Village of La Grange

VILLAGE BOARD MEETING

MONDAY, SEPTEMBER 10, 2012

7:30 p.m.

BOOK 1 of 2

Village Hall Auditorium

53 South La Grange Road

La Grange, IL 60525

Elizabeth M. Asperger
Village President

Thomas Morsch
Village Clerk

53 South La Grange Road P.O. Box 668 La Grange, Illinois 60525 (708) 579-2300 Fax (708) 579-0980

VILLAGE OF LA GRANGE
BOARD OF TRUSTEES REGULAR MEETING

Village Hall Auditorium
53 South La Grange Road
La Grange, IL 60525

AGENDA

Monday, September 10, 2012 – 7:30 p.m.

1. CALL TO ORDER, ROLL CALL, PLEDGE OF ALLEGIANCE

   Trustee Holder
   Trustee Horvath
   Trustee Kuchler
   Trustee Langan
   Trustee Nowak
   Trustee Palermo
   President Asperger

2. PRESIDENT'S REPORT

   This is an opportunity for the Village President to report on matters of interest or concern to the Village.

   A. Oath of Office – Patrol Officer Kevin Comstock

   B. Oath of Office – Patrol Officer Timothy Andries

   C. Appointments and Reappointments – Advisory Boards and Commissions

   D. Appointments – Village Officials

   E. Trustee Assignments

3. PUBLIC COMMENTS REGARDING AGENDA ITEMS

   This is the opportunity for members of the audience to speak about matters that are included on this Agenda.

4. OMNIBUS AGENDA AND VOTE

   Matters on the Omnibus Agenda will be considered by a single motion and vote because they already have been considered fully by the Board at a previous meeting or have been determined to be of a routine nature. Any member of the Board of Trustees may request that an item be moved from the Omnibus Agenda to Current Business for separate consideration.

   A. Ordinance – Special Use/Site Plan Approval & Design Review to Allow Child Day Care Services/Little People's Country, in the C-2 West End Commercial District, 201-211 W. Hillgrove

   B. Request to Purchase – Police Department / Replacement of Squad Cars

C. Award of Contract – 2012 & 2013 Tree Trimming Program

D. Minutes of the Village of La Grange Board of Trustees Regular Meeting Monday, August 27, 2012

E. Consolidated Voucher 120910

5. CURRENT BUSINESS

This agenda item includes consideration of matters being presented to the Board of Trustees for action.

A. Ordinance – Variation – Maximum Building Coverage / Dajana Spasojevic, 850 S. 10th Avenue: *Referred to Trustee Langan*

B. Ordinance – Issuance of $2.2 Million General Obligation Alternate Revenue Bonds For Water System Improvements: *Referred to Trustee Nowak*

6. MANAGER'S REPORT

This is an opportunity for the Village Manager to report on behalf of the Village Staff about matters of interest to the Village.

A. Pre-Budget Development Workshop

B. Discussion of Personnel Practices

7. PUBLIC COMMENTS REGARDING MATTERS NOT ON AGENDA

This is an opportunity for members of the audience to speak about Village related matters that are not listed on this Agenda.

8. EXECUTIVE SESSION

The Board of Trustees may decide, by a roll call vote, to convene in executive session if there are matters to discuss confidentially, in accordance with the Open Meetings Act.

9. TRUSTEE COMMENTS

The Board of Trustees may wish to comment on any matters.

10. ADJOURNMENT

The Village of La Grange is subject to the requirements of the Americans with Disabilities Act of 1990. Individuals with disabilities who plan to attend this meeting and who require certain accommodations so that they can observe and/or participate in this meeting, or who have questions, regarding the accessibility of the meeting or the Village's facilities, should contact the Village's ADA Coordinator at (708) 579-2315 promptly to allow the Village to make reasonable accommodations for those persons.

PRESIDENT'S REPORT

VILLAGE OF LA GRANGE
Police Department

BOARD REPORT

To: Village President, Village Clerk,
Board of Trustees & Village Attorney

From: Robert J. Pilipiszyn, Village Manager
Michael A. Holub, Chief of Police

Date: September 10, 2012

Re: **OATH OF OFFICE – POLICE OFFICER KEVIN COMSTOCK**

Following recent resignations within the Police Department, the Village Manager authorized the hiring of two Police Officers to fill those vacancies. (A third Police Officer position remains vacant pursuant to the Village's cost containment plan.)

The La Grange Board of Fire and Police Commissioners subsequently appointed Kevin Comstock to fill one of those two Police Officer vacancies effective August 4, 2012. Kevin was already enrolled in basic recruitment academy in Springfield, through another agency. Fortunately for us, Kevin made a decision to accept our job offer and he completed the academy as a La Grange Police Officer. That moved his training schedule up significantly and in fact he graduated from the Illinois State Police Academy on Thursday, August 30, 2012. Kevin has already started his field training in La Grange with a veteran Police Officer. Known as the FTO Program, that in-depth localized training will last approximately three months.

Kevin Comstock is a 2005 graduate of Lyons Township High School. Following his graduation from high school he enlisted in the U.S. Air Force, where he served for 4½ years as a Security Forces/Military Police Airman. Following his military service, Kevin returned to La Grange and he recently graduated from American Military University with an Associate's Degree in General Studies. He is currently working towards a Bachelor's Degree in Criminal Justice. Kevin resides with his family in La Grange Highlands.

We are pleased to present Kevin Comstock to the Village Board. At this time, we invite Kevin to step forward so that Village Clerk Tom Morsch can administer the oath of office.

2-A

VILLAGE OF LA GRANGE
Police Department

BOARD REPORT

To: Village President, Village Clerk,
Board of Trustees & Village Attorney

From: Robert J. Pilipiszyn, Village Manager
Michael A. Holub, Chief of Police

Date: September 10, 2012

Re: **OATH OF OFFICE – POLICE OFFICER TIMOTHY ANDRIES**

Following recent resignations within the Police Department, the Village Manager authorized the hiring of two Police Officers to fill those vacancies. (A third Police Officer position remains vacant pursuant to the Village's cost containment plan.)

The La Grange Board of Fire and Police Commissioners recently appointed Timothy Andries to fill the second of those two vacancies. Timothy will begin the Basic Recruit Police Academy at Triton College on Monday October 1, 2012. His training will last nearly four months, after which he will return to the La Grange Police Department to begin his field training with a veteran Police Officer. Known as the FTO Program, that in-depth localized training will last approximately three months.

Tim is a 2004 graduate of Oswego High School. Following high school, Tim entered Eastern Illinois University, where he graduated in 2008 with a Bachelor of Science degree in Recreational Administration. Timothy served on active duty from 2008 – 2012 with the 3rd Brigade Combat Team, 1st Infantry Division, and during that time he was deployed to Afghanistan. Army Captain Tim Andries was recently discharged from active duty and is in the Army Reserve Corps. He currently resides in Plainfield.

We are pleased to present Timothy Andries to the Village Board. At this time, we invite Tim to step forward so that Village Clerk Tom Morsch can administer the oath of office.

2-B

VILLAGE OF LA GRANGE
Administrative Offices

BOARD REPORT

TO: Board of Trustees, Village Clerk and Village Attorney

FROM: Elizabeth M. Asperger, Village President

DATE: September 10, 2012

RE: **APPOINTMENTS AND RE-APPOINTMENTS — ADVISORY BOARDS AND COMMISSIONS**

The term of service for several members of our various advisory boards and commissions expired in May, 2012. At this time, I respectfully submit the following appointments and re-appointments for your consideration. Each person listed below has been contacted and expressed a desire to either begin or continue to serve the Village in the capacity indicated.

I recommend that these appointments and reappointments be approved.

Board/Commission	Name	Address	Term
Board of Fire and Police Commissioners – oversees certain personnel matters within the Fire and Police Department (i.e. – original appointments, promotional vacancies, hearings of charges, removals, suspensions and discharges).	Wayne Vantluka *(R)*	219 N. Stone Ave	2015
Community and Economic Development Commission – advice and assistance on matters related to economic development and relationships among residential neighborhoods and commercial areas within the Village.	Steve Palmer *(R)* Mark Reich *(R)* Elizabeth Stiles *(R)*	1010 - 41st St 210 S. Park Road 610 S. Sixth Ave	2015 2015 2015

2-6

Board/Commission	Name	Address	Term
Design Review — reviews matters related to the CBD Facade Renovation/ Restoration Program; reviews and offers recommendations on Design Review applications; reviews appeals denying sign permits; considers matters related to the display of public art.	Michael Thuma *(R)*	816 S. Spring Ave	2015
Emergency Telephone System Board — establishes a 9-1-1 emergency telephone system; monitors funds.	William Holder *(R)*	611 S. Waiola	2013
Environmental Quality Control Commission — inventories sources of environmental pollution which may have a harmful effect upon the public health, safety and welfare of the residents of the village.	Patty Weber *(R)* F. Peter Grabek *(R)*	442 S. Catherine Ave 415 S. Edgewood Ave	2015 2015
Firemen's Pension Board – decides on matters relating to the Fire Pension fund	Colin Robertson *(R)*	344 S. Stone Ave	2015
Plan Commission — reviews and recommends applications for special use permits, planned development approval, site plan approval, amendments to the Zoning Code.	Tom Williams *(R)* Laura Weyrauch *(R)*	315 S. Peck Ave. 312 S. Madison Ave	2015 2015
Police Pension Board — decides matters relating to the Police Pension fund.	Colin Robertson	344 S. Stone Ave	2014

R — denotes re-appointments
T — denotes transfer
No annotation means new appointment

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2-C.1

VILLAGE OF LA GRANGE
Administrative Offices

BOARD REPORT

TO: Village Clerk, Board of Trustees and Village Attorney

FROM: Elizabeth M. Asperger, Village President

DATE: September 10, 2012

RE: **APPOINTMENTS — VILLAGE OFFICIALS**

In accordance with various sections of the Municipal Code, it is necessary to appoint individuals for the positions of Village Attorney, Village Prosecutor, Village Treasurer and Village Collector. These are appointed positions with fixed terms of one year, with such terms to be filled after May 1 of each calendar year.

I am herewith submitting for your advice and consent, the following appointments for the specified posts:

Village Attorney	Holland & Knight
Village Prosecutor	John M. Kenney, Jr.
Village Treasurer	Louis Cipparrone
Village Collector	Louis Cipparrone

I recommend that the above appointments be approved.

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2-D

VILLAGE OF LA GRANGE
Administrative Offices

BOARD REPORT

TO: Village Board of Trustees

FROM: Elizabeth M. Asperger, Village President

DATE: September 10, 2012

RE: **TRUSTEE ASSIGNMENTS**

I am pleased to make the following Trustee assignments for the coming year:

Responsibility for Board Presentation

Community Relations ..... Trustee Palermo
Economic Development ..... Trustee Nowak
Finance ..... Trustee Langan
Intergovernmental Relations ..... Village President
Planning and Zoning ..... Trustee Holder
Public Safety ..... Trustee Kuchler
Public Works ..... Trustee Horvath

Liaison Assignments

Community and Economic Development Commission ..... Trustee Holder
Design Review Commission ..... Trustee Kuchler
Environmental Quality Control Commission ..... Trustee Horvath
Plan Commission ..... Trustees Langan and Nowak
Zoning Board of Appeals ..... Trustee Palermo

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2-E

OMNIBUS VOTE

VILLAGE OF LA GRANGE
Community Development Department

BOARD REPORT

TO: Village President, Village Clerk
Board of Trustees and Village Attorney

FROM: Robert Pilipiszyn, Village Manager
Patrick D. Benjamin, Community Development Director
Angela M. Mesaros, Assistant Community Development Director

DATE: September 10, 2012

RE: **ORDINANCE – SPECIAL USE/SITE PLAN APPROVAL & DESIGN REVIEW TO ALLOW CHILD DAY CARE SERVICES/LITTLE PEOPLE'S COUNTRY, in the C-2 West End Commercial District, 201-211 W. Hillgrove.**

The petitioner, Little People's Country, wishes to operate child day care services at 201 W. Hillgrove Avenue. This proposal would allow them to consolidate their existing day care programs. The subject property is located in the C-2 West End Commercial District. Child Day Care Services is designated as a special use in the Zoning Code. Therefore, a special use permit and site plan approval are required to operate child day care programs at this location. In addition, the property is located within the Design Review Overlay District and requires design review approval.

In 1992, Child Care Center of La Grange received a zoning text amendment and special use permit to provide childcare services at 211 W. Hillgrove Avenue. The petitioner, Little People's Country purchased the center and has provided childcare education programs at this facility since October 2001. Their business has proven very successful, and in 2005, Little People's Country received a special use permit to expand their program areas for the kindergarten children, provide an indoor gymnasium and office space across the street at 12 N. Catherine Avenue. They now wish to consolidate their spaces by moving the Catherine Avenue facilities and programs to 201 W. Hillgrove (corner of Ashland & Hillgrove). The subject property is a retail space, previously occupied by a 7-11 convenience store.

According to the petitioner, the proposed location would allow them to consolidate their facilities and no longer have to walk the children across Catherine Avenue daily. Most children will continue to be dropped off and picked up in the parking lot behind 211 West Hillgrove as the two buildings will be connected by the parking lot in the back. Improvements to the property would include façade renovations and changes to the windows that are required for DCFS licensing.

On August 14, 2012, the Plan Commission held a public hearing on this matter (see Findings of Fact). At the hearing, the Petitioner presented the application. A motion was made by Commissioner Stewart and seconded by Commissioner Reich that the Plan Commission recommend

4-A

Approval of the application. The motion to recommend that the application be approved passed. The resulting roll call vote was:

AYE: Paice, Pierson, Reich, Stewart, and Chairman Kardatzke.
NAY: Weyrauch.
ABSENT: Williams.

The one Commissioner voting against this request was concerned with the loss of the retail convenience store in this area and that the proposed façade renovation changes the retail appearance of the building.

The recommendation for approval of the Special Use Permit, Site Plan and Design Review permit was subject to the following conditions:

1. That the hours of operation be limited to 6:00 a.m. to 7:00 p.m. Monday through Friday.
2. That all State of Illinois and local regulations pertaining to licensure as a Day Care Facility be met and maintained continually.

Staff concurs with the recommendations and has prepared the attached ordinance for your consideration. If you concur with the recommendations of the Plan Commission, a motion to approve the special use is in order.

Representatives of Little People's Country and the property owner will be in attendance at the meeting to answer any questions you may have regarding the applications.

4-A.1

VILLAGE OF LA GRANGE

ORDINANCE NO. O-12-

AN ORDINANCE GRANTING SPECIAL USE PERMIT, SITE PLAN, AND DESIGN REVIEW APPROVALS TO AUTHORIZE CHILD DAY CARE SERVICES AT 201 W. HILLGROVE AVENUE

WHEREAS, Little People's Country, LLC. (the "*Applicant*") proposes to operate child care education programs in conjunction with 211 W. Hillgrove at the property commonly known as 201 W. Hillgrove Avenue in the Village of La Grange (the "*Subject Property*"), which is depicted and legally described on Exhibit A attached to this Ordinance; and

WHEREAS, the Subject Property is classified in the C-2 West End Commercial District of the La Grange Zoning Code; and

WHEREAS, the Applicant filed applications (the "*Applications*") with the Village seeking (i) approval of a special use permit authorizing child day care services, (ii) approval of a site plan, and (iii) design review approval; and

WHEREAS, the La Grange Plan Commission conducted a public hearing to consider the application on August 14, 2012, pursuant to proper public notice, and thereafter forwarded its recommendation to the Board of Trustees of the Village of La Grange; and

WHEREAS, the President and Board of Trustees have reviewed the record of the public hearing and the Findings and Recommendation of the Plan Commission and have determined that the application satisfies the standards set forth in the La Grange Zoning Code for the grant of the requested approvals;

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

Section 1. Recitals. The foregoing recitals are incorporated into this Ordinance as findings of the President and Board of Trustees.

Section 2. Approval of Special Use Permit. The Board of Trustees, acting pursuant to the authority vested in it by the laws of the State of Illinois and by Section 14-401 of the Zoning Code, hereby approves a special use permit authorizing Child Day Care Services (SIC #835) on the Subject Property in conjunction with 211 W. Hillgrove subject to the conditions stated in Section 5 of this Ordinance.

Section 3. Approval of Site Plan. The Board of Trustees, acting pursuant to the authority vested in it by the laws of the State of Illinois and by Section 14-402 of the Zoning Code, hereby approves a site plan for the proposed Child Day Care Services in the form attached to this Ordinance as Exhibit B (the "*Approved Site Plan*"), subject to the conditions stated in Section 5 of this Ordinance.

4-A.2

Section 4. Design Review Approval. The Board of Trustees, pursuant to the authority vested in it by the laws of the State of Illinois and Section 14-403 of the Zoning Code, hereby grants to the Applicant a design review permit approving the plans for the proposed Outdoor Seating in the form included in Exhibit C to this Ordinance (the "*Approved Exterior Appearance Plan*"), subject to the conditions set forth in Section 5 of this Ordinance.

Section 5. Conditions on Approvals. The special use permit, Approved Site Plan and Approved Exterior Appearance Plan are approved expressly subject to all the following conditions:

A. That the hours of operation be limited to 6:00 a.m. to 7:00 p.m. Monday through Friday.

B. That all State of Illinois and local regulations pertaining to licensure as a Day Care Facility be met and maintained continually.

Section 6. Violation of Condition or Law. Any violation of any term or condition of this Ordinance or any applicable law, code, ordinance, regulation, or directive will be grounds for rescission by the Board of Trustees of the approvals made in this Ordinance.

Section 7. Effective Date. This Ordinance will be in full force and effect from and after its passage, approval, and publication in pamphlet form in the manner provided by law.

ADOPTED this _____ day of _____ 2012.

AYES: _____

NAYS: _____

ABSENT: _____

APPROVED this _____ day of _____ 2012.

_____
Elizabeth Asperger, Village President

ATTEST:

_____
Thomas Morsch, Village Clerk

4-A.3

EXHIBIT A

DEPICTION AND LEGAL DESCRIPTION OF SUBJECT PROPERTY

Lots 5, 6, 7, 8, 10, and 11 in Block 17 in Cossitt's First Addition to LaGrange, being a Subdivision of that part of the Northwest ¼ of Section 4, Township 38 North, Range 12, East of the Third Principal Meridian, lying North of the Chicago Road and South of the Naperville Road (now Ogden Avenue) in Cook County, Illinois.

Commonly known as 201 W. Hillgrove Avenue, La Grange, Illinois.

EXHIBIT B

APPROVED SITE PLAN

4-A.5

Certificate of Survey

by

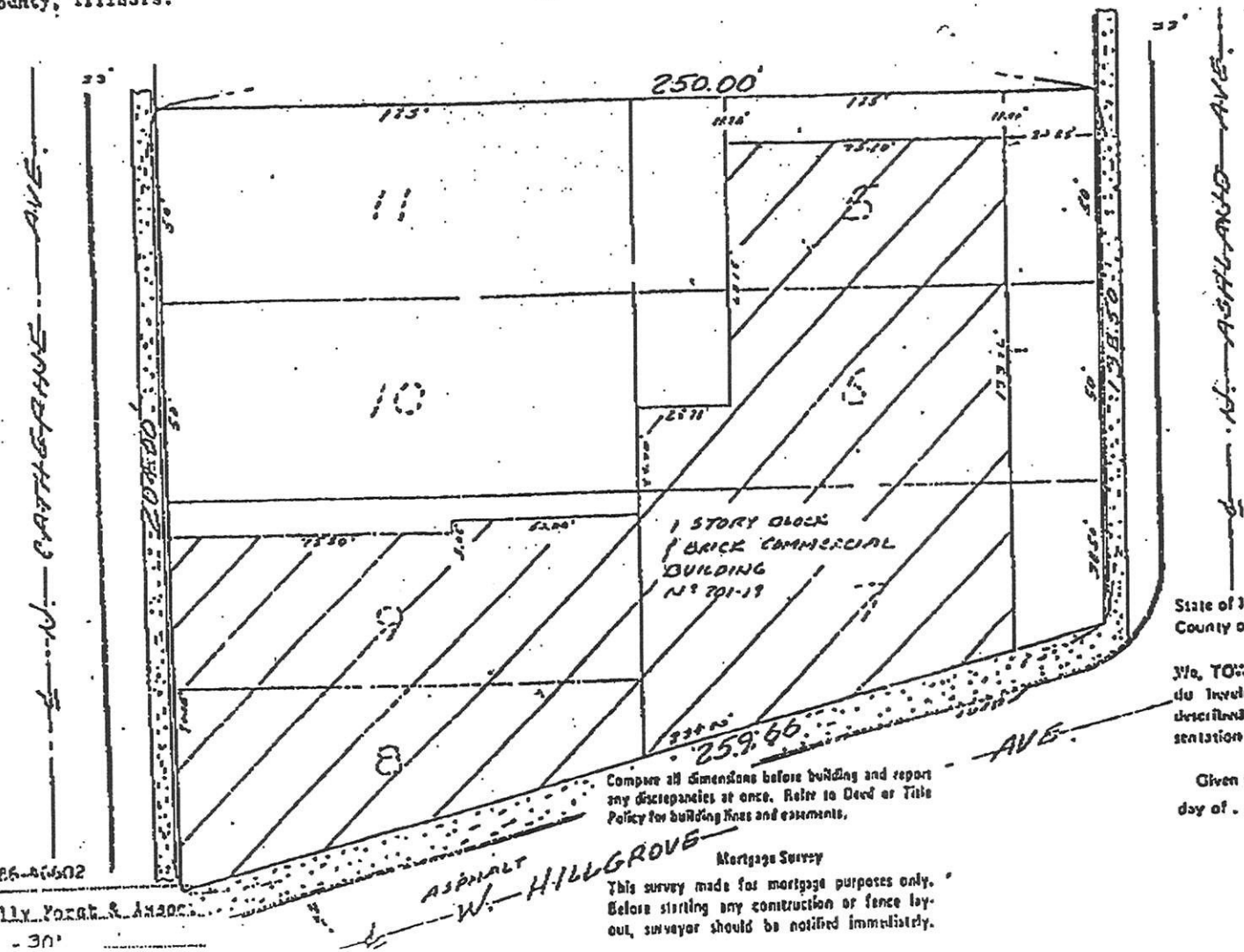
17711 SOUTH OAK PARK AVENUE
TINLEY PARK, ILLINOIS 60477

TOWN & COUNTRY LAND
SURVEYORS & COMPANY
REGISTERED ILLINOIS LAND SURVEYORS

PHONES: 429-3377
429-3338

of

Lots 5, 6, 7, 8, 9, 10 and 11 in Block 17 in Cossitt's First Addition to LaGrange, being a Subdivision of that part of the Northwest 1/4 of Section Township 38 North, Range 12, East of the Third Principal Meridian, lying North of the Chicago Road and South of the Naperville Road (now Ogden in Cook County, Illinois.



Compare all dimensions before building and report any discrepancies at once. Refer to Deed or Title Policy for building lines and easements.

Mortgage Survey

This survey made for mortgage purposes only. Before starting any construction or fence layout, surveyor should be notified immediately.

State of Illinois
County of Cook } ss:

We, TOWN & COUNTRY LAND SURV
do hereby certify that we have sur
described tract of land and that this pl
sentation of said survey.

Given under my hand and seal this ....
day of ..... Nov.
.....
Illinois Land Su

Survey No...

Order No. 86-816502

Drawn by: Polly Forest & Associ...

1" - 30'

4-A.6

EXHIBIT C

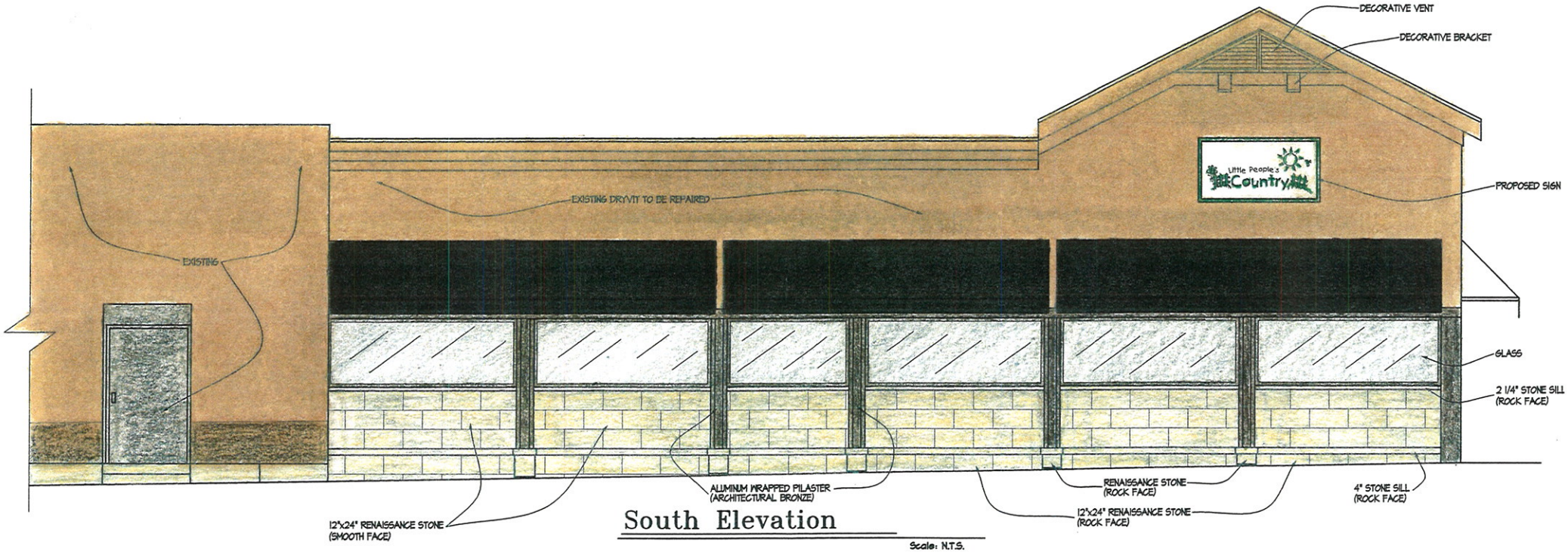
APPROVED EXTERIOR APPEARANCE PLANS

4-A-7

East Elevation

Scale: N.T.S.

5-4-5



South Elevation

Scale: N.T.S.

FINDINGS OF FACT

PLAN COMMISSION

OF THE VILLAGE OF LA GRANGE

President Asperger and
Board of Trustees

August 14, 2012

RE: PLAN COMMISSION CASE #205 (1)Special Use Permit (2) Site Plan Approval to allow Child Day Care Services with the C-2 West End Commercial District at 201-211 West Hillgrove Avenue, Little People's Country Day Care, Inc.

We transmit for your consideration the recommendations of the Plan Commission of the Village of La Grange on a special use permit, site plan approval and design review permit to allow child day care services at 201 West Hillgrove Avenue on application by Little People's Country Day Care.

I. THE APPLICATION

The Applicant, Little People's Country Day Care, seeks a special use permit, site plan approval and a design review permit in order to allow child day care services to operate at 201 W. Hillgrove Avenue.

II. THE PUBLIC HEARING

After due notice given in accordance with law, the Plan Commission held a public hearing on August 14, 2012, in the La Grange Village Hall Auditorium. Present were Commissioners Paice, Pierson, Reich, Stewart and Weyrauch, with Chairman Kardatzke presiding. Also present were Community Development Director Patrick D. Benjamin, Assistant Community Development Director Angela M. Mesaros, Village Attorney Mark Burkland and Village Trustee Liaison Mark Kuchler.

Chairman Kardatzke swore in Cindy Perkins, President and Executive Director of Little People's Country, and Jerry Burjan of Burcor Properties, owner of the property at 201 W. Hillgrove, who presented the application and answered questions from the Commissioners:

- Ms. Perkins stated that in 2005, Little People's Country received a special use permit to expand from 211 W. Hillgrove to 12 N. Catherine. They seek this special use in order to move their 12 N. Catherine functions to 201 W. Hillgrove so that they do not have to walk across Catherine Avenue with the children. The proposed location is a former 7-11 space which has been vacant for seven months. Her proposal is to consolidate the two buildings and put all of the children into one location.

4-A.10

- Commissioner Weyrauch asked why they propose a door on the street corner. Ms. Perkins stated that people going to the facilities for the first time would enter at the front door. It would serve as an emergency exit, which is a requirement for DCFS. They hope to have the administrative offices in the front as well as an art studio for music and dance. The front door is also convenient for parents who take the train and approximately 20% of the parents commute by train and approximately 10% of parents walk and ride bikes.

- Commissioner Paice asked if parents would pick up their children on the street in front of the 7-11. Ms. Perkins stated that they do not propose making that the pick up or drop off for most parents and that with this proposal would not be adding additional children. She further stated that 7:30 a.m. to 8:30 a.m. in the morning and 4:45 p.m. to 5:45 p.m. in the afternoon are intense hours as their pick up and drop off occurs during peak traffic times.

- Commissioner Weyrauch asked about the loss of the retail convenience store in this area. Mr. Burjan stated that the 7-11 stored exercised its option and chose to move with four years left in the lease.

Chairman Kardatzke solicited comments from the Commissioners:

- Commissioner Reich stated that he believes that this is a good project.

- Commissioner Weyrauch stated that this façade design would change the retail look of the building and she concerned about the loss of the convenience store in this area.

- Commissioner Paice stated that he is a little concerned about pick up and drop off during rush hour on Ashland.

There being no further questions or comments from the audience or the Commissioners, a motion was made by Commissioner Stewart, seconded by Commissioner Reich that the Plan Commission recommend to the Village Board approval of the special use permit, site plan approval and design review submitted with PC Case #205 with conditions as outlined in the Staff Report dated August 14, 2012.

Motion to APPROVE Carried by a roll call vote (5/1/1):

AYE	Paice, Pierson, Reich, Stewart and Chairman Kardatzke.
NAY:	Weyrauch
ABSENT:	Williams.

BE IT THEREFORE RESOLVED that the Plan Commission recommends to the Village Board of Trustees granting a special use permit, site plan approval and design review permit for the property commonly referred to as 201 W. Hillgrove, to allow child day care services to operate in the C-2 West End Commercial District.

Respectfully Submitted,

PLAN COMMISSION

OF THE VILLAGE OF LA GRANGE

Wayne Kardatzke

Wayne Kardatzke, Chairman

4-A.12

STAFF REPORT

PC Case #205

TO: Plan Commission

FROM: Patrick D. Benjamin, Community Development Director
Angela M. Mesaros, Assistant Director of Community Development

DATE: August 14, 2012

RE: **SPECIAL USE/SITE PLAN APPROVAL TO ALLOW CHILD DAY CARE SERVICES WITHIN THE C-2 WEST END COMMERCIAL DISTRICT, Little People's Country and Cindy Perkins, 201 W. Hillgrove Avenue.**

I. BACKGROUND:

In 1992, Child Care Center of La Grange received an amendment to the Zoning Code text and a special use permit to provide childcare services at 211 W. Hillgrove Avenue. The petitioner, Little People's Country, purchased the center and has operated childcare education programs at this facility since October 2001. In 2005, Little People's Country amended the special use to expand their facilities to 12 N. Catherine Avenue in order to provide additional program area for the kindergarten children, an indoor gymnasium and office space. They now wish to move the facilities from 12 N. Catherine to 201 W. Hillgrove (corner of Ashland & Hillgrove), which is a retail space, previously occupied by a 7-11 convenience store, in order to consolidate their spaces. Child Day Care Services is a Special Use in the C-2 West End Commercial District in which this property is located. Therefore, a Special Use Permit/Site Plan Approval is required for the proposed childcare services.

II. APPLICATION:

1. SPECIAL USE TO ALLOW CHILD DAY CARE SERVICES IN THE C-2 WEST END COMMERCIAL DISTRICT

Little People's Country has filed an application with the Community Development Department for a Special Use Permit and Site Plan Approval to operate childcare programs at 201 W. Hillgrove Avenue in conjunction with 211 W. Hillgrove Avenue.

SPECIAL USE

SPECIAL USE STANDARDS:

4-A.13

In reviewing the Special Use application, please be sure that the standards listed on the application have been met. In determining that, consider Paragraph 14-401E1 of the Zoning Code:

(a) Code and Plan Purposes
(b) No Undue Adverse Impact
(c) No Interference with Surrounding Development
(d) Adequate Public Facilities
(e) No Traffic Congestion
(f) No Destruction of Significant Features
(g) Compliance with Standards

(a) *Code and Plan Purposes:* *The proposed use and development will be in harmony with the general and specific purposes for which this Code was enacted and for which the regulations of the district in question were established and with the general purpose and intent of the Official Comprehensive Plan.*

According to the La Grange Zoning Code, the *C-2 West End Commercial District is intended to provide areas of the Burlington-Hillgrove commercial corridor for existing commercial uses...designed to encourage both the retention of existing businesses and the redevelopment of new uses compatible with nearby residential uses.* The proposed childcare and before & after school services are allowed as a special use in the C-2 district.

The Comprehensive Plan, adopted in 2005, identifies this property within the "*BNSF Commercial*" defined as *intended to be less intensive in character* than the Core Commercial area with similar *mixed-uses. Any allowable land use could be located on the first floor (except residential).*

(b) *No Undue Adverse Impact:* *The proposed use and development will not have a substantial or undue adverse effect upon adjacent property, the character of the area, or the public health, safety, and general welfare.*

Little People's Country proposes to move their 12 North Catherine Avenue operation into the former 7-11 retail space that is currently vacant. They would continue to offer services that have been in operation for more than 10 years. Little People's Country currently has 20 full time early childhood teachers, 3 full time administrators, and 2 part time staff for a total of 25 staff members. Childcare programs begin at 6:30 a.m. and end at 6:00 p.m., Monday through Friday. The two facilities serve 123 children daily, ages 6 weeks to 6 years old during the school year and up to 12 years old during the summer. Little People's Country does not plan to add more children to their programs. However, if the programs were operating to

capacity as determined by the Illinois State Department of Children and Family Services (DCFS), they could accommodate 10 additional children, which is the same as their current capacity.

(c) *No Interference with Surrounding Development: The proposed use and development will be constructed, arranged, and operated so as not to dominate the immediate vicinity or to interfere with the use and development of neighboring property in accordance with the applicable district regulations.*

Little People's Country occupies approximately 2,260 square feet of the existing facility at 12 N. Catherine Avenue. Within the proposed space at 201 W. Hillgrove is 3,000 square feet.

(d) *Adequate Public Facilities: The proposed use and development will be served adequately by essential public facilities and services such as streets, public utilities, drainage structures, police and fire protection, refuse disposal, parks, libraries, and schools, or the applicant will provide adequately for such services.*

The proposed use would be serviced by existing utilities at the subject property. Police and Fire Departments are located directly across the railroad and street from the center. The childcare center is required to meet the State Fire Marshall standards. Village Department Heads including Public Works, Fire, Police, Administration and Finance have reviewed the proposal and found that the current and proposed uses can be adequately served by public utilities.

(e) *No Traffic Congestion: The proposed use and development will not cause undue traffic congestion nor draw significant amounts of traffic through residential streets.*

The existing childcare programs have operated for over ten years without significant contributions to traffic congestion. The petitioner has submitted a memorandum to outline the location and times for student pick-up and drop-off and parking (see attached). Most children will continue to be dropped off and picked up in the parking lot behind 211 West Hillgrove. With the current facilities, staff escorts the children to and from the facility at 12 N. Catherine; with the new proposed location, staff will not have to cross the street but the two buildings will be connected by a parking lot.

(f) *No Destruction of Significant Features: The proposed use and development will not result in the destruction, loss, or damage of any natural, scenic or historic feature of significant importance.*

The petitioner proposes minimal changes to the existing building and grounds. Improvements would include renovations to the façade, and new signage (see attached.). The petitioner confirms that the existing outside play area as required by the Illinois Department of Children and Family services will be adequate for the new facility.

(g) *Compliance with Standards: The proposed use and development complies with all additional standards imposed on it by the particular provision of this code authorizing such use.*

The petitioner has shown a willingness to comply with all applicable provisions of the Zoning Code. Little People's Country must also comply with Department of Children and Family Services (DCFS) standards and the standards set by the National Association for the Education of Young People (NAEYC).

DELIBERATION FACTORS:

Special Uses are defined as such due to some distinctive characteristic that requires careful review of location, design, and impact to determine whether their establishment should be permitted on any given site. They are uses that require weighing their possible impacts and effects on the community against any added benefit they may afford or need they may address. In order to determine their appropriateness on any proposed site and compliance with proposed standards, the Commissioners should consider these factors as outlined in Paragraph 14-401E3 of the Zoning Code:

(a) *Public Benefit: Whether and to what extent, the proposed use and development at the particular location requested is necessary or desirable to provide a service or a facility that is in the interest of the public convenience or that will contribute to the general welfare of the neighborhood or community.*

According to the petitioner, the proposed special use permit would allow Little People's Country to continue childcare and before & after school educational programs that benefit the community. The majority of the children at the childcare center live in the immediate neighborhood; children also live throughout the surrounding area, including La Grange, La Grange Park, Western Springs and Riverside. A certain percentage of parents/guardians are commuters and drop off the children at the center before/after boarding Metra trains.

(b) *Alternative Locations: Whether and to what extent, such public goals can be met by the location of the proposed site or in some other area that may be more appropriate than the proposed site.*

Childcare services have been offered at the current location for more than ten years. This location is close to Metra transportation. The petitioner has stated that they chose 201 W. Hillgrove for the expansion, because of its proximity to the existing childcare center. Further, they believe it is beneficial not to have to walk the children across the street to 12 N. Catherine. In addition, the current location already has a playground. A new playground would use additional parking and might take up valuable retail space in downtown La Grange.

This proposed location is a prominent retail corner and interest has been shown in the space by potential lessees though none have come to fruition since the closure of the 7-11 early in the year. This concern may well be outweighed by the benefit of consolidating operations into one location and not having to take children across the street often times in increment weather. We would much prefer retail at this location given that this is a busy intersection and railroad crossing. The Plan Commission will need to be comfortable with this type of use at this location.

(c) *Mitigation of Adverse Impacts: Whether or to what extent, all steps possible have been taken to minimize any adverse effects of the proposed use and development on the immediate vicinity through building design, landscaping, and screening.*

The programs at Little People's Country have been run for more than ten years. Little People's programs will continue to use the existing parking and pick-up & drop-off for their programs. Therefore, they should not increase traffic to and from the center. In the years of operations, we have not received any complaints.

SITE PLAN APPROVAL

A requirement of a Special Use Permit is also to submit information proving that the proposed use will not have undue adverse impacts on adjacent property, the character of the area, public health and safety; it must also include information regarding lighting, buffering, and proposed hours of operation for the facility.

As the proposed Special Use will be located in an existing building, there is minimal information that we have required the applicant to provide.

Traffic & Circulation

Traffic and circulation would continue as in the past years. The petitioner does not anticipate an increase in traffic or any change in the policy for pick up and drop off. As required by the Plan Commission in the special use permit granted in 1992,

participants drop-off children in the parking lot behind Little People's Country. Parents/guardians park their cars and walk the children in through the playground gate, which is the main entrance to the building. Drop-off occurs between 6:00 a.m. and 9:00 a.m. and pick-up is between 4:00 p.m. and 6:00 p.m.

With the consolidation, Staff will no longer have to escort children back and forth across Catherine Avenue to the new facility at 8:00 a.m.

Parking

Subparagraph 10-101F1 (e) (xiii) of the Zoning Code states, *Child Care Services are required one space for each employee PLUS one for each five children. In addition, Elementary Schools are required one space for each employee PLUS four for visitors and guests.* Little People's Country employs twenty-two (25) staff members and 123 children enrolled in their programs for a total of fifty (50) required spaces (25 employees + (123 children/5) = 49.60 = 50). This is an increase from the previous requirement of 39 spaces.

Little People's Country has 22 parking spaces provided by Burcor Properties for both buildings, which would not meet the Zoning Code requirements. However, the center also shares approximately 30 spaces with the adjacent businesses. In addition, there are also two-hour on-street parking spaces directly in front of the entrance at 201 W. Hillgrove. The expansion would not increase the existing parking needs. Therefore, staff feels that parking is sufficient at current levels.

Noise Control

Subsection 5-109B of the Zoning Code states, *No use shall produce noise of such volume or pitch as to cause a nuisance in any residential district at any time or within any residential dwelling unit located in any district between the hours of 10:00 p.m. and 7:00 a.m.* The childcare programs would be in operation between 6:30 a.m. and 6:00 p.m. Therefore, they should not produce any noise at the proposed facility between the hours of 10:00 p.m. and 7:00 a.m.

DESIGN REVIEW.

