Hall, 1 N. Prospect Avenue, Clarendon Hills, Illinois, at 7:00 p.m., Monday, December 19, 2011.

By order of the Village of Clarendon Hills,
DuPage County, Illinois



Michael J. Brown

Director of Community Development

Sent by certified mail, return receipt requested: December 6, 2011

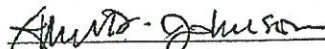
STATE OF ILLINOIS)
) SS.
COUNTY OF DU PAGE)

AFFIDAVIT OF SERVICE

MICHAEL J. BROWN, being first duly sworn on oath, deposes and says under oath that he is the Director of Community Development for the Village of Clarendon Hills, DuPage County, Illinois, and that he did cause the foregoing Notice to be served upon the Supervisor, Board of Trustees and Highway Commissioner of the Township of Downers Grove, the Board of Trustees of the Indian Prairie Public Library District, and the Board of Trustees of the Tri-State Fire Protection District, by mailing true and correct copies of same to the respective officers, at the addresses set forth below their names this 6th day of December, 20 11, at 5:00 p.m. by certified mail, return receipt requested, postage prepaid, and by depositing same in the United States Mail at Clarendon Hills, Illinois.


MICHAEL J. BROWN

SUBSCRIBED and SWORN to before me
this 5 day of December, 20 11.


Notary Public

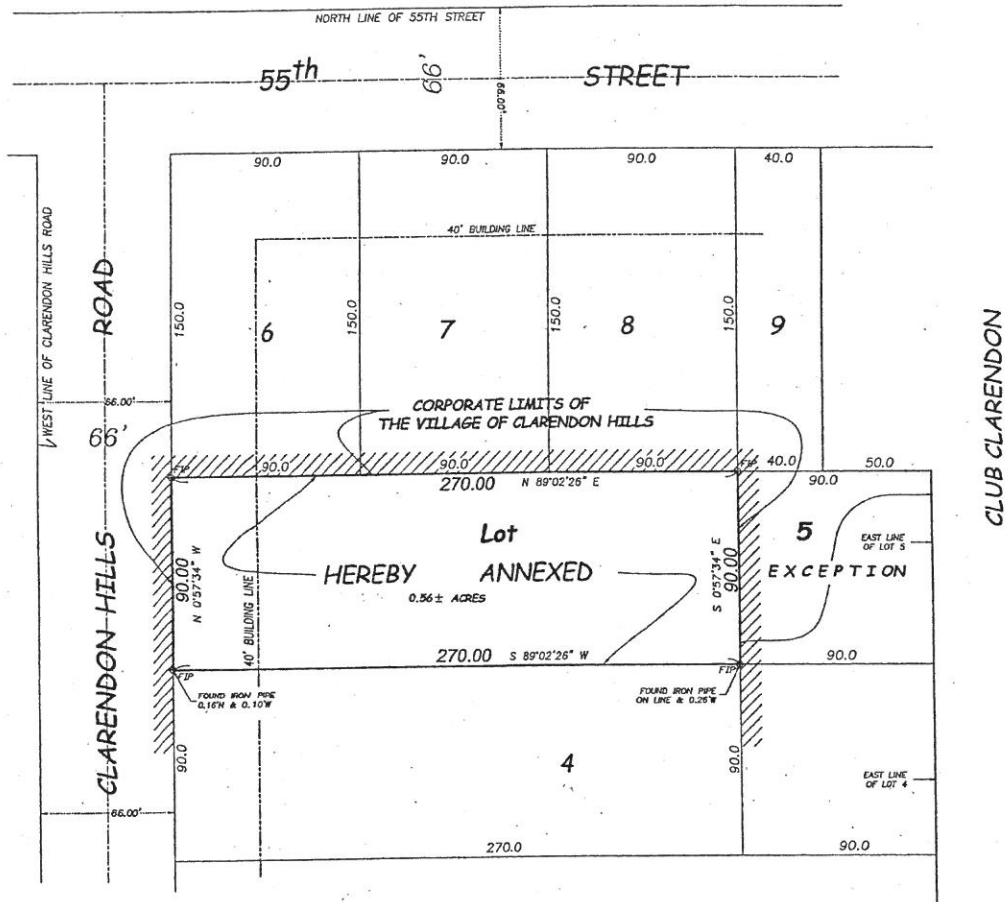
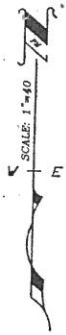


PLAT OF ANNEXATION

EXHIBIT C

TO THE VILLAGE OF CLARENDON HILLS

LOT 5 (EXCEPT THE EAST 90 FEET THEREOF) IN RICHERT'S SUBDIVISION OF LOT 2 IN HALL'S SUBDIVISION OF THE NORTHWEST 1/4 OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT OF RICHERT'S SUBDIVISION RECORDED JANUARY 12, 1925 AS DOCUMENT 187115, IN DUPAGE COUNTY, ILLINOIS.
P.L.N 09-14-100-020



VILLAGE OF CLARENDON HILLS CERTIFICATE

STATE OF ILLINOIS)
COUNTY OF DUPAGE) SS

THE ANNEXED PLAT IS IDENTIFIED AS REPRESENTATIVE OF THE PROPERTY INCORPORATED INTO AND MADE A PART OF THE VILLAGE OF CLARENDON HILLS AS PER ORDINANCE NO. _____ ADOPTED BY THE PRESIDENT AND THE VILLAGE BOARD.

DATED THIS _____ DAY OF _____, 2010.

ATTEST: _____
VILLAGE CLERK
VILLAGE OF CLARENDON HILLS
PRESIDENT

DUPAGE COUNTY RECORDER'S CERTIFICATE

STATE OF ILLINOIS)
COUNTY OF DUPAGE) SS

THIS INSTRUMENT _____ WAS FILED FOR RECORD IN THE RECORDER'S OFFICE OF DUPAGE COUNTY, ILLINOIS.

THIS _____ DAY OF _____, 2010, AT O'CLOCK _____ M.

RECORDER

SURVEYORS CERTIFICATE

STATE OF ILLINOIS)
COUNTY OF DUPAGE)

THIS IS TO CERTIFY THAT I, NORBERT V. LAMBERT, JR. AN ILLINOIS PROFESSIONAL LAND SURVEYOR, HAVE PREPARED THE PLAT DRAWN HEREON FOR THE PURPOSE OF ANNEXATION TO THE VILLAGE OF CLARENDON HILLS, ILLINOIS.

WHEATON, ILLINOIS, SEPTEMBER 18, 2010

NORBERT V. LAMBERT, JR.
ILLINOIS PROFESSIONAL LAND SURVEYOR NO. 1863.
LICENSE EXPIRES NOV. 30, 2010



ORDERED BY: BARNES, RICH ORDER NO. 10.1.030 FILE NO. 100540

LAMBERT & ASSOCIATES

LAND SURVEYORS

320 SOUTH REBER ST. WHEATON, ILL. 60187
PHONE: (630) 653-6331 FAX: (630) 653-6396

SUBMITTED BY AND RETURN TO:
VILLAGE OF CLARENDON HILLS
1 N. PROSPECT AVE.
CLARENDON HILLS, IL 60514

STATE OF ILLINOIS)
) SS
COUNTY OF DUPAGE)

INDEBTEDNESS CERTIFICATE

We, the undersigned, do hereby certify that we are the duly qualified and acting Village Clerk and Village Treasurer, respectively, of the Village of Clarendon Hills, DuPage County, Illinois (the "Village"), and as such officials we do further certify that the total aggregate indebtedness of the Village, of every kind and nature and howsoever evidenced or incurred, excluding the proposed \$2,360,000 Refunding Debt Certificates, Series 2012, does not exceed the total sum of \$ 5,659,000, which said indebtedness is itemized as follows:

Bonds issued by the Village (not including alternate bonds, funding bonds, revenue bonds, special service area bonds, tax increment allocation bonds and bonds issued pursuant to Sections 8-4-1(13) or 8-5-16 of the Illinois Municipal Code, as amended (the "Code"))..... \$ _____

Alternate bonds issued pursuant to Section 15 of the Local Government Debt Reform Act of the State of Illinois, as amended \$ 829,000

Funding bonds issued pursuant to Sections 8-1-4 and 8-5-2 of the Code \$ _____

Special service area bonds issued pursuant to the Special Service Area Tax Law of the State of Illinois, as amended \$ _____

Tax increment allocation bonds issued pursuant to Section 11-74.4-7 of the Code \$ _____

"Compliance schedule or order bonds" issued pursuant to Section 8-4-1(13) of the Code \$ _____

Bonds issued pursuant to Section 8-5-16 of the Code \$ _____

Contracts (including all payments on installment purchase contracts, debt certificates and public utility contracts)..... \$ 4,830,000

Indebtedness resulting from annexations of territory \$ _____

Judgments \$ _____

Leases (including all payments on with public building commission leases) \$ _____

Miscellaneous floating indebtedness \$ _____

Special Assessments levied against Village property \$ _____

Unpaid public benefit judgments \$ _____

Other forms of debt (not including warrants issued in
anticipation of the collection of taxes levied) \$ _____

all of which appears from the books and records in our official respective care and custody.

IN WITNESS WHEREOF, we hereunto affix our official signatures and the seal of the
Village, this 6th day of February, 2012.