In any case where a Design Review Permit is required in conjunction with the issuance of a Special Use Permit, the application for a Design Review Permit shall be heard by the Plan Commission at the same time such approval is heard. The Plan Commission shall make its recommendation to the Village Board of Trustees as provided in Paragraph 14-403D6.

The Commission and the Board of Trustees shall be guided by the following standards and considerations:

STANDARDS AND CONSIDERATIONS FOR DESIGN REVIEW PERMIT.

1. *Visual Compatibility. New and existing buildings and structures, and appurtenances thereof, which are constructed, reconstructed, materially altered, repaired, or moved, shall be visually compatible in terms of the following criteria:*

   (a) Height. The height of the proposed buildings and structures shall be visually compatible with adjacent buildings.

   (b) Proportion of Front Facade. The relationship of the width to the height of the front elevation shall be visually compatible with buildings, public ways, and places to which it is visually related.

   (c) Proportion of Openings. The relationship of the width to height of windows shall be visually compatible with buildings, public ways, and places to which the building is visually related.

   (d) Rhythm of Solids to Voids in Front Facades. The relationship of solids to voids in the front facade of a building shall be visually compatible with buildings, public ways, and places to which it is visually related.

   (e) Rhythm of Spacing and Buildings on Streets. The relationship of a building or structure to the open space between it and adjoining buildings or structures shall be visually compatible with the buildings, public ways, and places to which it is visually related.

   (f) Rhythm of Entrance Porch and Other Projections. The relationship of entrances and other projections to sidewalks shall be visually compatible with the buildings, public ways, and places to which it is visually related.

   (g) Relationship of Materials, Texture, and Color. The relationship of the materials, texture, and color of the facade shall be visually compatible with the predominant materials used in the buildings and structures to which it is visually related.

   (i) Walls of Continuity. Building facades and appurtenances such as walls, fences, and landscape masses shall, when it is a characteristic of the area, form cohesive

4-A.19

walls of enclosure along a street to ensure visual compatibility with the buildings, public ways, and places to which such elements are visually related.

(j) Scale of Building. The size and mass of buildings and structures in relation to open spaces, windows, door openings, porches, and balconies shall be visually compatible with the buildings, public ways, and places to which they are visually related.

(k) Directional Expression of Front Elevation. A building shall be visually compatible with the buildings, public ways, and places to which it is visually related in its directional character, whether this be vertical character, horizontal character, or nondirectional character.

QUALITY AND DESIGN SITE DEVELOPMENT.

New and existing buildings and structures and appurtenances thereof which are constructed, reconstructed, materially altered, repaired, or moved shall be evaluated under the following quality of design and site development criteria:

(b) Materials. The quality of materials and their relationship to those in existing adjacent structures.

(c) General Design. The quality of the design in general and its relationship to the overall character of neighborhood.

(a) General Site Development. The quality of the site development in terms of landscaping, recreation, pedestrian access, automobile access, parking, servicing of the property, and impact on vehicular traffic patterns and conditions on site and in the vicinity of the site, and the retention of trees and shrubs to the maximum extent possible.

The Plan Commission should discuss and determine whether or not the appearance of the proposed structure is consistent with other areas directly along Hillgrove Avenue.

III. RECOMMENDATION:

Should the Plan Commission find that should the Plan Commission find that the standards have been achieved, the Plan Commission may wish to recommend to the Village Board of Trustees granting a Special Use Permit and the Site Plan Approval for the property legally described in Plan Commission Case #176 and commonly referred to as 201 W. Hillgrove Avenue in conjunction with the existing special use permit at 211 W. Hillgrove Avenue to

4-A.20

operate Child Day Care Services (SIC Code #835) in the C-2 West End Commercial District, with the following conditions:

1. That the hours of operation be limited to 6:00 a.m. to 7:00 p.m. Monday through Friday.

2. That all State of Illinois and local regulations pertaining to licensure as a Day Care Facility be met and maintained continually.

Village of La Grange
53 S. La Grange Road, La Grange, IL 60525
Phone (708) 579-2320 Fax (708) 579-0980

SPECIAL USE APPLICATION

TO THE PRESIDENT AND
BOARD OF TRUSTEES
VILLAGE OF LA GRANGE

Application No.: 205
Date Filed: 7/10/12
UARCO No.: 93530

(Please Type or Print)
Application is hereby made by Little People's Country Daycare Inc. & Cindy Perkins 1381 63rd St La Grange Highlands

Address: 211 west Hillgrove Ave Phone: 708-352-0609 or 352-0660

~~Owner~~ proposed of property located at: Burcor Properties / 201 w. Hillgrove. proposed location

cbigpaws@aol.com

Permanent Real Estate Index No.: _____
as set forth by plat of survey attached hereto

Present Zoning Classification: C-2 West End Commercial District

PROPOSED SPECIAL USE: Little Peoples Academy of Arts all classified as "child care". Art Studio for LPC kindergarten/Summer camp
(Specify from list of allowable Special Uses pursuant to the Zoning Ordinance of the Village of La Grange)

GENERAL STANDARDS: The petitioner should state FACTS AND REASONS and submit any pertinent evidence establishing each of the following principles:

(a) Code and Plan Purposes. The proposed use and development will be in harmony with the general and specific purposes for which this Code was enacted and for which the regulations of the district in question were established and with the general purpose and intent of the Official Comprehensive Plan.

201 Hillgrove Ave. is currently vacant and for years created a great deal of foot & vehicle traffic, not always in a positive manner. Allowing Little People's Country & Little People's Academy of Arts to consolidate.

(b) No Undue Adverse Impact. The proposed use and development will not have a substantial or undue adverse effect upon adjacent property, the character of the area, or the public health, safety, and general welfare.

Combining Little People's Country & Little People's Academy will continue to use the rear entrance at 211 Hillgrove as it's main entrance and exit. Therfore, there will be little or no additional traffic created. The proposed operation only serves the 120 children currently being served by LPC & LPA. We are not increasing the capacity.

4-A.22 c
Stabilizing an esthetically pleasing exterior.

(c) No Interference with Surrounding Development. The proposed use and development will be constructed, arranged, and operated so as not to dominate the immediate vicinity or to interfere with the use and development of neighboring property in accordance with the applicable district regulations.

The proposed use will not interfere with the adjacent business, the post office of the traffic at the intersection of Ashland & Hillgrove.

(d) Adequate Public Facilities. The proposed use and development will be served adequately by essential public facilities and services such as streets, public utilities, drainage structures, police and fire protection, refuse disposal, parks, libraries, and schools, or the applicant will provide adequately for such services.

The vacant facility has ample access to all necessary utilities & drainage.

(e) No Traffic Congestion. The proposed use and development will not cause undue traffic congestion nor draw significant amounts of traffic through residential streets.

Traffic at the previous 711 was at times congested. We would continue to use the rear of 211 Hillgrove as our main entrance & exit, therefore will be little or no additional traffic.

(f) No Destruction of Significant Features. The proposed use and development will not result in the destruction, loss, or damage of any natural, scenic, or historic feature of significant importance.

As with our facility at 211 west Hillgrove Ave., Little People's Country has always created and maintained a beautiful interior and exterior thus enhancing the LaGrange area & community

(g) Compliance with Standards. The proposed use and development complies with all additional standards imposed on it by the particular provision of this Code authorizing such use.

We have always maintained a perfect record of compliane with the Village of LaGrange, the LaGrange Fire Dept. The Ill. Department of Children & Family Services, The State Fire Marshall and meets the standards set forth by the National Association for the Education of Young Children.

* * *

4-A.23

NOTICE: This application must be filed with the office of the Community Development Director together with seventeen (17) 11 x 17 or 8 ½ x 11 copies of any required drawings, plats of survey, etc., and an electronic copy if available, the necessary data called for above and the required filing fee escrow a minimum of thirty days in advance of the public hearing date. The escrow will be utilized to cover all costs incurred by the Village as outlined in Paragraph 14-101D2 of the Zoning Code:

(a) Legal Publication (direct cost);

(b) Recording Secretarial Services (direct cost);

(c) Court Reporter (direct cost);

(d) Administrative Review and Preparation (hourly salary times a multiplier sufficient to recover 100 percent of the direct and indirect cost of such service);

(e) Document Preparation and Review (hourly salary times a multiplier sufficient to recover 100 percent of the direct and indirect cost of such service);

(f) Professional and Technical Consultant Services (direct cost);

(g) Legal Review, Consultation, and Advice (direct cost);

(h) Copy Reproduction (direct cost); and

(i) Document Recordation (direct cost); and

(j) Postage Costs (direct cost).

The escrow for the application is as follows:

Special Use Application - $1,500

Should the funds in escrow fall below $300, the Village will request that the applicant replenish the escrow fund prior to further processing of said application.

The above filing fee and escrow shall be payable at the time of the filing of such request. Any funds remaining in escrow will be returned to the applicant after Village Board approval and all staff and consultant work is completed.

I, the undersigned, do hereby certify that I am the owner or contract purchaser (Evidence of title or other interest you have in the subject property, date of acquisition of such interest and the specific nature of such interest must be submitted with application) and do hereby certify that the above statements are true and correct to the best of my knowledge. I also acknowledge that Village staff will prepare a report with a recommendation to the Plan Commission prior to my hearing. I understand that this report will be available for my viewing the Friday prior to my hearing and it is my responsibility to contact the Village to view this report or obtain a copy.

Cindy Perkins
(Signature of Owner or Contract Purchaser)

(Address) 211 W. Hillgrove Ave
LaGrange Il
(Zip Code) 60525

(City) (State)

SUBSCRIBED AND SWORN TO BEFORE ME THIS
10th DAY OF July, 2012.

Sylvia Gonzalez
NOTARY PUBLIC

OFFICIAL SEAL
SYLVIA GONZALEZ
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:11/22/14

PLACE SEAL HERE

4-A.24

Little People's Country

7-10-2012

Memo To: Angela Mesaros, Village Planner

From: Cindy Perkins, Executive Director LPC

Re: Description of Special Use Proposal

(201 West Hillgrove Ave.)

Little People's Country has been in operation at 211 West Hillgrove Ave. in LaGrange since October 2001 and in October 2005 expanded a portion of our operation into Little People's Academy of Arts & Education at 12 North Catherine Ave. We have been phenomenally successful in both locations with the exception of having to operate one program in two separate locations adjacent from one another.

Our two locations serve 123 children a day, ages 6 weeks through 6 years during the school year and up to 12 years old in the summer. We are an art integrated early childhood program offering daily art, music and dance to the children we serve. We operate from 6:30 a.m. to 6:00 p.m., Monday through Friday. We employ a staff of 25, including 3 full time administrators, a full time teaching staff of 20, including a full time Director of Arts & Outdoor Education and a part time support staff of 2.

Our lease at 12 North Catherine Ave., where we operate our Kindergarten, Summer Camp and Arts program is about to expire this November and we have been informed that another tenant is interested in the location. The property directly next to Little People's Country, our main operation at 211 West Hillgrove Ave., is the former 7-11 which remains vacant. We would very much like to move our 12 North Catherine Ave. operation into the vacant 7-11 at 201 West Hillgrove Ave. We already share a common wall and entrance.

In addition to the continuity our entire operation would achieve, we know that with the assistance of Burcor Properties we would greatly improve the stability and aesthetics of the corner of Hillgrove and Ashland Avenue. From the exterior to the interior we will create another LaGrange showcase while providing a most valuable service to the entire community.

We are as proud of our programs as we are to be members of the LaGrange business community. My staff and I are committed to community service and have served or currently serve on a number of boards, committees and community organizations. It is with great respect that we ask you to consider our request for "special use" at 201 West Hillgrove Avenue.

4-A.25

211 West Hillgrove Avenue • LaGrange, Illinois 60525 • Fax 708/352-4149 • Tel 708/352-0609

Little People's Country

July 24, 2012

Memo To: Angela Mesaros, Village Planner

From: Cindy Perkins, Executive Director LPC

Re: Additional Information for Traffic/Parking Analysis

The enrollment at Little People's Country at 211 West Hillgrove remains consistent with 83 children, everyday throughout the year age break down as follows:

Dali Room Infants age 6 weeks to 15 months – 12 children

Picasso Room Toddler age 15 months to 24 months – 15 children

Warhol Room Two Year Old's – 16 children

Monet Room Three Year Old Children – 20 children

Matisse Room Four Year Old Children – 20 children

The enrollment at Little People's Academy of Arts & Education at 12 North Catherine during the school year is 20 children in the Mosaic Room Pre-K and Kindergarten. We have a licensed capacity of 40 children and choose not to enroll children in this space but rather conduct art integrated programs for all of the children enrolled at both Little People's Country and Little People's Academy of Arts & Education. We call this our "Studio". Our arts program includes daily art studio, weekly music class and bi-weekly dance class.

The enrollment at Little People's Academy of Arts & Education at 12 North Catherine for 10 weeks in the summer is 50 children ages 5 years to 12 years old. (The Pre-K & K become part of the summer day camp). The Summer Day Camp operates Monday thru Friday, 8:00 a.m. to 5:00 p.m.

The staffing at Little People's Country at 211 Hillgrove remains consistent throughout the year with 19 full time staff and 2 part time staff. This includes 2 full time school administrators, 4 infant teachers, 4 toddler teachers, 3 two year old teachers, 3 three year old teachers, 3 four year old teachers, a part time food service manager and a part time infant teacher.

4-A.26

211 West Hillgrove Avenue • LaGrange, Illinois 60525 • Fax 708/352-4149 • Tel 708/352-0609

The staffing at Little People's Academy of Arts & Education during the school year is 2 full time Kindergarten Teachers and one full time Director of Arts & Outdoor Education. The Executive Director also has her office in this location.

The staffing at Little People's Academy of Arts & Education for the 10 week Summer Day Camp Program includes 6 full time camp staff which includes a full time Camp Director.

These numbers and staffing levels would remain exactly the same and are a mirror image to the proposed consolidated location.

To recap: Current capacity of the two facilities now and consolidated in the proposed location is as follows these are the maximum numbers including the 10 week Summer Day Camp:

Infants	12		Staff	4 full time	1 part time
Toddler	15		Staff	4 full time	
Two's	16		Staff	3 full time	
Three's	20		Staff	3 full time	
Four's	20		Staff	3 full time	
Pre-K & K	20		Staff	2 full time	
Summer Camp	30	(summer only)	Staff	4 full time	
			Admin	3 full time	
			Food Service		1 part time
	133 children			**26 full time**	**2 part time**

Our main entrance for parent drop off and pick up is behind the building at 211 West Hillgrove. Parents park in the lot and escort their children in through our fenced playground. This would remain the same if consolidated. Many of our families have multiple children enrolled, some at the Hillgrove location and some at the Catherine location. The children for 12 North Catherine are either dropped off at 211 West Hillgrove and walked over by a teacher or dropped off at 12 North Catherine depending on their arrival time each morning. It is the same for pick up. We use the Hillgrove entrance when escorting the children to their "studio activities" each day where we walk down Hillgrove and cross at Catherine each day. If we were permitted to consolidate we would eliminate the risk associated with moving the children form building to

4-A.27

building each day. Also parents, teachers, food service staff and administrators cross Catherine several times each day for various aspects of program.

Parking is provided in the private lot behind our building. We share this lot primarily with Coldwell Banker, Epco Paint and Pediatric Place. We are currently allowed 26 parking permits and would receive additional spaces if permitted to consolidate. We currently have more than sufficient parking as our staff works staggered schedules, many take the train, ride bikes or walk to work and parent drop off and pick up is staggered and usually early in the morning and late in the day. Parents are not permitted to park in this lot other than drop off and pick up. This lot is carefully monitored by Burcor Properties and violators are towed!

We offer an active, hands-on curriculum, including daily off-site activities and field trips including walking excursions into downtown LaGrange. We are often spotted walking to the library, farmers market and area parks. We regularly walk to Trader Joes with the children in order to pick up something special for cooking projects. In addition to having a large presence in LaGrange community we also venture out on the train to places of interest like Brookfield Zoo or DuPage Children's Museum. In addition we have our own 25 passenger bus, appropriate for young children, which we use on a weekly basis for field trips outside of our immediate community. We attend plays, museums and child centered events. In the summer our children go to area pools, sporting events and places of interest. In the 10 weeks of Summer Day Camp we lease an additional 25 passenger bus.

The gross leasable area of 211 West Hillgrove is 6000 sq. ft.

The gross leasable area of 12 North Catherine is 2260 sq. ft.

The gross leasable area of 201 Hillgrove is 3000 sq. ft.

Average arrival times for 211 West Hillgrove. Again, the main entrance is at the rear of the building through the fenced playground.

6:30 – 7:00 a.m.	4 children
7:00 – 7:30 a.m.	27 children
7:30 – 8:00 a.m.	21 children
8:00 – 8:30 a.m.	11 children
8:30 – 9:00 a.m.	14 children
9:00 – 9:30	6 children

4-A.28

Average arrival times for 12 North Catherine

7:00 – 7:30 a.m.	5 children (mostly from across the street)
7:30-8:00a.m.	8 children
8:00 – 8:30a.m.	7 children

Average departure times from 211 West Hillgrove

4:00 – 4:30 p.m.	15 children
4:30 – 5:00 p.m.	22 children
5:00 – 5:30 p.m.	19 children
5:30 - 6:00 p.m.	27 children

Average departure times from 12 North Catherine

4:00 – 4:30 p.m.	1 child
4:30 – 5:00 p.m.	9 children
5:00 – 5:30 p.m.	7 children
5:30 – 6:00 p.m.	3 children

Summer Camp average arrival times at 12 North Catherine

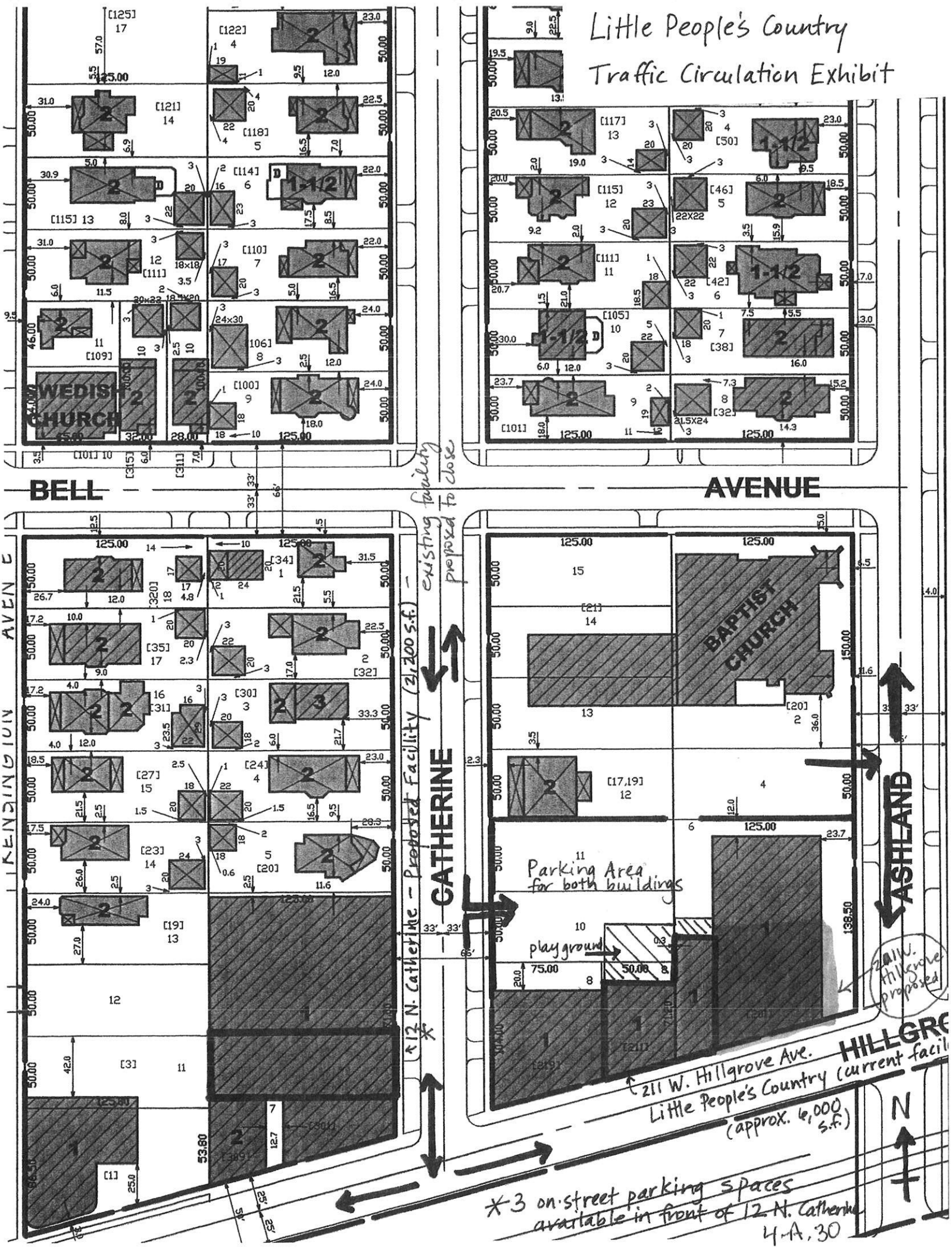
8:00 – 8:30 a.m.	33 children
8:30 – 8:45 a.m.	7 children
8:45 – 9:30 a.m.	10 children

Summer Camp average departure times at 12 North Catherine

3:00 – 3:30 p.m.	2 children
3:30 – 4:00 p.m.	5 children
4:00 – 4:30 p.m.	8 children
4:30 – 5:00 p.m.	35 children

4-A.29

Little People's Country
Traffic Circulation Exhibit



Village of La Grange

53 S. La Grange Road, La Grange, IL 60525
Phone (708)579-2320 Fax (708)579-0980

DESIGN REVIEW PERMIT APPLICATION

Case No.: 205
Date Submitted:
UARCO No.:

TO THE PRESIDENT AND BOARD OF TRUSTEES
VILLAGE OF LA GRANGE, ILLINOIS

Application is hereby made by (Please Print): BURCOR PROPERTIES

Address: 5 S. LAGRANGE ROAD, LAGRANGE, IL 60525 Phone: 708/579-0316

Owner of property located at: 201 W. HILLGROVE, LAGRANGE, IL 60525

Permanent Real Estate Index No.: 18-04-117-007/008/011

Present Use: VACANT SPACE Present Zoning Class: C-2

PLAT OF SURVEY must be submitted with application. The plat should show any existing buildings on the petitioned property as well as any existing buildings on property immediately adjacent.

The applicant must provide the following DATA AND INFORMATION:

1. Detailed plans depicting all work proposed to be done, including detailed renderings of any exterior alterations and of the exterior of any proposed new building. Such rendering shall show proposed exterior colors and textures.

2. Standards and Considerations. State how the proposed use or development achieves the purposes for which the Design Review District is designated.

SEE ATTACHED LETTER

3. Visual Compatibility. New and existing buildings and structures, and appurtenances thereof, which are constructed, reconstructed, materially altered, repaired, or moved shall be visually compatible in terms of the following criteria:

   a. Height. The height of the proposed buildings and structures shall be visually compatible with adjacent buildings.

   b. Proportion of Front Facade. The relationship of the width to the height of the front elevation shall be visually compatible with buildings, public ways, and places to which it is visually related.

   c. Proportion of Openings. The relationship of the width to height of windows shall be visually compatible with buildings, public ways, and place to which the building is visually related.

   d. Rhythm of Solids to Voids in front Facades. The relationship of solids to voids in the front facade of a building shall be visually compatible with buildings, public ways, and places to which it is visually related.

   e. Rhythm of Spacing and Buildings on Streets. The relationship of a building or structure to the open space between it and adjoining buildings or structures shall be visually compatible with the buildings, public ways, and places to which it is visually related.

   f. Rhythm of Entrance Porch and Other Projections. The relationship of entrances to other projections to sidewalks shall be visually compatible with the buildings, public ways, and places to which it is visually related.

   g. Relationship of Materials, Texture and Color. The relationship of the materials, texture, and color of the facade shall be visually compatible with the predominant materials used in the buildings and structure to which it is visually related.

DESIGN REVIEW PERMIT APPLICATION for 201 W. Hillgrove, LaGrange, Illinois:
Continual answer page

2. The proposed improvements for the new tenant of the vacated space will maintain the historical quality of the building, upgrade current architectural elements and improve the appearances of both the South and East sides of the building. (2 Front Elevations)

3(A). Existing to remain as is.

3(B). Existing to remain as is.

3(C). The existing window openings will be revised by raising the sill height. The remaining area below will be filled in with smooth Renaissance Stone and a new stone sill. The overall dimensions of the existing window frames shall remain which will allow the building to maintain the current opening proportions.

3(D). The new rhythm of solids to voids will remain in keeping with the existing rhythm.

3(E). There will be no change to the rhythm.

3(F). The rhythm will be maintained.

3(G). The materials, colors, and textures will maintain the relationship between the existing building and the others to which it is visually related. The introduction of new materials on the façade is in keeping with many other new or remodeled buildings in town.

3(H). The roof shape shall not change.

3(I). The existing walls of continuity shall not change.

3(J). The size and mass of the building shall not change.

3(K). The directional expression of the front elevations shall not change.

4(A). The quality of the open spaces between buildings shall not change.

4(B). The quality of materials and their relationships to adjacent structures shall remain consistent with the existing.

4(C). The quality of the design and its relationship to adjacent buildings shall maintain the existing character of the neighborhood.

4(D). The general site development issues shall not change.

h. Roof Shapes. The roof shape of a building shall be visually compatible with the building to which it is visually related.

i. Walls of Continuity. Building facade and appurtenances such as walls, fences, and landscape masses shall, when it is a characteristic of the area, form cohesive walls of enclosure along a street to ensure visual compatibility with the buildings, public ways, and places to which such elements are visually related.

j. Scale of Building. The size and mass of buildings and structures in relation to open spaces, windows, door openings, porches, and balconies, shall be visually compatible with the buildings, public ways, and places to which they are visually related.

k. Directional Expression of Front Elevation. A building shall be visually compatible with the buildings, public ways, and places to which it is visually related in this directional character, whether this be vertical character, horizontal character, or non-directional character.

4. Quality of Design and Site Development. New and existing buildings and structures and appurtenances thereof which are constructed, reconstructed, materially altered, repaired, or moved shall be evaluated under the following quality of design and site development criteria:

a. Open Spaces The quality of the open spaces between buildings and in setback spaces between street and facade.

b. Materials The quality of materials and their relationship to those in existing adjacent structures.

c. General Design The quality of the design in general and its relationship to the overall character of the neighborhood.

d. General Site Development The quality of the site development in terms of landscaping, recreation, pedestrian access, automobile access, parking, servicing of the property, and impact on vehicular traffic patterns and conditions on site and in the vicinity of the site, and the retention of trees and shrubs to the maximum extent possible.

NOTICE: This application must be filed with the office of the Community Development Director, accompanied by necessary data called for above and the required filing fee of Two Hundred Dollars ($200), which is non-refundable.

The minimum fee shall be payable at the time of the filing of such request. It is also understood that the applicant shall reimburse the Village, any additional costs over and above these minimums which are incurred by the Village. Such additional costs shall be paid by the applicant prior to the Board of Trustees making a decision regarding the request.

I, undersigned, do hereby certify that I am the owner, or contract purchaser (evidence of title or other interest you have in the subject property, date of acquisition of such interest, and the specific nature of such interest must be submitted with application) do hereby certify that the above statements are true and correct to the best of my knowledge.

Jerry J Bruijan 5 S. LAGRANGE ROAD, 2ND FLOOR (Signature of Owner or Contract Purchaser) (Address)

LAGRANGE, IL, 60525 (City)
(State) (Zip Code)

Subscribed and sworn to before me this _____ day of _____, _____

_____
(Notary Public)

(Seal)

Enclosures: _____

_____

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4-A.34

VILLAGE OF LA GRANGE
Police Department

BOARD REPORT

TO: Village President, Village Clerk,
Board of Trustees and Village Attorney

FROM: Robert Pilipiszyn, Village Manager
Michael Holub, Police Chief

DATE: September 10, 2012

RE: **REQUEST TO PURCHASE – POLICE DEPARTMENT / REPLACEMENT OF SQUAD CARS**

At the regular Village Board meeting on May 14, 2012, the Police Department requested replacement of six of its seven marked squad cars. It was the consensus of the Village Board at that time to table the purchase of the new squad cars pending further discussion of the FY 2012-13 Village budget.

The replacement of Police Department squad cars was a specific expenditure considered as part of the continued budget discussion. At the conclusion of that discussion, the consensus of the Village Board was as follows:

- Directed staff to replace the squad cars within FY 2012-13 at the next available opportunity;

- Amended the adopted budget by increasing the Police Department's Equipment Maintenance line-item by $15,000 to recognize increased fleet repairs which may be required in order to keep the vehicles in good working order until they can be replaced; and

- Concurred with the staff recommendation to replace squad cars on a 3-year cycle thereafter.

Although we missed the time period in which to place an order for the 2012 Chevrolet Caprice 4-door sedan patrol vehicle this Spring, we thought there may be another opportunity to place an order in November. We have since learned that will not be the case. Consequently, we focused our efforts on an alternative – the Ford Taurus police package. The team of police officers who inspected the Ford found it to be suitable for our needs. Much of our existing equipment (such as light bars and roof mounting brackets, prisoner partitions, trunk mounting trays, etc.) is compatible with the space available in the Taurus as compared with the Chevrolet. It is a new model and the automaker's alternative to the former Ford Crown Victoria. Much like we experienced with the Crown Victoria, the Taurus has pre-wired harnesses and other options critical to our installation needs. We also understand that the Chevrolet Caprice is now experiencing some mechanical problems (e.g. – suspension recall).

The Ford Taurus police package is not offered through the state purchasing contract. The City of Countryside Police Department recently acquired several Ford Taurus police package vehicles

4-B

through their local Ford dealership. Their initial reviews, and that of other jurisdictions, of the Ford Taurus police package have been favorable.

We approached Westfield Ford of Countryside, Illinois and negotiated a unit price comparable to that which the City of Countryside would have paid for their squads, if they selected the same options we did. Below is a cost summary of the proposed purchase:

Village of La Grange Cost Comparison – Squad Car Replacement		
	Chevy Caprice State-Bid / May '12	Ford Taurus Fleet Pricing / Sep '12
Unit Price	26,310.00	29,334.00
Squad Cars (6)	157,860.00	176,006.34
Trade-In Value (6)	(33,000.00)	(39,000.00)
Equipment Removal/Installation	26,100.00	9,000.00
Striping, Lettering, Graphics	4,000.00	3,900.00
Total Purchase Cost	154,960.00	149,906.34
ERF Budget Allocation	155,000.00	155,000.00

We note several favorable observations from this comparison. First, the total purchase cost savings by selecting the Ford rather than the Chevrolet is approximately $5,000. Second, the anticipated trade-in from Westfield Ford in Countryside is higher because of a combination of repairs performed to-date and because this dealer is familiar with our service history having maintained our Ford Crown Victoria's over the past three years. Third, the equipment removal and installation is significantly less with the Ford Taurus.

We are limited in our purchasing options at this point. We do not know when our first opportunity will become available to purchase the Ford Taurus police package through a state purchasing contract. We also note that operationally, we need to install the new digital recording cameras soon. If we retain the current squads for, say another six months, we will incur an additional $3,000 in equipment maintenance costs to remove and re-install them in newer squads.

Finally, we note that delivery is anticipated in 4-6 weeks upon approval by the Village Board. At that point, the current squads will be approximately 3 ½ years old. As previously estimated by Finance Director Lou Cipparrone, the repair-retain method does not appear to be cost-effective for our Police squad cars after four years.

In summary, we have attempted to be sensitive to the Village Board's general budget management directives to be cost conscious and to get as much value for the price paid for an asset or service, while at the same time not undermining our ability to deliver services. We believe that we have reasonably balanced those interests involving this purchase request.

4-B.1

It is our recommendation that the Village Board waive the formal bidding process and authorize staff to negotiate the purchase of six replacement squad cars for the Police Department from Westfield Ford in Countryside, Illinois in an amount not to exceed $150,000.

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4-B.2

VILLAGE OF LA GRANGE
Department of Public Works

BOARD REPORT

TO: Village President, Village Clerk, Board of Trustees, and Village Attorney

FROM: Robert J. Pilipiszyn, Village Manger
Ryan Gillingham, Director of Public Works

DATE: September 10, 2012

RE: **AWARD OF CONTRACT – 2012 & 2013 TREE TRIMMING PROGRAM**

Each year the Village trims public parkway trees to remove dead limbs, low hanging branches over streets and sidewalks, and conflicting branches to promote the healthy growth of trees. The tree trimming program is divided into five geographic areas with each area being trimmed once every five years. This schedule results in trimming roughly 1,500 trees each year. The Village contracts with a tree trimming company to assist with this work due to the number of trees that require trimming. Trees that are smaller than 7 inches in diameter are pruned by the Public Works Department. The FY 2012-13 Village budget provides $35,000 for contractual tree trimming services.

On July 25, 2012, the Village advertised that bids would be received for the 2012 and 2013 Tree Trimming Programs. The proposed 2012 Tree Trimming Program, which occurs between November 1, 2012 and April 15, 2013, includes Area 1 which is generally bound by 47th Street to the north, Edgewood Avenue to the east, 51st Street to the south and Gilbert Avenue to the west. Also included in this area is Cossitt Avenue to the north, Bluff Avenue to the east, 47th Street to the south and Catherine Avenue to the west. The proposed 2013 Tree Trimming program, which occurs between November 1, 2013 and April 15, 2014, encompasses the area between 47th Street and Plainfield Road, and from Brainard Avenue to La Grange Road. Bids were requested on a unit price basis across four tree diameter categories. The bid opening was held on August 15, 2012 with the following results:

No.	Name of Company	FY2012-13	FY2013-14	Total
1	D. Ryan Tree & Landscape LLC	41,340.00	33,840.00	75,180.00
2	Groundskeeper Landscape Care LLC	44,838.20	36,807.20	81,645.40
3	Winkler's Tree Service	65,800.00	55,502.50	121,302.50
4	Nels J. Johnson Tree Experts, Inc.	66,500.00	56,000.00	122,500.00
5	The Davey Tree Expert Company	102,800.00	84,050.00	186,850.00
6	Clean Cut Tree Care, Inc.	120,150.00	102,900.00	223,050.00
	FY2012-13 Budget	35,000.00		

The bid tabulation, which is attached for your reference, was computed by multiplying the number of trees in each category by the unit cost and adding each of the totals. The low bid

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was submitted by D. Ryan Tree & Landscape LLC in the amount of $75,180.00, which includes both 2012 and 2013 Tree Trimming Programs. D. Ryan Tree & Landscape LLC has performed satisfactorily in the past for the Village in both tree trimming and tree removal activities. Please note that the bid amount for tree trimming in 2012 of $41,340 exceeds the budget amount of $35,000. However, we project that the final amount of the contract will be closer to the budgeted amount as a result of additional ash tree removals due to the Emerald Ash Borer.

Therefore we recommend that the Village Board authorize staff to enter into a two year contract with D. Ryan Tree & Landscape LLC for tree trimming in the estimated amount of $75,180. The final amount of the contract will be based on the actual work performed by the tree trimming contractor at the unit prices listed in the contract.

4-C.1

VILLAGE OF LA GRANGE
2012-2013 Tree Trimming Program

Bid Opening August 15 @ 10:00 a.m.
Tabulation of Bids

		2012 TREE TRIMMING SEASON												
		7" to 14"			15" to 24"			25" to 34"			35" and over			TOTAL
No.	Name of Company	PRICE PER TREE	TREE QTY.	TOTAL	PRICE PER TREE	TREE QTY.	TOTAL	PRICE PER TREE	TREE QTY.	TOTAL	PRICE PER TREE	TREE QTY.	TOTAL	
1	D. Ryan Tree & Landscape	22.00	550	12,100.00	28.00	650	18,200.00	48.00	200	9,600.00	48.00	30	1,440.00	41,340.00
2	Groundskeeper Landscape Care LLC	22.90	550	12,595.00	30.64	650	19,916.00	48.82	200	9,764.00	85.44	30	2,563.20	44,838.20
3	Winkler's Tree Service	28.00	550	15,400.00	51.00	650	33,150.00	75.00	200	15,000.00	75.00	30	2,250.00	65,800.00
4	Nels J. Johnson Tree Experts, Inc.	25.00	550	13,750.00	45.00	650	29,250.00	95.00	200	19,000.00	150.00	30	4,500.00	66,500.00
5	The Davey Tree Expert Company	45.00	550	24,750.00	80.00	650	52,000.00	110.00	200	22,000.00	135.00	30	4,050.00	102,800.00
6	Clean Cut Tree Care, Inc.	40.00	550	22,000.00	75.00	650	48,750.00	205.00	200	41,000.00	280.00	30	8,400.00	120,150.00
													FY2012-13 Budget	35,000.00

		2013 TREE TRIMMING SEASON												
		7" to 14"			15" to 24"			25" to 34"			35" and over			TOTAL
No.	Name of Company	PRICE PER TREE	TREE QTY.	TOTAL	PRICE PER TREE	TREE QTY.	TOTAL	PRICE PER TREE	TREE QTY.	TOTAL	PRICE PER TREE	TREE QTY.	TOTAL	
1	D. Ryan Tree & Landscape	22.00	400	8,800.00	28.00	500	14,000.00	48.00	200	9,600.00	48.00	30	1,440.00	33,840.00
2	Groundskeeper Landscape Care LLC	22.90	400	9,160.00	30.64	500	15,320.00	48.82	200	9,764.00	85.44	30	2,563.20	36,807.20
3	Winkler's Tree Service	29.00	400	11,600.00	52.50	500	26,250.00	76.75	200	15,350.00	76.75	30	2,302.50	55,502.50
4	Nels J. Johnson Tree Experts, Inc.	25.00	400	10,000.00	45.00	500	22,500.00	95.00	200	19,000.00	150.00	30	4,500.00	56,000.00
5	The Davey Tree Expert Company	45.00	400	18,000.00	80.00	500	40,000.00	110.00	200	22,000.00	135.00	30	4,050.00	84,050.00
6	Clean Cut Tree Care, Inc.	40.00	400	16,000.00	75.00	500	37,500.00	205.00	200	41,000.00	280.00	30	8,400.00	102,900.00
													FY2013-14 Budget	35,000.00

No.	Name of Company	TOTAL
1	D. Ryan Tree & Landscape	75,180.00
2	Groundskeeper Landscape Care LLC	81,645.40
3	Winkler's Tree Service	121,302.50
4	Nels J. Johnson Tree Experts, Inc.	122,500.00
5	The Davey Tree Expert Company	186,850.00
6	Clean Cut Tree Care, Inc.	223,050.00

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MINUTES

VILLAGE OF LA GRANGE
BOARD OF TRUSTEES REGULAR MEETING
Village Hall Auditorium
53 South La Grange Road
La Grange, IL 60525

Monday, August 27, 2012 - 7:30 p.m.

1. CALL TO ORDER, ROLL CALL, PLEDGE OF ALLEGIANCE

The Board of Trustees of the Village of La Grange regular meeting was called to order at 7:33 p.m. by President Asperger. On roll call, as read by Village Clerk Thomas Morsch, the following were present:

PRESENT: Trustees Holder, Horvath, Kuchler, Langan, and Palermo

ABSENT: Trustee Nowak

OTHERS: Village Manager Robert Pilipiszyn
Assistant Village Manager Andrianna Peterson
Village Attorney Mark Burkland
Finance Director Lou Cipparrone
Community Development Director Patrick Benjamin
Assistant Community Development Director / Planner Angela Mesaros
Public Works Director Ryan Gillingham
Fire Chief William Bryzgalski
Police Chief Michael Holub

President Asperger requested Clerk Morsch to lead the Board and audience in the Pledge of Allegiance.

2. PRESIDENT'S REPORT

A. Oath of Office – Firefighter Paramedic Bryan Pattison

With a recent resignation in the La Grange Fire Department, a vacancy was created and the La Grange Board of Fire and Police Commissioners have appointed Bryan A. Pattison to fill the position of Firefighter / Paramedic effective August 27, 2012. President Asperger noted his experience and requested he come forward to receive the oath of office. Village Clerk Morsch requested Mr. Pattison's fiancée join him as he administered the oath.

4-D

B. Proclamation – Community Diversity Group 21st Annual Race Unity Rally

President Asperger proclaimed Sunday, September 9, 2012 as Race Unity Day and indicated that the 21st Annual Rally would be held in the Village Hall Auditorium beginning at 3:00 p.m. President Asperger noted this as an annual event for all to gather and celebrate diversity in the community. Trustee Palermo moved to approve the Proclamation, seconded by Trustee Langan. The motion was approved by voice vote.