Kawn M. Jardle
Village Clerk

Margaret M. Nantett
Village Treasurer

(SEAL)

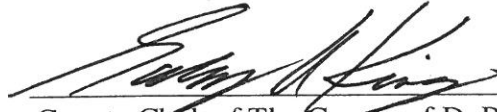


STATE OF ILLINOIS)
) SS
COUNTY OF DUPAGE)

2010 VALUATION CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of The County of DuPage, Illinois (the "*County*"), and as such official I do further certify that the equalized assessed value of all taxable real property located in the County included within the boundaries of the Village of Clarendon Hills, DuPage County, Illinois, as of the date of this certificate, is the sum of \$537,200,987, as last equalized or assessed by the Department of Revenue of the State of Illinois, for State and County taxes for the year 2010, all as appears from the books of assessment of the County now in my possession.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of the County, this 13TH day of February, 2012.



County Clerk of The County of DuPage,
Illinois

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF DUPAGE)

2011 NON-AVAILABILITY CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of The County of DuPage, Illinois (the "*County*"), and as such official I do further certify that the equalized assessed value of all taxable real property located in the County included within the boundaries of the Village of Clarendon Hills, DuPage County, Illinois, as last equalized or assessed by the Department of Revenue of the State of Illinois, for State and County taxes for the year 2011, is not now available and will not be available until at least after February 27, 2012.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of the County, this 13TH day of February, 2012.


County Clerk of The County of DuPage, Illinois

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF DUPAGE)

**INCUMBENCY, NON-ARBITRAGE, NON-LITIGATION,
COMFORT AND SIGNATURE IDENTIFICATION CERTIFICATE**

We, the undersigned, being authorized and directed to sign the certificates hereinafter described, do hereby certify that we are now and were at the time of signing said certificates the duly qualified and acting officials of the Village of Clarendon Hills, DuPage County, Illinois (the "Village"), as indicated by the titles appended to our respective signatures, and that as such officials we have executed \$2,360,000 Refunding Debt Certificates, Series 2012, of the Village (the "Certificates"), dated February 27, 2012, fully registered and without coupons, due serially on January 1 of the years and in the amounts and bearing interest as follows:

YEAR	AMOUNT	INTEREST RATE
2013	\$105,000	2.000%
2014	225,000	2.000%
2015	225,000	2.000%
2016	230,000	2.000%
2017	235,000	2.000%
2018	155,000	2.000%
2019	160,000	2.000%
2020	160,000	2.000%
2021	165,000	2.250%
2022	170,000	2.375%
2023	170,000	2.500%
2024	180,000	2.625%
2025	180,000	2.750%

the Certificates due on or after January 1, 2021, being subject to redemption prior to maturity at the option of the Village as a whole or in part in any order of their maturity (less than all of the Certificates of a single maturity to be selected by the Certificate Registrar), on January 1, 2020, or on any date thereafter, at the redemption price of par plus accrued interest to the redemption date, by signing the Certificates in the manner and capacity indicated by our respective signatures and titles appended hereto and that the seal of the Village has been affixed to or printed on the Certificates.

We do further certify that there is no litigation or controversy pending or threatened questioning or affecting in any manner whatsoever the corporate existence of the Village, the boundaries thereof, the right of the Village to levy taxes for municipal purposes, the title of any of its present officials to their respective offices, the proceedings incident to the issue or sale of the Certificates or the issue, sale or validity of the Certificates, and that none of the proceedings providing for the issue or sale of the Certificates have been revoked or rescinded.

We do further certify that all of the certifications, conclusions, expectations, representations and statements made and set forth by the Board of the Village in Section 15 of the ordinance adopted on the 6th day of February, 2012, authorizing the Certificates (the "Ordinance") are still reasonable and true; that the foregoing certification is based in part upon the amounts set forth in said section of the Ordinance having actually been received and paid into the various funds and accounts of the Village as set forth in said section; that the undersigned have reviewed the facts, estimates and circumstances in existence on the date hereof and such facts, estimates and circumstances, together with the expectations of the Village as to future events, are set forth in summary form in said section; that said facts and estimates are true and are not incomplete in any material respect; and that such expectations are reasonable and there are no other facts, estimates or circumstances that would materially change such expectations.

We do further certify that to the best of our knowledge and belief all Official Statements, Notices of Sale and other documents, information or materials, together with any supplements thereto, distributed and all representations made by the Village and by its officials in any manner whatsoever in connection with the sale of the Certificates were at all times and are now true and correct in all material respects and did not at any time and do not now contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; that the Village has duly performed all of its obligations under the Ordinance to be performed on or prior to the date hereof; and that all representations and warranties of the Village contained in all contracts entered into by the Village providing for the sale of the Certificates are true and correct on and as of the date hereof as if made at the date hereof and the Village has complied with all of the agreements and satisfied all the conditions on its part to be performed or satisfied prior to the date hereof.

Except as set forth in the Official Statement, we do further certify that there have been no instances in the previous five years in which the Village has failed to comply, in all material respects, with any undertaking previously entered into by it pursuant to Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

IN WITNESS WHEREOF, we hereunto affix our official signatures and the seal of the Village, this 27th day of February, 2012.

SIGNATURES	OFFICIAL TITLES
<u>James J. Karbon</u>	, President
<u>Aawn M. Jardle</u>	, Village Clerk

[SEAL]



I do hereby certify that I am Cheryl Pierce of Clarendon Hills, Illinois, and that I am personally acquainted with the officials whose signatures appear above, and that I know that they are now and were at the time of signing the Certificates the duly qualified and acting officials of the Village, as indicated by the titles appended to their respective signatures, and I do hereby identify said signatures, together with those on the Certificates, as being in all respects true and genuine.

DATED as of the date shown hereinabove.

Cheryl Pierce

TREASURER'S RECEIPT

I, the undersigned, do hereby certify that I am the duly qualified and acting Village Treasurer of the Village of Clarendon Hills, DuPage County, Illinois (the "*Village*"), and as such official I do further certify as follows:

1. That \$2,360,000 Refunding Debt Certificates, Series 2012, of the Village (the "*Certificates*"), dated February 27, 2012, fully registered and without coupons, have been delivered to the purchaser thereof, namely, BOSC, Inc., Menomonee Falls, Wisconsin, and that the Certificates have been paid for in full by said purchaser in accordance with the terms of sale and at a price of \$2,402,869.29, and that the Certificates have been sold at such price and bear interest at such rates that neither the true interest cost (yield) nor the net interest rate received by the Village upon such sale exceed 9.00%.

2. That the total aggregate indebtedness of the Village, howsoever evidenced and howsoever incurred, including the Certificates but not including (alternate or double-barrelled) bonds issued pursuant to Section 15 of the Local Government Debt Reform Act of the State of Illinois, as amended ("*Alternate Bonds*"), does not exceed the sum of \$ 2,550,000.

3. That no taxes, other than a designated revenue source, have ever been extended to pay Alternate Bonds.

4. That the officials whose signatures appear upon the Certificates were in occupancy and possession of their respective offices at the time of signing and delivery of the Certificates.

5. That simultaneously with and as a part of the same transaction as the delivery and issue of the Certificates, I applied the proceeds of sale of the Certificates as follows:

- (a) In escrow with U.S. Bank National Association, Chicago, Illinois (the "*Escrow Trustee*"), pursuant to an Escrow Agreement, dated as of February 27, 2012, by and between the Village and the Escrow Trustee (the "*Agreement*") \$2,360,357.06
- (b) To paying the expenses of issuing the Certificates \$42,512.23

6. That the costs of issuance of the Certificates are set forth in *Exhibit A* attached hereto, and that said costs are reasonable and not excessive in view of the amount of the Certificates and the complexity of the proceedings related to their issuance.

7. That pursuant to the Agreement, provision has been made for the payment up to and including the maturity or prior redemption of all of the principal and interest on the outstanding certificates of the Village described in the Agreement as the Refunded Certificates (the "*Refunded Certificates*").

8. That except as set forth herein, no funds of the Village derived directly or indirectly from any borrowing will be used for the payment of the principal or interest on the Refunded Certificates or will be or have been deposited with the Escrow Trustee or any paying agent for such purpose.

IN WITNESS WHEREOF, I hereunto affix my official signature, this 27th day of February, 2012.


Village Treasurer

EXHIBIT A
COSTS OF ISSUANCE

STATE OF ILLINOIS)
) SS
COUNTY OF DUPAGE)

CLOSING CERTIFICATE OF THE VILLAGE

We, the undersigned, do hereby certify that we are the duly qualified and acting President and Village Clerk, respectively, of the Village of Clarendon Hills, DuPage County, Illinois (the "Village"), and as such officials we do further certify as follows:

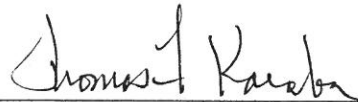
1. The representations and warranties of the Village contained in the Installment Purchase Agreement, dated as of February 27, 2012 (the "Agreement"), by and between the Village and the Treasurer of the Village, as Nominee-Seller (the "Seller"), are true and correct in all material respects at and as of the date hereof with the same effect as if made on this date.

2. In connection with the issuance of its Refunding Debt Certificates, Series 2012 (the "Certificates"), to BOSC, Inc., Menomonee Falls, Wisconsin (the "Purchaser"), the Village has furnished the Purchaser all material facts concerning the Village, the Agreement and the Certificates, including the audits and financial reports concerning the Village, necessary to insure that the Purchaser was able to make a fully informed investment decision on the Certificates.

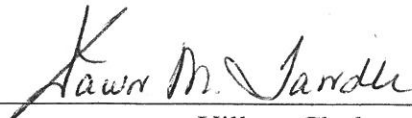
3. The Village has carefully and conservatively analyzed its current and future financial resources and has concluded that such financial resources are and will be completely adequate to pay the principal of and interest on the Certificates when the same become due without impairing in any respect whatsoever the ability of the Village to provide the usual and customary municipal services in and for the Village.

4. The Village has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied on or prior to the date hereof as set forth in or required by the Agreement.

IN WITNESS WHEREOF, we hereunto affix our official signatures and the seal of the Village, this 27th day of February, 2012.



President



Village Clerk

[SEAL]



ESCROW AGREEMENT

This Escrow Agreement, dated as of February 27, 2012, but actually executed on the date witnessed hereinbelow, by and between the Village of Clarendon Hills, DuPage County, Illinois (the "*Village*"), and U.S. Bank National Association, a national banking association, having trust powers, with principal offices located in Chicago, Illinois (the "*Escrow Trustee*"), in consideration of the mutual promises and agreements herein set forth:

WITNESSETH:

ARTICLE I

DEFINITIONS

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

Section 1.01. "*Agreement*" means this Escrow Agreement between the Village and the Escrow Trustee.

Section 1.02. "*Board*" means the President and Board of Trustees which is the governing body of the Village.

Section 1.03. "*Certificates*" means the Refunding Debt Certificates, Series 2012, of the Village, a part of the proceeds of which are to be used for the refunding of the Refunded Certificates.

Section 1.04. "*Certificate Ordinance*" means the ordinance adopted by the Board on the 6th day of February, 2012, entitled:

AN ORDINANCE of the Village of Clarendon Hills, DuPage County, Illinois, authorizing and providing for an Installment Purchase Agreement for the purpose of the acquisition, by means of refinancing and refunding, of the rights under previously issued installment purchase agreements and related debt certificates, and authorizing and providing for the issue of \$2,360,000 Refunding Debt Certificates, Series 2012, evidencing the rights to payment under such Agreement, prescribing the details of the Agreement

and Certificates, and providing for the security for and means of payment under the Agreement of the Certificates.

Section 1.05. “*Certificate Registrar*” means the certificate registrar for the Refunded Certificates, namely, U.S. Bank National Association, Chicago, Illinois.

Section 1.06. “*Code*” means Section 148 of the Internal Revenue Code of 1986, and all lawful regulations promulgated thereunder.

Section 1.07. “*Escrow Account*” means the trust account established under this Agreement by the deposit of the Government Securities and the beginning cash.

Section 1.08. “*Escrow Trustee*” means U.S. Bank National Association, a national banking association, having trust powers, with principal offices located in Chicago, Illinois, not individually but in the capacity for the uses and purposes hereinafter mentioned, or any successor thereto.

Section 1.09. “*Government Securities*” means the non-callable direct obligations of or non-callable obligations guaranteed by the full faith and credit of the United States of America as to principal and interest deposited hereunder as more particularly described in *Exhibit A* to this Agreement.

Section 1.10. “*Paying Agent*” means the Certificate Registrar.

Section 1.11. “*Refunded Certificates*” means the outstanding certificates of the Village described as follows:

(a) \$385,000 Debt Certificates, Series 2002, dated July 15, 2002, being all of the certificates outstanding from an issue in the original principal amount of \$975,000, fully registered and without coupons, due serially on January 1 of the years, in the amounts and bearing interest at the rates per annum as follows:

YEAR OF MATURITY	PRINCIPAL AMOUNT	RATE OF INTEREST
2013	\$70,000	4.50%
2014	75,000	4.60%
2015	75,000	4.70%
2016	80,000	4.80%
2017	85,000	4.90%

(the "*Series 2002 Certificates*"), which certificates are subject to redemption and payment prior to their maturity on January 1, 2012, or on any date thereafter, at a redemption price of par and accrued interest to the date of redemption.

(b) \$1,895,000 Debt Certificates, Series 2005, dated February 15, 2005, being a portion of the certificates outstanding from an issue in the original principal amount of \$2,800,000, fully registered and without coupons, due serially on January 1 of the years, in the amounts and bearing interest at the rates per annum as follows:

YEAR OF MATURITY	PRINCIPAL AMOUNT	RATE OF INTEREST
2014	\$125,000	3.60%
2015	130,000	3.70%
2016	135,000	3.80%
2017	140,000	3.90%
2018	145,000	4.00%
2019	155,000	4.10%
2020	160,000	4.15%
2021	165,000	4.20%
2022	175,000	4.25%
2023	180,000	4.30%
2024	190,000	4.35%
2025	195,000	4.40%

(the "*Series 2005 Certificates*"), which certificates are subject to redemption and payment prior to their maturity on January 1, 2013, or on any date thereafter, at a redemption price of par and accrued interest to the date of redemption.

Section 1.12. "Treasurer" means the Treasurer of the Village.

Section 1.13. "Village" means the Village of Clarendon Hills, DuPage County, Illinois.

ARTICLE II

CREATION OF ESCROW

Section 2.01. The Village by the Certificate Ordinance has authorized the issue and delivery of the Certificates, proceeds of which, together with certain funds of the Village on hand and legally available for such purpose, are to be used to refund the Refunded Certificates by the deposit on demand and to purchase on behalf of the Village the Government Securities. Such

deposit and securities will provide all moneys necessary to pay the principal of and interest on the Refunded Certificates up to and including the redemption dates therefor.

Section 2.02. The Village deposits \$2,360,357.06 from the proceeds of the Certificates and \$0 from funds on hand and legally available for the purchase of the Government Securities and the funding of a beginning cash escrow deposit on demand in the amount of \$0.06. The beginning deposit and the Government Securities are held in an irrevocable trust fund account for the Village to the benefit of the holders of the Refunded Certificates to pay the principal of and interest on the Refunded Certificates up to and including the redemption dates thereof.

Section 2.03. The Escrow Trustee and the Village have each received the report of Sikich LLP, Aurora, Illinois, attached hereto as *Exhibit B* (the "*Verification Report*"), that the principal of and income and profit to be received from the Government Securities, when paid at maturity, and the cash held in accordance with Section 2.02 hereof, will be sufficient, at all times pending the final payment of the Refunded Certificates, to pay all interest on and all principal of the Refunded Certificates on the redemption dates thereof as evidenced by said Report.

ARTICLE III

COVENANTS OF ESCROW TRUSTEE

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

Section 3.01. The Escrow Trustee will hold the Government Securities and all interest income or profit derived therefrom and all uninvested cash in an irrevocable segregated and separate trust fund account for the sole and exclusive benefit of the holders of the Refunded Certificates until final payment thereof.

Section 3.02. The beginning cash escrow deposit shall not be invested by the Escrow Trustee. Otherwise, the Escrow Trustee will reinvest all available uninvested balances (rounded to an even \$100) in the Escrow Account on deposit from time to time, whenever said balances

exceed \$1,000 and acknowledges that the schedule of amounts available for reinvestment appears in the cash flow tables in the Verification Report. Investments so made shall be in direct obligations of or obligations guaranteed by the full faith and credit of the United States of America and shall be scheduled to mature on or prior to the next succeeding interest payment date on the Refunded Certificates on which such proceeds will be needed to pay the principal of or interest on the Refunded Certificates. Such investments shall, to the extent possible, be in zero-yield obligations issued directly by the Bureau of Public Debt of the United States Treasury (currently designated "*U.S. Treasury Securities—State and Local Government Series Certificates of Indebtedness, Notes or Certificates*") ("*SLGS*"). Such investments shall be made only to the extent permitted by, and shall be made in accordance with, the applicable statutes, rules and regulations governing such investments issued by the Bureau of Public Debt. The Escrow Trustee expressly recognizes that under current regulations all SLGS must be subscribed for not less than 5 days prior to date of issuance.

If the Department of the Treasury (or the Bureau of Public Debt) of the United States suspends the sale of SLGS causing the Escrow Trustee to be unable to purchase SLGS, then the Escrow Trustee will take the following actions. On the date it would have purchased SLGS had it been able to do so, the Escrow Trustee will purchase direct obligations of or obligations guaranteed by the full faith and credit of the United States maturing no more than 90 days after the date of purchase (the "*Alternate Investment*"). The purchase price of the Alternate Investment shall be as close as possible to the principal amount of the SLGS that would have been purchased on such date if they had been available for purchase. The Escrow Trustee will purchase each Alternate Investment at a price no higher than the fair market value of the Alternate Investment and will maintain records demonstrating compliance with this requirement. On the maturity of each Alternate Investment, the Escrow Trustee shall pay the difference

between the total of the receipts on the Alternate Investment and the purchase price of the Alternate Investment to the Village with a notice to the Village that such amount must be paid to the Internal Revenue Service pursuant to Rev. Proc. 95-47. If the Alternate Investment matures more than 14 days prior to the next succeeding interest payment date on the Refunded Certificates on which such proceeds will be needed to pay principal of or interest on the Refunded Certificates, the Escrow Trustee shall treat such amounts as an uninvested balance available for reinvestment and shall take all reasonable steps to invest such amounts in SLGS (or additional Alternate Investments as provided in this Section).

The Escrow Trustee shall hold balances not so invested in the Escrow Account on demand and in trust for the purposes hereof and shall secure same in accordance with applicable Illinois law for the securing of public funds.