President Asperger reported that La Grange was recently named the "Top Transit Suburb" of Metropolitan Chicago by the Chaddick Institute. Indicating that 250 suburbs were included in the study, President Asperger noted that the report praised La Grange as a "true walkers' paradise" and added her thanks to all who help maintain the downtown area especially the Public Works Department.

President Asperger announced that the Village is partnering with Metra to promote public safety in and around railroad property. Metra will be conducting "Operation Lifesaver Station Safety" on September 5 at the Stone Avenue Train Station between the hours of 5:00 a.m. and 9:00 a.m.

The La Grange Police Department has apprehended individuals connected to recent bicycle thefts at the Stone Avenue Train Station and encourages owners to keep a record of bicycle serial numbers to assist with identification if stolen.

Lastly, President Asperger expressed regrets that the public fountain had sustained severe damage as a result of a thoughtless act and had to be removed. Indicating that quotes for a replacement are being obtained, President Asperger noted the importance of respecting public property.

3. PUBLIC COMMENTS REGARDING AGENDA ITEMS

None

4. OMNIBUS AGENDA AND VOTE

A. Ordinance (#O-12-22) – Variation Side and Rear Yard Regulations for Accessory Structures / Linda and Jack Petersen, 132 S. Kensington Avenue

B. Award of Contract – Parking Structure Repairs

C. Award of Contract – 2012 Crack Sealing Program

D. Ordinance (#O-12-23) – Disposal of Surplus Property

E. Minutes of the Village of La Grange Public Hearing and Board of Trustees Regular Meeting Monday, July 9, 2012

4-D.1

F. Consolidated Voucher 120723 – ($754,836.77)

G. Consolidated Voucher 120812 – ($843,478.46)

H. Consolidated Voucher 120827 – ($482,872.05)

It was moved by Trustee Langan to approve items A, B, C, D, E, F G, and H of the Omnibus Agenda, seconded by Trustee Holder.

Approved by roll call vote.

Ayes:	Trustees Holder, Horvath, Kuchler, Langan, and Palermo
Nays:	None
Absent:	Trustee Nowak

5. CURRENT BUSINESS

A. Ordinance (#O-12-24) – Refunding 2004 Library Bond Issue: Referred to Trustee Holder

Trustee Holder explained that back in July it was the consensus of the Village Board to support the refinancing financial plan presented by Mr. Kevin McCanna of Speer Financial, Inc. for refunding the 2004 outstanding Library bonds which were issued to fund the construction of the new library building and scheduled to mature in 2024. Trustee Holder added that with market rate conditions at that time, it was projected that taxpayers could incur a net interest savings of approximately $450,000. As the La Grange Public Library is classified as a "municipal library" it must secure approval of the Village Board of Trustees by the adoption of an authorizing bond ordinance.

Adding that the Village would not incur any expenses related to the refunding as the consulting contracts would be included as part of the Library refunding issue, Trustee Holder noted that the Library Board of Trustees supported the refunding of the bonds at their June 19, 2012 Library Board meeting.

Trustee Holder added that the new Series 2012 bonds will be sold at a lower interest rate to pay off the outstanding Series 2004 bonds. As the Series 2004 bonds cannot be paid off until December 1, 2013, the proceeds from the Series 2012 will be held in escrow and invested. Trustee Holder noted that refunding of the Library bonds would not cause any conflicts in the issuance of the alternate revenue bonds for the Village's water meter replacement project.

The Village requested a meeting with Moody's Investors Services in order to obtain a current bond rating. President Asperger, management staff, and financial consultants provided Moody's with the Village's financial operations, economic

4-D.2

development initiatives; management of current and future debt; and as a result of the discussions, Moody's assigned an Aa2 rating to the Village of La Grange. Trustee Holder stated that this favorable bond rating recognizes the Village's strong financial conditions which include healthy reserve levels and manageable debt burden.

The next step in the process was for Speer Financial to prepare and distribute the Official Statement and Notice of Sale. Trustee Holder requested Mr. McCanna from Speer Financial to report on the bids received.

Mr. McCanna stated that bids were received as part of an electronic on-line auction and the lowest bid was from UBS with the average yield of 1.73% which will result in an estimated interest savings of $650,000 to $700,000. Mr. McCanna noted that the Village's strong financial operations and healthy reserve levels made this very attractive to bidders.

Trustee Holder inquired if the Village would incur similar rates for the upcoming water bonds and Mr. McCanna responded it is likely that the rate will be in the lower half of the 2% range for the water bonds.

Trustee Holder moved to approve an ordinance authorizing the issuance of $6,365,000 General Obligation Refunding Bonds, Series 2012B, seconded by Trustee Langan.

Approved by a roll call vote.

Ayes:	Trustees Holder, Horvath, Kuchler, Langan, and Palermo
Nays:	None
Absent:	Trustee Nowak

Trustee Horvath expressed his thanks for this savings to taxpayers.

6. MANAGER'S REPORT

Village Manager Robert Pilipiszyn announced dates and locations of three upcoming Town Meetings and encouraged residents to attend. The first Town Meeting will be on September 24 at the Seventh Avenue School Gymnasium.

Mr. Pilipiszyn warned residents of misleading solicitation from suppliers of electricity. Providing information regarding the referendum on the November 6 general election ballot asking residents if they wish the Village to implement an electrical aggregation program, Mr. Pilipiszyn encouraged residents to contact the Village with any questions.

Mr. Pilipiszyn gave detailed information regarding voter registration noting requirements and deadlines.

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Lastly, Mr. Pilipiszyn encouraged residents to drive safely especially in school zones.

7. PUBLIC COMMENTS REGARDING MATTERS NOT ON AGENDA

None.

8. EXECUTIVE SESSION

9 TRUSTEE COMMENTS

Trustee Kuchler reminded residents that school has begun and to use caution when driving.

10. ADJOURNMENT

At 8:05 p.m. the Board moved to adjourn. Approved by voice vote.

_____
Elizabeth M. Asperger, Village President

ATTEST:

_____
Thomas Morsch, Village Clerk

Approved Date:

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4-D.4

VILLAGE OF LA GRANGE

Disbursement Approval by Fund
September 10, 2012
Consolidated Voucher 120910

Fund No.	Fund Name	09/10/12 Voucher	08/31/12 Payroll	Total
01	General	205,165.38	269,928.60	475,093.98
21	Motor Fuel Tax			0.00
22	Foreign Fire Insurance Tax			0.00
24	ETSB	2,342.52		2,342.52
40	Capital Projects	80,913.69		80,913.69
50	Water	22,511.30	39,586.59	62,097.89
51	Parking	18,439.58	23,688.45	42,128.03
60	Equipment Replacement	6,084.00		6,084.00
70	Police Pension			0.00
75	Firefighters' Pension			0.00
80	Sewer	2,402.73	9,833.03	12,235.76
90	Debt Service			0.00
91	SSA 4A Debt Service			0.00
93	SAA 269			0.00
94	SAA 270			0.00
		337,859.20	343,036.67	680,895.87

We the undersigned Manager and Clerk of the Village of La Grange hereby certify that, to the best of our knowledge and belief, the foregoing items are true and proper charges against the Village and hereby approve their payment.

Village Manager

Village Clerk

President

Trustee

Trustee

Trustee

Trustee

Trustee

Trustee

4-E

CURRENT BUSINESS

VILLAGE OF LA GRANGE
Community Development Department

BOARD REPORT

TO: Village President, Village Clerk
Board of Trustees and Village Attorney

FROM: Robert J. Pilipiszyn, Village Manager
Patrick D. Benjamin, Community Development Director
Angela Mesaros, Assistant Community Development Director

DATE: September 10, 2012

RE: **ORDINANCE - VARIATION - MAXIMUM BUILDING COVERAGE/ DAJANA SPASOJEVIC, 850 S. 10TH AVENUE.**

Dajana Spasojevic, owner of the property at 850 S. 10th Avenue, has applied for a variation from maximum building coverage requirements to construct an in-ground swimming pool. The subject property is located on an interior lot in the R-2 Single Family Residential District. The property in question is 100 ft. wide by 134.25 ft. deep, which is typical of lots in the R-2 district, but larger than lots throughout most of the other single family districts in the Village. Typical lots measure 50 feet wide.

Maximum allowable building coverage in the R-2 district is 25%. The applicant seeks a variation of 16% from Paragraph 3-110E1 (Maximum Building Coverage) of the La Grange Zoning Code in order to construct the proposed in-ground swimming pool. This would result in a building coverage of approximately 30% for the property. Paragraph 14-303E1(c) (Authorized Variations) allows the increase of the maximum allowable building coverage by no more than 20%. The requested variation falls within the authorized limits of the Zoning Code.

On July 19, 2012, the Zoning Board of Appeals held a public hearing on this matter (see Findings of Fact). At the hearing, the petitioner presented the application. They had initially questioned whether or not in-ground swimming pools should be included in the building coverage calculation; however, they have accepted Staff's interpretation that a pool has historically been defined as at-grade and therefore counts towards building coverage. They stated that they believe that the purpose of limitations on building coverage is to avoid the appearance of bulk and an in-ground pool, properly screened would not add bulk to the property.

The Petitioner presented several points in support of this variation request. They felt that this application meets the standards in the following areas: (1) Residents on similarly sized lots in the nearby residential districts can enjoy pools, because they have an allowable building coverage of 30%; whereas in the R-2 district, the building coverage is limited to 25%. Some of the older houses

5-A

had pools before they had to meet the 25% requirement. (2) The property is unique because it is located directly adjacent to industrial and multiple family areas within the City of Countryside. (3) Other types of recreational devices and facilities such as basketball courts and trampolines are not counted towards the building coverage requirements. Therefore, this request is not a special privilege. (4) One remedy discussed would be to remove part of their existing larger garage; however the petitioner was not willing to consider a smaller size pool to lessen the percentage variation requested in order to request the smallest variation possible.

A motion was made by Commissioner O'Connor and seconded by Commissioner Hoffenberg that the Zoning Board of Appeals recommend Approval of the application. The motion to recommend that the variation be granted as requested failed (2/2/3). The resulting roll call vote was:

AYE:	O'Connor and Hoffenberg.
NAY:	Naseef and Brewin.
ABSENT:	Brenson, Finder, and Pappalardo

Pursuant to Subsection 13-102D of the Zoning Code, at least four aye votes are required to decide in favor of any application.

Those Commissioners voting against this variation cited the following reasons: (1) More restrictive zoning is not necessarily a hardship; and even if it were, it is not within the authority of the Zoning Board to recommend that the building coverage be less restrictive in the R-2 district. (2) This zoning lot is not unique geographically as far as shape, position of the house, etc. (3) In determining if a request is a "substantial right," the Zoning Board generally will recommend a variation of some percentage in matters involving a reasonably sized two car garage as well as for a reasonably sized family room; however, the issue of a pool as a "substantial right" has not been established. (4) When making a recommendation, Commissioners have determined that a request for not more than 10% variation from building coverage is the minimum necessary.

The Commissioners voting in favor of the application felt that the industrial areas to the south do create a unique physical condition. Building coverage is established to regulate bulk and the pool would not create additional bulk. The alternative of demolishing their garage and replacing with a one-car garage would not be a beneficial alternative.

If you concur with the recommendation of the Zoning Board of Appeals, then a motion to deny the variation is in order. No resolution or ordinance memorializing such action is necessary. Conversely, should you choose to grant the variation, a motion to approve the attached ordinance authorizing the variation would be appropriate. If voting for the variation, it would be appropriate to articulate the reasons for such an approval to establish a legislative record.

5-A.1

Please note that in accordance with State Statute, the approval of any proposed variation which fails to receive the approval of the Board of Appeals will not be passed except by the favorable vote of two-thirds (2/3) majority vote by roll call of all Trustees currently holding office (four out of six Trustees).

Staff has prepared the attached ordinance authorizing the variation for your consideration.

5-A.2

ORDINANCE NO. O-12-

AN ORDINANCE ALLOWING ZONING VARIATION
OF THE VILLAGE OF LA GRANGE

THIS _____ DAY OF _____, 2012.

Published in pamphlet form by authority of the Board of Trustees of the Village of La Grange, County of Cook, State of Illinois, this _____day of _____, 2012.

WHEREAS, Dajana Spasojevic, owner of the property commonly known as 850 S. 10th Avenue, La Grange, Illinois, and legally described as follows:

> Lot 5 in Block 5 In Leitchmoor Subdivision of the South ½ of the East ½ of the Northeast ¼ of Section 9, Township 38 North, Range 12, East of the Third Principal Meridian, in Cook County, Illinois.

has applied for variation from Paragraph 3-110E1 (Maximum Building Coverage) of Chapter 154 of the La Grange Code of Ordinances in order to construct an in-ground swimming pool on the above referenced property. The Zoning Board of Appeals, as required by law, has conducted a duly noticed public hearing on this matter on July 19, 2012.

BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF LA GRANGE, COUNTY OF COOK, STATE OF ILLINOIS:

SECTION 1: A variation of 16% from Paragraph 3-110E1 (Maximum Building Coverage) of Chapter 154 of the La Grange Code of Ordinances, to construct an in-ground swimming pool, be hereby granted to the owner of the above-referenced property in conformance with the plans submitted to the Zoning Board of Appeals, subject to all of the following condition:

- The variation is granted only to authorize construction of an inground swimming pool in substantial conformity with the design drawings attached to this Ordinance as Exhibit A (the "Approved Design"). The permit drawings to be prepared by the Owners must conform to the Approved Design.

SECTION 2: This Ordinance shall be in full force and effect after its passage, approval and publication in pamphlet form for review at the La Grange Village Offices and the La Grange Public Library.

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ADOPTED this_____ day of _____, 2012, pursuant to a roll call vote as follows:

AYES: _____

NAYS: _____

ABSENT: _____

APPROVED by me this _____ day of _____, 2012.

_____
Elizabeth M. Asperger, VILLAGE PRESIDENT

ATTEST:

_____
Thomas Morsch, VILLAGE CLERK

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EXHIBIT A

APRPOVED DESIGN

5-A.5

Expert Pool Builders
13314 Crane Ridge Dr.
Fenton, MI 48430
Ph. 810-516-8225 • 312-515-4172

JOB SPASOJevic Residence
SHEET NO. _____ OF _____
CALCULATED BY _____ DATE _____
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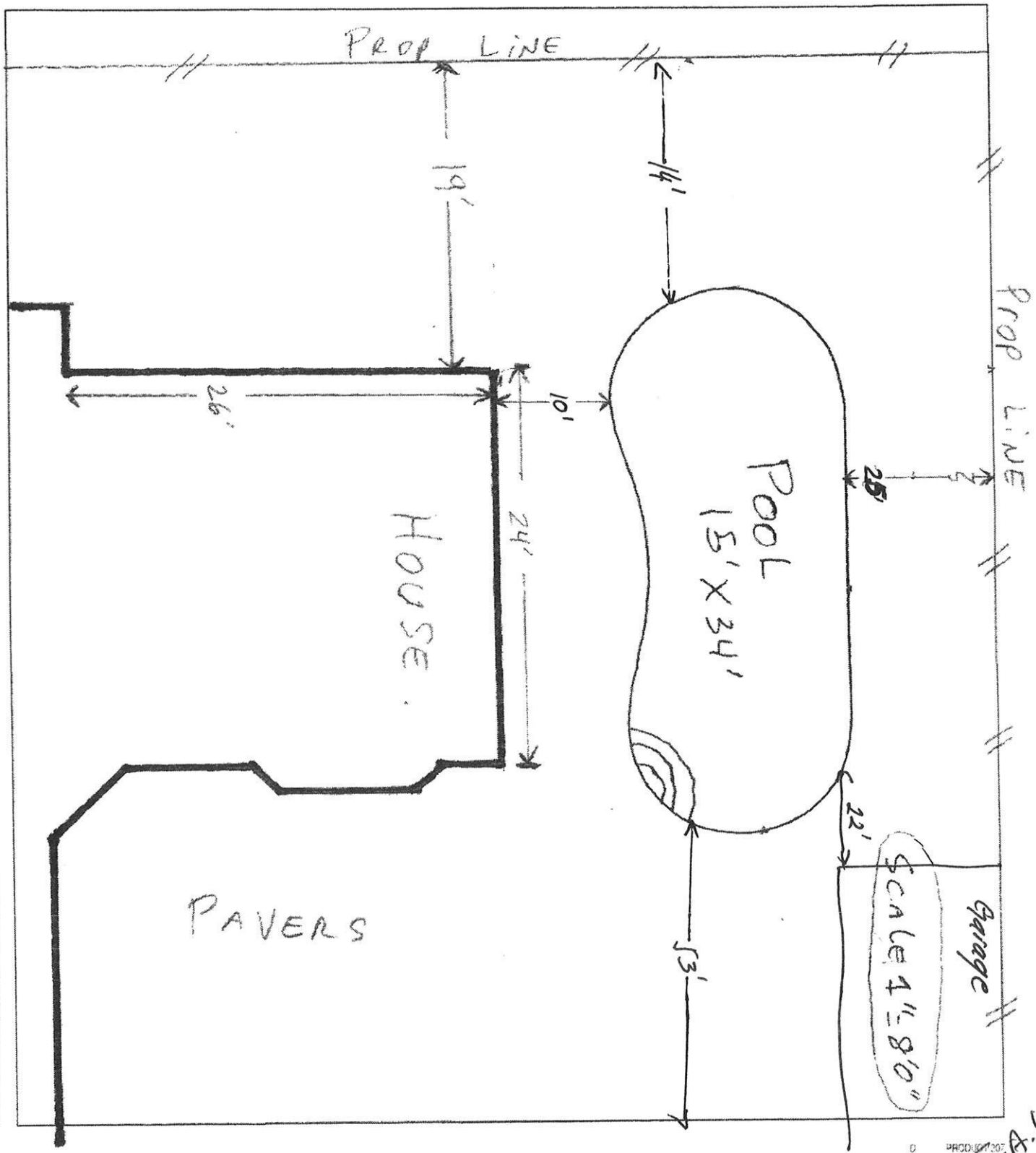

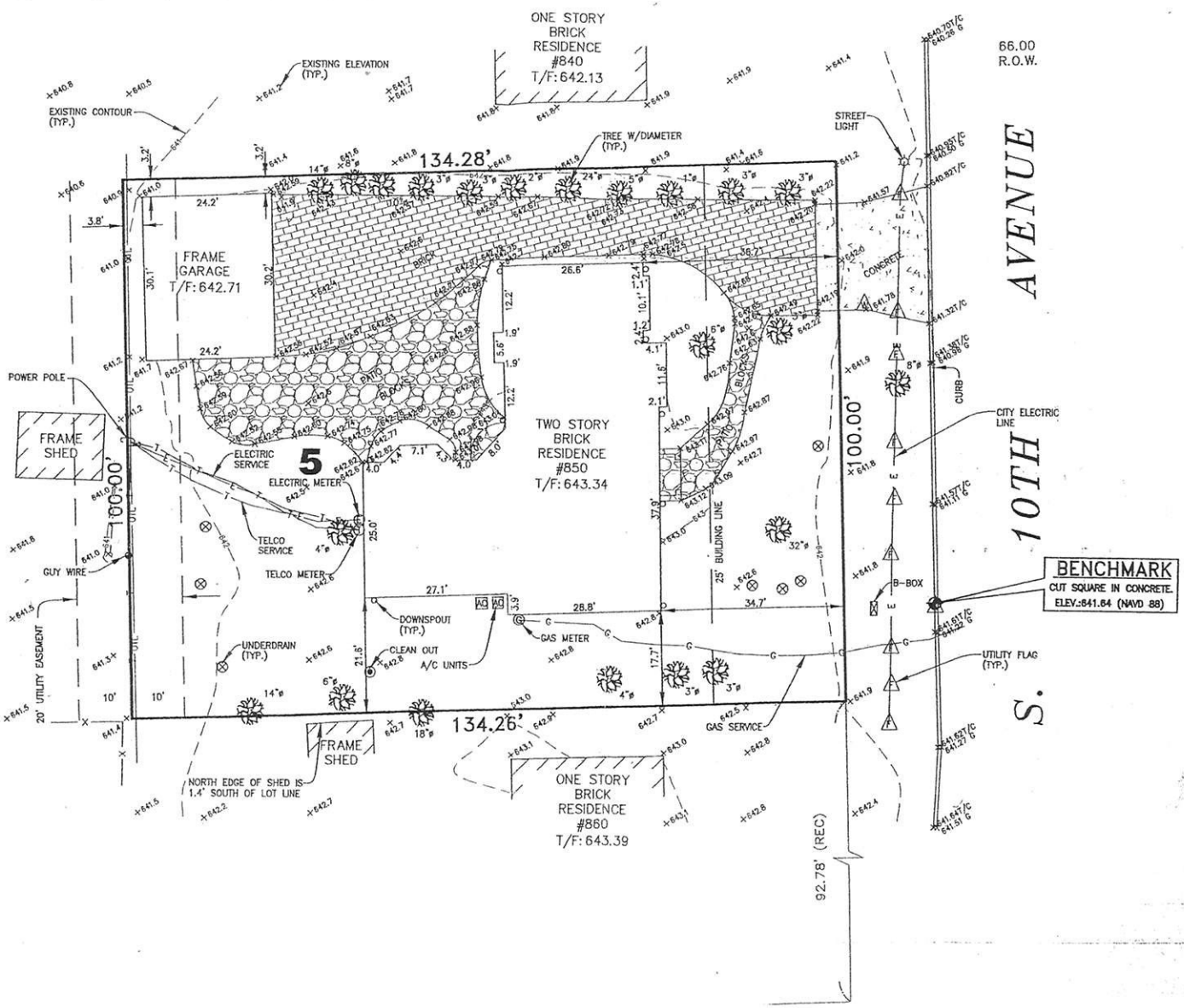

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O DEED, TITLE INSURANCE POLICY, ABSTRACT,
ONTRACTS AND LOCAL BUILDING ORDINANCES.

FINDINGS OF FACT

ZONING BOARD OF APPEALS
OF THE
VILLAGE OF LA GRANGE

July 19, 2012

President Asperger and
Board of Trustees

RE: **ZONING CASE #593 - VARIATION – 850 S. 10th AVENUE, MAXIMUM BUILDING COVERAGE TO AUTHORIZE THE CONSTRUCTION OF AN IN GROUND SWIMMING POOL WITHIN THE R-2 SINGLE FAMILY RESIDENTIAL DISTRICT, DAJANA SPASOJEVIC.**

The Zoning Board of Appeals transmits for your consideration its recommendations for a request of zoning variation necessary to construct an in ground swimming pool at the property at 850 S. 10th Avenue.

I. THE SUBJECT PROPERTY:

The subject property in question is a residential lot, 100 feet wide with a depth of 134.25 feet.

II. CHARACTERISTICS OF THE SURROUNDING AREA:

The subject property is located in the R-2 Single Family Residential District.

III. VARIATIONS SOUGHT:

The applicants seek a variation from Paragraph 3-110E1 (Maximum Building Coverage) of the Village of La Grange Zoning Code. The applicant wishes to exceed the allowable building coverage by 16%. At the public hearing, the applicant requested a variation to allow for the construction of an in ground swimming pool at the subject property. Paragraph 14-303E1c (Authorized Variations) allows the increase of a maximum allowable building coverage by no more than 20%. The requested variation falls within the authorized limits of the Zoning Code.

IV. THE PUBLIC HEARING:

After due notice, as is required by law, (including legal publication, posting at the subject property and courtesy notices to owners within 250 feet of the subject property) the Zoning Board of Appeals held a public hearing on the proposed variations in the La Grange Village Hall Auditorium on July 19, 2012. Present were Commissioners Rosemary Naseef, Peter O'Connor, Jeff Hoffenberg and Chairperson Ellen Brewin presiding. Also present was Assistant Community Development Director Angela Mesaros. Testimony was given under oath by the applicants. No objectors appeared at the hearing. No written objections have been filed to the proposed variation.

Chairperson Brewin swore in Dajana Spasojevic, owner of the property at 850 S.10th, and Mark W. Daniel, Attorney, who presented the application and answered questions from the Commissioners:

5-A.8

- Mr. Daniel stated that the petition is to build an in ground swimming pool. Referring to the question of whether an in ground pool is at grade or above grade, he stated that they accept that a pool has been defined as at grade and would therefore count as part of maximum building coverage, which is 25%.

- Mr. Daniel stated that there are a couple of R-2 districts in the Village of La Grange. The other R-2 District is by LT High School, approximately one hundred homes. Looking at Google Maps online, he estimates that approximately 10% of those homes have pools. Therefore, he believes that it is a common improvement.

- In other residential zoning districts, trampolines, basketball courts, et cetera, are all common recreational facilities; however, they are not counted towards building coverage. A swimming pool is also a recreational facility, but it is treated differently by being counted towards building coverage.

- At the time of the addition by the previous owners, they believed that they could cover 30% of the lot and therefore, assumed that they had remaining building coverage.

- Most other residential zoning districts in the Village allow 30% building coverage.

- The Petitioner believes that this property is unique, because directly to the south of this neighborhood and within 140 feet of this property are industrial and multiple family areas within the City of Countryside.

- There is also a swimming pool to the south, kitty-corner to the subject property, which establishes that pools are not uncommon in the neighborhood.

- When this property was annexed, it was zoned into one of the most restrictive districts, which was R-2, which is the practice established by the zoning ordinance.

- According to the petitioner, the hardship and difficulty is that people on similarly sized lots in the nearby residential districts can enjoy pools, because they have an allowable building coverage of 30%; whereas in this district, the building coverage is limited to 25%. Some of the older houses had pools before they had to meet the 25% requirement.

- One purpose of the Code is to generally avoid the appearance of bulk. However, an in ground pool does not add to the appearance of bulk on the property.

- Petitioner believes that there is no storm water issue with the construction of the pool.

- According to the petitioner, the ability of property owners on larger lots in the R-3 and R-4 districts to have pools establishes a substantial right.

5-A.9

- The Petitioner believes that the character of this area is different from other neighborhoods in the Village; and that these properties need to be improved. Some of the lots in the area have outdoor boat storage and other things that you can see from the property; however, you could not see an in ground swimming pool from the property line.

- This property is unique because the pre-existing structures include a larger garage. One remedy would be to remove part of their garage, but the petitioner stated that this does not make sense, because the pool does not actually add bulk.

- The only other remedy would be to amend the Code, and the Petitioner feels that there is no need for a text amendment, that due to the location and proximity to the industrial corridor to the south this qualifies for a variation.

Chairperson Brewin solicited questions from the Commissioners:

- Commissioner Naseef asked if the Petitioner had considered a smaller pool. Answer: No, because there is enough space on the property so it doesn't really make sense to have it smaller. It is lined up behind the main structure of the home as it is planned.

- Commissioner Hoffenberg asked what the building coverage percentage would be with inclusion of the pool. Answer: Approximately 30%.

- Chairperson Brewin asked what the substantial right to have a pool standard was based on. Answer: Mr. Daniels stated that on advertising and MLS listings he said also to look at Google Earth and see their pools generally cannot be seen from the street in the neighborhood but that they exist.

- Chairperson Brewin stated that saying that a pool is a substantial right would be something new for the Commissioners and in addition, when doing a variation from building coverage, they have generally stuck with the not more than 10% rule. In addition, she indicated while the Zoning Board generally will grant a variation of some percentage in matters involving a reasonably sized two car garage as well as for a reasonably sized family room, the issue of a pool as a "substantial right" has not been established.

Chairperson Brewin solicited questions and comments from the Audience:

- No comments from the Audience.

Under the provisions of the Zoning Ordinance, no variation shall be granted unless the applicant establishes that carrying out the strict letter of the provisions of this code would create a particular hardship or practical difficulty. Such a showing shall require proof that the variation sought satisfies certain conditions. The following facts were found to be evident:

5-A.10

1. Unique Physical Condition:

This zoning lot is typical of lots in the R-2 Single Family Residential zoning district. The lot measures 100 feet wide by 134.25 feet deep. Lots throughout most of the Village are typically an average width of 50 feet; the R-2 district is unique with 100 foot wide lots. In addition, this property is located within 140 feet of an industrial and multiple family areas to the south.

2. Not Self-Created:

According to the petitioner, the 813.6 square feet detached garage was built prior to the Code amendments in 1997, which limited garage size to 660 square feet. Also, a large addition was building in 2004 by previous owners most likely with the expectation that the allowable maximum building coverage would be 30% as is the requirement in most single family residential districts in the Village. The petitioner has made no modifications to the property that alter the building coverage.

3. Denied Substantial Rights:

Petitioner has indicated that other recreational facilities and structures are permitted and do not count towards building coverage. The petitioners asks for the same rights to enjoy recreation facility on her property. While the petitioner believes that the inability to construct the proposed pool would deny her the "substantial right" to utilize the outdoor space on a lot that is larger than most properties in La Grange, we cannot find at this time that this is the loss of a substantial right. The Zoning Code specifically treats pools differently than other outdoor recreational facilities for purposes of building coverage. At this point, the right to enjoy a specific recreational facility such as a pool has not been identified by the Zoning Board, the Village Board of Trustees or the Zoning Code as a substantial right.

4. Not Merely Special Privilege:

According to the petitioner, the proposed pool is an average size, fiberglass in-ground pool that would be permitted in other zoning districts in the Village on this size lot. The petitioner identified several other properties in the R-2 district which are improved with swimming pools.

5. Code and Plan Purposes:

The purpose of the building coverage standard in the Zoning Code is to control "bulk." The petitioner believes that the proposed in-ground pool would be consistent with the context of the area and not affect the appearance of bulk on the property. There is adequate space on the property to comply with the minimum setback requirements of 10 feet from all lot lines required for recreational facilities. The petitioner would provide the required screening of a height of 6 feet around the perimeter of the property. Swimming pools are not included in the calculations for lot (impervious surface) coverage.

5-A.11

6. Essential Character of the Area:

Granting a variance would seemingly not adversely affect the character of the neighborhood nor would this project bring an undesirable change to the neighborhood nor be a detriment to nearby property. The proposed pool would not impair the light and air of adjacent properties as it would be located below grade and screened from other properties. Rather, according to the petitioner, it would allow significant improvements to the property in an area that is close to an industrial area and is unique in character with properties that include storage of boats and other items.

7. No Other Remedy:

While it is true there is no other remedy to locate a swimming pool on this property as any size pool would exceed the allowable building coverage, generally, in cases of this type, petitioners are expected to prove that the variation requested is the smallest percentage necessary rather than ask for the maximum percentage allowed. In this case, petitioner stated her unwillingness to consider a smaller pool which would be another remedy to lessen the percentage needed for the variation.

V. FINDINGS AND RECOMMENDATION:

- Commissioner Naseef stated that she does not believe this is a unique physical condition. The shape, function of the lot, and existing structures are not unique. In cases with unique conditions, the Commissioners identify the positioning of the house, the angles or shape of the lot, et cetera, as unique, however this is not the case here. There is nothing different geographically.

- Commissioner Naseef stated that building coverage is more restrictive in the R-2 than the R-3, R-4 or R-5 Districts; however, that is not within the Zoning Board authority to change. Rather it is a legislative decision. Commissioner Naseef further stated that the Zoning Board needs to assume that other R-2 District properties with pools generally meet the zoning regulations. The more restrictive zoning is not necessarily a hardship.

- Commissioner Naseef stated that the Zoning Board has not determined that pools are a substantial right. In past cases, they have decided that kitchens, bathrooms, family rooms, two car garages are rights enjoyed by residents in the Village. In this case, she believes that this would be up to the Village Board to decide.

- Commissioner O'Connor stated that he is comfortable with the unique physical condition due to the industrial area directly to the south. He believes that they could look at a slightly smaller pool. He has no issues with the request other than the percentage requested.

- Commissioner Hoffenberg stated that he does not believe that a smaller pool would change anything in this case.

- Chairperson Brewin stated that she believes that the Zoning Board has consistently followed a stricter 10% variation rule; however, in this case, the pool would not add bulk to the property.

- Commissioner O'Connor stated that the Commission would not want to see them tear down their garage and have a one car garage plus the pool. That would not be a beneficial alternative.

- Commissioner O'Connor stated that the building coverage is established to regulate bulk and that the pool would not create additional bulk.

- Chairperson Brewin stated that the nature of creating zoning districts is that they can only compare properties within the same district. She believes this is a legislative decision. She thinks it is a great plan but it is not within the authority of the Zoning Board to authorize.

There being no further questions or comments from the audience or the Commissioners, a motion was made by Commissioner O'Connor and seconded by Commissioner Hoffenberg that the Zoning Board of Appeals recommend to the Village Board of Trustees approval of the applications submitted with ZBA Case #593.

Motion FAILED by a roll call vote (2/2/3).

AYE:	O'Connor and Hoffenberg.
NAY:	Naseef and Brewin.
ABSENT:	Brenson, Finder, and Pappalardo

Be it therefore resolved that the Zoning Board of Appeals Failed to recommend approval to the Village Board of Trustees of the variation from Paragraph 3-110E1, maximum building coverage of the Village of La Grange Zoning Code to allow construction of an in ground swimming pool at 850 S. 10th Avenue

Respectfully submitted:

Zoning Board of Appeals of the
Village of La Grange

BY: Ellen P. Brewin
Ellen Brewin, Chairperson

5-A.13

STAFF REPORT

CASE: ZBA #593 – Dajana Spasojevic, 850 S. 10th Avenue – Maximum Building Coverage

BACKGROUND

(Note: This Staff Report is solely based on information presented in the application and on a physical inspection of subject property and environs, and is not influenced by any other circumstance.)

The petitioner, Dajana Spasojevic, wishes to construct an in-ground swimming pool in the back yard of her property at 850 S. 10th Avenue. According to the definition of building coverage: "*the percentage of a lot's area covered, whether at grade or above grade, by any portion of a building or structure...*" An in-ground swimming pool, even though below grade, has consistently and historically been interpreted to count towards the building coverage calculations, because it is a permanent structure. According to the petitioner, construction of the swimming pool would allow improvements to the property.

Maximum Building Coverage for this lot is 25% or 3,356.25 square feet. Currently this property, including the house and detached garage covers 3,387.57square feet (25.3 %) of the lot, which is the maximum allowable by Code in the R-2 district. A large detached garage (813.6 square feet) occupies a percentage of the allotted building coverage. The proposed pool would increase building coverage to 3,897.57 square feet, an excess of 510 square feet (16 %). A building permit could not be issued for this project, because the pool would bring the house in excess of the allowable building coverage. In order to construct the pool, the petitioner seeks a variation.

With the proposed in-ground swimming pool the subject property would exceed the Maximum Building Coverage of 25% set forth in Paragraph 3-110E1 by 16%. Subparagraph 14-303E1(c) (Authorized Variations) allows the increase of the maximum allowable building coverage by no more than 20%. The requested variation falls within the authorized limits of the Zoning Code.

VARIATION STANDARDS

In considering a variation, be guided by the General Standard as outlined in our Zoning Code that "No variation shall be granted pursuant to this Section unless the applicant shall establish that carrying out the strict letter of the provisions of this Code would create a particular hardship or a practical difficulty. Such a showing shall require proof that the variation being sought satisfies each of the standards set forth in this Subsection."

Unique Physical Condition - *"The subject property is exceptional as compared to other lots subject to the same provision by reason of a unique physical condition, including presence of an existing use, structure, or sign, whether conforming or nonconforming; irregular or substandard shape or size; exceptional topographical features; or other extraordinary physical conditions peculiar to and inherent in the subject property that amount to more than a mere inconvenience to the owner and that relate to or arise out of the lot rather than the personal situation of the current owner of the lot."*

This zoning lot is typical of lots in the R-2 Single Family Residential zoning district. The lot measures 100 feet wide by 134.25 feet deep. Lots throughout most of the Village are typically an average width of 50 feet; the R-2 district is unique with 100 foot wide lots.

Not Self-Created - *"The aforesaid unique physical condition is not the result of any action or inaction of the owner or its predecessors in title and existed at the time of the enactment of the provisions from which a variation is sought or was created by natural forces or was the result of governmental action, other than the adoption of this Code, for which no compensation was paid."*

According to the petitioner, the 813.6 square feet detached garage was built prior to the Code amendments in 1997, which limited garage size to 660 square feet. Also, a large addition was building in 2004 by previous owners with the expectation that the allowable maximum building coverage would be 30% as is the requirement in most single family residential districts in the Village. The petitioner has made no modifications to the property that alter the building coverage.

Denied Substantial Rights - *"The carrying out of the strict letter of the provision from which a variation is sought would deprive the owner of the subject property of substantial rights commonly enjoyed by owners of other lots subject to the same provision."*

The petitioner believes that the inability to construct the proposed pool would deny the right to utilize the outdoor space on a lot that is larger than most properties in La Grange, without adding bulk to the lot.

Not Merely Special Privilege - *"The alleged hardship or difficulty is not merely the inability of the owner or occupant to enjoy some special privilege or additional right not available to owners or occupants of other lots subject to the same provision, nor merely an inability to make more money from the use of the subject property; provided, however, that where the standards herein set out exist, the existence of an economic hardship shall not be a prerequisite to the grant of an authorized variation."*

According to the petitioner, the proposed pool is an average size, fiberglass in-ground pool that would be permitted in other zoning districts in the Village on this size lot.

Code and Plan Purposes - *"The variation would not result in a use or development of the subject property that would be not in harmony with the general and specific purposes for which this Code and the provision from which a variation is sought were enacted or the general purpose and intent of the Official Comprehensive Plan."*

The purpose of the building coverage standard in the Zoning Code is to control "bulk." The petitioner believes that the proposed in-ground pool would be consistent with the context of the area and not affect the appearance of bulk on the property. There is adequate space on the property to

5-A.15

comply with the minimum setback requirements of 10 feet from all lot lines required for recreational facilities. The petitioner would provide the required screening of a height of 6 feet around the perimeter of the property. Swimming pools are not included in the calculations for lot (impervious surface) coverage.

Essential Character of the Area - *"The variation would not result in a use or development on the subject property that:*

a. Would be materially detrimental to the public welfare or materially injurious to the enjoyment, use, development, or value of property or improvements permitted in the vicinity; or

b. Would materially impair an adequate supply of light and air to the properties and improvements in the vicinity; or

c. Would substantially increase congestion in the public streets due to traffic or parking; or

d. Would unduly increase the danger of flood or fire; or

e. Would unduly tax public utilities and facilitates in the area; or

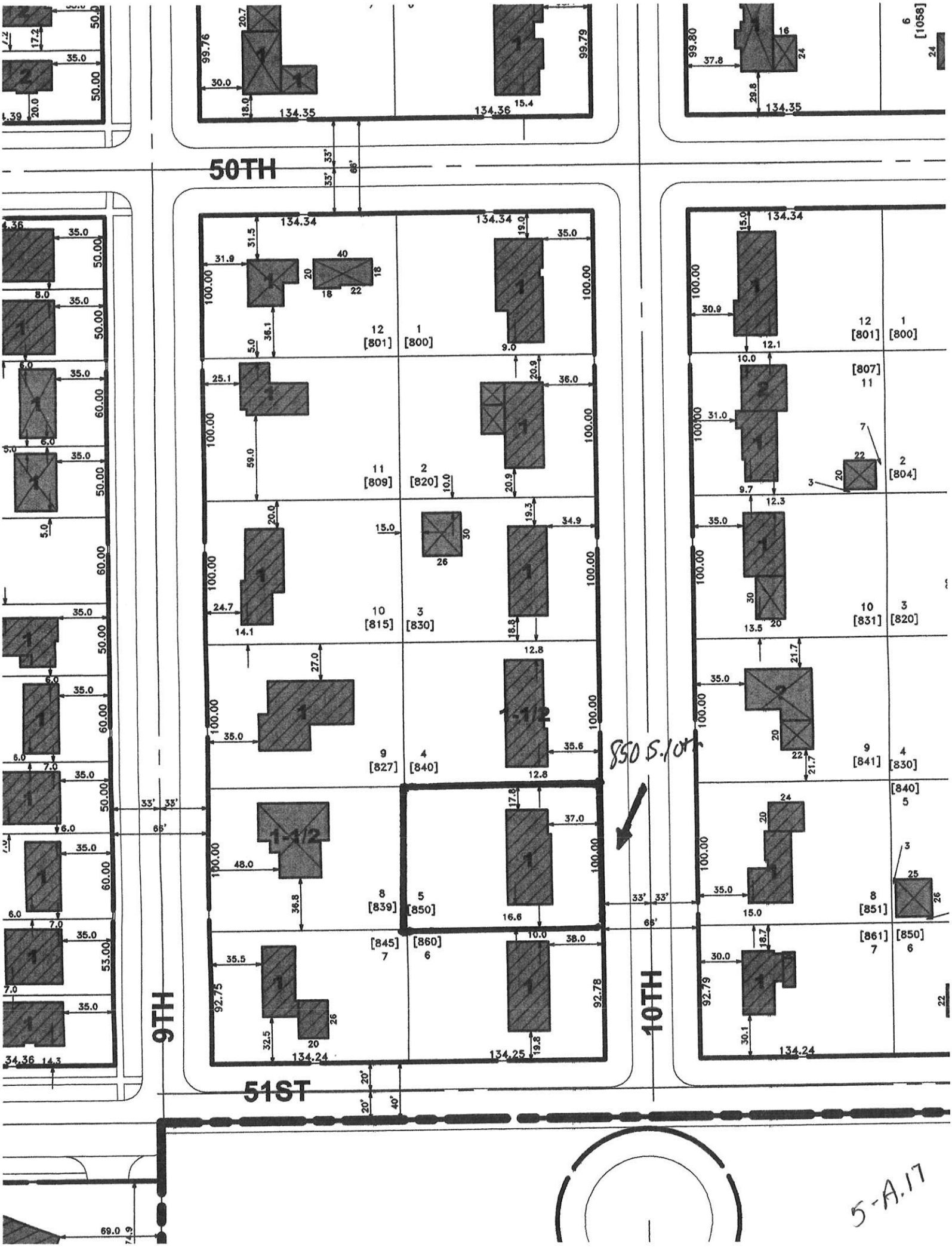
f. Would endanger the public health or safety."