Section 3.03. The Escrow Trustee will take no action in the investment or securing of the proceeds of the Government Securities which would cause the Certificates to be classified as "arbitrage bonds" under the Code, *provided*, it shall be under no duty to affirmatively inquire whether the Government Securities as deposited are properly invested under the Code; and, *provided, further*, it may rely on all specific directions in this Agreement in the investment or reinvestment of balances held hereunder.

Section 3.04. The Escrow Trustee will promptly collect the principal, interest or profit from the Government Securities and promptly apply the same as necessary to the payment of principal and interest on the Refunded Certificates on the redemption dates thereof as herein provided.

Section 3.05. The Escrow Trustee will remit to the Paying Agent, in good funds on or before each principal or interest payment date on the Refunded Certificates, moneys sufficient to pay such principal and interest as will meet the requirements for the retirement of the Refunded

Certificates, and such remittances shall fully release and discharge the Escrow Trustee from any further duty or obligation thereto under this Agreement.

Section 3.06. The Escrow Trustee will make no payment of fees, charges or expenses due or to become due, of the Paying Agent or the certificate registrar and paying agent on the Certificates, and the Village either paid such fees, charges and expenses in advance as set forth in Section 3.07 hereof or covenants to pay the same as they become due.

Section 3.07. The charges, fees and expenses of the Escrow Trustee (other than any charges, fees and expenses incurred pursuant to Section 3.08 hereof) have been paid in advance, and all charges, fees or expenses of the Escrow Trustee in carrying out any of the duties, terms or provisions of this Agreement shall be paid solely therefrom. The Escrow Trustee is also providing certificate registrar and paying agent services for the Certificates, and the acceptance fee and first annual fee of the Escrow Trustee for such certificate registrar and paying agent services have been paid in advance, and all remaining charges, fees or expenses of the Escrow Trustee for such services shall be paid by the Village upon receipt of invoices therefor.

Section 3.08. The Village has called the Series 2002 Certificates for redemption and payment prior to maturity on April 1, 2012, at a redemption price of par plus accrued interest to the redemption date, and the Series 2005 Certificates for redemption and payment prior to maturity on January 1, 2013, at a redemption price of par plus accrued interest to the redemption date. The Escrow Trustee will cause the Paying Agent to provide for and give timely notice of the call for redemption of the Refunded Certificates. In the event the Escrow Trustee determines that the Paying Agent will not give such timely notice, the Escrow Trustee will give such notice. The form and time of the giving of such notice regarding the Refunded Certificates shall be as specified in the ordinance authorizing the issuance of the Refunded Certificates. The Village shall reimburse the Escrow Trustee for any actual out of pocket expenses incurred in the giving

of such notice, but the failure of the Village to make such payment shall not in any respect whatsoever relieve the Escrow Trustee from carrying out any of the duties, terms or provisions of this Agreement.

The Escrow Trustee shall also give notice of the call of the Refunded Certificates, on or before the date the notice of such redemption is given to the holders of the Refunded Certificates, to the Municipal Securities Rulemaking Board (the “MSRB”) through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. Information with respect to procedures for submitting notice can be found at <https://msrb.org>.

Section 3.09. The Escrow Trustee has all the powers and duties herein set forth with no liability in connection with any act or omission to act hereunder, except for its own negligence or willful breach of trust, and shall be under no obligation to institute any suit or action or other proceeding under this Agreement or to enter any appearance in any suit, action or proceeding in which it may be defendant or to take any steps in the enforcement of its, or any, rights and powers hereunder, nor shall be deemed to have failed to take any such action, unless and until it shall have been indemnified by the Village to its satisfaction against any and all costs and expenses, outlays, counsel fees and other disbursements, including its own reasonable fees, and if any judgment, decree or recovery be obtained by the Escrow Trustee, payment of all sums due it, as aforesaid, shall be a first charge against the amount of any such judgment, decree or recovery.

Section 3.10. The Escrow Trustee may in good faith buy, sell or hold and deal in any of the Certificates or the Refunded Certificates.

Section 3.11. The Escrow Trustee will submit to the Treasurer a statement within forty-five (45) days after January 1 and July 1 of each calendar year, commencing July 1, 2012, itemizing all moneys received by it and all payments made by it under the provisions of this Agreement during the preceding six (6) month period (or, for the first period, from the date of delivery of the Certificates to July 1, 2012), and also listing the Government Securities on deposit therewith on the date of said report, including all moneys held by it received as interest on or profit from the collection of the Government Securities.

Section 3.12. If at any time it shall appear to the Escrow Trustee that the available proceeds of the Government Securities and deposits on demand in the Escrow Account will not be sufficient to make any payment due to the holders of any of the Refunded Certificates, the Escrow Trustee shall notify the Treasurer and the Board, not less than five (5) days prior to such date, and the Village agrees that it will from any funds legally available for such purpose make up the anticipated deficit so that no default in the making of any such payment will occur.

ARTICLE IV

COVENANTS OF VILLAGE

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

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

Section 4.02. All payments to be made by, and all acts and duties required to be done by, the Escrow Trustee under the terms and provisions of this Agreement, shall be made and done by the Escrow Trustee without any further direction or authority of the Village or the Treasurer.

Section 4.03. The Village will take no action regarding the proceeds of the Certificates which would cause the Certificates to be classified as “arbitrage bonds” under the Code, and the Village will take any and all further action necessary to ensure that adequate provision is made for the payment of the Refunded Certificates and that neither the Refunded Certificates nor the Certificates are classified as “arbitrage bonds” under the Code.

ARTICLE V

AMENDMENTS, REINVESTMENT OF FUNDS, IRREVOCABILITY OF AGREEMENT

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

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

Section 5.03. Except as provided in Section 5.04 hereof, all of the rights, powers, duties and obligations of the Treasurer hereunder shall be irrevocable and shall not be subject to amendment by the Treasurer and shall be binding on any successor to said official now in office during the term of this Agreement.

Section 5.04. This Agreement may be amended or supplemented, and the Government Obligations or any portion thereof may be sold, redeemed, invested or reinvested, in any manner provided (any such amendment, supplement, or direction to sell, redeem, invest or reinvest to be referred to as a “*Subsequent Action*”), upon submission to the Escrow Trustee of each of the following:

(1) Certified copy of proceedings of the Board of the Village authorizing the Subsequent Action and copy of the document effecting the Subsequent Action signed by duly designated officers of the Village.

(2) An opinion of nationally recognized bond counsel or tax counsel nationally recognized as having an expertise in the area of tax-exempt municipal bonds that the Subsequent Action has been duly authorized by the Board of the Village and will not adversely affect the tax-exempt status of the interest on the Certificates or the Refunded Certificates nor violate the covenants of the Village not to cause the Certificates or the Refunded Certificates to become "arbitrage bonds" under the Code, and that the Subsequent Action does not materially adversely affect the legal rights of the holders of the Certificates and the Refunded Certificates.

(3) An opinion of a firm of nationally recognized independent certified public accountants or consultants nationally recognized as having an expertise in the area of refunding escrows that the amounts (which will consist of cash or deposits on demand held in trust or receipts from non-callable direct obligations of or non-callable obligations guaranteed by the full faith and credit of the United States of America, all of which shall be held hereunder) available or to be available for payment of the Refunded Certificates will remain sufficient to pay when due all principal and interest on the Refunded Certificates after the taking of the Subsequent Action.

ARTICLE VI

MERGER, CONSOLIDATION OR RESIGNATION OF ESCROW TRUSTEE

Any banking association or corporation into which the Escrow Trustee may be merged, converted or with which the Escrow Trustee may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Escrow Trustee shall be a party, or

any banking association or corporation to which all or substantially all of the corporate trust business of the Escrow Trustee shall be transferred, shall succeed to all the Escrow Trustee's rights, obligations and immunities hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding. The Escrow Trustee may at any time resign as Escrow Trustee under this Agreement by giving 30 days' written notice to the Village, and such resignation shall take effect upon the appointment of a successor Escrow Trustee by the Village. The Village may select as successor Escrow Trustee any financial institution with capital, surplus and undivided profits of at least \$75,000,000 and having a corporate trust office within the State of Illinois, and which is authorized to maintain trust accounts for municipal corporations in Illinois under applicable law.

ARTICLE VII

NOTICES TO THE VILLAGE, THE TREASURER AND THE ESCROW TRUSTEE

Section 7.01. All notices and communications to the Village and the Board shall be addressed in writing to:

Village Clerk
Village of Clarendon Hills
One North Prospect Avenue
Clarendon Hills, Illinois 60514

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

Section 7.02. All notices and communications to the Escrow Trustee shall be addressed in writing to:

U.S. Bank National Association
190 South LaSalle Street, 10th Floor
Chicago, Illinois 60603

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

Section 7.03. All notices and communications to the Treasurer shall be addressed in writing to:

Treasurer
Village of Clarendon Hills
One North Prospect Avenue
Clarendon Hills, Illinois 60514

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

ARTICLE VIII

TERMINATION OF AGREEMENT

Section 8.01. That, upon final disbursement of funds sufficient to pay the principal and interest of the Refunded Certificates as hereinabove provided for, the Escrow Trustee will transfer any balance remaining in the Escrow Account to the Treasurer with due notice thereof mailed to the Board, and thereupon this Agreement shall terminate.

IN WITNESS WHEREOF the Village has caused this Agreement to be signed in its name by its President and to be attested by the Village Clerk under its corporate seal hereunto affixed; and U.S. Bank National Association, Chicago, Illinois, not individually, but in the capacity as hereinabove described, has caused this Agreement to be signed in its corporate name by one of its officers and to be attested by one of its officers under its corporate seal hereunto affixed, all this 27th day of February, 2012.

VILLAGE OF CLARENDON HILLS
DuPAGE COUNTY, ILLINOIS

By James F. Kacala
President

ATTEST:
Karen M. Jandke
Village Clerk

[SEAL]



U.S. BANK NATIONAL ASSOCIATION,
Chicago, Illinois

By _____
Its _____

ATTEST:

By _____
Its _____

[SEAL]

This Escrow Agreement received and acknowledged by me this 27th day of February, 2012.

Margaret M. Northcutt
Treasurer
Village of Clarendon Hills
DuPage County, Illinois

EXHIBIT A

GOVERNMENT SECURITIES

EXHIBIT B

VERIFICATION REPORT

Information Return for Tax-Exempt Governmental Obligations

► Under Internal Revenue Code section 149(e)

► See separate instructions.

Caution: If the issue price is under \$100,000, use Form 8038-GC.

OMB No. 1545-0720

Part I Reporting Authority

If Amended Return, check here ☐

1 Issuer's name Village of Clarendon Hills, DuPage County, Illinois		2 Issuer's employer identification number (EIN) 36-6005835
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a
4 Number and street (or P.O. box if mail is not delivered to street address) One North Prospect Avenue	Room/suite	5 Report number (For IRS Use Only) 3
6 City, town, or post office, state, and ZIP code Clarendon Hills, Illinois 60514		7 Date of issue February 27, 2012
8 Name of issue Refunding Debt Certificates, Series 2012		9 CUSIP number 180396 GX5
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) Peg Hartnett, Finance Director		10b Telephone number of officer or other employee shown on 10a (630) 286-5415

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.

11 Education	11		
12 Health and hospital	12		
13 Transportation	13		
14 Public safety	14		
15 Environment (including sewage bonds)	15		
16 Housing	16		
17 Utilities	17		
18 Other. Describe ► Infrastructure Improvements	18	2,429,827	55
19 If obligations are TANs or RANs, check only box 19a			
If obligations are BANs, check only box 19b			
20 If obligations are in the form of a lease or installment sale, check box			

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	01/01/2025	\$ 2,429,827.55	\$ 2,360,000	6.707 years	1.6962 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22 Proceeds used for accrued interest	22	0	00
23 Issue price of entire issue (enter amount from line 21, column (b))	23	2,429,827	55
24 Proceeds used for bond issuance costs (including underwriters' discount)	24	69,470	49
25 Proceeds used for credit enhancement	25	0	00
26 Proceeds allocated to reasonably required reserve or replacement fund	26	0	00
27 Proceeds used to currently refund prior issues	27	389,515	03
28 Proceeds used to advance refund prior issues	28	1,970,842	03
29 Total (add lines 24 through 28)	29	2,429,827	55
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	0	00

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.

31 Enter the remaining weighted average maturity of the bonds to be currently refunded	2.935	years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	7.836	years
33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY)	01/01/2013	
34 Enter the date(s) the refunded bonds were issued ► (MM/DD/YYYY)	07/24/2002; 03/15/2005	

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 63773S


Form 8038-G (Rev. 9-2011)

Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	NA
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)	36a	NA
b	Enter the final maturity date of the GIC ▶ _____		
c	Enter the name of the GIC provider ▶ _____		
37	Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units	37	NA
38a	If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the following information:		
b	Enter the date of the master pool obligation ▶ _____		
c	Enter the EIN of the issuer of the master pool obligation ▶ _____		
d	Enter the name of the issuer of the master pool obligation ▶ _____		
39	If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box		<input checked="" type="checkbox"/>
40	If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box		<input type="checkbox"/>
41a	If the issuer has identified a hedge, check here <input type="checkbox"/> and enter the following information:		
b	Name of hedge provider ▶ _____		
c	Type of hedge ▶ _____		
d	Term of hedge ▶ _____		
42	If the issuer has superintegrated the hedge, check box		<input type="checkbox"/>
43	If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box		<input checked="" type="checkbox"/>
44	If the issuer has established written procedures to monitor the requirements of section 148, check box		<input checked="" type="checkbox"/>
45a	If some portion of the proceeds was used to reimburse expenditures, check here <input type="checkbox"/> and enter the amount of reimbursement ▶ _____		
b	Enter the date the official intent was adopted ▶ _____		

Signature and Consent

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.



02/27/2012

Peg Hartnett, Treasurer

Signature of issuer's authorized representative

Date

Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if self-employed

PTIN

Kelly K. Kost

02/27/2012

P00994572

Firm's name ▶ Chapman and Cutler LLP

Firm's EIN ▶ 36-2153731

Firm's address ▶ 111 West Monroe Street, Chicago, Illinois 60603

Phone no. (312) 845-3000

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

This Continuing Disclosure Undertaking (this "*Agreement*") is executed and delivered by the Village of Clarendon Hills, DuPage County, Illinois (the "*Village*"), in connection with the issuance of \$2,360,000 Refunding Debt Certificates, Series 2012 (the "*Certificates*"). The Certificates are being issued pursuant to an ordinance adopted by the President and Board of Trustees of the Village on the 6th day of February, 2012 (the "*Ordinance*").

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

1. PURPOSE OF THIS AGREEMENT; CERTIFICATIONS. This Agreement is executed and delivered by the Village as of the date set forth below, for the benefit of the beneficial owners of the Certificates and in order to assist the Participating Underwriter in complying with the requirements of the Rule (as defined below). This Agreement is prepared in compliance with paragraph (d)(2) of the Rule.

The Village represents that:

(a) it will be the only obligated person with respect to the Certificates at the time the Certificates are delivered to the Participating Underwriter and that no other person is expected to become so committed at any time after issuance of the Certificates; and

(b) at the time of the delivery of the Certificates to the Participating Underwriter, the Village will be an "obligated person" (as such term is defined in the Rule) with respect to less than \$10,000,000 in aggregate amount of outstanding municipal securities, including the Certificates and excluding municipal securities that were offered in a transaction exempt from the Rule pursuant to paragraph (d)(1) of the Rule.

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

Commission means the Securities and Exchange Commission.

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

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

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

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

Financial Information Disclosure means the dissemination of disclosure concerning Financial Information as set forth in Section 4.

MSRB means the Municipal Securities Rulemaking Board.

Official Statement means the Final Official Statement, dated February 6, 2012, and relating to the Certificates.

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

Reportable Event means the occurrence of any of the Events with respect to the Certificates set forth in *Exhibit II*.

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

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

State means the State of Illinois.

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

3. CUSIP NUMBERS; PDF FORMAT. The CUSIP Numbers of the Certificates are set forth in *Exhibit III*. The Village will include the CUSIP Numbers in all disclosure materials described in Sections 4 and 5 of this Agreement.

4. FINANCIAL INFORMATION DISCLOSURE. Subject to Section 8 of this Agreement, the Village hereby covenants that it will disseminate its Financial Information at least annually to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. MSRB rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents required to be filed with EMMA, including financial statements and other externally prepared reports.

5. REPORTABLE EVENTS DISCLOSURE. Subject to Section 8 of this Agreement, the Village hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. MSRB rule G-32

requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents required to be filed with EMMA, including financial statements and other externally prepared reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Certificates or defeasance of any Certificates need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Certificateholders pursuant to the Ordinance.

6. CONSEQUENCES OF FAILURE OF THE VILLAGE TO PROVIDE INFORMATION. In the event of a failure of the Village to comply with any provision of this Agreement, the beneficial owner of any Certificate may seek mandamus or specific performance by court order, to cause the Village to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed a default under the Ordinance, and the sole remedy under this Agreement in the event of any failure of the Village to comply with this Agreement shall be an action to compel performance.

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

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

(b) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

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

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

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

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

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

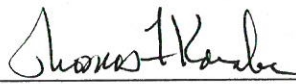
11. BENEFICIARIES. This Agreement has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Agreement shall inure solely to the benefit of the Village, the Dissemination Agent, if any, and the beneficial owners of the Certificates, and shall create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

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

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

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

VILLAGE OF CLARENDON HILLS, DUPAGE
COUNTY, ILLINOIS

BY 
President

Date: February 27, 2012

EXHIBIT I
FINANCIAL INFORMATION

"Financial Information" is defined in the Official Statement. The Financial Information will be submitted to EMMA by 210 days after the last day of the Village's fiscal year (currently April 30). If the Village's audited financial statements are not available when the Financial Information is filed, unaudited financial statements shall be included. There shall be specified the date as of which such information was prepared. All or a portion of the Financial Information may be included by reference to other documents which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available on EMMA; the Final Official Statement need not be available from the Commission. The Village shall clearly identify each such item of information included by reference.

EXHIBIT II
EVENTS WITH RESPECT TO THE CERTIFICATES FOR WHICH
REPORTABLE EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to the rights of security holders, if material
8. Certificate calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the Village*
13. The consummation of a merger, consolidation, or acquisition involving the Village or the sale of all or substantially all of the assets of the Village, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material

* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Village in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Village, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Village.