Granting a variance would seemingly not adversely affect the character of the neighborhood nor would this project bring an undesirable change to the neighborhood nor be a detriment to nearby property. The proposed pool would not impair the light and air of adjacent properties as it would be located below grade and screened from other properties. Rather, according to the petitioner, it would allow significant improvements to the property.

No Other Remedy - *"There is no means other than the requested variation by which the alleged hardship or difficulty can be avoided or remedied to a degree sufficient to permit a reasonable use of the subject property."*

There is no other remedy to locate a swimming pool on this property as any size pool would exceed the allowable building coverage; and above ground pools would also be included in building coverage.

5-A.16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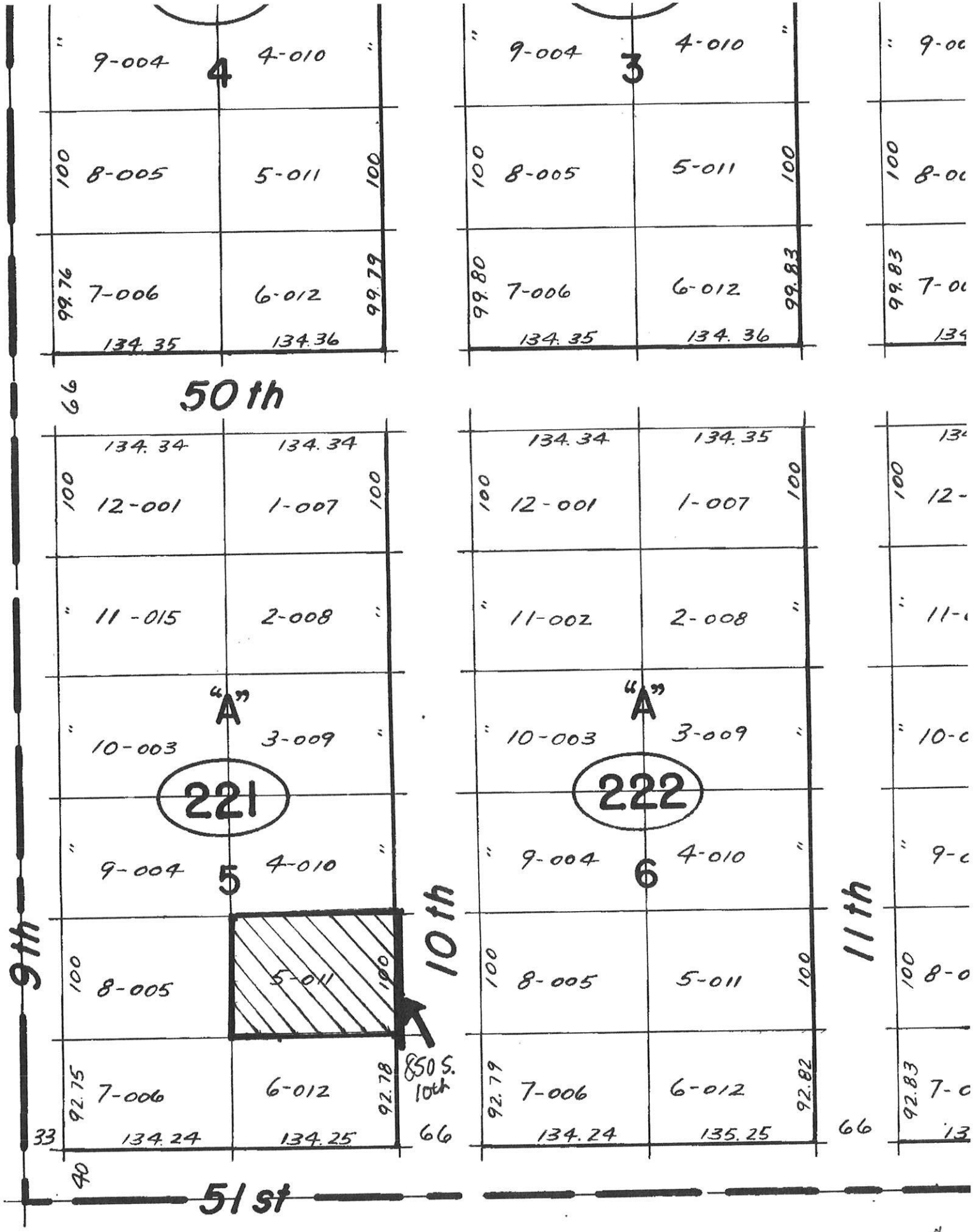
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5-A.18

APPLICATION FOR ZONING VARIATION

Application # 59
Date Filed: 4/2
UARCO #
93414

TO THE PRESIDENT AND BOARD OF TRUSTEES
VILLAGE OF LA GRANGE, ILLINOIS

(please type or print)
Application is hereby made by

Address: 850 S. 10th Ave., La Grange Phone: 708-539-5544
Owner of property located at: DAJANA SPASOJEVIC

Permanent Real Estate Index No: 18-09-221-011

Present Zoning Classification: R2 Present Use: Single Family

Ordinance Provision for Variation from Article # 3-110E1 of Zoning Ordinance, to wit:

Maximum building coverage of 25%.

A. Minimum Variation of Zoning requirement necessary to permit the proposed use, construction, or development:

B. The purpose therefor,

To install inground swimming pool

C. The specific feature(s) of the proposed use, construction, or development that require a variation:

The size of this pool is 15 x 34 (fiberglass)

5-A.19

PLAT OF SURVEY must be submitted with application. The plat should show any existing buildings on the petitioned property as well as any existing buildings on property immediately adjacent. It should also show any proposed new construction in connection with the variation, including landscaping, fencing, etc.

A visual proposal depicting the final plan, including but not limited to detailed renderings and/or plans of what is intended to be built.

1. General Standard. The Petitioner must list below **FACTS AND REASONS** substantially supporting **each** of the following conclusions or the petition for variation cannot be granted. (if necessary, use additional page)

a. State **practical difficulty** or **particular hardship** created for you in carrying out the strict letter of the zoning regulations, to wit:

This district R 2 allowes 25% maximum building coverage and swimming pool is calculated towards that percentage

b. A reasonable return or use of your property is not possible under the existing regulations, because:

This property was built (improved) in high qoulity and had a value of $1,230,000 in 2006 (sold). Next 2 sales were Auction sales for outstanding loan amounts of 416 & 494K, which set the pattern and decreased the value. This improvement will get it closer to the reasonable value

c. Your situation is unique (not applicable to other properties within that zoning district or area) in the following respect(s):

- The existing garage is larger than usual

2. Unique Physical Condition. The subject property is exceptional as compared to other lots subject to the same provision by reason of a unique physical condition, including presence of an existing use, structure, or sign, whether conforming or nonconforming; irregular or substandard shape or size; exceptional topographical features; or other extraordinary physical conditions peculiar to and inherent in the subject property that amount to more than a mere inconvenience to the owner and that relate to or arise out of the lot rather than the personal situation of the current owner of the lot.

Lots in this area are larger then in other districts; If it were in other area, it would be considered a double lot

5-A.20

3. Not Self-Created. The aforesaid unique physical condition is not the result of any action or inaction of the owner or its predecessors in title and existed at the time of the enactment of the provisions from which a variation is sought or was created by natural forces or was the result of governmental action, other than the adoption of this Code, for which no compensation was paid

The garage was built prior to code amendments in 1997. Large addition was built in 2004 which brought building coverage to maximum 25%. by previous owner.

4. Denied Substantial Rights. The carrying out of the strict letter of the provision from which a variation is sought would deprive the owner of the subject property of substantial rights commonly enjoyed by owners of other lots subject to the same provision.

Even there is enough space for the pool, which would meet all necessary criteria, I am not able to build it because of the district code. If it wasn't for location, It would be possible because of 30% allowed in all other districts.

5. Not Merely Special Privilege. The alleged hardship or difficulty is not merely inability of the owner or occupant to enjoy some special privilege or additional right not available to owners or occupants of other lots subject to the same provision, nor merely an inability to make more money from the use of the subject property; provided, however, that where the standards herein set out exist, the existence of an economic hardship shall not be a prerequisite to the grant of an authorized variation.

This is the normal size, fiberglass pool that I would be able to put in as anyone else in the neighborhood if the large addition built by the previous owner did not cover maximum 25% allowed. Also, there are couple of houses with pools in the neighborhood.

6. Code and Plan Purposes. The variation would not result in a use or development of the subject property that would be not in harmony with the general and specific purposes for which this Code and the provision from which a variation is sought were enacted or the general purpose and intent of the Official Comprehensive Plan.

The purpose of the building code is to control bulk and swimming pool does not add to it. The swimming pool location as proposed would comply with required setbacks and allowable lot coverage.

5-A.21

7. Essential Character of the Area. The variation would not result in a use or development on the subject property that:

(a) Would be materially detrimental to the public welfare or materially injurious to the enjoyment, use, development, or value of property or improvements permitted in the vicinity; or

(b) Would materially impair an adequate supply of light and air to the properties and improvements in the vicinity; or

(c) Would substantially increase congestion in the public streets due to traffic or parking; or

(d) Would unduly increase the danger of flood or fire; or

(e) Would unduly tax public utilities and facilities in the area; or

(f) Would endanger the public health or safety.

This would not adversly effect daracter of the neighborhood and would comply with all public and safety standards.

8. No Other Remedy. There is no means other than the requested variation by which the alleged hardship or difficulty can be avoided or remedied to a degree sufficient to permit a reasonable use of the subject property.

Smaller pool would still exceed building coverage and above ground also counts towards it.***

NOTICE: This application must be filed with the office of the Community Development Director, accompanied by necessary data called for above and the required filing fee of Five Hundred Dollars ($500.00).

The applicant must submit seventeen (17) 11 x 17 or 8 ½ x 11 copies of any drawings, plats of survey, etc., required for this application a minimum of thirty days in advance of the public hearing date.

If possible, please submit electronic copies of plans.

The above minimum fee shall be payable at the time of the filing of such request. It is also understood that the applicant shall reimburse the Village any additional costs over and above these minimums, which are incurred by the Village, including but not limited to the following:

(a) Legal Publication (direct cost);

(b) Recording Secretarial Services (direct cost);

(c) Court Reporter (direct cost);

(d) Administrative Review and Preparation (hourly salary times a multiplier sufficient to recover 100 percent of the direct and indirect cost of such service);

(e) Document Preparation and Review (hourly salary times a multiplier sufficient to recover 100 percent of the direct and indirect cost of such service);

(f) Professional and Technical Consultant Services (direct cost);

(g) Legal Review, Consultation, and Advice (direct cost);

(h) Copy Reproduction (direct cost); and

(i) Document Recordation (direct cost); and

(j) Postage Costs (direct cost).

Such additional costs shall be paid by the applicant prior to the Board of Trustees making a decision regarding the request.

I, the undersigned, do hereby certify that I am the owner, or contract purchaser **(Evidence of title or other interest you have in the subject property, date of acquisition of such interest, and the specific nature of such interest must be submitted with application.)** and do hereby certify that the above statements are true and correct to the best of my knowledge.

(Signature of Owner or Contract Purchaser) (Address)

Dayan Sparajevic 850 S. 10th Ave.

(City) (State) (Zip Code)

La Grange IL 60525

Subscribed and sworn to before me this 21st day of June, 2012.

(Notary Public) (Seal)

OFFICIAL SEAL
SYLVIA GONZALEZ
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES [illegible]

Enclosures:

5-A.23

(FOR VILLAGE USE ONLY)

1. Filed with Office of the Community Development Director: 6.21, 20 12.
2. Transmitted to Zoning Board of Appeals at their meeting held: 7.19.12
3. Continuation (if any):
4. Notice of hearing published in: Sub Life on: 6.27.12
5. Findings and Recommendation of Zoning Board of Appeals referred to Village Board at Meeting of:
6. Final Action of Village Board for adoption of amending ordinances or denial of applicant's request at meeting held:
7. Payment of expenses satisfied:

Conditions Imposed:

5-A,24

850 S. 10Th

PLAT OF SURVEY

Studnicka and Associates, Ltd.

NORTH

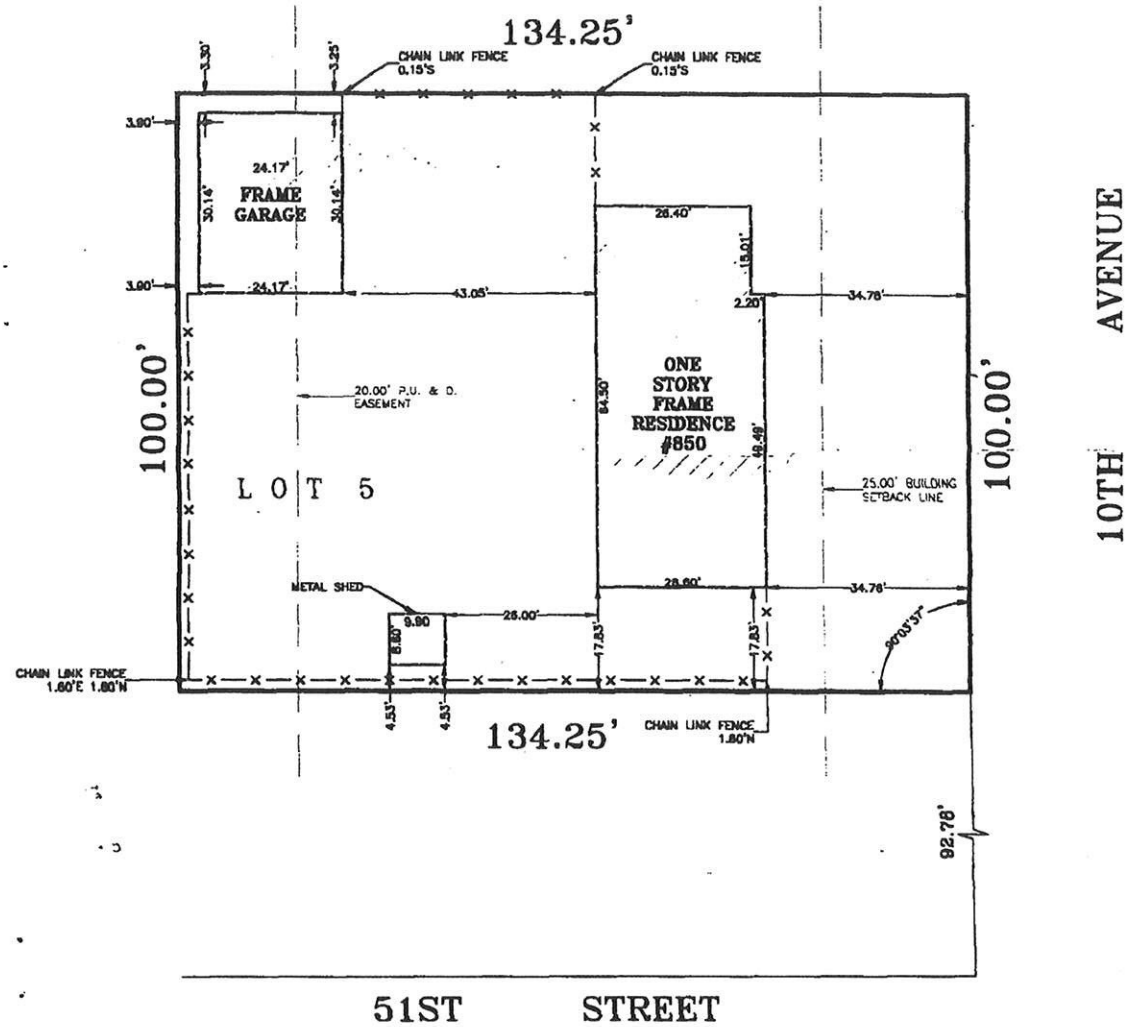
Residential
Commercial
ALTA

Topographical
Condominium
Site Plans

Tel. 815 485-0445
Fax 815 485-0528

2025 Jackson Branch Dr.
New Lenox, Illinois 60451

LOT 5 IN BLOCK 5 IN LEITCHMOOR SUBDIVISION OF THE SOUTH 1/2 OF THE EAST 1/2 OF THE NORTHEAST 1/4 OF SECTION 9, TOWNSHIP 38 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.



Scale: 1" = 20 feet
Distances are marked in feet and decimals.
Ordered by: Martin Ptasinski
Order No.: 4-7-248
Compare all points before building by same and at once report any difference.
For building lines, restrictions, or easements not shown hereon, refer to abstract, deed or ordinance.
Field work completed : July 30, 2004
Design Firm Registration # 184-003791

STATE OF ILLINOIS
THOMAS C STUDNICKA NO 3304 NEW LENOX
PROFESSIONAL LAND SURVEYOR

STATE OF ILLINOIS } ss
COUNTY OF WILL

Studnicka and Associates, Ltd., an Illinois Land Surveying Corporation does hereby certify that this professional service conforms to the current Illinois standards for a boundary survey.

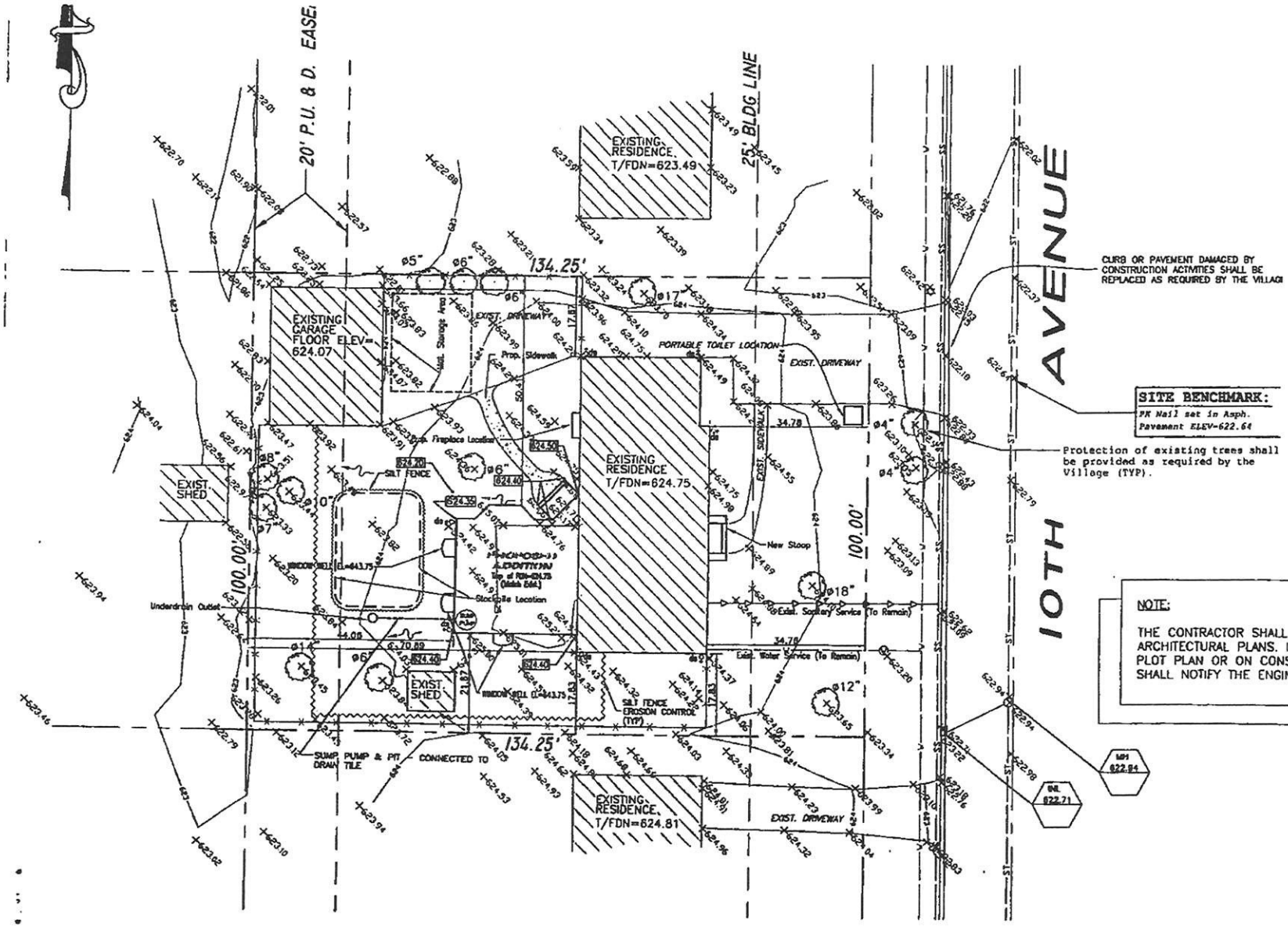
New Lenox, IL. August 3, A.D. 2004
by _____
License No. 3304 Expires 11/30/04

5-A.25

7/13/90 # 34854 4' Cyclone Fence
9/18/91 # 37500 T/o Reroof
6/28/93 # 43000 Concrete Drive $1,000 Phy Bond
9/14/93 # 43627 Convert Garage to Living Area
11/24/04 # 77088 Addn + Remodel -04.023350
5/23/05 #78983 Renew Permit # 77088
6/29/12 # 93491 Sanding floor

5-A.26

5-A.27



NOTE:

THE CONTRACTOR SHALL VERIFY BUILDING DIMENSIONS WITH ARCHITECTURAL PLANS. IF ANY DISCREPANCY IS NOTED ON THE PLOT PLAN OR ON CONSTRUCTION LAYOUT, THE CONTRACTOR SHALL NOTIFY THE ENGINEER TO RESOLVE THE DIFFERENCES.

SITE TOPOGRAPHY

SURVEY BY:

Tom Studnicka
ILLINOIS LAND SURVEYOR
2025 Jackson Branch Dr.
New Lenox, IL. 60451
Tel. 815-485-0445

Revisions:

Petitioner Exhibit -
Review of Addition in 2004,
Village Engineer applied wrong
building coverage percentage
*

3. The proposed development project is specified to result in completed building structure sizes that compare to the building lot coverage requirements as indicated in the following table.

BUILDING DATA TABLE		Lot Width:	100.00	Lot Depth:	134.25	Lot Area:	13,425.00
Zone Class:	R-2	Existing		Proposed		Max. Allowed	
Primary Structure Area		1,811.68		2,573.95		n/a	
Accessory Structure Area		813.62		813.62		n/a	
Total Building Area		2,625.30		3,387.57		4,027.50	
Percent Coverage		19.56%		25.23%		30.00%	*

4. In addition to the new building area, we note that modifications to the pavement surface area will change the extent of impervious surface coverage. The plans indicate that driveway, walkway, and patio pavement surfaces can be expected to have surface areas as summarized in the following table.

SURFACE AREA TABLE		Lot Width:	100.00	Lot Depth:	134.25	Lot Area:	13,425.00
Zone Class:	R-2	Existing		Proposed		Net Change	
Primary Structure Area		1,811.68		2,573.95		762.27	
Accessory Structure Area		813.62		813.62		0.00	
Driveway Area		1,855.71		1,855.71		0.00	
Patio/Deck Area		496.66		0.00		(496.66)	
Walkway Area		255.69		253.73		(1.96)	
Total Impervious Area		5,233.36		5,497.01		263.65	
Percent Impervious		38.98%		40.95%		1.96%	

As indicated in the preceding table, the plans suggest that the final development will cover about 41% of the property with impervious pavement and building area. The intensity of development represented by this value is noted to be within the range typically associated with an R2 zoning district.

1. Survey elevations and a site benchmark are clearly delineated on the plan set.

2. The topographic data provided indicates that the site is graded to drain either east toward 10th Avenue or west into neighboring properties. This grading condition will not be altered by the proposed building addition project. The proposed construction is expected to increase impervious area by about 2%. The landscaped

5-A.28

Village of La Grange

VILLAGE BOARD MEETING

MONDAY, SEPTEMBER 10, 2012

7:30 p.m.

BOOK 2 of 2

Village Hall Auditorium

53 South La Grange Road

La Grange, IL 60525

Elizabeth M. Asperger
Village President

Thomas Morsch
Village Clerk

53 South La Grange Road P.O. Box 668 La Grange, Illinois 60525 (708) 579-2300 Fax (708) 579-0980

VILLAGE OF LA GRANGE
Finance Department

BOARD REPORT

TO: Village President, Village Clerk, Board of Trustees and Village Attorney

FROM: Bob Pilipiszyn, Village Manager,
Lou Cipparrone, Finance Director

DATE: September 6, 2012

RE: **ORDINANCE — ISSUANCE OF $2.2 MILLION GENERAL OBLIGATION ALTERNATE REVENUE BONDS FOR WATER SYSTEM IMPROVEMENTS**

The FY 2012-13 Water Fund budget includes the implementation of a water meter replacement program to address the ongoing water accountability issue and for infrastructure and technological improvements at the East Avenue water pumping station. The operating budget also reflects the issuance of a general obligation, alternate revenue bond to fund these two projects. The scope, details and funding for the projects were discussed by the Village Board at two workshops held on February 27 and April 2, 2012.

In order to proceed with the issuance of the proposed bonds, the Village Board approved the engagement of Kane, McKenna, Capital, Inc. as financial advisors and Chapman and Cutler LLP as bond counsel at the April 23, 2012 Village Board meeting. In addition, the Village Board approved a 5 percent increase in water rates at the April 23, 2012 meeting to provide funding for the annual principal and interest payments for the bond issue.

At the May 14, 2012 Village board meeting, the Village Board adopted the authorizing ordinance for the issuance of water revenue bonds, or in lieu thereof, general obligation alternate revenue bonds. The authorizing ordinance along with a notice of intent to issue bonds was published in a local newspaper on May 23, 2012.

Pursuant to state statutes, the proposed bond issue is subject to a modified-form of public referendum to be pursued by taxpayers, which is called a "backdoor referendum." The publication of the authorizing ordinance began a 30-day petition period for the backdoor referendum, which expired on June 22, 2012. The Village Clerk did not receive a petition(s) with the required number of signatures; therefore, the Village was not required to submit the question of the issuance of bonds for voter approval at the next scheduled general election.

5-B

In accordance with the Bond Issue Notification Act of the State of Illinois, the Village of La Grange held a public hearing on July 9, 2012 to receive public comment regarding the intent of the Village Board of Trustees to sell general obligation, alternate revenue bonds, in an amount not to exceed $2.2 million for the water system improvements. No oral or written comments were received at the public hearing.

In preparation for the issuance of the $2.2 million Alternate Revenue Water Bonds, Series 2012A and the previously issued $6.35 million General Obligation Library Refunding Bonds, Series 2012B, the Village requested a meeting with Moody's Investors Services in order to obtain a current bond rating for these issues. The Village President, staff and the Village's financial consultants met with Moody's to discuss financial operations, economic development initiatives, management and current/future debt.

As a result of this meeting and further analysis by Moody's, we are pleased to report that Moody's assigned a Aa2 rating to the Village of La Grange and a stable credit outlook was issued for the Alternate Revenue Water Bonds, Series 2012A. This bond rating recognizes strong financial conditions despite modest operating deficits in recent years characterized by healthy reserve levels, manageable debt burden with limited future borrowing plans. Moody's also notes that despite a substantial decline in assessed valuation in 2012, reflected by the triennial reassessment, the Village's tax base is expected to remain stable over the long-term due to its affluent tax base and proximately to Chicago.

Kane, McKenna prepared and distributed the Preliminary Official Statement, Notice of Sale and Preliminary Feasibility Report to financial institutions, underwriters, investors and local banks. Notification of the competitive bond issue sale and key information were also published in an industry newspaper and websites.

Bids from the financial institutions will be received as part of an electronic on-line auction held at 10:00-10:15 am on Monday, September 10, 2012. The necessary information will be forwarded to the Village's bond counsel, Chapman & Cutler, LLP, who will prepare the final ordinance to issue bonds based on the low bid received. By adopting the final ordinance to issue bonds, the Village Board will accept the low bid as submitted as part of the ordinance. The entire process must take place during the course of Monday, September 10, 2012, as the interest rates stated in the bids received are only valid for a one-day period.

Attached for your review is a draft ordinance for the alternate revenue water bond issue as prepared by bond counsel, and copies of the Preliminary Official Statement and Preliminary Feasibility Report. The Preliminary Official Statement provides prospective buyers with key financial information regarding the bond issue and the Village. As required by the Local Debt Reform Act, the Preliminary Feasibility Report was prepared to demonstrate that sufficient revenues are projected to be available to support water operations, maintenance expenses and no less than 1.25 debt service coverage.

5-B.1

The Village's financial advisor, Phil McKenna, from Kane McKenna Capital, Inc., will be in attendance at the September 10, 2012 Village Board meeting to make a full presentation regarding the issuance of the alternate revenue water bonds, bids received, terms and conditions, and to answer any questions or concerns.

The Village has the authority to issue up to $10 million of bank qualified, tax exempt bonds within a calendar year. As such, the issuance of the $6.2 million Library refunding bonds did not cause any conflicts with the timing and issuance of the $2.2 million alternate revenue bonds for the water system improvements

We recommend that the Village Board adopt the ordinance authorizing the issuance of $2,200,000 General Obligation, Alternate Revenue Water Bonds, Series 2012A.

Filename:users/finance/water meter repl bonds.auth.ord.brd.doc

5-B.2

ORDINANCE NO. _____

AN ORDINANCE authorizing and providing for the issue of $2,200,000 General Obligation Bonds (Waterworks System Alternate Revenue Source), Series 2012, of the Village of La Grange, Cook County, Illinois, for the purpose of improving the existing waterworks system of said Village, prescribing all the details of said bonds, and providing for the collection, segregation and distribution of the revenues of the waterworks system of said Village.

* * *

WHEREAS, the Village of La Grange, Cook County, Illinois (the *"Village"*), is a duly organized and existing municipality created under the provisions of the laws of the State of Illinois, is now operating under the provisions of the Illinois Municipal Code, as supplemented and amended (the *"Municipal Code"*), and for many years past has owned and operated a waterworks system (the *"System"*) in accordance with the provisions of Division 129 of Article 11 of the Municipal Code; and

WHEREAS, the President and Board of Trustees of the Village (the *"Corporate Authorities"*) has determined that it is advisable, necessary and in the best interests of the public health, safety and welfare to improve the System, including a water meters replacement project and improvements to the East Avenue pumping station (the *"Project"*), all in accordance with the estimate of costs therefor, which have been prepared for the Village, and which have been approved by the Corporate Authorities and are now on file in the office of the Village Clerk of the Village (the *"Village Clerk"*) for public inspection; and

WHEREAS, the estimated costs of constructing and installing the Project, including engineering, legal, financial, bond discount, printing and publication costs and other expenses do not exceed $2,200,000, and there are insufficient funds on hand and lawfully available to pay such costs; and

WHEREAS, it is necessary and for the best interests of the Village that the Project be constructed and installed; and

5-B.3

WHEREAS, pursuant to and in accordance with the provisions of the Municipal Code, the Village is authorized to issue its waterworks revenue bonds for the purpose of providing funds to pay the costs of the Project; and

WHEREAS, as provided in Section 15 of the Local Government Debt Reform Act of the State of Illinois, as supplemented and amended (the *"Act"*), whenever revenue bonds have been authorized to be issued pursuant to the Municipal Code, the Village may issue its general obligation bonds in lieu of such revenue bonds as authorized, and such general obligation bonds may be referred to as *"alternate bonds"*; and

WHEREAS, for the purpose of providing funds to pay the costs of the Project and in accordance with the provisions of the Act, the Corporate Authorities, on the 14th day of May, 2012, adopted Ordinance No. 0-12-18 (the *"Authorizing Ordinance"*), authorizing the issuance of Waterworks Revenue Bonds (the *"Revenue Bonds"*), as provided in the Municipal Code, in an amount of $2,200,000 or in lieu thereof, authorizing the issuance of General Obligation Bonds (Alternate Revenue Source) (the *"Alternate Bonds"*), as provided in the Act, in an aggregate principal amount of $2,200,000; and

WHEREAS, on the 23rd day of May, 2012, the Authorizing Ordinance, together with a separate notice in statutory form, was published in the *Suburban Life,* the same being a newspaper of general circulation in the Village, and an affidavit evidencing the publication of the Authorizing Ordinance and said notice have heretofore been presented to the Corporate Authorities and made a part of the permanent records of the Village; and

WHEREAS, more than thirty (30) days have expired since the date of publication of the Authorizing Ordinance and said notice, and no petitions with the requisite number of valid signatures thereon have been filed with the Village Clerk requesting that the question of the issuance of the Revenue Bonds or the Alternate Bonds be submitted to referendum; and

5-B.4

WHEREAS, the Project constitutes a lawful corporate purpose within the meaning of the Act; and

WHEREAS, the Corporate Authorities are now authorized to issue the Revenue Bonds to the amount of $2,200,000, or, in lieu thereof, the Alternate Bonds to the amount of $2,200,000 in accordance with the provisions of the Act, and the Corporate Authorities hereby determine that it is necessary and desirable that there be issued at this time $2,200,000 of the Alternate Bonds so authorized; and

WHEREAS, the Alternate Bonds to be issued will be payable from the Pledged Revenues and the Pledged Taxes, both as hereinafter defined; and

WHEREAS, the Corporate Authorities have heretofore and it is hereby determined that the Revenues (as hereinafter defined) will be sufficient to provide or pay in each year to final maturity of the Alternate Bonds all of the following: (1) Operation and Maintenance Expenses as hereinafter defined, but not including depreciation, (2) debt service on all outstanding revenue bonds, if any, payable from the Revenues, (3) all amounts required to meet any fund or account requirements with respect to such outstanding revenue bonds, (4) other contractual or tort liability obligations, if any, payable from the Revenues, and (5) in each year, an amount not less than 1.25 times debt service of the Alternate Bonds proposed to be issued, there being no alternate bonds previously issued payable from the Pledged Revenues; and

WHEREAS, such determination of the sufficiency of the Pledged Revenues is supported by reference to a report (the *"Feasibility Report"*) of Kane, McKenna Capital, Inc., Chicago, Illinois (the *"Financial Consultant"*), which Feasibility Report has been presented to and accepted by the Corporate Authorities and is now on file with the Village Clerk; and

WHEREAS, pursuant to and in accordance with the provisions of the Bond Issue Notification Act of the State of Illinois, as amended, the President of the Village (the

5-B-5

"President"), on the ___ day of May, 2012, called a public hearing (the *"Hearing"*) for the 9th day of July, 2012, concerning the intent of the Corporate Authorities to sell $2,200,000 of the Alternate Bonds; and

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

WHEREAS, the Hearing was held on the 9th day of July, 2012, and at the Hearing, the Corporate Authorities explained the reasons for the proposed bond issue and permitted persons desiring to be heard an opportunity to present written or oral testimony within reasonable time limits; and

WHEREAS, the Hearing was finally adjourned on the 9th day of July, 2012, and not less than seven (7) days have passed since the final adjournment of the Hearing:

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

Section 1. Definitions. The following words and terms used in this Ordinance shall have the following meanings unless the context or use clearly indicates another or different meaning is intended:

"Act" means the Local Government Debt Reform Act of the State of Illinois, as supplemented and amended.

"Additional Bonds" means any alternate bonds issued in the future in accordance with the provisions of the Act on a parity with and sharing ratably and equally in the Pledged Revenues with the Bonds.

"Alternate Bond and Interest Subaccount" means the Alternate Bond and Interest Subaccount established hereunder and further described in Section 12 of this Ordinance.

5-B.6

"Bond" or *"Bonds"* means one or more, as applicable, of the $2,200,000 General Obligation Bonds (Waterworks System Alternate Revenue Source), Series 2012, authorized to be issued by this Ordinance.

"Bond Fund" means the 2012 Alternate Bond Fund established hereunder and further described in Section 16 of this Ordinance.

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

"Bond Registrar" means Amalgamated Bank of Chicago, Chicago, Illinois, or any successor thereto or designated hereunder, in its capacity as bond registrar hereunder.

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

"Corporate Authorities" means the President and Board of Trustees of the Village.

"County Clerk" means the County Clerk of The County of Cook, Illinois.

"Expense Fund" means the fund established hereunder and further described in Section 23 of this Ordinance.

"Fiscal Year" means a twelve-month period beginning May 1 of the calendar year and ending on the next April 30.

"Future Bond Ordinances" means the ordinances of the Village authorizing the issuance of bonds payable from the Revenues, but not including this Ordinance or any other ordinance authorizing the issuance of Additional Bonds.

"Municipal Code" means the Illinois Municipal Code, as supplemented and amended.

"Operation and Maintenance Expenses" means all expenses of operating, maintaining and routine repair of the System, including wages, salaries, costs of materials and supplies, power, fuel, insurance, purchase of water (including all payments by the Village pursuant to long-term contracts for such purchase) and all reasonable administrative fees and expenses; but

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excluding debt service, depreciation, or any reserve requirements and any costs of extending or enlarging the System or engineering expenses in anticipation thereof or in connection therewith; and otherwise determined in accordance with generally accepted accounting principles for municipal enterprise funds.

"Ordinance" means this Ordinance as originally adopted and as the same may from time to time be amended or supplemented.

"Outstanding" when used with reference to the Bonds and Additional Bonds means such of those bonds which are outstanding and unpaid; *provided, however,* such term shall not include any of the Bonds or Additional Bonds (i) which have matured and for which moneys are on deposit with proper paying agents, or are otherwise properly available, sufficient to pay all principal and interest thereof, or (ii) the provision for payment of which has been made by the Village by the deposit in an irrevocable trust or escrow of funds or direct, full faith and credit obligations of the United States of America or obligations guaranteed by the United States Government, the principal and interest of which will be sufficient to pay at maturity or as called for redemption all the principal of and interest and applicable premium on such Bonds or Additional Bonds.

"Outstanding Bonds" means Bonds and Additional Bonds which are outstanding and unpaid; *provided, however,* such term shall not include Bonds or Additional Bonds (i) which have matured and for which moneys are on deposit with proper paying agents, or are otherwise properly available, sufficient to pay all principal and interest thereof, or (ii) the provision for payment of which has been made by the Village by the deposit in an irrevocable trust or escrow of funds or direct, full faith and credit obligations of the United States of America or obligations guaranteed by the United States Government, the principal and interest of which will be sufficient to pay at maturity or as called for redemption all the principal of and interest and applicable premium on such Bonds or Additional Bonds.

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"Paying Agent" means Amalgamated Bank of Chicago, Chicago, Illinois, or any successor thereto or designated hereunder, in its capacity as paying agent hereunder.

"Pledged Moneys" means, collectively, Pledged Revenues and Pledged Taxes as both are defined herein.

"Pledged Revenues" means moneys to the credit of the Alternate Bond and Interest Subaccount within the Surplus Account of the Waterworks Fund, said Surplus Account consisting of the funds remaining in the Waterworks Fund after the required monthly deposits and credits have been made to the Operation and Maintenance Account, the Depreciation Account and any other accounts as may be created in the future, of said Waterworks Fund.

"Pledged Taxes" means the ad valorem taxes levied against all of the taxable property in the Village without limitation as to rate or amount, pledged hereunder by the Village as security for the Bonds.

"President" means the President of the Village.

"Project" means the construction, additions and improvements to the System set forth in detail in the preambles to this Ordinance.