EXHIBIT III
CUSIP NUMBERS

YEAR OF MATURITY (JANUARY 1)	CUSIP NUMBER (180396)
2013	GK3
2014	GL1
2015	GM9
2016	GN7
2017	GP2
2018	GQ0
2019	GR8
2020	GS6
2021	GT4
2022	GU1
2023	GV9
2024	GW7
2025	GX5

February 6, 2012

Ms. Peg Hartnett
Finance Director
Village of Clarendon Hills
1 North Prospect Avenue
Clarendon Hills, Illinois 60514

Re: Village of Clarendon Hills, DuPage County, Illinois (the "Village")
Refunding Debt Certificates, Series 2012

Dear Peg:

We are pleased to provide an engagement letter for our services as bond counsel for the certificates in reference (the "*Certificates*"). For convenience and clarity, we may refer to the Village in its corporate capacity and to you, the Village officers (including the governing body of the Village) and employees and general and special counsel to the Village, collectively as "*you*" (or the possessive "*your*"). You have advised us that the purpose of the issuance of the Certificates, briefly stated, is to refund certain outstanding obligations of the District. You are retaining us for the limited purpose of rendering our customary approving legal opinion as described in detail below.

A. DESCRIPTION OF SERVICES

As Bond Counsel, we will work with you and the following persons and firms: the underwriters or other certificate purchasers who purchase the Certificates from the Village (all of whom are referred to as the "*Certificate Purchasers*"), counsel for the Certificate Purchasers, financial advisors, trustee, paying agent and certificate registrar and their designated counsel (you and all of the foregoing persons or firms, collectively, the "*Participants*"). We intend to undertake each of the following as necessary:

1. Review relevant Illinois law, including pending legislation and other recent developments, relating to the legal status and powers of the Village or otherwise relating to the issuance of the Certificates.

2. Obtain information about the Certificate transaction and the nature and use of the facilities or purposes to be financed or, for any portion of the Certificates to be issued for refunding purposes, the facilities or purposes financed with the proceeds of the obligations to be refunded (the "*Project*").

3. Review the proposed timetable and consult with the Participants as to the issuance of the Certificates in accordance with the timetable.

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4. Consider the issues arising under the Internal Revenue Code of 1986, as amended, and applicable tax regulations and other sources of law relating to the issuance of the Certificates on a tax-exempt basis; these issues include, without limitation, ownership and use of the Project, use and investment of Certificate proceeds prior to expenditure and security provisions or credit enhancement relating to the Certificates.

5. Prepare or review major Certificate documents, including tax compliance certificates, review the purchase agreement, if applicable, and, at your request, draft descriptions of the documents which we have drafted. We understand that the Certificates will be sold at competitive sale and that the Village will be assisted in the preparation of sale documents and in the process of the sale itself by its financial advisor. As Bond Counsel, we assist you in reviewing only those portions of the official statement or any other disclosure document to be disseminated in connection with the sale of the Certificates involving the description of the Certificates, the security for the Certificates (excluding forecasts, projections, estimates or any other financial or economic information in connection therewith), the description of the federal tax exemption of interest on the Certificates and, if applicable, the "bank-qualified" status of the Certificates.

6. Prepare or review all pertinent proceedings to be considered by the governing body of the Village; confirm that the necessary quorum, meeting and notice requirements are contained in the proceedings and draft pertinent excerpts of minutes of the meetings relating to the financing.

7. Attend or host such drafting sessions and other conferences as may be necessary, including a preclosing, if needed, and closing; and prepare and coordinate the distribution and execution of closing documents and certificates, opinions and document transcripts.

8. Render our legal opinion regarding the validity of the Certificates, the source of payment for the Certificates and the federal income tax treatment of interest on the Certificates, which opinion (the "*Bond Opinion*") will be delivered in written form on the date the Certificates are exchanged for their purchase price (the "*Closing*"). The Bond Opinion will be based on facts and law existing as of its date. Please see the discussion below at Part D. Please note that our opinion represents our legal judgment based upon our review of the law and the facts so supplied to us that we deem relevant and is not a guarantee of a result.

B. LIMITATIONS; SERVICES WE DO NOT PROVIDE

Our duties as Bond Counsel are limited as stated above. Consequently, unless otherwise agreed pursuant to a separate engagement letter, our duties *do not* include:

1. Giving any advice, opinion or representation as to the financial feasibility or the fiscal prudence of issuing the Certificates, advice estimating or comparing the relative cost to

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maturity of the Certificates depending on various interest rate assumptions, or advice recommending a particular structure as being financially advantageous under prevailing market conditions, or financial advice as to any other aspect of the Certificate transaction, including, without limitation, the undertaking of the Project, the investment of Certificate proceeds, the making of any investigation of or the expression of any view as to the creditworthiness of the Village, of the Project or of the Certificates or the form, content, adequacy or correctness of the financial statements of the Village. We will not offer you financial advice in any capacity beyond that constituting services of a traditionally legal nature.

2. Except as described in Paragraph (A)(5) above, assisting in the preparation or review of an official statement or any other disclosure document with respect to the Certificates (which may be referred to as the "*Official Statement*") or performing an independent investigation to determine the accuracy, completeness or sufficiency of the Official Statement or rendering any advice, view or comfort that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading. Please see our comments below at Paragraphs (D)(5) and (D)(6).

3. Independently establishing the veracity of certifications and representations of you or the other Participants. For example, we will not review the data available on the Electronic Municipal Market Access system website created by the Municipal Securities Rulemaking Board (and commonly known as "EMMA") to verify the information relating to the Certificates to be provided by the Certificate Purchasers, and we will not undertake a review of your website to establish that information contained corresponds to that which you provide independently in your certificates or other transaction documents.

4. Supervising any state, county or local filing of any proceedings held by the governing body of the Village incidental to the Certificates.

5. Preparing any of the following — requests for tax rulings from the Internal Revenue Service (the "*Service*"), blue sky or investment surveys with respect to the Certificates, state legislative amendments or pursuing test cases or other litigation.

6. Opining on securities laws compliance or as to the continuing disclosure undertaking pertaining to the Certificates; and, after the execution and delivery of the Certificates, providing advice as to any Securities and Exchange Commission investigations or concerning any actions necessary to assure compliance with any continuing disclosure undertaking.

7. After Closing, providing continuing advice to the Village or any other party concerning any actions necessary to assure that interest paid on the Certificates will continue to be tax-exempt; e.g., we will not undertake rebate calculations for the Certificates without a

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separate engagement for that purpose, we will not monitor the investment, use or expenditure of Certificate proceeds or the use of the Project, and we are not retained to respond to Internal Revenue Service audits.

8. Any other matter not specifically set forth above in Part A.

C. ATTORNEY-CLIENT RELATIONSHIP; REPRESENTATION OF OTHERS

Upon execution of this engagement letter, the Village will be our client, and an attorney-client relationship will exist between us. However, our services as Bond Counsel are limited as set forth in this engagement letter, and your execution of this engagement letter will constitute an acknowledgment of those limitations. Also please note that the attorney-client privilege, normally applicable under State law, may be diminished or non-existent for written advice delivered with respect to Federal tax law matters.

This engagement letter will also serve to give you express written notice that from time to time we represent in a variety of capacities and consult with most underwriters, investment bankers, credit enhancers such as bond insurers or issuers of letters of credit, ratings agencies, investment providers, brokers of financial products, financial advisors, banks and other financial institutions and other persons who participate in the public finance market on a wide range of issues. One or more of such firms may be the winning bidder (*i.e.*, become the Certificate Purchasers) at the public sale of the Certificates. Prior to execution of this engagement letter we may have consulted with one or more of such firms regarding the Certificates including, specifically, the Certificate Purchasers. We are advising you, and you understand that the Village consents to our representation of it in this matter, notwithstanding such consultations, and even though parties whose interests are or may be adverse to the Village in this transaction are clients in other unrelated matters. Your acceptance of the winning bid constitutes consent to these other engagements. Neither our representation of the Village nor such additional relationships or prior consultations will affect, however, our responsibility to render an objective Bond Opinion.

Your consent does not extend to any conflict that is not subject to waiver under applicable Rules of Professional Conduct (including Circular 230 discussed below), or to any matter that involves the assertion of a claim against the Village or the defense of a claim asserted by the Village. In addition, we agree that we will not use any confidential non-public information received from you in connection with this engagement to your material disadvantage in any matter in which we would be adverse to you.

Further, this engagement letter will also serve to give you express notice that we represent many other municipalities, school districts, park districts, counties, townships, special districts and units of local government both within and outside of the State of Illinois and also the State itself and various of its agencies and authorities (collectively, the "governmental

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units”). Most but not all of these representations involve bond or other borrowing transactions. We have assumed that there are no controversies pending to which the Village is a party and is taking any position which is adverse to any other governmental unit, and you agree to advise us promptly if this assumption is incorrect. In such event, we will advise you if the other governmental unit is our client and, if so, determine what actions are appropriate. Such actions could include seeking waivers from both the Village and such other governmental unit or withdrawal from representation.

We anticipate that the Village will have its general or special counsel available as needed to provide advocacy in the Certificate transaction and has had the opportunity to consult with such counsel concerning the conflict consents and other provisions of this letter; and other Participants will retain such counsel as they deem necessary and appropriate to represent their interests.

D. OTHER TERMS OF THE ENGAGEMENT; CERTAIN OF YOUR UNDERTAKINGS

Please note our understanding with respect to this engagement and your role in connection with the issuance of the Certificates.

1. In rendering the Bond Opinion and in performing any other services hereunder, we will rely upon the certified proceedings and other certifications you and other persons furnish us. Other than as we may determine as appropriate to rendering the Bond Opinion, we are not engaged and will not provide services intended to verify the truth or accuracy of these proceedings or certifications. We do not ordinarily attend meetings of the governing body of the Village at which proceedings related to the Certificates are discussed or passed unless special circumstances require our attendance.

2. The factual representations contained in those documents which are prepared by us, and the factual representations which may also be contained in any other documents that are furnished to us by you are essential for and provide the basis for our conclusions that there is compliance with State law requirements for the issue and sale of valid bonds and with the Federal tax law for the tax exemption of interest paid on the Certificates. Accordingly, it is important for you to read and understand the documents we provide to you because you will be confirming the truth, accuracy and completeness of matters contained in those documents at the issuance of the Certificates.

3. If the documents contain incorrect or incomplete factual statements, you must call those to our attention. We are always happy to discuss the content or meaning of the transaction documents with you. Any untruth, inaccuracy or incompleteness may have adverse consequences affecting either the tax exemption of interest paid on the Certificates or the adequacy of disclosures made in the Official Statement under the State and Federal securities laws, with resulting potential liability for you. During the course of this engagement, we will

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further assume and rely on you to provide us with complete and timely information on all developments pertaining to any aspect of the Certificates and their security. We understand that you will cooperate with us in this regard.

4. You should carefully review all of the representations you are making in the transaction documents. We are available and encourage you to consult with us for explanations as to what is intended in these documents. To the extent that the facts and representations stated in the documents we provide to you appear reasonable to us, and are not corrected by you, we are then relying upon your signed certifications for their truth, accuracy and completeness.

5. Issuing the Certificates as "securities" under State and Federal securities laws and on a tax-exempt basis is a serious undertaking. As the issuer of the Certificates, the Village is obligated under the State and Federal securities laws and the Federal tax laws to disclose all material facts. The Village's lawyers, financial advisers and bankers can assist the Village in fulfilling these duties, but the Village in its corporate capacity, including your knowledge, has the collective knowledge of the facts pertinent to the transaction and the ultimate responsibility for the presentation and disclosure of the relevant information. Further, there are complicated Federal tax rules applicable to tax-exempt obligations. The Internal Revenue Service has an active program to audit such transactions. The documents we prepare are designed so that the Certificates will comply with the applicable rules, but this means you must fully understand the documents, including the representations and the covenants relating to continuing compliance with the federal tax requirements. Accordingly, we want you to ask questions about anything in the documents that is unclear.

6. As noted, the members of the governing body of the Village also have duties under the State and Federal securities and tax laws with respect to these matters and should be knowledgeable as to the underlying factual basis for the bond issue size, use of proceeds and related matters.

7. We are also concerned about the adoption by the Village of the gift ban provisions of the State Officials and Employees Ethics Act, any special ethics or gift ban ordinance, resolution, bylaw or code provision, any lobbyist registration ordinance, resolution, bylaw or code provision or any special provision of law or ordinance, resolution, bylaw or code provision relating to disqualification of counsel for any reason. We are aware of the provisions of the State Officials and Employees Ethics Act and will assume that you are aware of these provisions as well and that the Village has adopted proceedings that are only as restrictive as such Act. However, if the Village has stricter provisions than appear in such Act or has adopted such other special ethics or lobbyist provisions, we assume and are relying upon you to advise us of same.

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E. FEES

As is customary, we will bill our fees as Bond Counsel on a transactional basis instead of hourly. Disbursements and other non-fee charges are billed separately and in addition to our fees for professional services. Factors which affect our billing include: (a) the amount of the Certificates; (b) an estimate of the time necessary to do the work; (c) the complexity of the issue (number of parties, timetable, type of financing, legal issues and so forth); (d) recognition of the partially contingent nature of our fee, since it is customary that in the case no financing is ever completed, we render a greatly reduced statement of charges; and (e) a recognition that we carry the time for services rendered on our books until a financing is completed, rather than billing monthly or quarterly.

Our statement of charges is customarily rendered and paid at Closing, or in some instances upon or shortly after delivery of the bond transcripts; we generally do not submit any statement for fees prior to the Closing, except in instances where there is a substantial delay from the expected timetable. In such instances, we reserve the right to present an interim statement of charges. If, for any reason, the Certificates are not issued or are issued without the rendition of our Bond Opinion as Bond Counsel, or our services are otherwise terminated, we expect to negotiate with you a mutually agreeable compensation.

The undersigned will be the attorney primarily responsible for the firm's services on this issue, with assistance as needed from other members of our bond, securities and tax departments.

F. RISK OF AUDIT BY INTERNAL REVENUE SERVICE

The Service has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is excludable from gross income of the owners for federal income tax purposes. We can give no assurances as to whether the Service might commence an audit of the Certificates or whether, in the event of an audit, the Service would agree with our opinions. If an audit were to be commenced, the Service may treat the Village as the taxpayer for purposes of the examination. As noted in Paragraph 6 of Part B above, the scope of our representation does not include responding to such an audit. However, if we were separately engaged at the time, and subject to the applicable rules of professional conduct, we may be able to represent the Village in the matter.

G. TREASURY CIRCULAR 230

We wish to call to your attention the publication by the U.S. Department of the Treasury ("*Treasury*") of certain amendments to Circular 230, rules of professional conduct governing the practice of attorneys and other tax advisors before the Internal Revenue Service. Certain of these rules became effective September 26, 2007, June 21, 2005, and earlier (collectively, the "*Final Regulations*"). A portion of these rules relating to tax-exempt or tax-credit bonds remain in

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proposed form (the "*Proposed Regulations*"). The Final Regulations specifically exclude "state or local bond opinions" (as defined in Notice 2005-47, issued June 7, 2005) from the specific content requirements of the Final Regulations, but only until the Proposed Regulations are made final and become effective.

As noted, the Proposed Regulations with respect to "state or local bond opinions" have not been finalized by Treasury. They will not be applicable until 120 days after they are made final and published. We are unable to predict when the Proposed Regulations may be made final or what they may require. We are following actions with respect to the Proposed Regulations, and are happy to discuss their status and possible impact on your proposed transaction with you.

In addition to governing the form and content of written tax advice, the Final Regulations provide rules for tax practitioners regarding conflicts of interest and related consents that in some respects are stricter than applicable state rules of professional conduct which otherwise apply. In particular, the Final Regulations require your consent to conflicts of interest to be given in writing not later than 30 days after the existence of the conflict of interest was known by us. If we have not received all of the required written consents by this date, we may be required under the Final Regulations to "promptly withdraw from representation" of the Village in this matter.

H. END OF ENGAGEMENT AND POST-ENGAGEMENT; RECORDS

Our representation of the Village and the attorney-client relationship created by this engagement letter will be concluded upon the issuance of the Certificates. Nevertheless, subsequent to the Closing, we will prepare and provide the Participants a bond transcript in a CD-ROM format pertaining to the Certificates and make certain that a Federal Information Reporting Form 8038-G is filed.

Please note that you are engaging us as special counsel to provide legal services in connection with a specific matter. After the engagement, changes may occur in the applicable laws or regulations, or interpretations of those laws or regulations by the courts or governmental agencies, that could have an impact on your future rights and liabilities. Unless you engage us specifically to provide additional services or advice on issues arising from this matter, we have no continuing obligation to advise you with respect to future legal developments.

This will be true even though as a matter of courtesy we may from time to time provide you with information or newsletters about current developments that we think may be of interest to you. While we would be pleased to represent you in the future pursuant to a new engagement agreement, courtesy communications about developments in the law and other matters of mutual interest are not indications that we have considered the individual circumstances that may affect your rights or have undertaken to represent you or provide legal services.

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At your request, to be made at or prior to Closing, any other papers and property provided by the Village will be promptly returned to you upon receipt of payment for our outstanding fees and client disbursements. All other materials shall thereupon constitute our own files and property, and these materials, including lawyer work product pertaining to the transaction, will be retained or discarded by us at our sole discretion.

We call your attention to the Village's own record keeping requirements as required by the Service. Answers to frequently asked questions pertaining to those requirements can be found on the Service's website under frequently asked questions related to tax-exempt bonds at www.irs.gov (click on "Tax Exempt Bond Community", then "Frequently Asked Questions"), and it will be your obligation to comply for at least as long as any of the Certificates (or any future obligations issued to refund the Certificates) are outstanding, plus three years.

I. YOUR SIGNATURE REQUIRED

If the foregoing terms are acceptable to you, please so indicate by returning the enclosed copy of this engagement letter dated and signed by an authorized officer, retaining the original for your files. We will provide copies of this letter to certain of the Participants to provide them with an understanding of our role. We look forward to working with you.