"Project Fund" means the Waterworks Project Fund established hereunder and further described in Section 23 of this Ordinance.

"Purchaser" means _____.

"Revenues" means all income from whatever source derived from the System, including (i) investment income; (ii) connection, permit and inspection fees and the like; (iii) penalties and delinquency charges; (iv) capital development, reimbursement, or recovery charges and the like; and (v) annexation or pre-annexation charges insofar as designated by the Corporate Authorities as paid for System connection or service; but excluding expressly (a) non-recurring income from the sale of property of the System; (b) governmental or other grants; and (c) advances or grants

5-B.9

made from the Village; and as otherwise determined in accordance with generally accepted accounting principles for municipal enterprise funds.

"System" refers to all property, real, personal or otherwise owned or to be owned by the Village or under the control of the Village, and used for waterworks purposes, including the construction, additions and improvements constituting a part of the Project and any and all further extensions, improvements and additions to the System.

"Tax-exempt" means, with respect to the Bonds, the status of interest paid and received thereon as excludable from 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.

"Treasurer" means the Treasurer of the Village.

"Village" means the Village of La Grange, Cook County, Illinois.

"Village Clerk" means the Village Clerk of the Village.

"Waterworks Fund" or *"Fund"* means the Waterworks Fund of the Village created and established in Section 11 of this Ordinance.

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

Section 3. Determination to Issue Bonds. It is necessary and in the best interests of the Village to construct the Project for the public health, safety and welfare, in accordance with the estimate of costs, as described, and that the System continue to be operated as a waterworks system, all in accordance with the provisions of the Municipal Code and the Act.

Section 4. Determination of Useful Life; Acceptance of Feasibility Report. The Corporate Authorities do hereby determine the period of usefulness of the System to be not less than 25 years from the date hereof. The Feasibility Report is hereby accepted and approved by

5-B.10

the Corporate Authorities, and it is hereby found and determined that the Financial Consultant is a feasibility analyst having a national reputation for expertise in such matters as the Feasibility Report.

Section 5. *Bond Details.* There be borrowed on the credit of and for and on behalf of the Village the sum of $2,200,000 for the purpose aforesaid; and that the Bonds shall be issued in said amount and shall be designated "General Obligation Bond (Waterworks System Alternate Revenue Source), Series 2012." The Bonds shall be dated the date of the issuance thereof, and shall also bear the date of authentication, shall be in fully registered form, shall be in denominations of $5,000 each or authorized integral multiples thereof (but no single Bond shall represent installments of principal maturing on more than one date), and shall be numbered 1 and upward. The Bonds shall become due and payable serially (subject to prior redemption as hereinafter described) on December 1 of each of the years, in the amounts and bearing interest at the rates per annum as follows:

2013	$	%
2014		%
2015		%
2016		%
2017		%
2018		%
2019		%
2020		%
2021		%
2022		%
2023		%
2024		%
2025		%
2026		%
2027		%
2028		%
2029		%
2030		%
2031		%
2032		%

5-B.11

The Bonds shall bear interest from their date or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of the Bonds is paid, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable on June 1 and December 1 of each year, commencing on June 1, 2013. Interest on each Bond shall be paid by check or draft of the Paying Agent, payable upon presentation in lawful money of the United States of America, to the person in whose name such Bond is registered at the close of business on the 15th day of the month next preceding the interest payment date. The principal of (and premium, if any, on) the Bonds shall be payable in lawful money of the United States of America upon presentation thereof at the principal corporate trust office of the Paying Agent in Chicago, Illinois, or at a successor Paying Agent and address.

The Bonds shall be signed by the manual or facsimile signature of the President, and shall be attested by the manual or facsimile signature of the Village Clerk, and the corporate seal of the Village shall be affixed thereto or printed thereon, and in case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

All Bonds shall have thereon a certificate of authentication substantially in the form hereinafter set forth duly executed by the Bond Registrar as authenticating agent of the Village for this issue and showing the date of authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until such certificate of authentication shall have been duly executed by the Bond Registrar by manual signature, and such certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Ordinance. The certificate of authentication on any Bond shall be deemed to have been executed by the Bond

5-B.12

Registrar if signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

Section 6. Registration of Bonds; Persons Treated as Owners. (a) *General.* The Village shall cause books for the registration and for the transfer of the Bonds as provided in this Ordinance to be kept at the principal corporate trust office of the Bond Registrar, which is hereby constituted and appointed the registrar of the Village for this issue. The Village is authorized to prepare, and the Bond Registrar shall keep custody of, multiple Bond blanks executed by the Village for use in the transfer and exchange of Bonds.

Upon surrender for transfer of any Bond at the principal corporate trust office of the Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Registrar and duly executed by the registered owner or his attorney duly authorized in writing, the Village shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of the same maturity of authorized denominations, for a like aggregate principal amount. Any fully registered Bond or Bonds may be exchanged at said office of the Bond Registrar for a like aggregate principal amount of Bond or Bonds of the same maturity of other authorized denominations. The execution by the Village of any fully registered Bond shall constitute full and due authorization of such Bond and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond; *provided, however,* the principal amount of outstanding Bonds of each maturity authenticated by the Bond Registrar shall not exceed the authorized principal amount of Bonds for such maturity less previous retirements.

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

5-B.13

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

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on any Bond shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Bonds, but the Village or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds, except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a Bond surrendered for redemption.

(b) *Global Book-Entry System.* The Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the maturities of the Bonds determined as described in Section 5 hereof. Upon initial issuance, the ownership of each such Bond shall be registered in the Bond Register in the name of Cede & Co., or any successor thereto (*"Cede"*), as nominee of The Depository Trust Company, New York, New York, and its successors and assigns (*"DTC"*). All of the outstanding Bonds shall be registered in the Bond Register in the name of Cede, as nominee of DTC, except as hereinafter provided. The President, Village Clerk and Treasurer and the Bond 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*

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Letter"), which Representation Letter may provide for the payment of principal of or interest on the Bonds by wire transfer.

With respect to Bonds registered in the Bond Register in the name of Cede, as nominee of DTC, the Village and the Bond Registrar shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which DTC holds Bonds from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a *"DTC Participant"*) or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Village and the Bond 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 Bonds, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any amount with respect to the principal of or interest on the Bonds. The Village and the Bond Registrar may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Bond Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the respective registered owners of the Bonds, as shown in the Bond Register, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Village's obligations with respect to payment of the principal of and interest on the

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Bonds to the extent of the sum or sums so paid. No person other than a registered owner of a Bond as shown in the Bond Register, shall receive a Bond evidencing the obligation of the Village to make payments of principal and interest with respect to any Bond. Upon delivery by DTC to the Bond Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the provisions in Section 5 hereof with respect to the payment of interest to the registered owners of Bonds at the close of business on the 15th day of the month next preceding the applicable interest payment date, the name "Cede" in this Ordinance shall refer to such new nominee of DTC.

In the event that (i) the Village determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (ii) the agreement among the Village, the Bond 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 Bonds that they be able to obtain certificated Bonds, the Village shall notify DTC and DTC Participants of the availability through DTC of certificated Bonds and the Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede, as nominee of DTC. At that time, the Village may determine that the Bonds shall be registered in the name of and deposited with such other depository operating a universal book-entry system, as may be acceptable to the Village, or such depository's agent or designee, and if the Village does not select such alternate universal book-entry system, then the Bonds may be registered in whatever name or names registered owners of Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions of Section 6(a) hereof.

Notwithstanding any other provisions of this Ordinance to the contrary, so long as any Bond is registered in the name of Cede, as nominee of DTC, all payments with respect to

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principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the name provided in the Representation Letter.

Section 7. Redemption. The Bonds due on and after December 1, 2022 are subject to redemption prior to maturity at the option of the Village from any available funds, as a whole or in part, and if in part in integral multiples of $5,000 in any order of their maturity as determined by the Village (less than all of the Bonds of a single series and maturity to be selected by the Bond Registrar), on December 1, 2021, and on any date thereafter, at the redemption price of par, plus accrued interest to the date fixed for redemption.

Section 8. Redemption Procedure. The Village shall, at least 45 days prior to the redemption date (unless a shorter time period shall be satisfactory to the Bond Registrar), notify the Bond Registrar of such redemption date and of the maturities and principal amounts of Bonds to be redeemed. For purposes of any redemption of less than all of the Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot not more than 60 days prior to the redemption date by the Bond Registrar for the Bonds of such maturity by such method of lottery as the Bond Registrar shall deem fair and appropriate; *provided, however,* that such lottery shall provide for the selection for redemption of Bonds or portions thereof so that any $5,000 Bond or $5,000 portion of a Bond shall be as likely to be called for redemption as any other such $5,000 Bond or $5,000 portion.

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

Unless waived by the registered owner of Bonds to be redeemed, official notice of any such redemption shall be given by the Bond Registrar on behalf of the Village by mailing the redemption notice by first class mail not less than 30 days and not more than 60 days prior to the

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date fixed for redemption to each registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

All official notices of redemption shall include the full name of the Bonds and at least the information as follows:

(a) the redemption date;

(b) the redemption price;

(c) if less than all of the outstanding Bonds of a particular maturity are to be redeemed, the identification (and, in the case of partial redemption of Bonds within such maturity, the respective principal amounts) of the Bonds to be redeemed;

(d) a statement that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after said date; and

(e) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office of the Paying Agent.

Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed shall have been received by the Paying Agent 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 Paying Agent 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 Bonds, and the Bond 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 Bonds will not be redeemed. Otherwise, prior to any redemption date, the Village shall deposit with the

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Paying Agent an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Neither the failure to mail such redemption notice, nor any defect in any notice so mailed, to any particular registered owner of a Bond, shall affect the sufficiency of such notice with respect to other registered owners. Notice having been properly given, failure of a registered owner of a Bond to receive such notice shall not be deemed to invalidate, limit or delay the effect of the notice or redemption action described in the notice. Such notice may be waived in writing by a registered owner of a Bond entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by registered owners shall be filed with the Bond Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Subject to the provisions for a conditional redemption described above, notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Village shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Paying Agent at the redemption price. The procedure for the payment of interest due as part of the redemption price shall be as herein provided for payment of interest otherwise due. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of like tenor, of authorized denominations, of the same maturity, and bearing the same rate of interest in the amount of the unpaid principal.

If any Bond or portion of a Bond called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, until paid or duly provided for, bear interest

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from the redemption date at the rate borne by the Bond or portion of Bond so called for redemption. All Bonds which have been redeemed shall be cancelled and destroyed by the Bond Registrar and shall not be reissued.

Section 9. Form of Bond. The Bonds shall be prepared in substantially the following form; *provided, however,* that if the text of any Bond is to be printed in its entirety on the front side of any Bond, then paragraph [2] and the legend, *"See Reverse Side for Additional Provisions"*, shall be omitted and paragraphs [6] through [16] shall be inserted immediately after paragraph [1]:

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(FORM OF BOND - FRONT SIDE)

REGISTERED
NO: _____

REGISTERED
$_____

UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF COOK
VILLAGE OF LA GRANGE
GENERAL OBLIGATION BOND
(WATERWORKS SYSTEM ALTERNATE REVENUE SOURCE)
SERIES 2012

See Reverse Side for Additional Provisions

Interest Rate: _____%	Maturity Date: December 1, 20__	Dated Date: _____, 2012	CUSIP: _____

Registered Owner: CEDE & CO.

Principal Amount:

[1] KNOW ALL PERSONS BY THESE PRESENTS, that the Village of La Grange, Cook County, Illinois (the *"Village"*), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, 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 date of this Bond or from the most recent interest payment date to which interest has been paid or duly provided for at the Interest Rate per annum set forth above on June 1 and December 1 of each year, commencing June 1, 2013, until said Principal Amount is paid. The principal of this Bond is payable in lawful money of the United States of America at the principal corporate trust office of Amalgamated Bank of Chicago, Chicago, Illinois, as paying agent (the *"Paying Agent"*). Payment of the installments of interest shall be made to the Registered Owner hereof as shown on the registration books of the Village maintained by Amalgamated Bank of Chicago, Chicago, Illinois, as bond registrar (the *"Bond Registrar"*), at the close of business on the 15th day of the month next preceding the interest payment date and

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shall be paid by check or draft of the Paying Agent, payable upon presentation in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Bond Registrar, or as otherwise agreed by the Village and Cede & Co., as nominee, or successor, for so long as this Bond is held by The Depository Trust Company, New York, New York, the Depository, or nominee, in book-entry only form as provided for same.

[2] Reference is hereby made to the further provisions of this Bond 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.

[3] It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the issuance of this Bond have been done and have happened and have been performed in regular and due form of law; that the indebtedness of the Village, including the issue of Bonds of which this is one, does not exceed any limitation imposed by law; that provision has been made for the collection of the Pledged Revenues, the levy and collection of the Pledged Taxes and the segregation of the Pledged Moneys to pay the interest hereon as it falls due and also to pay and discharge the principal hereof at maturity; and that the Village hereby covenants and agrees that it will properly account for the Pledged Moneys and will comply with all the covenants of and maintain the funds and accounts as provided by the Bond Ordinance (as hereinafter defined). For the prompt payment of this Bond, both principal and interest at maturity, the full faith, credit and resources of the Village are hereby irrevocably pledged.

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

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[5] IN WITNESS WHEREOF, said Village of La Grange, Cook County, Illinois, by its President and Board of Trustees, has caused this Bond to be signed by the manual or duly authorized facsimile signature of its President and attested by the manual or duly authorized facsimile signature of its Village Clerk, and its corporate seal to be affixed hereto or printed hereon, all as of the Dated Date identified above.

_____
President

[SEAL]

ATTEST:

_____
Village Clerk

Date of Authentication: _____, 20___

CERTIFICATE
OF
AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Bond Ordinance and is one of the General Obligation Bonds (Waterworks System Alternate Revenue Source), Series 2012, of the Village of La Grange, Cook County, Illinois.

AMALGAMATED BANK OF CHICAGO,
as Bond Registrar

By _____
Authorized Officer

Bond Registrar and Paying Agent:
Amalgamated Bank of Chicago,
Chicago, Illinois

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[Form of Bond - Reverse Side]

VILLAGE OF LA GRANGE
COOK COUNTY, ILLINOIS
GENERAL OBLIGATION BOND
(WATERWORKS SYSTEM ALTERNATE REVENUE SOURCE)
SERIES 2012

[6] This bond and the bonds of the series of which it forms a part (*"Bond"* and *"Bonds"* respectively) are part of an issue of Two Million Two Hundred Thousand Dollars ($2,200,000) of like date and tenor, except as to maturity and rate of interest. The Bonds are issued pursuant to the Local Government Debt Reform Act (the *"Act"*) and Division 129 of Article 11 of the Illinois Municipal Code (the *"Municipal Code"*), both as supplemented and amended, for the purpose of paying the costs of improving the Waterworks System of the Village (the *"System"*). The Bonds are issued pursuant to an authorizing ordinance passed by the President and Board of Trustees of the Village (the *"Corporate Authorities"*) on the 14th day of May, 2012, and by a bond ordinance passed by the Corporate Authorities on the 10th day of September, 2012 (the *"Bond Ordinance"*), to which reference is hereby expressly made for further definitions and terms and to all the provisions of which the Registered Owner by the acceptance of this Bond assents.

[7] Under the Municipal Code and the Bond Ordinance, the Revenues, as defined, from the operation of the System shall be deposited into the Waterworks Fund of the Village which shall be used only and has been pledged for paying Operation and Maintenance Expenses, paying the principal of and interest on all bonds of the Village that are payable by their terms from the revenues of the System, providing an adequate depreciation fund, and in making all payments required to maintain the accounts established under the Bond Ordinance. The Village may issue future waterworks revenue bonds, which bonds may have a prior lien on the Revenues, or additional alternate bonds on a parity with the Bonds, in each case pursuant to the terms of the Bond Ordinance.

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[8] The Bonds are payable from (a) moneys to the credit of the Alternate Bond and Interest Subaccount within the Surplus Account of the Waterworks Fund (the *"Pledged Revenues"*), said Surplus Account consisting of the funds remaining in the Waterworks Fund after the required monthly deposits and credits have been made under the Bond Ordinance or future revenue bond ordinances to the various accounts of the Waterworks Fund and (b) ad valorem taxes levied against all of the taxable property in the Village without limitation as to rate or amount (the *"Pledged Taxes"*) (the Pledged Revenues and the Pledged Taxes being collectively called the *"Pledged Moneys"*), all in accordance with the provisions of the Act and the Municipal Code. For the prompt payment of this Bond, both principal and interest at maturity, the full faith, credit and resources of the Village are hereby irrevocably pledged.

[9] Under the Act and the Bond Ordinance, the Pledged Revenues shall be deposited into and segregated in the Alternate Bond and Interest Subaccount of the Surplus Account, and the Pledged Taxes shall be deposited into and segregated in the 2012 Alternate Bond Fund, each as created by the Bond Ordinance. Moneys on deposit in said Subaccount and said Fund shall be used first and are pledged for paying the principal of and interest on the Bonds and then for any further purposes as provided by the terms of the Bond Ordinance.

[10] This Bond does not constitute an indebtedness of the Village within the meaning of any constitutional or statutory provision or limitation, unless the Pledged Taxes shall have been extended pursuant to the general obligation, full faith and credit promise supporting the Bonds, in which case the amount of the Bonds then outstanding shall be included in the computation of indebtedness of the Village for purposes of all statutory provisions or limitations until such time as an audit of the Village shows that the Bonds have been paid from the Pledged Revenues for a complete Fiscal Year.

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[11] The outstanding Bonds are co-equal as to the lien on the Pledged Revenues for their payment and share ratably, without any preference, priority, or distinction, the one over the other, as to the source of or method of payment from the Pledged Revenues.

[12] This Bond is transferable by the Registered Owner hereof in person or by his attorney duly authorized in writing at the principal corporate trust office of the Bond Registrar in Chicago, Illinois, but only in the manner, subject to the limitations and upon payment of the charges provided in the Bond Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized denominations of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange therefor.

[13] The Bonds are issued in fully registered form in the denomination of $5,000 each or authorized integral multiples thereof. This Bond may be exchanged at the principal corporate trust office of the Bond Registrar for a like aggregate principal amount of Bonds of the same maturity of other authorized denominations, upon the terms set forth in the Bond Ordinance. The Bond Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the 15th day of the month next preceding any interest payment date on such Bond and ending at the opening of business on such interest payment date, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds.

[14] Bonds of the issue of which this Bond is one due on or after December 1, 2022, are subject to redemption prior to maturity at the option of the Village 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 the Bonds of a single maturity to be selected by lot by the Bond Registrar), on December 1,

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2021, and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date.

[15] Notice of any such redemption shall be given by the Bond Registrar on behalf of the Village as provided in the Bond Ordinance.

[16] The Village, the Paying Agent and the Bond 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, the Paying Agent nor the Bond 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 Bond and does hereby irrevocably constitute and appoint _____

_____

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

Dated: _____ _____

Signature guaranteed: _____

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

Section 10. Treatment of Bonds as Debt. The Bonds shall be payable from the Pledged Moneys and shall not constitute an indebtedness of the Village within the meaning of any

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constitutional or statutory limitation, unless the Pledged Taxes shall have been extended pursuant to the general obligation, full faith and credit promise supporting the Bonds, as set forth in Section 15 hereof, in which case the amount of the Bonds then Outstanding shall be included in the computation of indebtedness of the Village for purposes of all statutory provisions or limitations until such time as an audit of the Village shows that the Bonds have been paid from the Pledged Revenues for a complete Fiscal Year, in accordance with the Act.

Section 11. Creation of Waterworks Fund and Accounts Thereof. Upon the issuance of any of the Bonds, the System shall be operated on a Fiscal Year basis. All of the Revenues shall be set aside as collected and be deposited in a separate fund and in an account in a bank to be designated by the Corporate Authorities, which fund is hereby created and is designated as the "Waterworks Fund" of the Village, which shall constitute a trust fund for the sole purpose of carrying out the covenants, terms, and conditions of this Ordinance and any Future Bond Ordinances, and shall be used only in paying Operation and Maintenance Expenses, providing an adequate depreciation fund, paying the principal of and interest on all bonds of the Village which by their terms are payable from the revenues derived from the System, and providing for the establishment of and expenditure from the respective accounts as hereinafter described.

Section 12. Flow of Funds. There shall be and there are hereby created separate accounts in the Waterworks Fund to be known as the "Operation and Maintenance Account," such other accounts as may be established under any Future Bond Ordinances, the "Depreciation Account," and the "Surplus Account," to which there shall be credited on or before the first day of each month by the financial officer of the Village, without any further official action or direction, in the order in which said accounts are hereinafter mentioned, all moneys held in the Fund, in accordance with the following provisions:

(a) *Operation and Maintenance Account:* There shall be credited to or retained in the Operation and Maintenance Account an amount sufficient, when added to the

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amount then on deposit in said Account, to establish or maintain a balance to an amount not less than the amount considered necessary to pay Operation and Maintenance Expenses for the then current month.

(b) *Accounts Created Pursuant to Future Bond Ordinances:* Future Bond Ordinances may create additional accounts in the Fund for the payment and security of waterworks revenue bonds that hereafter may be issued by the Village. Amounts in the Fund shall be credited to and transferred from said accounts in accordance with the terms of the Future Bond Ordinances.

(c) *Depreciation Account:* Beginning the month after the delivery of the Bonds, there shall be credited to the Depreciation Account and held, in cash and investments, such sum as the Village may deem necessary in order to provide an adequate depreciation fund for the System. In Future Bond Ordinances, the Village may covenant to make specific monthly deposits to said Depreciation Account and to accumulate funds therein.

Amounts to the credit of said Depreciation Account shall be used for (i) the payment of the cost of extraordinary maintenance, necessary repairs and replacements, or contingencies, the payment for which no other funds are available, in order that the System may at all times be able to render efficient service, (ii) for the purpose of acquiring or constructing improvements and extensions to the System, and (iii) the payment of principal of or interest and applicable premium on any Outstanding Bonds at any time when there are no other funds available for that purpose in order to prevent a default. Future Bond Ordinances may provide for additional deposits to said Depreciation Account and additional uses and transfers of the funds on deposit in said Depreciation Account.

(d) *Surplus Account:* All moneys remaining in the Fund, after crediting the required amounts to the respective accounts hereinabove provided for, and after making up any deficiency in said accounts, shall be credited to the Surplus Account. Funds in the Surplus Account shall first be used to make up any subsequent deficiencies in any of said accounts and then shall be deposited to a separate and segregated account hereby created and designated the "Alternate Bond and Interest Subaccount of the Surplus Account" (the *"Alternate Bond and Interest Subaccount"*), as follows:

A. There shall be paid into the Alternate Bond and Interest Subaccount in each month after the required payments have been made into the Accounts above described, a fractional amount of the interest becoming due on the next succeeding interest payment date on all Outstanding Bonds and a fractional amount of the principal becoming due on the next succeeding principal maturity date of all Outstanding Bonds until there shall have been accumulated in the Alternate Bond and Interest Subaccount on or before the month preceding such maturity date of interest or principal, an amount sufficient to pay such principal or interest, or both, of all Outstanding Bonds.

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B. In computing the fractional amount to be set aside each month in said Alternate Bond and Interest Subaccount, the fraction shall be so computed that sufficient funds will be set aside in said Subaccount and will be available for the prompt payment of such principal of and interest on all Outstanding Bonds as the same will become due and shall be not less than one-fifth of the interest becoming due on the next succeeding interest payment date and not less than one-tenth of the principal becoming due on the next succeeding principal payment date on all Outstanding Bonds until there is sufficient money in said Subaccount to pay such principal or interest or both.

C. Credits to the Alternate Bond and Interest Subaccount may be suspended in any Fiscal Year at such time as there shall be a sufficient sum, held in cash and investments, in said Subaccount to meet principal and interest requirements in said Subaccount for the balance of such Fiscal Year, but such credits shall be resumed at the beginning of the next Fiscal Year.

D. All moneys in said Subaccount shall be used only for the purpose of paying interest on and principal of Bonds and Additional Bonds.

E. Any funds remaining in the Surplus Account after making the aforesaid deposits to the credit of the Alternate Bond and Interest Subaccount, at the discretion of the Corporate Authorities, shall be used, first, to make up any subsequent deficiencies in any of the accounts hereinabove named; and then, for the remainder of all surplus Revenues, at the discretion of the Corporate Authorities, for one or more of the following purposes without any priority among them:

1. For the purpose of constructing or acquiring repairs, replacements, improvements or extensions to the System; or

2. For making transfers to the Fund generally to be applied and treated as Revenues when transferred; or

3. For the purpose of calling and redeeming Outstanding Bonds payable from the System which are callable at the time; or

4. For the purpose of purchasing Outstanding Bonds payable from the System; or

5. For the purpose of paying principal of and interest on any subordinate bonds or obligations issued for the purpose of acquiring or constructing repairs, replacements, improvements or extensions to the System, including loans from the State of Illinois, acting through the Illinois Environmental Protection Agency; or

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6. For any purpose enumerated in any Future Bond Ordinance; or

7. For any other lawful System purpose.

Money to the credit of the Fund or the Project Fund (as hereinafter defined) may be invested pursuant to any authorization granted to municipal corporations by Illinois statute or court decision.

Section 13. Account Excesses. Any amounts to the credit of the Accounts in excess of the then current requirements therefor may be transferred at any time by the Corporate Authorities to such other Account or Accounts of the Fund as it may in its sole discretion designate.

Section 14. Sale of Bonds. The Bonds hereby authorized shall be executed as in this Ordinance provided as soon after the passage hereof as may be, and thereupon be deposited with the Treasurer, and, after authentication thereof by the Bond Registrar, be by said Treasurer delivered to the Purchaser, upon receipt of the purchase price therefore, the same being $_____, plus accrued interest, if any, to the date of delivery; the contract for the sale of the Bonds heretofore entered into (the *"Purchase Contract"*) is in all respects ratified, approved and confirmed, it being hereby found and determined that the Bonds 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 it being hereby found and determined that the sale of the Bonds to the Purchaser 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 sale of the Bonds to the Purchaser.

The use by the Purchaser of any Preliminary Official Statement and any final Official Statement relating to the Bonds (the *"Official Statement"*) is hereby ratified, approved and

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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 Bonds.

Section 15. Pledged Taxes; Tax Levy. For the purpose of providing additional funds to pay the principal of and interest on the Bonds, and as provided in Section 15 of the Act, there is hereby levied upon all of the taxable property within the Village, in the years for which any of the Bonds are Outstanding, a direct annual tax in amounts sufficient for that purpose, and there be and there hereby is levied upon all of the taxable property in the Village the following direct annual taxes (the *"Pledged Taxes"*):

FOR THE YEAR	A TAX SUFFICIENT TO PRODUCE THE SUM OF:	
2012	$	for principal and interest up to and including December 1, 2013 (net of the amount set aside at closing as described in Section 23 herein)
2013	$	for principal and interest
2014	$	for principal and interest
2015	$	for principal and interest
2016	$	for principal and interest
2017	$	for principal and interest
2018	$	for principal and interest
2019	$	for principal and interest
2020	$	for principal and interest
2021	$	for principal and interest
2022	$	for principal and interest
2023	$	for principal and interest
2024	$	for principal and interest
2025	$	for principal and interest
2026	$	for principal and interest
2027	$	for principal and interest
2028	$	for principal and interest
2029	$	for principal and interest
2030	$	for principal and interest
2031	$	for principal and interest

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Following any extension of Pledged Taxes, interest or principal coming due at any time when there are insufficient funds on hand from the Pledged Taxes to pay the same shall be paid promptly when due from current funds on hand in advance of the collection of the Pledged Taxes herein levied; and when the Pledged Taxes shall have been collected, reimbursement shall be made to said funds in the amount so advanced.

Section 16. 2012 Alternate Bond Fund. There is hereby created a special fund of the Village, which fund shall be held separate and apart from all other funds and accounts of the Village and shall be known as the "2012 Alternate Bond Fund" (the *"Bond Fund"*). The purpose of the Bond Fund is to provide a fund to receive and disburse the Pledged Taxes for the payment of the Bonds. All payments made with respect to the Bonds from the Pledged Revenues shall be made directly from the Alternate Bond and Interest Subaccount. The Bond Fund and its respective accounts constitute a trust fund established for the purpose of carrying out the covenants, terms and conditions imposed upon the Village by this Ordinance.

Any Pledged Taxes received by the Village shall promptly be deposited into the Bond Fund.

Pledged Taxes on deposit to the credit of the Bond Fund shall be fully spent to pay the principal of and interest on the Bonds for which such taxes were levied and collected prior to use of any moneys on deposit in the Alternate Bond and Interest Subaccount.

Section 17. Filing with County Clerk. After this Ordinance becomes effective, a copy hereof, certified by the Village Clerk, shall be filed with the County Clerk. The County Clerk shall in and for each of the years required ascertain the rate percent required to produce the aggregate Pledged Taxes hereinbefore provided to be levied in each of said years; and the County Clerk shall extend the same for collection on the tax books in connection with other taxes levied in said years in and by the Village for general corporate purposes of the Village; and the

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County Clerk, or other appropriate officer or designee, shall remit the Pledged Taxes for deposit to the credit of the Bond Fund, and in said years the Pledged Taxes shall be levied and collected by and for and on behalf of the Village in like manner as taxes for general municipal purposes of the Village for said years are levied and collected, and in addition to and in excess of all other taxes. The Pledged Taxes are hereby irrevocably pledged to and shall be used only for the purpose of paying principal of and interest on the Bonds. It is hereby expressly provided that in the event there shall be moneys both to the credit of the Alternate Bond and Interest Subaccount and the Bond Fund, the Bond Fund shall be fully depleted before moneys to the credit of the Alternate Bond and Interest Subaccount shall be used to pay principal of and interest on the Bonds.

Section 18. Abatement of Pledged Taxes. Whenever the Pledged Revenues shall have been determined by the Treasurer to provide in any calendar year an amount not less than 1.25 times debt service of the Bonds in the next succeeding bond year (June 1 and December 1), and whenever the Pledged Revenues have been deposited to the Alternate Bond and Interest Account in an amount sufficient to pay debt service on all Bonds then Outstanding in the next succeeding bond year, the Treasurer shall, prior to the time the Pledged Taxes levied in such calendar year are extended, direct the abatement of the Pledged Taxes, and proper notification of such abatement shall be filed with the County Clerk in a timely manner to effect such abatement. The Corporate Authorities covenant that it will abate the respective Pledged Taxes only upon full funding of the Alternate Bond and Interest Account in the appropriate amount.

Section 19. Pledged Revenues; General Covenants. The Village covenants and agrees with the registered owners of the Bonds that, so long as any Bonds remain Outstanding:

> A. The Village hereby pledges the Pledged Revenues to the payment of the Bonds, and the Corporate Authorities covenant and agree to provide for, collect and apply the Pledged Revenues to the payment of the Bonds and the provision of not less than an additional .25 times debt service, all in accordance with Section 15 of the Act.

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The determination of the sufficiency of the Pledged Revenues pursuant to this subsection (A) shall be supported by reference to the annual audit of the Village and acceptance of said audit by the Corporate Authorities shall be conclusive evidence that the conditions of Section 15 of the Act have been met.

B. The Village will punctually pay or cause to be paid from the Alternate Bond and Interest Subaccount and from the Bond Fund the principal of and the interest on the Bonds in strict conformity with the terms of the Bonds and this Ordinance, and it will faithfully observe and perform all of the conditions, covenants and requirements thereof and hereof.

C. The Village will pay and discharge, or cause to be paid and discharged, from the Alternate Bond and Interest Subaccount and the Bond Fund any and all lawful claims which, if unpaid, might become a lien or charge upon the Pledged Moneys, or any part thereof, or upon any funds in the hands of the Paying Agent, or which might impair the security of the Bonds. Nothing herein contained shall require the Village to make any such payment so long as the Village in good faith shall contest the validity of said claims.

D. The Village will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Village, in which complete and correct entries shall be made of all transactions relating to the Project, the Pledged Moneys, the Alternate Bond and Interest Subaccount and the Bond Fund. Such books of record and accounts shall at all times during business hours be subject to the inspection of the registered owners of not less than ten per cent (10%) of the principal amount of the Outstanding Bonds or their representatives authorized in writing.

E. The Village will preserve and protect the security of the Bonds and the rights of the registered owners of the Bonds, and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any of the Bonds by the Village, the Bonds shall be incontestable by the Village.

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

G. As long as any Bonds are Outstanding, the Village will continue to deposit the Pledged Revenues to the Alternate Bond and Interest Subaccount and, if applicable, the Pledged Taxes to the Bond Fund. The Village covenants and agrees with the purchasers of the Bonds and with the registered owners thereof that so long as any Bonds remain Outstanding, the Village will take no action or fail to take any action which in any way would adversely affect the ability of the Village to collect the Pledged Taxes and to collect and to segregate the Pledged Moneys. The Village and its officers will comply with all present and future applicable laws in order to assure that the Pledged Taxes can be extended and that the Pledged Revenues and the Pledged Taxes may be collected and

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deposited to the Alternate Bond and Interest Subaccount and the Bond Fund, respectively, as provided herein.

H. Once issued, the Bonds shall be and forever remain until paid or defeased the general obligation of the Village, for the payment of which its full faith and credit are pledged, and shall be payable, in addition to the Pledged Revenues, from the levy of the Pledged Taxes as provided in the Act.

I. The Village will maintain the System in good repair and working order, will operate the same efficiently and faithfully, will promptly proceed with the Project, and will punctually perform all duties with respect thereto required by the Constitution and laws of the State of Illinois and Federal law.

J. The Village will establish and maintain at all times reasonable fees, charges, and rates for the use and service of the System and will provide for the collection thereof and the segregation and application of the Revenues in the manner provided by this Ordinance, sufficient at all times to pay Operation and Maintenance Expenses, to provide an adequate depreciation fund, to pay the principal of and interest on all bonds of the Village which by their terms are payable from the revenues of the System, and to provide for the creation and maintenance and funding of the respective accounts as provided in Section 12 of this Ordinance; it is hereby expressly provided that the pledge and establishment of rates or charges for use of the System shall constitute a continuing obligation of the Village with respect to such establishment and a continuing appropriation of the amounts received.

K. There shall be charged against all users of the System, including the Village, such rates and amounts for water services as shall be adequate to meet the requirements of this Section. Charges for services rendered to the Village shall be made against the Village, and payment for the same shall be made monthly from the corporate funds into the Fund as revenues derived from the operation of the System; *provided, however,* that the Village need not charge itself for such services if in the previous Fiscal Year Revenues, not including any payments made by the Village, shall have met the requirements of this Ordinance.

L. Within six months following the close of each Fiscal Year, the Village will cause the books and accounts of the System to be audited by independent certified public accountants in accordance with appropriate audit standards. Said audit will be available for inspection by the registered owners of any of the Bonds.

Section 20. Future Revenue Bonds, Additional Bonds and Subordinate Bonds. The Village reserves the right to issue without limit bonds payable solely and only from the Revenues, which bonds may have a lien on the Revenues prior to the lien on the Revenues that secures the Outstanding Bonds, *provided* that upon the issuance of such bonds, the Village shall

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be able to demonstrate in the same manner as provided by the Act, as the Act is written at this time, that at such time all Outstanding Bonds could then be issued as if not then having previously been issued; that is, that the requirements of the Act for the issuance of alternate bonds payable from the Revenues shall have been met on such date for all Outstanding Bonds.

The Village also reserves the right to issue Additional Bonds from time to time payable from the Pledged Revenues, and any such Additional Bonds shall share ratably and equally in the Pledged Revenues with the Bonds; *provided, however,* that no Additional Bonds shall be issued except in accordance with the provisions of the Act as the Act is written at this time.

The Village also reserves the right to issue revenue bonds from time to time payable from the Revenues that are subordinate to the Bonds or Additional Bonds and are payable from the money remaining in the Surplus Account created hereunder after making required deposits into the Alternate Bond and Interest Subaccount.

Section 21. Defeasance. Bonds which are no longer Outstanding as defined in this Ordinance shall cease to have any lien on or right to receive or be paid from Pledged Revenues or the Pledged Taxes and shall no longer have the benefits of any covenant for the registered owners of Outstanding Bonds as set forth herein as such relates to lien and security of the Bonds in the Pledged Revenues or the Pledged Taxes.

Section 22. Provisions a Contract. The provisions of this Ordinance shall constitute a contract between the Village and the owners of the Outstanding Bonds and no changes, additions, or alterations of any kind shall be made hereto, except as herein provided, so long as there are any Outstanding Bonds.

Section 23. Use of Proceeds. The proceeds derived from the sale of the Bonds shall be used as follows:

A. Accrued interest, if any, shall be credited to the Alternate Bond and Interest Subaccount and applied to pay first interest due on the Bonds.

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B. The amount necessary of the proceeds of the Bonds shall be deposited into a separate fund, hereby created, designated the "Expense Fund," to be used to pay expenses of issuance of Bonds. Disbursements from such fund shall be made from time to time upon the direction of the Treasurer. Any excess in said fund shall be deposited into the Alternate Bond and Interest Subaccount after six months from the date of issuance of the Bonds.

C. The balance of the principal proceeds derived from the sale of the Bonds shall be deposited in a separate fund hereby created and designated as the "Waterworks Project Fund" (the *"Project Fund"*); and disbursements shall be made from the Project Fund only for the purposes for which the Bonds are being issued and for which the principal proceeds are hereby appropriated.

Within sixty (60) days after full depletion of the Project Fund or payment of all costs of the Project, as herein referred to, and as heretofore approved by the Corporate Authorities, the Treasurer shall certify to the Corporate Authorities the fact of such depletion or the engineer in responsible charge of the Project shall certify to the Corporate Authorities the fact that the work has been completed according to approved plans and specifications, as applicable, and upon approval of such certification by the Corporate Authorities, funds (if any) remaining in the Project Fund shall be transmitted to the Treasurer, and said Treasurer shall direct the credit said funds to the Alternate Bond and Interest Subaccount or to the Bond Fund, and the Project Fund shall be closed.

Section 24. Continuing Disclosure Undertaking. The President is hereby authorized, empowered, and directed to execute and deliver a Continuing Disclosure Undertaking (the *"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. When the Continuing Disclosure Undertaking is executed and delivered on behalf of the Village as herein provided, the Continuing Disclosure Undertaking will be binding upon 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

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provisions of the Continuing Disclosure Undertaking as executed. Notwithstanding any other provision of this Ordinance, the sole remedies for failure to comply with the Continuing Disclosure Undertaking shall be the ability of the beneficial owner of any Bond to seek mandamus or specific performance by court order to cause the Village to comply with its obligations under the Continuing Disclosure Undertaking.

Section 25. General Tax Covenants. 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 Bonds) if taking, permitting, or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause the interest on the Bonds 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 of the exemption from Federal income taxation for interest paid on the Bonds, 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 Internal Revenue Service in connection with such an examination. In furtherance of the foregoing provisions, but without limiting their generality, the Village agrees: (a) through its officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (b) to comply with all representations, covenants, and assurances contained in Bonds or agreements as may be prepared by counsel approving the Bonds; (c) to consult with such counsel and to comply with such advice as may be given; (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 its officers, to employ and pay fiscal agents, financial advisors, attorneys, and other persons to assist the Village in such compliance.

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Section 26. Certain Specific Tax Covenants.

A. None of the Bonds shall be a "private activity bond" as defined in Section 141(a) of the Code; and the Village certifies, represents, and covenants as follows:

(1) Not more than 5% of the net sale proceeds of the Bonds is to be used, directly or indirectly, in any trade or business carried on by any person other than a state or local governmental unit.

(2) Not more than 5% of the amounts necessary to pay the principal of and interest on the Bonds will be derived, directly or indirectly, from payments with respect to any private business use by any person other than a state or local governmental unit.

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

(4) No user of the infrastructure of the Village to be improved as part of the Project, other than the Village or another governmental unit, will use the same on any basis other than the same basis as the general public; and no person, other than the Village or another governmental unit, will be a user of such infrastructure as a result of (i) ownership or (ii) actual or beneficial use pursuant to a lease, a management or incentive payment contract other than as expressly permitted by the Code, or (iii) any other arrangement.

B. The Bonds shall not be "arbitrage bonds" under Section 148 of the Code; and the Village certifies, represents, and covenants as follows:

(1) With respect to the Project, the Village has heretofore incurred or within six months after delivery of the Bonds expects to incur substantial binding obligations to be paid for with money received from the sale of the Bonds, said binding obligations

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comprising binding contracts for the Project in not less than the amount of 5% of the net sale proceeds of the Bonds.

(2) More than 85% of the proceeds of the Bonds will be expended on or before three years from the date hereof for the purpose of paying the costs of the Project.

(3) All of the principal proceeds of the Bonds and investment earnings thereon will be used, needed, and expended for the purpose of paying the costs of the Project, including expenses incidental thereto.

(4) Work on the Project is expected to proceed with due diligence to completion.

(5) Except for the Bond Fund and the Alternate Bond and Interest Subaccount, the Village has not created or established and will not create or establish any sinking fund, reserve fund, or any other similar fund to provide for the payment of the Bonds. Each of the Alternate Bond and Interest Subaccount and the Bond Fund has been established and will be funded in a manner primarily to achieve a proper matching of revenues and debt service and will be depleted at least annually to an amount not in excess of 1/12th the particular annual debt service on the Bonds. Money deposited therein will be spent within a 13-month period beginning on the date of deposit, and investment earnings therein will be spent or withdrawn within a one-year period beginning on the date of receipt.

(6) Amounts of money related to the Bonds required to be invested at a yield not materially higher than the yield on the Bonds, as determined pursuant to such tax certifications or agreements as the Village officers may make in connection with the issuance of the Bonds, shall be so invested; and appropriate Village officers are hereby authorized and directed to make such investments.

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(7) The Village has not been notified of any disqualification or proposed disqualification of it by the Commissioner of the Internal Revenue Service as a bond issuer which may certify bond issues under Treasury Regulations permitting such certifications.

(8) Unless an applicable exception to Section 148(f) of the Code, relating to the rebate of "excess arbitrage profits" to the United States Treasury (the *"Rebate Requirement"*) is available to the Village, the Village will meet the Rebate Requirement.

(9) Relating to applicable exceptions, any Village officer charged with issuing the Bonds is hereby authorized to make such elections under the Code as such officer shall deem reasonable and in the best interests of the Village. If such election may result in a "penalty in lieu of rebate" as provided in the Code, and such penalty is incurred (the *"Penalty"*), then the Village shall pay such Penalty.

(10) The officers of the Village shall cause to be established, at such time and in such manner as they may deem necessary or appropriate hereunder, an *"Alternate Bonds, Series 2012 Rebate [or Penalty, if applicable] Fund"* (the *"Rebate Fund"*) for the Bonds, and such officers shall further, not less frequently than annually, cause to be transferred to the Rebate Fund the amount determined to be the accrued liability under the Rebate Requirement or Penalty. Said officers shall cause to be paid to the United States Treasury, without further order or direction from the Corporate Authorities, from time to time as required, amounts sufficient to meet the Rebate Requirement or to pay the Penalty.

(11) Interest earnings in the Project Fund, the Bond Fund (if any) and the Alternate Bond and Interest Subaccount are hereby authorized to be transferred, without further order or direction from the Corporate Authorities, from time to time as required,

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to the Rebate Fund for the purposes herein provided; and proceeds of the Bonds and other funds of the Village are also hereby authorized to be used to meet the Rebate Requirement or to pay the Penalty but only if necessary after application of investment earnings as aforesaid and only as appropriated by the Corporate Authorities.

C. None of the proceeds of the Bonds will be used to pay, directly or indirectly, in whole or in part, for an expenditure that has been paid by the Village prior to the date hereof except architectural or engineering costs incurred prior to commencement of any of the Project or expenditures for which an intent to reimburse has been properly declared under Treasury Regulations Section 1.103-18. This Ordinance is in itself a declaration of official intent under Treasury Regulations Section 1.103-18 as to all costs of the Project paid after 60 days prior to the date hereof and up to the issuance of the Bonds.

D. The Village reserves the right to use or invest moneys in connection with the Bonds in any manner, or to make changes in the Project list, or to use the Village infrastructure acquired, constructed, or improved as part of the Project in any manner, notwithstanding the representations and covenants in Sections 25 and 26 herein; *provided* it shall first have received an opinion from an attorney or a firm of attorneys generally acceptable to purchasers of Tax-exempt bonds to the effect that use or investment of such moneys or the changes in or use of such infrastructure as contemplated is authorized under applicable law and this Ordinance and will not result in loss or impairment of Tax-exempt status for the Bonds.

E. The Village hereby designates each of the Bonds 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 Bonds will be at any time a "private activity bond" (as defined in Section 141 of the Code), (ii) as of the date hereof, the Village has not authorized or issued any Tax-exempt obligations of any kind in calendar year

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2012 other than the Bonds, nor have any Tax-exempt obligations of any kind been authorized or issued on behalf of the Village, and (iii) not more than $10,000,000 of obligations of any kind (including the Bonds and the proposed General Obligation Refunding Bonds, Series 2012A (the *"Series 2012A Bonds"*), issued by or on behalf of the Village during calendar year 2012 will be designated for purposes of Section 265(b)(3) of the Code.

Section 27. Pertaining to the Bond Registrar. If requested by the Bond Registrar, any officer of the Village is authorized to execute a standard form of agreement between the Village and the Bond Registrar with respect to the obligations and duties of the Bond Registrar under this Ordinance. In addition to the terms of such agreement and subject to modification thereby, the Bond 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 Bondholders as set forth herein and to furnish such list to the Village upon request, but otherwise to keep such list confidential to the extent permitted by law; (c) to give notice of redemption of Bonds as herein provided; (d) to cancel and/or destroy Bonds 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 Bonds cancelled and/or destroyed; and (f) to furnish the Village at least annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with respect to interest on the Bonds. The Village covenants with respect to the Bond Registrar, and the Bond Registrar further covenants and agrees as follows:

A. The Village shall at all times retain a Bond Registrar with respect to the Bonds; it will maintain at the designated office(s) of such Bond Registrar a place or places where Bonds may be presented for payment, registration, transfer, or exchange; and it will require that the Bond Registrar properly maintain the Bond Register and

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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 Bond Registrar shall signify its acceptance of the duties and obligations imposed upon it by this Ordinance by executing the certificate of authentication on any Bond, and by such execution the Bond 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 Bond so authenticated but with respect to all the Bonds. Any Bond 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 Bond Registrar shall, however, be responsible for any representation in its certificate of authentication on Bonds.

C. The Village may remove the Bond Registrar at any time. In case at any time the Bond 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 Bond Registrar or of the property thereof shall be appointed, or if any public officer shall take charge or control of the Bond Registrar or of the property or affairs thereof, the Village covenants and agrees that it will thereupon appoint a successor Bond Registrar. The Village shall give notice of any such appointment made by it to each registered owner of any Bond within twenty days after such appointment in the same manner. Any Bond 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 Bond Registrar.

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Section 28. Municipal Bond Insurance. In the event the payment of principal of and interest on the Bonds is insured pursuant to a municipal bond insurance policy (a *"Municipal Bond Insurance Policy"*) issued by a bond insurer (a *"Bond Insurer"*), and as long as such Municipal Bond Insurance Policy shall be in full force and effect, the Village and the Bond Registrar agree to comply with such usual and reasonable provisions regarding presentment and payment of the Bonds, subrogation of the rights of the Bondholders to the Bond Insurer when holding Bonds, amendment hereof, or other terms, as approved by the President on advice of counsel, his or her approval to constitute full and complete acceptance by the Village of such terms and provisions under authority of this Section.

Section 29. Record-Keeping Policy and Post-Issuance Compliance Matters. It is necessary and in the best interest of the Village to maintain sufficient records to demonstrate compliance with its covenants and expectations to ensure the appropriate federal tax status for the Bonds and other debt obligations of the Village, the interest on which is excludable from "gross income" for federal income tax purposes (including the Bonds, the *"Tax-Exempt Obligations"*). Further, it is necessary and in the best interest of the Village that (i) the Corporate Authorities adopt policies with respect to record-keeping and (ii) the Compliance Officer (as hereinafter defined) shall at least annually review the Village's Contracts (as hereinafter defined) to determine whether the Tax-Exempt Obligations comply with the federal tax requirements applicable to each issue of the Tax-Exempt Obligations.

(a) *Compliance Officer Is Responsible for Records.* The Treasurer (the *"Compliance Officer"*) is hereby designated as the keeper of all records of the Village with respect to each issue of the Tax-Exempt Obligations, and such officer shall report to the Corporate Authorities at least annually that he/she has all of the required records in his/her possession, or is taking appropriate action to obtain or recover such records.

(b) *Closing Transcripts.* For each issue of Tax-Exempt Obligations, the Compliance Officer shall receive, and shall keep and maintain, a true, correct and complete counterpart of each and every document and agreement delivered in connection with the issuance of the Tax-Exempt Obligations, including without limitation (i) the

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proceedings of the Village authorizing the Tax-Exempt Obligations, (ii) any offering document with respect to the offer and sale of the Tax-Exempt Obligations, (iii) any legal opinions with respect to the Tax-Exempt Obligations delivered by any lawyers, and (iv) all written representations of any person delivered in connection with the issuance and initial sale of the Tax-Exempt Obligations.

(c) *Arbitrage Rebate Liability.* The Compliance Officer shall review the agreements of the Village with respect to each issue of Tax-Exempt Obligations and shall prepare a report for the Corporate Authorities stating whether or not the Village has any rebate liability to the U.S. Treasury, and setting forth any applicable exemptions that each issue of Tax-Exempt Obligations may have from rebate liability. Such report shall be updated annually and delivered to the Corporate Authorities.

(d) *Recommended Records.* The Compliance Officer shall review the records related to each issue of Tax-Exempt Obligations and shall determine what requirements the Village must meet in order to maintain the tax-exemption of interest paid on the Tax-Exempt Obligations. The Compliance Officer shall then prepare a list of the contracts, requisitions, invoices, receipts and other information that may be needed in order to establish that the interest paid on the Tax-Exempt Obligations is entitled to be excluded from "gross income" for federal income tax purposes. Notwithstanding any other policy of the Village, such retained records shall be kept for as long as the Tax-Exempt Obligations relating to such records (and any obligations issued to refund the Tax-Exempt Obligations) are outstanding, plus three years, and shall at least include:

(i) complete copies of the bond transcripts delivered when any issue of Tax-Exempt Obligations is initially issued and sold;

(ii) copies of account statements showing the disbursements of all bond proceeds for their intended purposes;

(iii) copies of account statements showing all investment activity of any and all accounts in which the proceeds of any issue of Tax-Exempt Obligations has been held;

(iv) copies of all bid requests and bid responses used in the acquisition of any special investments used for the proceeds of any issue of Tax-Exempt Obligations, including any swaps, swaptions, or other financial derivatives entered into in order to establish that such instruments were purchased at *fair market value;*

(v) copies of any subscriptions to the U.S. Treasury for the purchase of State and Local Government Series (SLGS) obligations;

(vi) any calculations of liability for *arbitrage rebate* that is or may become due with respect to any issue of Tax-Exempt Obligations, and any calculations prepared to show that no arbitrage rebate is due, together, if

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applicable, with account statements or cancelled checks showing the payment of any rebate amounts to the U.S. Treasury together with any applicable IRS Form 8038-T; and

(vii) copies of all contracts and agreements of the Village, including any leases (the *"Contracts"*), with respect to the use of any property owned by the Village and acquired or financed with the proceeds of the Tax-Exempt Obligations, any part of which property is used by a private person at any time when such Tax-Exempt Obligations are or have been outstanding.

(e) *IRS Examination.* In the event the IRS commences an examination of any issue of Tax-Exempt Obligations, the Compliance Officer shall inform the Corporate Authorities of such event, and is authorized to respond to inquiries of the IRS, and to hire outside, independent professional counsel to assist in the response to the examination.

(f) *Annual Review.* The Compliance Officer shall conduct an annual review of the Contracts and other records to determine for each issue of Tax-Exempt Obligations then outstanding whether each such issue complies with the federal tax requirements applicable to such issue, including restrictions on private business use, private payments and private loans. The Compliance Officer is expressly authorized, without further official action of the Corporate Authorities, to hire outside, independent professional counsel to assist in such review. To the extent that any violations or potential violations of federal tax requirements are discovered incidental to such review, the Compliance Officer may make recommendations or take such actions as the Compliance Officer shall reasonably deem necessary to assure the timely correction of such violations or potential violations through remedial actions described in the United States Treasury Regulations, or the Tax Exempt Bonds Voluntary Closing Agreement Program described in Treasury Notice 2009-31 or similar program instituted by the IRS.

(g) *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

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attempt to obtain such explanation from counsel or from other experts, consultants or staff.

(h) *Amendment and Waiver*. The Village may amend this Section and any provision of this Section may be waived, without the consent of the holders of any Tax-Exempt Obligations and as authorized by passage of an ordinance by the Corporate Authorities.

Section 30. Severability. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance.

5-B.49

Section 31. 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 as provided by law.

ADOPTED by the Corporate Authorities on the 10th day of September, 2012, pursuant to a roll call vote as follows:

AYE: _____

_____

NAY: _____

ABSENT: _____

ABSTAIN: _____

APPROVED by me, as President of the Village of La Grange, Cook County, Illinois, the 10th day of September, 2012.

_____
PRESIDENT

PASSED by the President and Board of Trustees of the Village of La Grange, Cook County, Illinois, the 10th day of September, 2012.

Attest: _____
VILLAGE CLERK

5-B.50

PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 30, 2012

NEW ISSUE (Book-Entry Only)
Sale Date: September 10, 2012 (Open Auction Internet Sale)
Sale Time: Between 10:00 and 10:15 A.M. Central Time

RATING+: Moody's Investor Service, Inc.: Aa2

Subject to compliance by the Village with certain covenants, in the opinion of Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. See "TAX MATTERS" herein for a more complete discussion. The Bonds are "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See "QUALIFIED TAX-EXEMPT OBLIGATIONS" herein. Interest on the Bonds is not exempt from current State of Illinois income tax.

$2,080,000*
VILLAGE OF LA GRANGE
COOK COUNTY, ILLINOIS
General Obligation Bonds
(Waterworks System Alternate Revenue Source)
Series 2012A

Dated: Date of Issuance **Due: December 1, as set forth on the inside cover page**

The General Obligation Bonds (Waterworks System Alternate Revenue Source), Series 2012A (the "Bonds" or the "Series 2012A Bonds") of the Village of La Grange, Cook County, Illinois (the "Village") are issued as fully registered Bonds and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York, to which principal, premium, if any, and interest payments on the Bonds will be made. Individual purchases will be made in book-entry form only, in the principal amount of $5,000 or any integral multiple thereof. Purchases will be made in book-entry form only, in the principal amount of $5,000 or any integral multiple thereof. Purchasers of the Bonds will not receive physical delivery of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, reference herein to the holders of the Bonds or registered owners of the Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners (as defined herein) of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, the principal, premium, if any, and interest on the Bonds are payable by Amalgamated Bank of Chicago, Chicago, Illinois as bond registrar and paying agent ("Bond Registrar" and "Paying Agent"), to Cede & Co., which will in turn remit such principal, premium, if any, and interest to the DTC Participants (as defined herein) for subsequent disbursement to the Beneficial Owners of the Bonds. See "THE BONDS – Book Entry Only System for the Bonds". Interest on the Bonds (computed on the basis of a 360-day year) will be payable semi-annually on each June 1 and December 1, commencing December 1, 2012.

The Bonds are being issued pursuant to the Local Government Debt Reform Act of the State of Illinois, as supplemented and amended, and the Illinois Municipal Code, as supplemented and amended.

In the opinion of Chapman and Cutler LLP, Bond Counsel, the Bonds are valid and legally binding upon the Village and are payable from (i) the moneys to the credit of the Alternate Bond and Interest Subaccount within the Surplus Account of the Water Fund of the Village, said Surplus Account consisting of the funds remaining in the Water Fund, after the required monthly deposits and credits have been made under the provisions of the ordinance authorizing the Bonds (the "Bond Ordinance") and if applicable certain ordinances of the Village authorizing waterworks revenue bonds of future series, to certain prior lien accounts and purposes as set forth in the Bond Ordinance, and (ii) ad valorem taxes as levied against all of the taxable property in the Village without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. See "SECURITY FOR THE BONDS" herein.

The Village will furnish the written approving opinion of Bond Counsel as to the legality of the Bonds and the exemption of interest on the Bonds from federal income taxes. That opinion is to be based upon Bond Counsel's examination of the law and a certified copy of the record of proceedings relating to the issuance of the Bonds.

This Official Statement, together with any other information required by law or deemed appropriate shall constitute a "Final Official Statement" of the Village with respect to the Bonds, as that term is defined in Rule 15c2-12 of the Securities and Exchange Commission (except for certain information permitted to be omitted under Rule 15c2-12(b)(1)).

THE BONDS ARE SUBJECT TO OPTIONAL REDEMPTION PRIOR TO MATURITY. SEE "THE BONDS – OPTIONAL REDEMPTION" HEREIN.

The Bonds are offered when, as and if issued and received by the Underwriters, subject to prior sale, withdrawal or modification of the offer without any notice, and to the approval of legality of the Bonds by Chapman and Cutler LLP, Chicago, Illinois. Certain legal matters will be passed upon for the Village by its counsel, Holland & Knight LLP, Chicago, Illinois. It is expected that delivery of the Bonds will be made to the Underwriters through the facilities of DTC in definitive form on or about September 25, 2012.

KANE, MCKENNA CAPITAL, INC.

Is Serving as Financial Advisor to the Village

The date of this final Official Statement is September ___, 2012.

+See "BOND RATING" herein.
***Preliminary, subject to change**

5-B.51

MATURITIES, INTEREST RATES, PRICES AND YIELDS

CUSIP	Amount*	Maturity (December 1)	Coupon Rate %	Price or Yield %
	$85,000	2013		
	85,000	2014		
	90,000	2015		
	90,000	2016		
	90,000	2017		
	90,000	2018		
	95,000	2019		
	95,000	2020		
	95,000	2021		
	100,000	2022		
	100,000	2023		
	105,000	2024		
	110,000	2025		
	110,000	2026		
	115,000	2027		
	115,000	2028		
	120,000	2029		
	125,000	2030		
	130,000	2031		
	135,000	2032		

* Preliminary, subject to change

5-B.52

No dealer, broker, salesman or other person has been authorized by the Village of La Grange, Cook County, Illinois (the "Village"), Chapman and Cutler LLP, (the "Bond Counsel") or Kane, McKenna Capital, Inc. (the "Financial Advisor") to give any information or make any representations with respect to the Bonds and, if given or made, such information or representations with respect to the Village or the Bonds must not be relied upon as having been authorized by the Village or the Financial Advisor. This Official Statement does not constitute an offer to sell, or solicitation of an offer to buy, any securities other than the securities offered hereby to any person in any jurisdiction where such offer or solicitation of such offer would be unlawful.

This Official Statement should be considered in its entirety and no one factor should be considered more or less important than any other by reason of its position in this Official Statement. Where statutes, reports, or other documents are referred to herein, reference should be made to such statutes, reports, or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

The information and expressions of opinion in this Official Statement are subject to change without notice and neither the delivery of this Official Statement nor any sale made under it shall, under any circumstances, create any implication that there has been no change in the affairs of the Village of La Grange, Cook County, Illinois, since the date as of which information is given in this Official Statement.

The Official Statement is in a form deemed final by the Village for the purpose of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (except for certain information permitted to be omitted under Rule 15c2-12(b)(1)).

In connection with this offering the Underwriters may over-allot or effect transactions, which stabilize or maintain the market price of the Bonds offered hereby at a level above that which might otherwise prevail in the open market, and such stabilizing, if commenced, may be discontinued at any time.

THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE VILLAGE AND THE TERMS OF THE OFFERING, INCLUDING THE MERIT AND RISK INVOLVED. THE BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Pursuant to continuing disclosure requirements promulgated by the Securities and Exchange Commission in Securities and Exchange Commission Rule 15c2-12, as amended, the Village of La Grange, Illinois will enter into a Continuing Disclosure Undertaking Agreement. For a description of the Continuing Disclosure Undertaking Agreement, see "CONTINUING DISCLOSURE".

The summaries of and references to all documents, statutes and other instruments referred to in this Official Statement do not purport to be complete and are qualified in their entirety by reference to the full text of each such document, statute or instrument. Terms not defined in this Official Statement shall have the meaning set forth in the respective documents.

Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

5-B.53

VILLAGE OF LA GRANGE
COOK COUNTY, ILLINOIS

Elizabeth Asperger
Village President
(President since April, 2005; current term expires May, 2013)

Village Trustees

Trustee	First Elected or Appointed to Office	Current Term Expires	Trustee	First Elected or Appointed to Office	Current Term Expires
Bill Holder	April, 2009	May, 2013	Mark Langan	April, 2000	May, 2013
Michael Horvath	April, 2009	May, 2013	Jeff Nowak	April, 2011	May, 2015
Mark Kuchler	April, 2007	May, 2015	Jim Palermo	April, 2007	May, 2015

Thomas Morsch
Village Clerk

Robert Pilipiszyn
Village Manager

Lou Cipparrone
Village Treasurer/Finance Director

Village Attorney
Holland & Knight LLP
Rosemont, Illinois

Independent Auditors
Sikich LLP
Aurora, Illinois

Financial Advisor
Kane, McKenna Capital, Inc.
Chicago, Illinois

Bond Counsel
Chapman and Cutler LLP
Chicago, Illinois

5-B.54

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APPENDIX B - Feasibility Report

APPENDIX C - Form of Opinion of Bond Counsel

5-B.56

OFFICIAL NOTICE OF SALE
(OPEN AUCTION INTERNET SALE)

$2,080,000*
Village of La Grange
Cook County, Illinois
General Obligation Bonds
(Waterworks System Alternate Revenue Source)
Series 2012A

NOTICE IS HEREBY GIVEN that the Village of La Grange, Cook County, Illinois (the "Village") will receive electronic bids on the Grant Street Group MuniAuction, Inc. website ("MuniAuction") located at the website address www.grantstreet.com for the purchase of its $2,080,000* General Obligation Bonds (Waterworks System Alternate Revenue Source), Series 2012A (the "Bonds" or the "Series 2012A Bonds") on an all or none basis until 10:15 a.m. Central Time on September 10, 2012, unless otherwise extended by the two (2) minute rule, as more fully described herein All bids must be submitted in their entirety on the MuniAuction electronic bidding web site located at www.grantstreet.com on September 10, 2012 between 10:00 a.m. and 10:15 a.m. Central Time unless extended by the two (2) minute rule, as more fully described herein. To bid, bidders must have: (1) completed the registration form on the MuniAuction website prior to the commencement of bidding, and (2) requested and received admission to the Village's sale (as described below). Award of the bidding will be made or all bids rejected at a meeting of the President and Board of Trustees of the Village on that date. The Bonds will be dated the date of issuance, will be in fully registered form, and will be in the denomination of $5,000 and authorized multiples thereof.

Registration and Admission to Bid

Bidders must first visit the MuniAuction web site where, if they have never registered with MuniAuction, they can register and then request admission to bid on the Bonds. Bidders will be notified prior to the scheduled bidding time of their eligibility to bid. Only FINRA registered broker-dealers and dealer banks with DTC clearing arrangements will be eligible to bid. Additional information relating to the auction, or for a private tutorial, may be obtained by calling Auction Administrator at (412) 391-5555, Extension 370 (Auction Support).

The use of MuniAuction shall be at the bidder's risk, and the Village shall have no liability with respect thereto. Bidders will bear all risks associated with the submission of electronic bids, including but not limited to any lack of confidentiality prior to bid opening, the risk of a failed transmission or failure of the entire bid to be received by the designated time, or any inaccuracies that may result from lack of clarity from the electronic bid. Each prospective bidder who intends to place a bid shall be solely responsible to make necessary arrangements to access MuniAuction for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Sale. The Village shall have no duty or obligation to provide or assure access to MuniAuction to any prospective bidder. Neither the Village, Kane, McKenna Capital, Inc. (the "Financial Advisor"), nor Grant Street Group (the "Auction Administrator") is responsible or has any liability for a bidder's failure to bid electronically, delays or interruptions caused by placing the bid electronically including, but not limited to, technical difficulties that result in loss of a bidder's internet connection with MuniAuction, slowness of transmission of bids, or other technical problems.

* Subject to change. The Village reserves the right to increase or decrease: (1) the principal amount of the aggregate principal amount of the Bonds by an amount not to exceed $120,000; and (2) the principal amount of each maturity of the Bonds by an amount not to exceed $25,000, as further described in this Official Notice of Sale. In such event, the purchase price of the Bonds will be adjusted proportionately allowing the same dollar amount of gross spread per $1,000 Bond (assuming a delivery date of September 25, 2012).

5-B.57

Rules of MuniAuction

The Rules of MuniAuction can be viewed on the MuniAuction website and are incorporated herein by reference. Bidders must comply with the rules of MuniAuction in addition to the requirements of this Official Notice of Sale. In the event the rules of MuniAuction conflict with this Official Notice of Sale, this Official Notice of Sale shall prevail.

Manner of Submission of Bids

Bidders should be aware of the following bidding details associated with the sale of the Bonds.

a) All bids must be submitted on the MuniAuction website at www.grantstreet.com. **No telephone, telefax or personal delivery bids will be accepted**. The use of MuniAuction shall be at the bidder's risk and expense and the Village shall have no liability with respect thereto, including, without limitation, liability with respect to incomplete, late arriving and non-arriving bid.

b) Bidders may change and submit bids as many times as they like during the bidding time period; provided, however, each and any bid submitted subsequent to a bidder's initial bid must result in a lower true interest cost ("TIC") with respect to a bid, when compared to the immediately preceding bid of such bidder. In the event that the revised bid does not produce a lower TIC with respect to a bid, the prior bid will remain valid.

c) If any bid in the auction becomes a leading bid within the two (2) minute period prior to the end of the auction, then the auction will be automatically extended by two (2) minutes from the time such bid was received by MuniAuction. The auction end time will continue to be extended, indefinitely, until a single leading bid remains the leading bid for at least two minutes.

d) The last valid bid submitted by a bidder before the end of the bidding time period will be compared to all other final bids submitted by others to determine the winning bidder.

e) During the bidding, no bidder will see any other bidder's bid, but bidders will be able to see the ranking of their bids relative to the other bids (i.e. "Leader", "Cover", "3rd", etc.).

f) On the Auction Page, bidders will be able to see whether a bid has been submitted.

Maturities

The Bonds will mature on December 1 in each of the years and in the amounts as follows:

Amount*	Maturity (December 1)	Amount*	Maturity (December 1)
$85,000	2013	$100,000	2023
85,000	2014	105,000	2024
90,000	2015	110,000	2025
90,000	2016	110,000	2026
90,000	2017	115,000	2027
90,000	2018	115,000	2028
95,000	2019	120,000	2029
95,000	2020	125,000	2030
95,000	2021	130,000	2031
100,000	2022	135,000	2032

* Subject to change. The Village reserves the right to increase or decrease: (1) the principal amount of the aggregate principal amount of the Bonds by an amount not to exceed $120,000; and (2) the principal amount of each maturity of the Bonds by an amount not to exceed $25,000, as further described in this Official Notice of Sale. In such event, the purchase price of the Bonds will be adjusted proportionately allowing the same dollar amount of gross spread per $1,000 Bond (assuming a delivery date of September 25, 2012).

5-B.58

Payments; Depository

Interest on the Bonds will be payable semiannually on June 1 and December 1 of each year until maturity, beginning December 1, 2012. Principal and premium (if any) of the Bonds will be payable upon surrender thereof at maturity or upon earlier redemption to the registered owner of each Bond which will initially be Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Payment of principal and interest to DTC shall be the responsibility of Amalgamated Bank of Chicago, Chicago, Illinois (the "Paying Agent") and disbursement of such payments to the beneficial owners shall be the responsibility of DTC's direct participants or indirect participants. The Village and the Paying Agent will not have any responsibility or obligation with respect to the accuracy of any records maintained by DTC, its direct participants or indirect participants or any payment made by DTC, its direct participants or indirect participants of any amount with respect to the principal, premium (if any) or interest due on the Bonds. The fees and charges of DTC shall be borne by the successful bidder.

Optional Redemption

The Bonds maturing on or after December 1, 2022, are subject to redemption prior to maturity at the option of the Village, from any available funds, in whole or in part, on any date on or after December 1, 2021, and if in part, in any order of maturity as selected by the Village, and if less than an entire maturity, in integral multiples of $5,000, selected by lot by the Bond Registrar, at the redemption price of par plus accrued interest to the date fixed for redemption

Security and Purpose

The Bonds are payable both as to principal and interest from (i) the moneys to be to the credit of the Alternate Bond and Interest Subaccount within the Surplus Account of the Water Fund of the Village, said Surplus Account consisting of the funds remaining in the Water Fund, after the required monthly deposits and credits have been made, under the provisions of the Bond Ordinance (as hereinafter defined) and certain ordinances of the Village authorizing waterworks revenue bonds of future Series to prior certain lien accounts and purposes as set forth in the Bond Ordinance and (ii) ad valorem taxes as levied against all of the taxable property within the Village without limitation as to rate or amount except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles whether considered at law or in equity, including the exercise of judicial discretion.

The Bonds are issued for the purposes of (i) providing funds to pay for the costs of the Project (as such term is defined in the Official Statement); and (ii) funding certain costs associated with the issuance of the Bonds.

In connection with the issuance of the Bonds, the Village will adopt an ordinance (the "Bond Ordinance") authorizing issuance of the Bonds. The Bond Ordinance provides for the levy of ad valorem taxes, unlimited as to rate or amount, upon all taxable property within the Village in amounts sufficient to pay, as and when due, all principal of and the interest on the Bonds. The Bond Ordinance will be filed with the County Clerk of Cook County and will serve as authorization to said County to extend and collect such property taxes. The Village may only direct abatement of such taxes in any year if and to the extent that it has funds irrevocably set aside pursuant to the Bond Ordinance.

Legal Opinion; Tax-Exempt Status of the Bonds

The approving opinion of Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel, to the effect that the Bonds constitute the valid and binding general obligation of the Village will be furnished to the successful bidder without cost. Bond Counsel will provide an opinion on the federal income tax exemption of interest on the Bonds. See "TAX EXEMPTION" in the Official Statement. See also Appendix C of the Official Statement for proposed form of Bond Counsel opinion.

5-B.59

Form of Bid; Minimum Price

All bids must be for not less than all of the Bonds hereby offered for sale and for not less than ninety-nine percent (99%) of the principal amount thereof, including any original issue discount.

Bid Parameters; Interest Rate; Basis of Award

Bidders shall provide bids for the Bonds specifying interest rates and reoffering prices for the Bonds. The Bonds will be awarded by the Village to the bidder (the "Winning Bidder") making a bid conforming to the terms of the Official Notice of Sale which is the best bid on the basis of the lowest true interest cost for the Bonds, as determined in the manner hereinafter stated and as determined by the Village's Financial Advisor (the "Winning Bid"), which determination shall be conclusive and binding on all bidders; provided, that the Village reserves the right to reject all bids or any non-conforming bid and reserves the right to waive any informality in any bid. The true interest cost for the Bonds shall be computed by determining the annual interest rate, compounded semiannually, necessary to discount the debt service payments to the dated date of the Bonds and to the bid price, excluding accrued interest to the date of delivery. Bidders are to specify a rate of interest per annum to be paid on the Bonds of each maturity, subject to the following limitations:

(i) all Bonds of the same maturity year must bear the same rate of interest and not more than one interest rate shall be specified for a single maturity;
(ii) no interest rate shall be other than a whole multiple of one-eighth (1/8) or one one-hundredth (1/100) of one percent, and not more than one rate for a single maturity shall be specified;
(iii) the interest rate bids for maturities shall be in non-descending order; and
(iv) a zero rate of interest may not be named and no rate of interest may exceed 5% per annum.

Proposals may specify any number of interest rates, subject to (i) through (iv) above. No proposal will be considered which does not offer to purchase all of the Bonds. Bidders should verify the accuracy of their final bids and compare them to the winning bids reported on the MuniAuction website immediately after bidding.

The true interest cost of each bid will be computed by MuniAuction and reported on the Observation Page of the MuniAuction webpage immediately following the date and time for receipt of bids. These true interest costs are subject to verification by the Financial Advisor, will be posted for information purposes only and will not signify an actual award of any bid or an official declaration of the winning bid. The Village or the Financial Advisor will notify the bidder to whom the Bonds will be awarded, if and when such award is made.

Additional Rules

The Winning Bidder submitting the Winning Bid is irrevocably obligated to purchase the Bonds at the rates and prices of the Winning Bid, if acceptable to the Village, as set forth in this Official Notice of Sale. The Winning Bid is not officially awarded to the Winning Bidder until formally accepted by the Village by the adoption of an ordinance authorizing the issuance of the Bonds.

Neither the Village, the Financial Advisor, nor the Auction Administrator is responsible for technical difficulties that result in loss of a bidder's internet connection with MuniAuction, slowness in transmission of bids, any other technical problems resulting in bid submission failure, or any computational or data entry errors associated with using MuniAuction.

If for any reason the Winning Bidder is disconnected from the Auction Page during the auction after having submitted the Winning Bid, such bid is valid and binding upon such Winning Bidder, unless the Village exercises its right to reject bids, as set forth herein.

5-B.60

Bids which generate error messages are not accepted until the error is corrected and the bid is received prior to the deadline.

Bidders accept and agree to abide by all terms and conditions specified in this Official Notice of Sale (including amendments, if any) related to the auction.

Neither the Village, the Financial Advisor, nor the Auction Administrator is responsible to any Bidder for any defect or inaccuracy in this Official Notice of Sale, amendments (to the Notice of Sale or Preliminary Official Statement), or Preliminary Official Statement as they appear on MuniAuction resulting in bid submission failure, or any computational or data entry errors associated with using MuniAuction.

Only bidders who request and receive admission to the auction may submit bids. MuniAuction and the Auction Administrator reserve the right to deny access to the MuniAuction website to any bidder, whether registered or not, at any time and for any reason whatsoever, in their sole and absolute discretion.

Neither the Village, the Financial Advisor, nor the Auction Administrator is responsible for protecting the confidentiality of a bidder's MuniAuction password.

If two bids submitted in the same auction by the same or two or more different bidders result in the same TIC, the first confirmed bid received by MuniAuction prevails. Any change to a submitted bid constitutes a new bid, regardless of whether there is a corresponding change in the true interest cost.

Bidders must compare their final bids to those shown on the Observation Page immediately after the bidding time period ends, and if they disagree with the final results shown on the Observation Page they must report them to MuniAuction within 15 minutes after the bidding time period ends.

Regardless of the final results reported by MuniAuction, the Bonds are definitively awarded to the Winning Bidder (the "Underwriter") only upon official award by the Village. If, for any reason, the Village fails to: (i) award the Bonds to the winner reported by MuniAuction, or (ii) delivered the Bonds to the Underwriter at settlement, neither the Village, the Financial Advisor, nor the Auction Administrator will be liable for damages.

Bidders who submit a bid on the Auction Page by clicking the "Submit Bid" button must confirm that bid by clicking the "Yes, Submit Bid" button on the Confirmation Page.

Mandatory Sinking Fund Redemption

At the option of the bidder, proposals for the Bonds may contain a maturity schedule providing for one or more term bonds or a combination of serial bonds and one or more term bonds, which option must be set forth in the Official Bid Form. Each such term bond shall be subject to mandatory sinking fund redemption commencing on December 1 of the first year of those years which have been combined in the Official Bid Form to form any term bond and continuing on December 1 of each year thereafter until the stated maturity date of any term bond. The amount redeemed in any year shall be equal to the principal amount for such year as set forth on the cover page of this Preliminary Official Statement, <u>but subject to change as explained in "Right to Adjust Size of Issue and/or Individual Maturities" below.</u> Bonds to be redeemed in any year by mandatory sinking fund redemption shall be redeemed at a price of par plus accrued interest; provided, however, that the amount of any such increase or decrease shall not exceed: (1) $120,000 for the aggregate principal amount of the Bonds and, (2) $25,000 for the principal amount of any maturity of the Bonds.

5-B.61

Right to Adjust Size of Individual Maturities

The Village reserves the right to increase or decrease (i) the aggregate principal amount of the Bonds by an amount not to exceed $120,000 and (ii) the principal amount of any maturity of the Bonds by an amount not to exceed $25,000, as the Village deems advisable in order to accomplish its financing objectives. Notice of such increase or decrease shall be given by the Village to the successful bidder as soon as practicable following the notification of award, as described above, but in any event by 3:00 p.m. (Central Time) on September 10, 2012. No such adjustment will have the effect of altering the basis upon which the best bid is determined.

Notwithstanding the provisions of the prior paragraph, the Village may increase or decrease the: (1) aggregate principal amount of the Bonds in excess of $120,000 and (2) the principal amount of any maturity of the Bonds in excess of $25,000, but only with consent of the successful bidder. The discount or premium on the Bonds is subject to adjustments if the maturity amount of the Bonds is changed, allowing the same dollar amount of gross spread per $1,000 Bond as submitted on the Official Bid Form and assuming a delivery date of September 25, 2012.

Right of Rejection

The Village reserves the right, in its discretion and for any reason or no reason, to reject any and all bids and, to the extent permitted by law, to waive any irregularity or informality in any bid on the Bonds.

Delivery and Payment

The Bonds will be issued in book-entry-only form registered in the name of Cede & Co., as nominee of DTC. Prior to the day of closing, the Bonds, in the form of a single typewritten certificate for each maturity, will be delivered to DTC. Payment for the Bonds must be made to the Village in immediately available funds. Any expense of providing immediately available funds, whether by transfer of Federal Reserve Bank funds or otherwise, shall be borne by the purchaser. Upon closing, the Village shall notify DTC of receipt of payment by the purchaser, at which time DTC (in accordance with the Blanket Letter of Representations described below) will credit the account of the successful bidder. On the date of maturity of each Bond, the Paying Agent shall remit to DTC sufficient funds to pay all outstanding principal and interest due with respect to such Bond.

To induce DTC to accept the Bonds as eligible for the book-entry-only form of issuance, the Village and the Paying Agent will enter into a Blanket Letter of Representations with DTC setting forth the terms and conditions of, and procedures for, the book-entry-only form of issuance. The successful bidder shall complete and provide to DTC's Underwriting Department the Eligibility Questionnaire in the form and at such time as is required by DTC prior to closing. Bidder must agree to accept delivery on or about September 25, 2012.

Right of Cancellation

The successful bidder shall have the right, at its option, to cancel the contract to purchase the Bonds and must give written notice at least seven (7) days in advance, if the Village shall fail to execute the Bonds and tender the same for delivery within sixty (60) days from the date of sale thereof, and in such event, the successful bidder shall be entitled to the return of the good faith deposit accompanying its bid.

Good Faith Deposit

A good faith deposit (the "Deposit") in the form of a (i) certified or cashier's check from a bank, (ii) financial surety bond (a "Financial Surety Bond") in a form satisfactory to the Village, (iii) a wire transfer from a solvent bank or trust company, in the amount of $41,600 payable to the order of the Village for the Bonds, is required for a bid to be considered.

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If a wire transfer is used for the Deposit, it must be sent according to the following wiring instructions:

US Bank
Illinois Funds
Springfield, Illinois
ABA #081-000210
Credit To: Account #007139110113
Further Credit To: Village of La Grange
Re: [Insert name of Bidder] bid to Village of La Grange, Cook County, Illinois
$2,080,000* General Obligation Bonds (Waterworks System Alternate Revenue Source), Series 2012A

The wire shall arrive in such account not later than 9:45 a.m. Central Time on September 10, 2012. To confirm the receipt of such wire transfer contemporaneously with such wire transfer, the bidder should send an email to lcipparrone@villageoflagrange.com and idziuk@kanemckenna.com with the following information:

(1) indication that a wire transfer has been made,
(2) the amount of the wire transfer,
(3) the issue to which it applies, and
(4) the return wire instructions if such bidder is not awarded the Bonds.

The Village and any bidder who chooses to wire the Deposit hereby agrees irrevocably that the Village shall be the holder of the Deposit wired to such account subject only to these conditions and duties: (i) if the bid is not accepted, the Village shall, at its expense, promptly return the Deposit amount to the unsuccessful bidder; and (ii) income earned on the Deposit, if any, shall be retained by the Village.

If a Financial Surety Bond is used for the Deposit, it must be issued by an insurance company licensed to issue such a bond in the State of Illinois and must be submitted to the Financial Advisor not later than 9:45 a.m. Central Time on September 10, 2012. The Financial Surety Bond must identify each bidder whose deposit is guaranteed by such Financial Surety Bond. The Financial Surety Bond shall name the Village as the beneficiary and identify the bidder whose deposit is guaranteed by the Financial Surety Bond. If the Bonds are awarded to a bidder utilizing a Financial Surety Bond, then that purchaser (the "Purchaser") is required to submit its Deposit to the Village in the form of a wire transfer of such amount as instructed by the Financial Advisor not later than 3:00 p.m. Central Time on September 10, 2012. If such Deposit is not received by that time, the Financial Surety Bond may be drawn upon by the Village to satisfy the Deposit requirement. No interest on the Deposit will accrue to the Purchaser.