Very truly yours,

CHAPMAN AND CUTLER LLP

By Kelly K. Kost
Kelly K. Kost

Accepted and Approved:

VILLAGE OF CLARENDON HILLS,
DUPAGE COUNTY, ILLINOIS

By: Thomas F. Kacala

Title: President

Date: 2/12, 2012

KK:kd

Enclosure

cc: Mr. Tom Bayer
Mr. Kevin McCanna

ADDENDUM DATED FEBRUARY 6, 2012
OFFICIAL STATEMENT DATED JANUARY 24, 2012

\$2,360,000
VILLAGE OF CLARENDON HILLS
 DuPage County, Illinois
 Refunding Debt Certificates, Series 2012

AMOUNT, MATURITY, INTEREST RATE, PRICE OR YIELD AND CUSIP NUMBERS

Principal Amount	Due Jan. 1	Interest Rate	Yield or Price	CUSIP Number	Principal Amount	Due Jan. 1	Interest Rate	Yield or Price	CUSIP Number
\$105,000	2013	2.000%	0.550%	180396 GK3	\$160,000	2020	2.000%	1.750%	180396 GS6
225,000	2014	2.000%	0.700%	180396 GL1	165,000	2021*	2.250%	1.900%	180396 GT4
225,000	2015	2.000%	0.850%	180396 GM9	170,000	2022*	2.375%	2.000%	180396 GU1
230,000	2016	2.000%	0.950%	180396 GN7	170,000	2023*	2.500%	2.125%	180396 GV9
235,000	2017	2.000%	1.050%	180396 GP2	180,000	2024*	2.625%	2.250%	180396 GW7
155,000	2018	2.000%	1.300%	180396 GQ0	180,000	2025*	2.750%	2.400%	180396 GX5
160,000	2019	2.000%	1.550%	180396 GR8					

**These maturities have been priced to call.*

The Official Statement of the Village dated January 24, 2012 (the "Official Statement") with respect to the Certificates is incorporated by reference herein and made a part hereof. The "Final Official Statement" of the Village with respect to the Certificates as that term is defined in Rule 15c2-12 of the Securities and Exchange Commission shall be comprised of the following:

1. Official Statement dated January 24, 2012; and
2. This Addendum dated February 6, 2012.

No dealer, broker, salesman or other person has been authorized by the Village to give any information or to make any representations with respect to the Certificates other than as contained in the Final Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the Village. Certain information contained in the Final Official Statement may be obtained from sources other than records of the Village and, while believed to be reliable, is not guaranteed as to completeness. NEITHER THE DELIVERY OF THE OFFICIAL STATEMENT OR THE FINAL OFFICIAL STATEMENT NOR ANY SALE MADE THEREUNDER SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE VILLAGE SINCE THE DATE THEREOF.

The Village has authorized preparation of the Final Official Statement containing pertinent information relative to the Certificates and the Village. Copies of that Final Official Statement can be obtained from the Underwriter, as defined herein. Additional information may also be obtained from the Village or from the independent public finance consultants to the Village:

Established 1954

Speer Financial, Inc.

INDEPENDENT PUBLIC FINANCE CONSULTANTS

ONE NORTH LASALLE STREET, SUITE 4100 • CHICAGO, ILLINOIS 60602

Telephone: (312) 346-3700; Facsimile: (312) 346-8833

www.speerfinancial.com



ADDITIONAL INFORMATION

References herein to laws, rules, regulations, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Official Statement or the Final Official Statement, they will be furnished on request.

DEBT INFORMATION

After issuance of the Certificates and the refunding of the Refunded Certificates, the Village will have outstanding \$3,314,000 principal amount of general obligation debt, of which \$829,000 are general obligation alternate revenue source debt. In addition, the Village has an IEPA loan in the amount of \$1,596,892 as of April 30, 2011.

Village's General Obligation Debt(1) (Principal Only)

Calendar Year	Series 2002		Series 2005		Series 2009		Series 2011		The Certificates	The Refunded Certificates		Total Outstanding Debt	Cumulative	
	Certificates		Certificates		Bonds		Bonds			Series 2002	Series 2005		Amount	Percent
2013	\$ 70,000		\$ 125,000		\$ 20,000		\$ 20,000		\$105,000	\$ (70,000)	\$ 0	\$ 270,000	\$ 270,000	8.15%
2014	75,000		125,000		20,000		25,000		225,000	(75,000)	(125,000)	270,000	540,000	16.29%
2015	75,000		130,000		21,000		30,000		225,000	(75,000)	(130,000)	276,000	816,000	24.62%
2016	80,000		135,000		22,000		30,000		230,000	(80,000)	(135,000)	282,000	1,098,000	33.13%
2017	85,000		140,000		23,000		30,000		235,000	(85,000)	(140,000)	288,000	1,386,000	41.82%
2018	0		145,000		24,000		30,000		155,000	0	(145,000)	209,000	1,595,000	48.13%
2019	0		155,000		25,000		30,000		160,000	0	(155,000)	215,000	1,810,000	54.62%
2020	0		160,000		26,000		35,000		160,000	0	(160,000)	221,000	2,031,000	61.29%
2021	0		165,000		27,000		35,000		165,000		(165,000)	227,000	2,258,000	68.14%
2022	0		175,000		28,000		35,000		170,000		(175,000)	233,000	2,491,000	75.17%
2023	0		180,000		30,000		35,000		170,000		(180,000)	235,000	2,726,000	82.26%
2024	0		190,000		31,000		40,000		180,000		(190,000)	251,000	2,977,000	89.83%
2025	0		195,000		32,000		40,000		180,000		(195,000)	252,000	3,229,000	97.44%
2026	0		0		0		40,000		0	0	0	40,000	3,269,000	98.64%
2027	0		0		0		45,000		0	0	0	45,000	3,314,000	100.00%
Total ..	\$385,000		\$2,020,000		\$329,000		\$500,000		\$2,425,000	\$ (385,000)	\$ (1,895,000)	\$3,314,000		

Less:

Note: (1) Source: the Village.

Statement of Bonded Indebtedness(1)

	Amount Applicable	Ratio To		Per Capita (2010 Census Pop. 8,427)
		Equalized Assessed	Estimated Actual	
Village EAV of Taxable Property, 2010	\$ 537,200.987	100.00%	33.33%	\$ 63,747.60
Estimated Actual Value, 2010	\$1,611,602,961	300.00%	100.00%	\$191,242.79
 Total Direct Debt	 \$ 3,314,000	 0.62%	 0.21%	 \$ 393.26
Less: Alternate Bonds(2)	(829,000)	(0.15%)	(0.05%)	(98.37)
Net Direct Bonded Debt	\$ 2,485,000	0.46%	0.15%	\$ 294.89
 Overlapping Bonded Debt(3):				
Schools	\$ 19,237,709	3.58%	1.19%	\$ 2,282.87
Other	6,175,640	1.15%	0.38%	732.84
Total Overlapping Bonded Debt	\$ 25,413,349	4.73%	1.58%	\$ 3,015.71
Net Direct and Total Overlapping Bonded Debt	\$ 27,898,349	5.19%	1.73%	\$ 3,310.59

- Notes: (1) Source: DuPage County Clerk.
(2) Includes General Obligation Bonds (Alternate Revenue Source) Series 2009 and Series 2011.
(3) As of January 2, 2012.

Legal Debt Margin(1)

2010 Village Equalized Assessed Valuation	\$537,200.987
Statutory Debt Limitation (8.625% of EAV)	\$ 46,333,585

General Obligation Bonded Debt:

Series 2009 Bonds(2)	\$ 329,000
Series 2011 Bonds(2)	500,000
Less: Alternate Bonds(2)	(829,000)
Total General Obligation Bonded Debt(2)	\$ 0

Installment Contract Debt:

Series 2002 Certificates	\$ 385,000
Series 2005 Certificates	2,020,000
The Certificates	2,360,000
Less: The Refunded Certificates	(2,280,000)
Total Installment Contract Debt	\$ 2,485,000

Total General Obligation and Installment Contract Debt

Total Applicable Debt	\$ 2,485,000
Legal Debt Margin	\$ 43,848,585

- Notes: (1) Source: the Village.
(2) As general obligation alternate bonds under Illinois statutes, the Series 2009 and the Series 2011 Bonds do not count against the 8.625% of EAV debt limit for general obligation bonded debt, so long as the debt service levy for such bonds is abated annually and not extended.

INVESTMENT RATING

The Certificates have been rated "AA+" by Standard & Poor's. The Village has supplied certain information and material concerning the Certificates and the Village to the rating service shown on the cover page as part of its application for an investment rating on the Certificates. A rating reflects only the views of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. Generally, such rating service bases its rating on such information and material, and also on such investigations, studies and assumptions that it may undertake independently. There is no assurance that such rating will continue for any given period of time or that it may not be lowered or withdrawn entirely by such rating service if, in its judgment, circumstances so warrant. Any such downward change in or withdrawal of such rating may have an adverse effect on the secondary market price of the Certificates. An explanation of the significance of the investment rating may be obtained from the rating agency: Standard & Poor's Corporation, 55 Water Street, New York, New York 10041, telephone 212-438-2000.

UNDERWRITING

The Certificates were offered for sale by the Village at a public, competitive sale on February 6, 2012. The best bid submitted at the sale was submitted by BOSC, Inc., a subsidiary of BOK Financial Corporation, Menomonee Falls, Wisconsin (the "Underwriter"). The Village awarded the contract for sale of the Certificates to the Underwriter at a price of \$2,402,869.29. The Underwriter has represented to the Village that the Certificates have been subsequently re-offered to the public initially at the yields set forth in this Addendum.

AUTHORIZATION

The Official Statement dated January 24, 2012, and this Addendum dated February 6, 2012, for the \$2,360,000 Refunding Debt Certificates, Series 2012, have been prepared under the authority of the Village and have been authorized for distribution by the Village.



/s/ **THOMAS F. KARABA**
Village President
VILLAGE OF CLARENDON HILLS
DuPage County, Illinois



/s/ **PEG HARTNETT**
Finance Director
VILLAGE OF CLARENDON HILLS
DuPage County, Illinois