The Deposit in the form of a certified or cashier's check from a bank or a Financial Surety Bond made payable to Village and must be submitted to the Village, c/o Kane, McKenna Capital, Inc., 150 North Wacker Drive, Suite 1600, Chicago, Illinois 60606, the Financial Advisor, not later than 9:45 a.m. Central Time on September 10, 2012. The Deposit will be applied to the purchase price of the Bonds.

In the event the successful bidder fails to honor its accepted bid, the Deposit will be retained by the Village as and for full liquidated damages. No interest on the Deposit will accrue to the purchaser.

Certificate Concerning Reoffering Prices

As soon as practicable, but not later than seven days prior to delivery of the Bonds, the successful bidder must submit to the Village the Underwriters Certificate, in form and substance satisfactory to Bond Counsel, (a) stating the initial reoffering price of each maturity of the Bonds to the public; (b) certifying that a bona fide offering of the Bonds has been made to the public (excluding bond houses, brokers, and other intermediaries); (c) stating the prices at which at least 10% of each maturity of the Bonds were sold to the public (excluding bond houses, brokers, and other intermediaries) prior to the sale of any Bonds of each maturity at other prices; and (d) certifying that the price at which each maturity of the Bonds was sold did not exceed the fair market value of such maturity as of the sale date.

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Statement of the True Interest Cost

Each bidder is requested, but not required, to state in its bid the true interest cost in dollars and the percentage true interest cost determined thereby, which shall be considered as informative only and not binding.

No Litigation

There is no litigation, now pending or, to the best knowledge of the Village, threatened to restrain or enjoin the execution or delivery of the Bonds, or that challenges or affects in any way questioning or affecting the validity of the Bonds or any of the proceedings of the Village taken with respect to the issuance or sale thereof, and the successful bidder will be furnished a "No Litigation Certificate" certifying to the foregoing as of and at the time of delivery of the Bonds.

Bond Insurance

The Bonds have not been submitted to any bond insurers to be made eligible for a municipal bond insurance policy. Prospective bidders may contact the bond insurer(s) for information concerning eligibility for bond insurance and premium prices.

If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefore at the option of the successful bidder, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the successful bidder of the Bonds. Any increase in the costs of issuance of the Bonds resulting from such purchase of insurance shall be paid by the successful bidder, except that, if the Village has requested and received a rating on the Bonds from a rating agency, the Village will pay that rating fee. Any other rating agency fees, shall be the responsibility of the successful bidder. Failure of the municipal bond insurer to issue the policy after the Bonds have been awarded to the successful bidder shall not constitute cause for failure or refusal by the successful bidder to accept delivery on the Bonds.

The utilization of a financial municipal bond policy will be at the option of the bidder. If utilized, the cost of the municipal bond insurance policy and any other fee associated therewith will be borne by the successful bidder.

List of Members of Account

Bidders are required to list on the bid form all of the names of the members of the account on whose behalf the bid is made.

CUSIP Numbers

It is anticipated that CUSIP numbers will be obtained for the Bonds, but any error with respect thereto shall not constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with the terms hereof. The winning bidder of the Bonds shall (i) apply for CUSIP numbers within 24 hours of completion of the sale of the Bonds, (ii) pay the fee charged by the CUSIP Service Bureau and (iii) accept the Bonds with the CUSIP numbers as entered on the Bonds.

Costs to be Paid by the Village

Bond Counsel fees, Paying Agent fees, Bond Registrar fees, Financial Advisor fees, Rating Agency fees and the cost of printing 25 final Official Statements are to be paid by the Village.

5-B.64

Official Statement and Other Information

Copies of this Official Notice of Sale, the Official Bid Form and Official Statement will be furnished to any potential bidder upon request made to the Financial Advisor at: Kane, McKenna Capital, Inc., 150 North Wacker Drive, Suite 1600, Chicago, Illinois 60606, (312) 444-1702.

The Preliminary Official Statement is in a form deemed final by the Village within the meaning of Rule 15c2-12(b)(1) (the "Rule") promulgated by the Securities and Exchange Commission except for the omission of certain information permitted to be omitted therefrom pursuant to the Rule, but is subject to revision, amendment and completion in a final Official Statement. Promptly after the sale date, but in no event later than seven (7) business days after such date, the Village will provide the successful bidder with a reasonable number of copies of the final Official Statement. Such final Official Statements may be obtained, without cost to the successful bidder, in an amount not greater than 25. The successful bidder agrees to supply the Village all pricing information necessary to complete the Official Statement within 24 hours after the award of the Bonds. Additional copies of the final Official Statement may be obtained at additional cost to the successful bidder.

By making a bid for the Bonds, the successful bidder agrees (1) to disseminate to all members of the underwriting syndicate copies of the final Official Statement, including any supplements prepared by the Village, (2) to promptly file a copy of the final Official Statement, including any supplements prepared by the Village, with the Electronic Municipal Market Access (EMMA) system, and (3) to take any and all other actions necessary to comply with applicable Securities and Exchange Commission rules and Municipal Securities Rulemaking Board rules governing the offering, sale and delivery of the Bonds and the Official Statement to ultimate purchasers, including but not limited to, MSRB Rules G-8, G-11 and G-36. The winning bidder will be required to pay the standard MSRB charge for Bonds purchased. In addition, the winning bidder who is a member of the Securities Industry and Financial Markets Association ("SIFMA") will be required to pay SIFMA's standard charge per bond.

Continuing Disclosure Requirements

The Village covenants and agrees to enter into a written agreement or contract, constituting an undertaking (the "Undertaking") to provide ongoing disclosure about the Village for the benefit of the beneficial owners of the Bonds on or before the date of delivery of the Bonds as required under Section (b)(5) of the Rule. The Undertaking shall be as described in the Official Statement, with such changes as may be agreed in writing by the Underwriter.

The Underwriter's obligation to purchase the Bonds shall be conditioned upon the Village delivering the Undertaking on or before the date of delivery of the Bonds.

Right to Modify or Amend

The Village reserves the right to modify or amend this Official Notice of Sale including, but not limited, to the right to adjust and change the aggregate principal amount of the Bonds being offered; however, such notifications of amendments shall be made not less than twenty-four (24) hours prior to the date and time for the receipt of bids on the Bonds and any such modification or amendment will be announced on the MuniAuction website and through Thomson Municipal News.

5-B.65

Certification

The Village will deliver to the purchaser of the Bonds a certificate of an officer of the Village, dated the date of delivery of the Bonds, stating that, as of the date thereof, to the best knowledge and belief of said officer, the Official Statement does not contain any untrue statement of a material fact or omit to state any material fact necessary, in order to make the statements made therein, in light of the circumstances under which they were made, not misleading, and further, certifying that such officer knows of no material adverse change in the condition of the Village which would make it unreasonable for the purchaser of the Bonds to rely upon the Official Statement in connection with the resale of the Bonds.

/s/ Elizabeth Asperger
President
Village of La Grange
Cook County, Illinois

August 30, 2012

5-B.66

OFFICIAL BID FORM
(OPEN AUCTION INTERNET SALE)

President and Board of Trustees
Village of La Grange
Cook County, Illinois

President and Board of Trustees:

Subject to all of the provisions of your Official Notice of Sale, which is expressly made a part of this bid, we offer to purchase all, and not less than all, of the $2,080,000* Village of La Grange, Cook County, Illinois, General Obligation Bonds (Waterworks System Alternate Revenue Source), Series 2012A, dated the date of the issuance thereof (the "Bonds" or the "Series 2012A Bonds"), as described in said Notice, for the sum of:

$_____
(Purchase price not to be less than 99% of the aggregate principal amount of the Bonds)

The Bonds are to bear interest at the following respective interest rates.

Maturity (December 1)	Amount*	Interest Rate
2013	$85,000	___%
2014	85,000	___
2015	90,000	___
2016	90,000	___
2017	90,000	___
2018	90,000	___
2019	95,000	___
2020	95,000	___
2021	95,000	___
2022	100,000	___
2023	100,000	___
2024	105,000	___
2025	110,000	___
2026	110,000	___
2027	115,000	___
2028	115,000	___
2029	120,000	___
2030	125,000	___
2031	130,000	___
2032	135,000	___

The Bonds are to be accompanied by the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois ("Bond Counsel") and a certificate evidencing that no litigation is pending against the Village which will affect the validity of the Bonds. Bond Counsel fees, Paying Agent fees, Bond Registrar fees, Financial Advisor fees, Village Attorney fees, Rating Agency fees, CUSIP numbers and the cost of printing 25 final Official Statements are to be paid by the Village. The bidder agrees to (i) apply for CUSIP numbers within 24 hours of the completion of the sale, (ii) pay the fees charged by the CUSIP Service Bureau and (iii) accept the Bonds with the CUSIP numbers as entered on the Bonds.

The Bonds maturing December 1, 20__ through 20__, inclusive are combined into a term bond having a final maturity on December 1, __ (Cross out language if no term bonds).

We are/are not (cross out language which does not apply) utilizing bond insurance. The Bonds will be insured by _____ (state name of bond insurance company).

* Subject to change. The Village reserves the right to increase or decrease: (1) the amount of the aggregate principal amount of the Bonds by an amount not to exceed $120,000; and (ii) the principal amount of each maturity of the Bonds by an amount not to exceed $25,000, as further described in the Official Notice of Sale. In such event, the purchase price of the Bonds will be adjusted proportionately allowing the same dollar amount of gross spread per $1,000 Bond (assuming a delivery date of September 25, 2012).

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As evidence of our good faith, we have provided a good faith deposit (the "Deposit") in the form of (i) a wire transfer in the amount of $41,600 under the terms as provided in the Official Notice of Sale, (ii) a certified or cashier's check drawn on a bank in the amount of $41,600 payable to the order of the Village or (iii) a financial surety bond in a form acceptable to the Village in the amount of $41,600 issued by an insurance company whose claims-paying ability is rated "AA-" by Standard & Poor's Corporation and which is licensed to issue such a bond in the State of Illinois, naming the Village as the beneficiary and identifying the bidder whose good faith deposit is guaranteed by the surety bond. We agree, if we have provided a financial surety bond with this bid and our bid is accepted, to submit the Deposit in the form of a wire transfer to the Village in such amount as instructed by the Financial Advisor not later than 3:00 p.m. (Central Time) on September 10, 2012.

We have noted that payment of the purchase price is to be made with immediately available funds at the time of delivery of the Bonds.

Subject to your acceptance hereof, we agree to make a bona fide public offering of all the Bonds at not in excess of the initial public offering prices (or less than yields) set forth on the cover page of the Official Statement, plus accrued interest. We further agree to comply with the terms of the Official Notice of Sale.

We represent that we have full and complete authority to submit this bid on behalf of our bidding syndicate and that the undersigned will serve as the lead manager for the group if the Bonds are awarded pursuant to this bid.

I certify (or declare) under penalty of perjury under the laws of the State of Illinois that this bid is genuine; and not a sham or collusive, nor made in the interest of or on behalf of any person not named herein; and that the bidder has not directly or indirectly induced or solicited any other bidder to put in a sham bid, or any other person, firm or corporation to refrain from bidding, and that the bidder has not in any manner sought by collusion to secure for itself an advantage over any other bidder.

Submitted By:

_____

_____

_____

_____

_____

(Attached full list of Account Members)

Acceptance Authorized by Ordinance No. _____

By: _____
Village President

On _____, 2012

---------- Not Part of Bid ----------

For information only, and not as a part of this bid, we calculate that on a true interest cost ("TIC") basis the net effective interest rate is _____% per annum.

5-B.68

OFFICIAL STATEMENT

$2,080,000*
VILLAGE OF LA GRANGE
COOK COUNTY, ILLINOIS
General Obligation Bonds
(Waterworks System Alternate Revenue Source)
Series 2012A

INTRODUCTION

The purpose of this Official Statement is to set forth certain information concerning the Village of La Grange, Cook County, Illinois (the "Village"), and its $2,080,000* General Obligation Bonds (Waterworks System Alternate Revenue Source), Series 2012A (the "Bonds" or the "Series 2012A Bonds"). This Official Statement includes the cover page and the Appendices.

The Bonds are being issued pursuant to the Local Government Debt Reform Act, as supplemented an amended (the Debt Reform Act") and the Illinois Municipal Code, as supplemented and amended, (collectively, "Applicable Law"). The Bonds are also being issued pursuant to an ordinance authorizing the Bonds, which is expected to be duly passed by the President and Board of Trustees of the Village (the "Board") on the 10th day of September, 2012 (the "Bond Ordinance").

In the opinion of Chapman and Cutler LLP, Bond Counsel, the Bonds are valid and legally binding upon the Village and are payable from (i) certain Pledged Revenues (as such term is hereinafter defined) and (ii) ad valorem taxes as levied against all of the taxable property in the Village without limitation as to rate or amount (the "Pledged Taxes") except that the rights of the owners of the Bonds and enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

The proceeds of the Bonds will be used to: (1) undertake certain improvements to the Village's waterworks system, including without limitation, replacement and modernization of the water meters throughout the Village, improvements to the East Avenue Water Pumping Station system and, if any, related waterworks system improvements; and (2) fund certain costs associated with the issuance of the Bonds.

THE BONDS

Description

The Bonds are issuable in fully registered form in the denomination of $5,000 or integral multiples thereof. The Bonds will be dated the date of issuance and will bear interest from that date and mature, subject to prior redemption, on the dates set forth on the cover page of this Official Statement. Interest (computed on the basis of a 360-day year) on the Bonds is payable on December 1, 2012 and semiannually on each June 1 and December 1 thereafter to the person in whose name the Bond is registered at the close of business on the 15th day of the month next preceding a regularly scheduled interest payment date or the 15th day next preceding an interest payment date occasioned by a redemption of Bonds other than on a regularly scheduled interest payment date. Principal of and interest on the Bonds will be paid as described under the caption "THE BONDS - Book-Entry Only System for the Bonds" herein. The Village has appointed Amalgamated Bank of Chicago, Chicago, Illinois as Paying Agent and Certificate Registrar (the "Paying Agent" and "Bond Registrar").

*Preliminary, subject to change

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The Bonds will be initially issued only in book-entry form in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), as registered owner of the Bonds and immobilized in the custody of the Depository. No physical delivery of the Bonds will be made to purchasers. So long as Cede & Co. is the registered owner, as nominee of DTC, references to Bondholders or registered owners herein shall mean Cede & Co., and shall not mean the beneficial owners of the Bonds. See "THE BONDS - Book-Entry Only System for the Bonds.

Book-Entry Only System for the Bonds

The following information concerning DTC has been extracted from a schedule prepared by DTC entitled "Sample Offering Document Language Describing Book-Entry Only Issuance." Neither the Village, Bond Counsel, the Financial Advisor nor the Underwriter makes any representation as to the completeness or accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

1. The DTC will act as securities depository for the Bonds (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee), or such other name as may be requested by an authorized representative of DTC. One fully registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC.

2. DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participant's accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

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4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Village as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Village or the Paying Agent on a payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the Village, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co., (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Village or the Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as securities depository with respect to the Securities at any time by giving reasonable notice to the Village or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Security certificates are required to be printed and delivered.

10. The Village may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered.

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The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Village believes to be reliable, but the Village takes no responsibility for the accuracy thereof. NEITHER THE VILLAGE NOR THE UNDERWRITER, BOND COUNSEL, AND THE FINANCIAL ADVISOR WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO: (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (2) THE PAYMENT BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO PRINCIPAL OF, OR INTEREST ON, THE BONDS; (3) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDHOLDERS; OR (4) ANY CONSENT GIVEN BY DTC OR OTHER ACTION TAKEN BY DTC AS A BONDHOLDER.

Optional Redemption

The Bonds maturing on or after December 1, 2022 are subject to redemption prior to maturity, at the option of the Village, from any available funds, in whole or in part, on December 1, 2021 or any date thereafter, and if in part, in any order of maturity as selected by the Village, and if less than an entire maturity, in integral multiples of $5,000 selected by lot by the Bond Registrar, at the redemption price of par, plus accrued interest to the date fixed for redemption.

Notice of Redemption

Notice of the redemption of any Bonds, which by their terms shall have become subject to redemption, shall be given to the registered owner of each such Bond or portion of such Bond called for redemption not less than 30 or more than 60 days before any date established for redemption of Bonds, by the Bond Registrar, on behalf of the Village, by registered or certified mail sent to the registered owner's last address shown on the registration books kept by the Bond Registrar, or at such other address furnished in writing by such registered owner to the Bond Registrar. All notices of redemption will include at least the information as follows: (1) the redemption date; (2) the redemption price; (3) if less than all of the Bonds of a particular maturity are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed; (4) a statement that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from the after such date; and (5) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Bond Registrar. Neither the failure to mail such redemption notice, nor any defect in any notice so mailed, to any particular registered owner of a Bond will affect the sufficiency of such notice with respect to other registered owners. Notice having been properly given, failure of the registered owner of a Bond to receive such notice shall not be deemed to invalidate, limit or delay the effect of the notice or redemption action described in the notice.

PURPOSE OF BOND ISSUANCE

The Bonds are being issued to: (i) undertake certain improvements to the Village's combined waterworks system, including without limitation, replacement and modernization of the water meters throughout the Village, improvements to the East Avenue Water Pumping Station system and, if any, related waterworks system improvements (the "Project"); and (ii) pay certain costs associated with the issuance of the Bonds.

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SOURCES AND USES*

The sources and uses related to the sale and delivery of the Bonds to be paid from the proceeds of the Bonds are estimated as shown below:

Sources*	
Bonds	$2,080,000
Total Sources	$2,080,000
Uses*	
Project Costs	$2,000,000
Costs of Issuance including Underwriter's discount	80,000
Total Uses	$2,080,000

SECURITY FOR THE BONDS

The Bonds are general obligation alternate bonds and are issued pursuant to the provisions of Division 129 Article II of the Municipal Code of the State of Illinois, as amended, and Section 15 of the Local Government Debt Reform Act of the State of Illinois, as amended (the "Debt Reform Act") (together, the "Applicable Law"). In the opinion of Bond Counsel, the Bonds are valid and legally binding upon the Village and are payable from (i) the moneys to the credit of the Alternate Bond and Interest Subaccount within the Surplus Account of the Water Fund of the Village, said Surplus Account consisting of the funds remaining in the Water Fund, after the required monthly deposits and credits have been made, under the provisions of the Bond Ordinance and if applicable, certain ordinances of the Village authorizing waterworks system revenue bonds of the Village, to certain prior lien accounts and purposes as set forth in the Bond Ordinance, (the "Pledged Revenues") and (ii) ad valorem taxes as levied against all of the taxable property in the Village (the "Pledged Taxes"). The Pledged Revenues are projected to be sufficient to support or provide or pay in each year to final maturity of the Bonds, all of the following: (1) Operation and Maintenance Expenses as hereinafter defined, but not including depreciation, (2) debt service on all outstanding revenue bonds payable from the Revenues, as hereinafter defined , (3) all amounts required to meet any fund or account requirements with respect to such outstanding revenue bonds, (4) other contractual or tort liability obligations, if any, payable from the Revenues as hereinafter defined, and (5) in each year an amount not less than 1.25 times debt service of the Bonds, there being no alternate bonds previously issued payable from the Pledged Revenues, as shown in the report provided by Kane, McKenna Capital, Inc. attached hereto as Appendix B (the "Feasibility Report") (the "Expenses").

"Operation and Maintenance Expenses" means all expenses of operating, maintaining and routine repair of the waterworks system of the Village (the *"System"*), including wages, salaries, costs of materials and supplies, power, fuel, insurance, purchase of water (including all payments by the Village pursuant to long-term contracts for such services) and all reasonable administrative fees and expenses; but excluding debt service, depreciation, or any reserve requirements and any costs of extending or enlarging the System or engineering expenses in anticipation thereof or in connection therewith; and otherwise determined in accordance with generally accepted accounting principles for municipal enterprise funds.

"Revenues" means all income from whatever source derived from the System, including (i) investment income; (ii) connection, permit and inspection fees and the like; (iii) penalties and delinquency charges; (iv) capital development, reimbursement, or recovery charges and the like; and (v) annexation or pre-annexation charges insofar as designated by the Village Board as paid for System connection or service; but excluding expressly (a) non-recurring income from the sale of property of the System; (b) governmental or other grants; and (c) advances or grants made from the Village; and as otherwise determined in accordance with generally accepted accounting principles for municipal enterprise funds.

*Preliminary, subject to change.

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Pursuant to the Debt Reform Act, the Village has pledged the Pledged Revenues to the payment of the Bonds and the provision of not less than an additional .25 times debt service, and shall covenant to provide for, collect and apply the Pledged Revenues as hereinabove provided which pledge and covenant shall constitute a continuing obligation of the Village with respect to such establishment and a continuing appropriation of the amounts received. As long as any Bonds are outstanding, the Village will take no action or fail to take any action which in any way would adversely affect the ability of the Village to levy the Pledged Taxes and to collect and to segregate the Pledged Revenues.

Bonds may be issued in the future to share in the Pledged Revenues on a parity as to the lien with the Bonds or having a senior lien to the lien on the Bonds. See "ADDITIONAL BONDS" herein.

The ability of the Village to pay the Bonds from the Pledged Revenues may be limited by circumstances beyond the control of the Village. In addition, there is no guarantee that the Village will continue to receive the Pledged Revenues in amounts sufficient to pay debt service on the Bonds.

5-B.74

Coverage Table

"Water System" means the provision of water services to residents and property owners, the assets utilized in providing such services, and the personnel employed to operate the facilities necessary to deliver water within the Village.

"Water Fund" means the accounts established and maintained to account for the acquisition of water, the treatment of water and the distribution of water to residents and property owners.

SERIES 2012A BONDS
DEBT SERVICE COVERAGE TABLE

Fiscal Year	Pledged Revenues Available for Debt Service*	Series 2012 Bonds Debt Service*	Debt Service Coverage Ratio*
2014	$ 366,059.00	$ 110,650.00	3.31
2015	$ 366,059.00	$ 135,493.00	2.70
2016	$ 366,059.00	$ 139,558.00	2.62
2017	$ 366,059.00	$ 138,478.00	2.64
2018	$ 366,059.00	$ 137,308.00	2.67
2019	$ 366,059.00	$ 135,958.00	2.69
2020	$ 366,059.00	$ 139,383.00	2.63
2021	$ 366,059.00	$ 137,245.00	2.67
2022	$ 366,059.00	$ 135,203.00	2.71
2023	$ 366,059.00	$ 137,970.00	2.65
2024	$ 366,059.00	$ 135,470.00	2.70
2025	$ 366,059.00	$ 137,820.00	2.66
2026	$ 366,059.00	$ 139,933.00	2.62
2027	$ 366,059.00	$ 136,798.00	2.68
2028	$ 366,059.00	$ 138,608.00	2.64
2029	$ 366,059.00	$ 135,158.00	2.71
2030	$ 366,059.00	$ 136,593.00	2.68
2031	$ 366,059.00	$ 137,813.00	2.66
2032	$ 366,059.00	$ 138,813.00	2.64
2033	$ 366,059.00	$ 139,523.00	2.62

*Preliminary, subject to change.

Waterworks System

The Village supplies potable water from Lake Michigan to customers through a network of pipes, pump stations, and storage reservoirs. The Village purchases water from the Village of McCook, Illinois ("McCook"). McCook receives Lake Michigan water directly from the City of Chicago, Illinois ("Chicago"). The Village's water is received from McCook at the La Grange reservoir located within the Village at East Avenue and Plainfield Road. The water is then pumped from the reservoir through the Village's distribution system consisting of 59 miles of water mains that range in size from 4" to 16".

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The water received by the Village from McCook is measured through a water meter located at the point of the incoming water main from McCook. Water usage throughout the Village is then measured with water meters along the service lines located at each customer's property point. There are approximately 4,775 meters distributed throughout the Village for residential, commercial, and industrial customers. The most recent water meter replacement project occurred over a four-year period starting in 1987 through 1990. The Village has identified the need to systematically replace the water meters as a major objective. Water meters are routinely replaced at the end of their useful life, which is typically 20-25 years.

The Village on average pumps approximately 1.7 million gallons of potable water per day through the System. A critical component of the Village's System is the East Avenue Pump Station (the "Pump Station"). The Pump Station receives the water, delivered from McCook, where it is re-chlorinated and then redistributed into the balance of the System. The capacity for the Pump Station and adjacent 1.75 gallon reservoir were constructed in the early 1980's, with an upgrade in 1993. However, the Village's Engineer has estimated that the Pump Station is nearing the end of its useful life. The Village has therefore identified as another key objective the replacement of all of the major operating components of the Pump Station, as part of the planned System improvements.

The Water Fund has been established by the Village as a proprietary and self-sufficient, enterprise fund to finance the cost of operating, maintaining and replacing the Village's waterworks distribution system. In establishing the water rate fee structure for its water customers, the Village considers three main areas of expenditures within the Water Fund – the cost of the water as a commodity; operating costs; and capital improvements. Taken together, all of these elements constitute the basis for establishing and subsequently adjusting the Village's water rate structure.

As noted above, one component of the establishment of the Village's water rate is to fund needs associated with capital improvements such as the planned System improvements. It was specifically for this purpose that the Village adopted the Water Rate Ordinance as a means to supplement Water Fund revenues in order to support the issuance of the Bonds.

System Administration

The System is maintained by the Village of La Grange Public Works Department and is administered by the Director of Public Works. In addition, the Department is staffed by the equivalent of eleven (11) full-time employees including the Assistant Public Works Director, 2 Crew Leaders; 5 General Utility Workers, an administrative assistant, an accounting clerk and a meter reader. System bills are prepared and billed on a bi-monthly basis for residential users and on a monthly basis for commercial and other larger users. The Village has an approximate average annual collection rate of 98% for all billings for the System. This percentage does not take into consideration revenue not realized due to inaccurate meters or loss in water through an aging system; both of which are issues for which the Bond proceeds will provide funds.

Service Area and Typical Demand

The System serves an estimated 15,550 people within the Village. The System's customer base in the Village is primarily residential, and accounts for approximately 90% of the total volume of water in calendar year 2012. Total estimated water billings for System services for fiscal year 2012 were estimated at approximately $3,321,000.

Current total water demands in the Village are approximately 1.7 million gallons per day for the average day, and 2.8 million gallons per day for the peak day. The Villages total daily pumping capacity is approximately 3 million gallons per day.

Alternate Bonds

Conditions. Under the Debt Reform Act, general obligation alternate bonds ("Alternate Bonds") must meet certain conditions. The following sets forth such conditions and the manner in which the Village has complied with the applicable condition.

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1. If issued in lieu of authorized revenue bonds, the Alternate Bonds must be issued for authorized revenue bond purposes and if issued payable from a limited purpose revenue source, the Alternate Bonds must be issued for such limited purpose.

2. Alternate Bonds must comply with "backdoor referendum" procedures consisting of publication of the authorizing ordinance and a notice of intent to issue alternate bonds. If a petition signed by the requisite number of the registered voters is not filed in the governmental unit within 30 days after publication of the authorizing ordinance and such notice, the Alternate Bonds are authorized to be issued without referendum. The Village has adopted and published an authorizing ordinance and notice of intent to issue Alternate Bonds, and no such petitions were timely filed with the Village.

3. To the extent payable from enterprise system revenues (such as the Water Fund), such revenues shall have been determined by the governing body to be sufficient to provide or pay in each year to final maturity of the alternate bonds proposed to be issued, the Expenses.

4. The Pledged Revenues must in fact be pledged to the payment of the Alternate Bonds and the issuer must covenant to provide for, collect and apply the Pledged Revenues to the payment of the Alternate Bonds and the provision of not less than an additional .25 times coverage of debt service.

The Village will determine in the Bond Ordinance that the Pledged Revenues are sufficient to meet this requirement, relying, as permitted by the Debt Reform Act and the Feasibility Report.

Consequence of Property Tax Extension. The Bonds, as alternate bonds are general, full faith and credit obligations of the governmental issuer, payable from the Pledged Revenues and the Pledged Taxes. Although the Debt Reform Act generally excludes Alternate Bonds from statutory limitations on indebtedness, the Debt Reform Act also provides that if Pledged Taxes extended, then the outstanding Bonds shall be included in computing all statutory limits on indebtedness of the governmental unit until an audit shows that the Bonds have been paid from the Pledged Revenues for a complete fiscal year.

In connection with the issuance of the Bonds, the Bond Ordinance provides for the levy of the Pledged Taxes in amounts sufficient to pay, as and when due, all principal of and the interest on the Bonds. The Bond Ordinance will be filed with the County Clerk of Cook County and will serve as authorization to said County Clerk to extend and collect such property taxes. Unless directed by the Village to abate said taxes for any given year, the County is obligated to extend and collect such property taxes. The Village may only direct abatement of such taxes in any year if and to the extent that it has the Pledged Revenues are irrevocably set aside in an amount sufficient to pay such principal of and interest on the Bonds.

Not later than the last date on which property tax abatements may be filed with respect to ad valorem taxes to be extended and collected for each Tax Year (defined below), the Village intends to abate the full faith and credit taxes in such Tax Year in an amount equal to the amount then on deposit in the Alternate Bond and Interest Subaccount and available for such payment. To the extent that sufficient Pledged Revenues are not deposited by the Village in the Alternate Bond and Interest Subaccount on or prior to the last date on which property tax abatements may be filed with respect to ad valorem taxes to be extended and collected for each Tax Year, the full faith and credit taxes are required to be extended, collected and deposited in the appropriate Bond Fund for payment of debt service due on the Bonds during each Tax Year.

There can be no assurance that the Pledged Revenues will be realized in an amount sufficient to abate the annual levy of ad valorem taxes for the Bonds.

The term "Tax Year" is defined as follows:

> "Tax Year" means, for any year for which full faith and credit taxes are levied in the Bond Ordinance, the tax year in which such full faith and credit taxes are to be extended for collection.

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Flow of Funds

The Village covenants in the Bond Ordinance that will make the following deposits on or before the first of each month in the accounts of the Water Fund:

(a) *Operation and Maintenance Account:* There will be credited to or retained in the Operation and Maintenance Account an amount sufficient, when added to the amount then on deposit in said Account, to establish or maintain a balance at an amount not less than the amount considered necessary to pay Operation and Maintenance Expenses for the then current month.

(b) *Accounts Created pursuant to Future Bond Ordinances:* Future bond ordinances providing for the issuance of additional bonds or revenue bonds (*"Future Bond Ordinances"*) may create additional accounts in the Water Fund for the payment and security of waterworks revenue bonds that hereafter may be issued by the Village. Amounts in the Water Fund will be credited to and transferred from said accounts in accordance with the terms of the Future Bond Ordinances.

(c) *Depreciation Account:* Beginning the month after the delivery of the Bonds, there will be credited to the Depreciation Account and held, in cash and investments, such sum as the Board may deem necessary in order to provide an adequate depreciation fund for the System. In Future Bond Ordinances, the Village may covenant to make specific monthly deposits to said Depreciation Account and to accumulate funds therein.

Amounts to the credit of said Depreciation Account will be used for (i) the payment of the cost of extraordinary maintenance, necessary repairs and replacements, or contingencies, the payment for which no other funds are available, in order that the System may at all times be able to render efficient service, (ii) for the purpose of acquiring or constructing improvements and extensions to the System, and (iii) the payment of principal of or interest and applicable premium on any Outstanding Bonds at any time when there are no other funds available for that purpose in order to prevent a default. Future Bond Ordinances may provide for additional deposits to said Depreciation Account and additional uses and transfers of the funds on deposit in said Depreciation Account.

(d) *Surplus Account:* All moneys remaining in the Water Fund, after crediting the required amounts to the respective accounts hereinabove provided for, and after making up any deficiency in said accounts, will be credited to the Surplus Account. Funds in the Surplus Account will first be used to make up any subsequent deficiencies in any of said accounts and then will be deposited to a separate and segregated account hereby created and designated the "Alternate Bond and Interest Subaccount of the Surplus Account" (the *"Alternate Bond and Interest Subaccount"*), as follows:

A. There will be paid into the Alternate Bond and Interest Subaccount in each month after the required payments have been made into the Accounts above described, a fractional amount of the interest becoming due on the next succeeding interest payment date on all Outstanding Bonds and a fractional amount of the principal becoming due on the next succeeding principal maturity date of all Outstanding Bonds until there will have been accumulated in the Alternate Bond and Interest Subaccount on or before the month preceding such maturity date of interest or principal, an amount sufficient to pay such principal or interest, or both, of all Outstanding Bonds.

B. In computing the fractional amount to be set aside each month in said Alternate Bond and Interest Subaccount, the fraction will be so computed that sufficient funds will be set aside in said Subaccount and will be available for the prompt payment of such principal of and interest on all Outstanding Bonds as the same will become due and will be not less than one-fifth of the interest becoming due on the next succeeding interest payment date and not less than one-tenth of the principal becoming due on the next succeeding principal payment date on all Outstanding Bonds until there is sufficient money in said Subaccount to pay such principal or interest or both.

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C. Credits to the Alternate Bond and Interest Subaccount may be suspended in any fiscal year at such time as there is a sufficient sum, held in cash and investments, in said Subaccount to meet principal and interest requirements in said Subaccount for the balance of such fiscal year, but such credits will be resumed at the beginning of the next fiscal year.

D. All moneys in said Subaccount will be used only for the purpose of paying interest on and principal of and premium if any on the Bonds and Additional Bonds.

E. Any funds remaining in the Surplus Account after making the aforesaid deposits to the credit of the Alternate Bond and Interest Subaccount, at the discretion of the Board, will be used, first, to make up any subsequent deficiencies in any of the accounts hereinabove named; and then, for the remainder of all surplus monies, at the discretion of the Board, for one or more of the following purposes without any priority among them:

1. For the purpose of constructing or acquiring repairs, replacements, improvements or extensions to the System; or

2. For making transfers to the Fund generally to be applied and treated as Revenues when transferred; or

3. For the purpose of calling and redeeming Outstanding Bonds payable from the System which are callable at the time; or

4. For the purpose of purchasing Outstanding Bonds payable from the System; or

5. For the purpose of paying principal of and interest on any subordinate bonds or obligations issued for the purpose of acquiring or constructing repairs, replacements, improvements or extensions to the System, including loans from the State of Illinois, acting through the Illinois Environmental Protection Agency; or

6. For any purpose enumerated in any Future Bond Ordinance; or

7. For any other lawful System purpose.

Money to the credit of the Water Fund or the Project Fund may be invested pursuant to any authorization granted to municipal corporations by Illinois statute or court decision.

Project Fund

Pursuant to the Bond Ordinance, the Village will establish a Project Fund into which will be deposited monies to provide funds for the construction of the Project. The Project Fund will contain an Expense Account into which the costs of issuance of the Bonds will be paid.

The moneys in the 2012 Expense Fund shall be held by the Village and applied to pay costs of issuance of the Bonds. Any moneys remaining in the Expense Fund after six months shall be deposited into the Alternate Bond and Interest Subaccount.

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ADDITIONAL BONDS

The Village reserves the right to issue bonds or other obligations from time to time on a parity with the Bonds to share equally and ratably in the Pledged Revenues (the "Additional Bonds") or revenue bonds having a first lien on the revenue of the Waterworks System (the "Revenue Bonds").

The Village reserves the right to issue without limit bonds payable solely and only from the Pledged Revenues, which bonds may have a lien on the Pledged Revenues prior to the lien on the Pledged Revenues that secures the Outstanding Bonds as hereinafter defined, provided that upon the issuance of such bonds, the Village shall be able to demonstrate in the same manner as provided by the Applicable Law, as the Applicable Law is written at that time, that at such time all Outstanding Bonds could then be issued as if not then having previously been issued; that is, that the requirements of the Applicable Law for the issuance of alternate bonds payable from the Revenues shall have been met on such date for all Bonds.

The Village also reserves the right to issue Additional Bonds from time to time payable from the Pledged Revenues, and any such Additional Bonds shall share ratably and equally in the Pledged Revenues with the Bonds; provided, however, that no Additional Bonds shall be issued except in accordance with the provisions of the Applicable Law as the Applicable Law is written at that time.

The Village also reserves the right to issue revenue bonds from time to time payable from the Revenues that are subordinate to the Bonds or Additional Bonds and are payable from the money remaining in the Surplus Account after making required deposits into the Alternate Bond and Interest Subaccount.

"Outstanding Bonds" when used with reference to any bond, means all Bonds and Additional Bonds which are unpaid on such date; provided, however, such term shall not include Bonds or Additional Bonds (i) which have matured and for which moneys are on deposit with proper paying agents, or are otherwise properly available, sufficient to pay all principal and interest thereof, or (ii) the provision for payment of which has been made by the Village by the deposit in an irrevocable trust or escrow of funds or direct, full faith and credit obligations of the United States of America or obligations guaranteed by the United States Government, the principal and interest of which will be sufficient to pay at maturity or as called for redemption all the principal of and applicable premium on such Bonds or Additional Bonds.

BOND RATING

The Bonds have been assigned a rating of Aa2 by Moody's Investor Service, Inc. ("Moody's"). The Village did not apply to any other rating service for a rating on the Bonds. No other rating service has a rating published for outstanding general obligation bonds of the Village.

Such rating only reflects the view of Moody's and any explanation of the significance of such rating may be obtained from Moody's. 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 Bonds. Certain information concerning the Bonds and the Village not included in the Official Statement was furnished to Moody's by the Village. An explanation of the significance of the investment rating may be obtained from the rating agency: Moody's Investor Service, Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, (212) 553-0300.

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VILLAGE OF LA GRANGE
COOK COUNTY, ILLINOIS

General Description

The Village, a non-home rule municipality under Illinois law, was incorporated in June 11, 1879. The Village encompasses approximately 2.5 square miles and is located in the western part of Cook County approximately 14 miles southwest of downtown Chicago. The Village is bordered on the north by the Village of La Grange Park, on the east by the Village of Brookfield, on the south by the City of Countryside and on the west by the Village of Western Springs.

Certain population statistics for the Village are indicated below.

1980 (U.S. Census)	15,445
1990 (U.S. Census)	15,362
2000 (U.S. Census)	15,608
2010 (U.S. Census)	15,550

The Village has accessibility via highway, rail, and air transportation. The Eisenhower Expressway (I-290) runs north of the Village, the Tri-State Tollway (I-294) runs west of the Village and the Stevenson Expressway (I-55) runs to the south of the Village. The City of Chicago, Chicago's O'Hare International Airport and Midway Airport are located within an approximately 30 minute drive from the Village.

Commuter rail service is provided by METRA, a division of the Regional Transportation Authority, which maintains two (2) commuter rail stations in the Village, the LaGrange Road Train station and the Stone Avenue Station. Bus service is operated by PACE, a division of the Regional Transportation Authority, and there is access to Amtrak train service.

Gas and electric service for the Village are provided by Nicor and Commonwealth Edison, respectively. The Village provides water and sewer utilities to its residents. The Village purchases Lake Michigan water from the Village of McCook. Sewage is collected through Village mains and is transported through interceptors to the Metropolitan Water Reclamation District of Greater Chicago for treatment.

The Park District of La Grange, a separate governmental unit, services residents' recreational needs with 11 parks covering an area of approximately 69 acres of land.

The educational needs of the residents of the Village are served by Elementary School District Numbers 102,105 and 106 and High School District Number 204 (Lyons Township High School) together with three (3) parochial elementary schools, a Montessori school and La Grange Area Head Start. The Village is also served by The College of DuPage Number 502 which offers two-year associate degree programs.

Hospital services are provided by LaGrange Memorial Hospital (a Level II trauma center with 270 beds), which is located within the Village. Loyola University Medical Center and Hinsdale Hospital are also nearby.

Village Organization and Administration

The Village operates under a Board-Manager form of government. The Village President, Village Clerk, and six trustees are elected on a non-partisan basis to serve four year, overlapping terms with three trustees elected every second year. The Village Attorney is appointed by the Village President, with the advice and consent of the Village Board. The Village Manager is hired and appointed by the Village President and Board of Trustees. All Department managers are hired by the Village Manager.

The Village Manager is the chief administrative officer of the Village and is responsible for its day-to-day operations. The Village Manager oversees a full-time staff of six (6) department managers including Administration, Finance, Police, Fire, Community Development and Public Works.

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The Village provides public safety (police and fire), highways and streets, sanitation, public improvements, planning and zoning, and general administrative services.

As of July 15, 2012 the Village employed approximately 96 full time and 6 part time and 21 seasonal employees providing the following services:

	Full-Time	Part-Time	Seasonal
Police	34	3	12
Fire	20	0	0
Administrative and Other	42	3	9
TOTAL	96	6	21

Of the 34 full-time staff of the Police Department, 28 are sworn officers including lieutenants, sergeants, chief and six (6) are radio communication operators; the police department is also staffed by sixteen (16) part-time personnel, three (3) of which are part-time officers of the sixteen (16), twelve (12) are seasonal crossing guards. The Fire Department staff includes the Fire Chief, two (2) captains, three (3) lieutenants, thirteen (13) firefighters/paramedics and administrative employees.

The sworn officers of the Police Department are represented by the Fraternal Order of Police and their current contract expired on April 30, 2011. The police telecommunications personnel are also members of the Fraternal Order of Police and are negotiating their first contract. The firefighters are represented by the International Association of Firefighters and their current contract expires on April 30, 2014.

The Department of Public Works employees (including general utility workers, crew leaders, mechanics and forestry) are represented by the International Union of Operating Engineers, Local 150 and their current contract expires April 30, 2013.

Selected Socioeconomic and Demographic Characteristics

The following tables compare the Village to Cook County and State of Illinois medians according to the U.S. Census data for selected socioeconomic and demographic characteristics.

	Per Capital Income (2006-2010) Dollars	Median Household Income (2010) Amount	% Owner Occupied Housing (2006-2010)
Village of La Grange	$47,238	$94,629	82.2%
Cook County	29,335	53,942	60.4
State of Illinois	28,782	55,735	69.2

Source: 2010 U.S. Census for the Village, Cook County, State of Illinois.

	Median Home Value (2010)	Median Home Value (2000)	% Change
Village of La Grange	$456,700	$271,800	68.03%
Cook County	265,800	157,700	68.55
State of Illinois	202,500	130,800	64.6

Source: 2000 and 2010 U.S. Census for the Village, Cook County, State of Illinois.

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Employment

Residents of the Village generally work in the Chicago Metropolitan area. The following table lists the ten largest employers located within the Village, as of July 1, 2012.

Ten Largest Employers Located
In The Village

Employer	Product or Service	Number of Employees
Adventist/LaGrange Hospital	Health Care	1100
Lyons Township High School	Education	600
Grayhill	Manufacturing	525
School District 105	Education	200
Meadowbrook Manor	Senior Nursing Care	150
Lexington Health Care Center	Health Care	109
Village of LaGrange	Government	96
JP Morgan Chase	Financial Institution	65
Musser	Manufacturing	60
Billet Specialties, Inc.	Manufacturing	55
First National Bank of LaGrange	Finanacial Institution	55

Source: The Village

The following table sets forth unemployment statistics for the Village, Cook County and the State of Illinois for January, 2012 through May, 2012, and annual averages from 2007 through 2011.

Period	Village[1]	Cook County	State of Illinois
May, 2012	N/A	9.0%	8.4%
April, 2012	N/A	9.3	8.6
March, 2012	N/A	9.2	9.0
February, 2012	N/A	9.0	9.4
January, 2012	N/A	9.8	9.9
Annual Avg., 2011	7.1%	10.4%	9.8%
Annual Avg., 2010	7.5	10.8	10.5
Annual Avg., 2009	7.3	10.4	10
Annual Avg., 2008	4.4	6.4	6.4
Annual Avg., 2007	3.5	5.2	5.1

Source: Local Area Unemployment Statistics, Illinois Department of Employment Security as of July 18, 2012

[1] Monthly data not available for municipalities with population of Village's size.

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Principal Taxpayers in the Village

The ten largest taxpayers in the Village according to the 2011 Equalized Assessed Valuations (the most recent date for which such information is available) are shown below:

Taxpayer	Type of Business	Equalized Assessed Valuation, 2011[1]	% of Total EAV, 2011[2]
LaGrange Crossing	Retail	7,117,991	1.11%
Grayhill Inc.	Manufacturing	5,508,222	0.86%
Burcor Properties	Investment property	5,483,549	0.85%
Elm Creek Property Mgmt	Senior Nursing Care	4,918,794	0.77%
Sambell LaGrange	Senior Nursing Care	4,063,454	0.63%
MML Properties	Investment property	3,867,733	0.60%
ICG Inc	Bank	2,543,980	0.40%
1st Natl Bank of LaGrange	Bank	2,543,298	0.40%
SBC Ameritech	Utility	2,501,744	0.39%
Grozich LLC	Manufacturing	1,939,688	0.30%
Total		$40,488,453	6.31%

Source: Cook County Clerk's office

[1] The above table represents a consolidation of information available through the Cook County Clerk's office and may omit some tax parcels as a result of multiple parcel listings for various taxpayers.

[2] The Village's 2011 EAV is $642,803,563

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Construction Activity

Outlined below is building permit data for all types of building for the Village from calendar year 2002 through 2011 and 2012 through June 30, 2012 (the latest for which such report is available).

	Residential Construction	Commercial Construction	Total Value Of Building Permits
Jun-12 *	$545,077	$297,960	$843,037
May-12	$941,875	$0	$941,875
Apr-12	$853,000	$0	$853,000
Mar-12	$225,000	$260,662	$485,662
Feb-12	$698,092	$1,120,000	$1,818,092
Jan-12	$1,476,000	$0	$1,476,000
2011	$6,395,133	$1,718,323	$8,113,456
2010	$4,248,625	$2,937,518	$7,186,143
2009	$9,053,159	$1,443,000	$10,496,159
2008	$15,817,517	$1,051,347	$16,868,864
2007	$11,473,136	$2,464,772	$13,937,908
2006	$28,469,826	$5,937,248	$34,407,074
2005	$19,059,644	$43,674,661	$62,734,305
2004	$17,823,077	$11,635,075	$29,458,152
2003	$11,804,823	$1,312,185	$13,117,008
2002	$14,635,407	$4,147,051	$18,782,458

Source: The Village.

* Through June, 2012

CURRENT ECONOMIC DEVELOPMENT ACTIVITIES

The Village of La Grange has an ongoing goal to lessen the burden of property taxes on Village residents and businesses through conservative fiscal management, economic development, and identifying alternative sources of revenue.

An important strategy to help reach this goal since 1986 has been the institution of a comprehensive economic development program by the Village as a means to expand the Village's tax base. A key element of this program was the Village's establishment of the La Grange Tax Increment Finance District (the "TIF District") in 1986 in order to undertake the economic revitalization of the Central Business District (the "CBD"). The TIF District was funded by a property tax increment and sales tax increment derived from increases in property tax and sales tax over and above amounts these taxes generated that resulted from the economic development projects that the Village was able to induce through use of TIF incentives within the CBD.

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Significant projects and accomplishments during the tenure of the TIF District included: a downtown streetscape beautification program, a facade improvement loan program that made loans to CBD businesses totaling over $1.5 million, a 40-unit residential development project, a project designated as the Triangle Redevelopment Project, which included both retail (46,000 square feet) and residential redevelopment (78 condominiums) components, construction of a 396 space CBD parking structure / public plaza, and renovation of the historically significant La Grange Theater.

Pursuant to State law, in December 2009 the Village Board adopted an ordinance to end the TIF District. By the end of the life of the TIF District, the expanded tax base resulting from the revitalization of the district generates additional general property tax revenue of approximately $3 million annually, which has now been made available to the Village (and its library component), school districts, park district and all other affected taxing districts beginning with the 2009 tax levy received in fiscal year 2010-11.

In addition to property tax growth, the successful implementation of the TIF District, the expansion of the Village's overall tax revenue base has also borne itself out in sales tax performance. Sales tax generated within the TIF District increased more than ten-fold between 1996 and 2007, the last year before the full effects of the national recession began to be felt by the Village. However, even though softened due to current economic conditions, sales tax performance continues to provide substantial support for the Village's financial base.

The Village has begun to experience signs that the most serious impacts of the national recession are starting to abate. For example, local municipal sales and non-home rule sales tax revenues for the Village were higher than projected for fiscal year-ended April 30, 2012. This impact was realized in spite of the closing of Borders Bookstore within the Central Business District (the "CBD") in September, 2011. The Village believes that the continuing positive economic development impact resulting from its administration of the TIF District helped to soften the impact of the Borders closing through increased sales tax receipts from new retailers and restaurants, especially within the CBD, that help to significantly offset the lost sales tax revenue from that closing.

The Village believes that it is important to its continued economic success to protect and preserve the investments that have been made in the CBD through its implementation of the TIF District and related actions.

Although a majority of economic development within the Village has occurred within the CBD, a significant amount of commercial reinvestment has also taken place throughout the balance of the Village. An important example of this relates to the Village's implementation program for the project designated as the revitalization of the West End Business District. Through that program several established businesses in this district have reinvested (including the recently complemented renovation and expansion of the First National Bank of La Grange), at least in part, because of the positive business environment that the Village has put in place that emphasizes the long-term economic value and growth opportunities within the Village.

The Village's 2012 economic development plans include the renovation of the Stone Avenue train station (the "Stone Avenue Station Project"). The Stone Avenue Station Project is anticipated to commence in 2012, with master planning underway toward multiple phases to enhance the station grounds as a public space and to enhance pedestrian mobility and safety within the station area. The Village considers investment in the Stone Avenue train station building and grounds as an important economic development objective because business owners have advised the Village that the iconic station is the focal point for creating a sense of identity and way-finding which separates their businesses from other commercial areas.

Another key economic development initiative by the Village was its effort to work with the YMCA to demolish the strategically located shuttered building in 2010, and replace it with landscaped area in 2011 to improve the walkability and appearance of this gateway intersection. However, the site continues to present a future redevelopment opportunity for the Village. Similarly, the vacant, two-story retail space once occupied by Borders Bookstore is also both a challenge and opportunity for the Village. The Village continues to work with the cooperative property owner as to identifying potential tenants for the space, while at the same time recognizing limitations as a result of current economic conditions.

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Other Economic Development Activities

As another important component to its economic development program the Village continues to partner with the La Grange Business Association (the "LGBA") in coordinating marketing, promotional and special events. For example, in cooperation with the LGBA, in June 2010 the Village Board conducted a workshop session with building owners and business owners from the West End Business District to develop potential business development strategies for that commercial area. Efforts to implement this, as well as other economic development activities will be enhance through LGBA's recent hire of a part-time business coordinator. The Village is actively working with the LGBA's new business coordinator on marketing and promotional activities.

The Village's recent investments in marketing and promotion activities include the areas of increased strategic promotion, business recruitment initiatives, joint advertising and cable advertising with LGBA to reflect sponsorship for promotion and advertising of various LGBA events, including "LaGrange Rocks," and the "Shop LaGrange" campaign.

The Village has also targeted funding to update its ongoing marketing analysis, which is part of the Village's Comprehensive Plan that is to be refreshed every ten years. The Village intent is that the marketing analysis will help address the significant changes in the commercial and multiple family environments that will take into account market place adjustments over the approximately last ten years since the last marketing analysis was completed.

The Village also seeks to supplement property tax and sales tax revenues through the acquisition of grant funding from various agencies. Over the past five years, the Village has secured approximately $9.7 million in grants to help fund over $18.5 million of capital projects, operational activities and equipment needs that either would not have been possible or would have been implemented at the sole expense of Village taxpayers. The Village intends to aggressively pursue grant opportunities whenever they become available.

Additionally, the Village has a program that seeks opportunities to shift the burden of property taxes by enhancing alternate revenue sources in the way of user fees. An example of this occurred when the cost of maintaining the CBD was offset by the creation of a Special Service Area targeted to the businesses that most benefitted from the economic redevelopment of the CBD.

REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

Assessment

The County Assessor (the "County Assessor") is responsible for the assessment of all taxable real property within Cook County (the "County"), including that in the Village, except for certain railroad property and pollution control facilities, which are assessed directly by the State of Illinois (the "State"). For triennial reassessment purposes, Cook County is divided into three sections: west and south suburbs (the "South Triennial Area"), north and northwest suburbs (the "North Triennial Area"), and the City of Chicago (the "Chicago Triennial Area"). The Village is located in the South Triennial Area and was reassessed for the 2011 assessment year and will next be reassessed for the 2014 assessment year.

The Real Property Assessment Classification Ordinance adopted by the Cook County Board of Commissioners, as from time to time amended (November 29, 1976; June 6, 1977; September 19, 1977; May 16, 1978; January 2, 1979; March 3, 1980; September 2 1980; October 3, 1983; April 2, 1984; November 18, 1985; May 19, 1986; June 20, 1988; September 5, 1989; December 18, 1989; March 16, 1992; December 6, 1994; November 19, 1996; May 6, 1997; November 23, 1999; April 18, 2000; September 6, 2001; December 4, 2001; April 9, 2002; July 13, 2004; December 14, 2004, February 15, 2006 and September 17, 2008) (the "Assessment Rate Ordinance") separates real property in the County into fourteen classifications for assessment purposes. After the County Assessor

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establishes the market value of a parcel of property, that value is multiplied by the appropriate classification percentage to arrive at the assessed valuation (the "Assessed Valuation") for the parcel. The classification percentages range from (i) 16% for certain residential property to 38% for certain commercial property for the 2008 tax year; and (ii) 10% for certain residential and unimproved property to 25% for industrial and commercial property for tax years 2009 and thereafter.

Property is currently classified for assessment into six standard categories each of which is assessed at various percentages of market value as follows:

	Assessment Rates	
	Assessment Year	Assessment Years
Assessment Class	2008	2009 and Thereafter
Class 1 – Unimproved real estate	22%	10%
Class 2 – Real estate (includes farm certain residential and certain multi-use facilities)	16%	10%
Class 3 – Other real estate used for residential purposes (i.e. rental real estate in excess of 6 units)	20%	16% in 2009 13% in 2010 10% in 2011 and thereafter
Class 4 – Real estate owned and used by a not –for – profit corporation (excluding residential)	30%	25%
Class 5a – Real estate not classified in any other classification (i.e. commercial property)	38%	25%
Class 5b – Industrial property	36%	25%

There are currently also eight additional categories which provide real estate tax incentives and for which assessment rates vary over time, as further described below: Class 6b industrial; Class C commercial and industrial; Class 7a and 7b commercial; Class 8 commercial and industrial; Class 9 multi-family residential; Class S multifamily housing; and Class L commercial/industrial landmarks.

Industrial properties that are newly constructed or substantially rehabilitated and are used for manufacturing purposes may be designated as Class 6b. Properties receiving the initial Class 6b designation will be assessed from the year of the designation of such classification at a level of (i) 16% of market value of the property for the first ten years of such designation, 23% for the eleventh year, 30% for the twelfth year through assessment year 2008, and (ii) 10% of market value of the property for the first ten years of such designation, 15% for the eleventh year, 20% for the twelfth year for tax years 2009 and thereafter. In each of the assessment years thereafter such industrial property would revert to the applicable standard classification assessment level for such property; provided, however, the Class 6b designation may be renewed in the tenth year of the designation and each tenth year thereafter and would be assessed at a level of 10% of the market value of property until expiration of the designation.

The Class C classification is designed to encourage industrial and commercial development by offering a real estate tax incentive for the remediation of contaminated properties including abandoned property or vacant land. Properties receiving the initial Class C designation will be assessed from the year of the designation of such classification at a level of (i) 16% of market value of the property for the first 10 years of such designation, 23% in the eleventh year and 30% in the twelfth year through assessment year 2008 and (ii) 10% of market value of the property for the first 10 years of such designation, 15% in the eleventh year and 20% in the twelfth year for assessment years 2009 and thereafter. In each of the assessment years thereafter such property would revert to the applicable standard classification assessment level for such property; provided however, for industrial property, the Class C designation may be renewed during the tenth year of the designation and would be assessed at a level of 10% of the market value of such property until expiration of the designation.

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Commercial properties that are newly constructed or substantially rehabilitated and are within an area determined to be an area in need of commercial development may be designated as a Class 7a or Class 7b property. Properties receiving the initial Class 7a or Class 7b designation will be assessed from the year of such designation of such classification at a level of (i) 16% of market value of the property for the first ten years of such designation, 23% for the eleventh year, 30% for the twelfth year through assessment year 2008 and (ii) 10% of market value of the property for the first ten years of such designation, 15% for the eleventh year, 20% for the twelfth year for assessment years 2009 and thereafter. In each of the assessment years thereafter, such commercial property would revert to the applicable standard classification for such property.

Certain commercial and industrial properties located in an area in need of substantial revitalization and/or are located within an enterprise community, an empowerment zone or located in the townships of Bloom, Bremen, Calumet, Rich and Thornton may be designated as Class 8 or Class 8a property. Properties receiving the initial Class 8 designation will be assessed from the year of such designation of such classification at a level of (i) 16% of the market value of the property for ten years of such designation, 23% in the eleventh year, 30% in the twelfth year through assessment year 2008 and (ii) 10% of the market value of the property for ten years of such designation, 15% in the eleventh year, 20% in the twelfth year for assessment years 2009 and thereafter. Properties receiving the initial Class 8a designation will be assessed from the year of such designation of such classification at a level of 10% of the market value of the property for five years of such designation. In each of the assessment years thereafter, such commercial and industrial property would revert to the applicable standard classification assessment level for such property; provided however, the Class 8 classification may be renewed at the tenth year of such designation for an additional ten years and would be assessed at a level of 10% of the market value of such property up until expiration of such classification.

Multi-family residential properties that are newly constructed or substantially rehabilitated and have at least 35% of the dwelling units leased at rents affordable to low or moderate income persons or households may be designated as Class 9 property. Properties receiving the initial Class 9 designation will be assessed from the year of such designation of such classification at a level of (i) 16% of market value of the property for ten years through assessment year 2008 and (ii) 10% of market value of the property for assessment years 2009 and thereafter. In each of the assessment years thereafter, such property would revert to the applicable standard classification assessment for such property; provided however, the Class 9 designation may be renewed at the tenth year of such designation for additional ten year periods and would be assessed at a level of 10% of the market value of such property up until expiration of the classification.

Qualifying federally subsidized Section 8 multi-family housing properties may be designated as Class S property. Properties receiving the initial Class S designation will be assessed from the year of such designation of such classification at a level of (i) 16% of the market value of the property during a qualified period through assessment year 2008 and (ii) 10% of the market value of the property during a qualified period for assessment years 2009 and thereafter. In each of the assessment years thereafter, such property would revert to the applicable standard classification level for such property.

Qualifying commercial, industrial, multi-family and not-for-profit properties which are designated a landmark or contributing building and have undergone substantial rehabilitation may be designated as Class L property. Properties receiving the initial Class L designation will be assessed from the date of substantial rehabilitation year of such designation of such classification at a level of (i) 16% of market value of the property for the first ten years of such designation, 23% in the eleventh year, 30% in the twelfth year through tax year 2008 and (ii) 10% of the market value of the property for ten years of such designation, 15% in the eleventh year, 20% in the twelfth year for assessment years 2009 and thereafter. In each of the assessment years thereafter, such property would revert to the applicable standard classification assessment level for such property; provided however, the Class L designation may be renewed at the end of the tenth year of such designation for additional ten year periods and would be assessed at a level of 10% of the market value of such property up until expiration of the classification.

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Certain of the above classifications have been modified (Class 6b, Class S, Class 7a, Class 7b, Class 8, Class 9 and Class L) over the years to provide for additional decreases in assessment levels. Properties that were designated under those classifications in prior years are subject to the then applicable assessment levels. Furthermore, certain classifications (Class 6a and Class 6c) have been eliminated; provided, however such properties that were designated under such classifications in prior years are subject to the then applicable assessment levels.

Property Tax Appeals

The County Assessor has established procedures enabling taxpayers to contest their tentative Assessed Valuations. Once the Assessor certifies final Assessed Valuations, a taxpayer can seek review of its assessment by filing a complaint with the Cook County Board of Review.

Owners of property can appeal decisions of the Board of Review to the Illinois Property Tax Appeal Board (the "PTAB"), a statewide administrative body. The PTAB has the power to determine the assessed valuation of real property based on equity and the weight of the evidence. Taxpayers may appeal decisions of the PTAB to either the Circuit Court of Cook County or the Illinois Appellate Court under the Illinois Administrative Review Law.

As an alternative to seeking review of Assessed Valuations by the PTAB, taxpayers who have first exhausted their remedies before the Board of Review may file an Objection in the Circuit Court of Cook County similar to the previous judicial review procedure but with a different standard of proof than that previously required. In addition, in cases where the County Assessor agrees that an assessment error has been made after tax bills have been issued, the County Assessor can correct the Assessed Value, and thus reduce the amount of taxes due, by issuing a Certificate of Error.

Appeals to the PTAB have been increasing in recent years. In a number of cases, the PTAB has significantly reduced assessments for commercial or industrial property on the basis of either appraisals submitted by the claimants and/or on the basis of equity, as claimants provide evidence that their effective assessment level is greater than 2.5 times the assessment level of the lowest assessed property in the Cook County. If such appeals at the PTAB level are successful, property taxes are reduced (based on a lower assessed value) and, in some cases, taxing districts may be required to return to the County certain previously collected property taxes.

Equalization

After the County Assessor has established the Assessed Valuation for each parcel for a given year, and following any revisions by the Board of Tax Appeals, the Illinois Department of Revenue (the "Department of Revenue") is required by statute to review the Assessed Valuations. The Department of Revenue establishes an equalization factor (the "Equalization Factor"), commonly called the "multiplier", for each county to make all valuations uniform among the 102 counties in the State. Under State law, the aggregate of the assessments within each county is to be equalized at 33 1/3% of the estimated fair market value of real property located within the county prior to any applicable exemptions. One multiplier is applied to all property in Cook County, regardless of its assessment category.

Once the Equalization Factor is established, the Assessed Valuation, as revised by the Board of Tax Appeals, is multiplied by the Equalization Factor to determine the equalized assessed valuation (the "Equalized Assessed Valuation") of that parcel. The Equalized Assessed Valuation for each parcel is the final property valuation used for determination of tax liability. The aggregate Equalized Assessed Valuation for all parcels in any taxing body's jurisdiction, plus the valuation of property assessed directly by the State, constitutes the total real estate tax base for the taxing body and is the figure used to calculate tax rates (the "Assessment Base"). The following table sets forth the Equalization Factor for Cook County for the last ten tax levy years.

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Tax Levy Year	Equalization Factor
2011	2.9706
2010	3.3000
2009	3.3700
2008	2.9786
2007	2.8439
2006	2.7076
2005	2.7320
2004	2.5757
2003	2.4598
2002	2.4689

Source: Cook County Clerk's Office.

Exemptions

Public Act 96-1418, effective August 2, 2010 ("Public Act 96-1418"), made changes to and added a number of property tax exemptions taken by residential property owners. These changes are discussed below.

An annual General Homestead Exemption provides that the Equalized Assessed Valuation ("EAV") of certain property owned and used for residential purposes ("Residential Property") may be reduced by $5,000 for taxable years prior to tax year 2004 through assessment year 2007. Additionally, the reduction may be $5,500 for assessment year 2008 and $6,000 for assessment years 2009 and thereafter (the "General Homestead Exemption").

The Alternative General Homestead Exemption (the "Alternative General Homestead Exemption") caps EAV increases for homeowners (who reside on the property as their principal place of residence) at 7% up to a certain maximum each year as defined by the statute. Any amount of increase that exceeds the maximum exemption as defined is added to the 7% increase and is part of that property's taxable EAV. Homes that do not increase by at least 7% a year are entitled, in the alternative, to the General Homestead Exemption described above.

The base tax year for purposes of calculation of the Alternative General Homestead Exemption (the "Base Homestead Year") is the 2002 assessment year for properties located in the Chicago Triennial Area, the 2003 assessment year for properties located in the North Triennial Area and the 2004 assessment year for properties located in the South Triennial Area. The Base Homestead Value is the EAV of the homestead property minus the General Homestead Exemption for that year: $4,500 for assessment years prior to 2004; $5,000 for assessment years 2004 through 2007; $5,500 for assessment year 2008 and $6,000 for the assessment years 2009 and thereafter.

For properties in the Chicago Triennial Area, the Alternative General Homestead Exemption cannot exceed $33,000 for the assessment year 2006 (except as noted below), $26,000 for the assessment year 2007, $20,000 for the assessment years 2008 and 2009, $16000 for Assessment year 2010, $12,000 for the assessment years 2011, and the amount of the General Homestead Exemption for assessment years 2012 and thereafter. For properties in the North Triennial Area, the Alternative General Homestead Exemption cannot exceed $20,000 for assessment year 2006, $33,000 for assessment year 2007, $26,000 for assessment year 2008 and $20,000 for the assessment years 2009 and 2010, $12,000 for assessment years 2012, and the amount of the General Homestead Exemption for assessment years 2013 and thereafter. For properties in the South Triennial Area, the Alternative General Homestead Exemption cannot exceed $20,000 for assessment years 2006 and 2007, $33,000 for assessment year 2008, $26,000 for assessment year 2009, $20,000 for the assessment years 2010 and 2011, $16,000 for the assessment year 2012, $12,000 for assessment years 2013, and the amount of the General Homestead Exemption for assessment years 2014 and thereafter.

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Furthermore, only in the Village Triennial Area and only for assessment year 2006, the maximum exemption amount may be increased to: (i) $40,000, provided that the EAV of the property for assessment year 2006 exceeds the EAV of that property for assessment year 2002 by an amount equal to or greater than 100%, or (ii) $35,000 provided that the EAV of the property for assessment year 2006 exceeds the EAV of that property for assessment year 2002 by an amount greater than 80% but not more than 100%.

The Long-Time Occupant Homestead Exemption applies to those counties subject to the Alternative General Homestead Exemption, including Cook County. Beginning with assessment year 2007 and thereafter, the EAV of homestead property of a taxpayer who (i) has owned the property for at least 10 years (or 5 years if purchased with certain governmental assistance) and (ii) has a household income of $100,000 or less ("Qualified Homestead Property"), may increase by no more than 10% per year. If the taxpayer's annual income is $75,000 or less, the EAV of the Qualified Homestead Property may increase by no more than 7% per year. There is no exemption limit for Qualified Homestead Properties. Individuals applying for this exemption must comply with the following guidelines: (i) continuously occupy their property for 10 years, as of January 1st of the assessment year, and occupy such property as their principal residence or, (ii) continuously occupy their property as their principal place of residence for 5 years, as of January 1st of the assessment year, provided that the property was purchased with certain governmental assistance.

The Homestead Improvement Exemption applies to Residential Properties that have been improved or rebuilt in the two years following a catastrophic event. The exemption is limited to $45,000 through December 31, 2003, and $75,000 per year beginning January 1, 2004 and thereafter, to the extent the assessed value is attributable solely to such improvements or rebuilding.

Additional exemptions exist for senior citizens. The Senior Citizens Homestead Exemption (the "Senior Citizens Homestead Exemption") operates annually to reduce the EAV on a senior citizen's home by $3,500 for all counties. For taxable years 2008 and thereafter, the maximum Senior Citizens Homestead Exemption is $4,000. Furthermore, property that is first occupied as a residence after January 1 of any assessment year by a person who is eligible for the Senior Citizens Homestead Exemption must be granted a pro-rata exemption for the assessment year based on the number of days during the assessment year that the property is occupied as a residence by a person eligible for the exemption.

A Senior Citizens Assessment Freeze Homestead Exemption (the "Senior Freeze Exemption") freezes property tax assessments for homeowners who are 65 and older, reside in their property as their principal place of residence and receive household income not in excess of the maximum income limitation of (i) $50,000 or less in assessment years 2006 and 2007 and (ii) $55,000 or less in assessment years 2008 and thereafter. In general, the Senior Freeze Exemption limits the annual real property tax bill of such property by granting to qualifying senior citizens an exemption as to a portion of the valuation of their property.

The Homeowner Exemption for Long-term Properties ("H.E.L.P.") provides relief to certain longtime homeowners facing a dramatic rise in property taxes attributable to gentrification in established neighborhoods. H.E.L.P. exempts from property tax an amount equal to the current EAV for an eligible property which exceeds the sum of: (i) the EAV for the year prior to reassessment, plus (ii) the prior-year EAV multiplied by a factor equal to 150% of the average assessment increase for the most current reassessment of the assessment district. In order to qualify for the exemption, a homeowner must own and occupy Class 2 property for ten years or more as their principal residence, or five years or more if the owner received governmental assistance in acquiring the property.

Beginning with assessment year 2007, the Disabled Persons' Homestead Exemption (the "Disabled Persons' Homestead Exemption") provides an annual homestead exemption in the amount of $2,000 for property that is owned and occupied by certain persons with a disability. However, individuals claiming the Disabled Veteran Exemption (as such term is hereinafter defined) or claiming exemption under the Disabled Veterans Standard Homestead Exemption cannot claim the Disabled Persons' Homestead Exemption (as such term is hereinafter defined).

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Exemptions available to disabled veterans include the following:

(a) An exemption which provides a reduction of up to $70,000 to the Assessed Valuation of property owned and used exclusively by such veterans or their spouses for residential purposes (the "Disabled Veteran Exemption").

(b) The Disabled Veterans Standard Exemption (the "Disabled Veterans Standard Exemption") provides disabled veterans an annual homestead exemption starting with assessment year 2007 and thereafter. Specifically, (i) those veterans with a service-connected disability of: (a) 75% for exemptions granted in assessment years 2007 through 2009 and (b) 70% for exemptions granted in assessment year 2010 and each assessment year thereafter, are granted an exemption of $5,000 and (ii) those veterans with a service-connected disability of at least 50% but less than: (a) 75%, before exemptions granted in assessment year 2007 through 2009 and (b) 70% for exemptions granted in assessment year 2010 and each assessment year thereafter, are granted an exemption of $2,500. Furthermore, the veteran's surviving spouse is entitled to the benefit of the exemption, provided that the spouse has legal or beneficial title of the homestead, resides permanently on the homestead and does not remarry. Moreover, if the property is sold by the surviving spouse, then an exemption amount not to exceed the amount specified by the current property tax roll may be transferred to the spouse's new residence, provided that it is the spouse's primary residence and the spouse does not remarry. However, individuals claiming exemption as a disabled veteran or claiming an exemption under the Disabled Persons' Homestead Exemption cannot claim the aforementioned exemption.

However, disabled veterans may only avail themselves of one of the above exemptions. Furthermore, the individuals claiming the Disabled Veteran Exemption or the Disabled Veteran's Standard Exemption may not claim the Disabled Persons' Homestead Exemption.

Beginning with assessment year 2007, the Returning Veterans' Homestead Exemption ("Returning Veterans' Homestead Exemption") is available for property owned and occupied as the principal residence of a veteran in the assessment year the veteran returns from an armed conflict while on active duty in the United States armed forces. This provision grants a homestead exemption of $5,000, which is applicable in all counties. In order to apply for this exemption, the individual must pay real estate taxes on the property, own the property or have either a legal or an equitable interest in the property, subject to some limitations. Those individuals eligible for this exemption may claim the exemption in addition to other homestead exemptions, unless otherwise noted.

Lastly, certain property is exempt from taxation on the basis of ownership and/or use, such as public parks, not-for-profit schools and public schools, churches, and not-for-profit hospitals and public hospitals.

Tax Levy

As part of the annual budgetary process of governmental units ("Units") with power to levy taxes in the County, proceedings are adopted by the designated body for each Unit each year in which they determine to levy real estate taxes. The tax levy proceedings impose each of the Unit's respective real estate taxes in terms of a dollar amount. The Illinois Truth in Taxation Act imposes procedural limitations on a Unit's real estate taxing powers, and requires notice and hearing in certain instances. (See "LEGISLATION CONCERNING PROPERTY TAX AUTHORITY - The Truth in Taxation Act" herein.) Each Unit certifies its real estate tax levy, as established by the proceedings, to the County Clerk. The remaining administration and collection of the real estate taxes is statutorily assigned to the County Clerk and the County Treasurer.

After the Units file their annual tax levies, the County Clerk computes the annual tax rate for each Unit by dividing the levy of each Unit by the assessment base of the respective Unit. If any tax rate thus calculated exceeds any applicable statutory rate limit, the County Clerk disregards the excessive rate and applies the maximum rate permitted by law.

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The County Clerk then computes the total tax rate applicable to each parcel of real property by aggregating the tax rates of all of the Units having jurisdiction over the particular parcel. The County Clerk enters the tax determined by multiplying the total tax rate by the Equalized Assessed Valuation of that parcel in the books prepared for the County Collector (the "Warrant Books") along with the tax rates, the Assessed Valuation and the Equalized Assessed Valuation. The Warrant Books are the County Collector's authority for the collection of taxes and are used by the County Collector as the basis for issuing tax bills to all property owners.

Collections

Property taxes are collected by the County Collector, who is also the County Treasurer, who remits to each Unit its share of the collections. Taxes levied in one year become payable during the following year in two installments, the first due on March 1 and the second on the later of August 1 or 30 days after the mailing of the tax bills. The first installment is equal to 55% of the prior years' tax bill. The second installment is based on the then current tax year levy, assessment and equalization, and reflects any changes from the prior year in those factors. The following table sets forth the second installment penalty date for the last ten tax levy years in Cook County; the first installment penalty date has been March 1 for all such years.

Tax Levy Year	Second Installment Penalty Date
2011	August 1, 2012
2010	November 1, 2011
2009	December 13, 2010
2008	December 1, 2009
2007	November 3, 2008
2006	December 3, 2007
2005	September 1, 2006
2004	November 1, 2005
2003	November 15, 2004
2002	October 1, 2003

Source: Cook County Clerk's Office.

During the periods of peak collections, tax receipts are forwarded to each Unit on a weekly basis. Upon receipt of taxes from the County Collector, the Village promptly credits the taxes received to the funds for which they were levied.

At the end of each collection year, the County Collector presents the Warrant Books to the Circuit Court, and applies for a judgment for all unpaid taxes. The court order resulting from the application for judgment provides for an annual tax sale (the "Annual Tax Sale") of unpaid taxes shown on that year's Warrant Books. A public sale is held, at which time successful tax buyers pay the unpaid taxes plus penalties. Unpaid taxes accrue penalties at the rate of 1.5% per month from their due date until the date of sale. Taxpayers can redeem their property by paying the amount paid at the sale, plus a maximum of 18% for each six month period after the sale. If no redemption is made within two years, the tax buyer receives a deed to the property. In addition, there are miscellaneous statutory provisions for foreclosure of tax liens.

If there is no sale of the tax lien on a parcel of property at the Annual Tax Sale, the taxes are forfeited and eligible to be purchased at any time thereafter at an amount equal to all delinquent taxes and interest accrued to the date of purchase. Redemption periods and procedures are the same as applicable to the Annual Tax Sale.

The scavenger sale (the "Scavenger Sale"), like the Annual Tax Sale, is a sale of unpaid taxes. The Scavenger Sale is scheduled to be held every two years on all property on which two or more years' taxes are delinquent. The sale price of the unpaid taxes is the amount bid at such sale, which may be less than the amount of delinquent taxes. Redemption periods vary from six months to two and one-half years depending upon the type and occupancy of the property.

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LEGISLATION CONCERNING PROPERTY TAX AUTHORITY

The Truth in Taxation Law

The Truth in Taxation Law (the "Law") requires that the corporate authority of each taxing district determine, prior to the adoption of its aggregate levy, the amount of money, exclusive of election costs and bond principal and interest, estimated to be necessary to be raised by taxation for that year upon the taxable property in the jurisdiction of the corporate authority. If the estimated amount as so determined is more than 105% of the amount extended or estimated to be extended upon the levy of the preceding year, exclusive of election costs and levies for bond principal and interest, the corporate authority must publish notice of and hold a hearing on its intent to adopt a levy in an amount which is more than 105% of the preceding year's extension, exclusive of election costs and levies for bond principal and interest. If the levy as adopted exceeds the estimated amount of the levy specified in the notice, or exceeds 105% of the prior year's levy and no notice was required under the Law, notice of the adoption of such levy must be published within 15 days of the adoption thereof. No amount more than 105% of the amount, exclusive of election costs and levies for bond principal and interest, which has been extended or is estimated to be extended on the levy of the preceding year may be extended unless the levy is accompanied by a certification of compliance with the foregoing publication and hearing procedures. The express purpose of the Law is to require published disclosure of, and hearing on, an intention to adopt a levy in excess of the specified levels.

Property Tax Extension Limitation Law

The Property Tax Extension Limitation Law of the State of Illinois (the "Limitation Law") limits annual increases in property tax extensions for non-home rule taxing districts including the Village. The effect of the Limitation Law is to limit the amount of property taxes that can be extended by a non-home rule unit including the Village. In addition, general obligations payable from ad valorem taxes unlimited as to rate of amount cannot be issued by non-home rule units of local government including the Village unless approved by referendum, are alternate bonds or are for certain refunding purposes.

The annual growth permitted under the Limitation Law is the lesser of (i) 5% or (ii) the percentage increase in the Consumer Price Index during the calendar year proceeding the tax levy year. Property taxes can also be increased due to new construction, annexation, and referendum approval for tax increases.

There can be no assurance that the General Assembly will not take further action that has the impact of reducing tax assessments, levies, or extensions. Any such action, including the action cited above, could result in a reduction of future increases in property tax revenues.

CERTAIN FINANCIAL INFORMATION REGARDING THE VILLAGE

General

The Village uses funds to report its financial position and any changes in financial position. Funds are classified as Governmental, Proprietary or Fiduciary. Governmental funds are used to account for all or most of a government's general activities. Proprietary funds are used to account for activities similar to those found in the private sector where the determination of net income is necessary or useful for sound financial administration. Fiduciary funds are used to account for assets held on behalf of outside parties.

The Village's basic financial statements consist of government wide statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements, except for agency funds, which have no measurement focus. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred.

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Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

The Village reports the following major governmental funds:

The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

The Motor Fuel Tax Fund is used to account for the activities related to street maintenance and construction. Financing is provided by the Village's share of the state gasoline taxes. State law required that these gasoline taxes be used for street-related purposes.

The Capital Projects Fund accounts for the costs of various infrastructure improvements to Village property.

The Debt Service Fund accounts for resources that are used to repay general long-term debt obligations.

The Village reports the following major proprietary funds.

The Water Fund accounts for the construction, operation and maintenance of the Village's owned water distribution system. Revenues are generated through charges to users based on water consumption.

The Sewer Fund accounts for the activities of the sewer operations. Revenues are generated from sewer fees.

The Parking Fund accounts for the activities of the parking lots and meters.

The Village reports pension trust funds as fiduciary funds to account for the Police Pension Fund and the Firefighters' Pension Fund.

The La Grange Public Library (the "Library") has its own elected board of trustees and provides services to residents of the Village. Pursuant to Illinois statutes, the Library is not allowed to file its own tax levy request with the County, and therefore must have the Village incorporate within its tax levy the Library's tax levy. The Library may not issue bonded debt without the Village's approval. Due to the nature of the Library's relationship to the Village, it is not blended with the Village but presented discretely beside the Village's financial statements. Separate financial statements for the Library are not issued.

Cash Management

The Village's investments are made pursuant to an investment policy most recently adopted by the Village. The policy of the Village is to invest public funds in a manner which will provide the highest investment return with the maximum security, while meeting the daily cash flow demands of the Village and conforming to all state and local statutes governing the investment of public funds. The primary objective of the policy is safety (preservation of capital and protection of investment principal), liquidity and yield.

The Village maintains a cash and investment pool that is available for use by all funds, except the pension trust funds. Each fund's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by several of the Village's funds. The deposits and investments of the pension trust funds are held separately from those of other funds. The investments are governed by three separate investment policies; one policy for the Village adopted by the Village Board and one policy for the Police and Firefighters' Pension Funds approved by their respective boards.

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In accordance with its investment policy, the Village limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed within a fifteen month period. The investment policy limits the maximum maturity length of investments in the general fund and the special revenue funds to fifteen months from date of purchase. Investments in other funds may be purchased with maturities to match future projects or liability requirements. In addition, the policy requires the Village to structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to see securities on the open market prior to maturity.

Budgetary Procedures

The Village prepares an annual budget in accordance with State law.

Budget preparation packets are distributed to department heads in the fall of each year. Proposed budgets are returned to the Finance Department and Village Manager with revenue and expenditure forecasts and requests, key goals and objectives, and performance measures.

A preliminary tax levy is developed, appropriate public hearings are held and a final tax levy is adopted and filed with the County prior to the last Tuesday in December as required by State statute.

At the beginning of each calendar year, departmental budget meetings are held to discuss, analyze and adjust proposed budgets, availability of funds, and goals and objectives in accordance with established board policies. Village Board strategic planning sessions are held every other year to develop Village policy, goals and objectives and provide staff direction.

A Capital Projects workshop is held with the Village Board and staff in February of each year. Road work, infrastructure and other major expenditures are discussed to determine which improvements will be necessary on a long and short-term basis. Project priority, timing of the improvement and proposed funding are also addressed.

Budget workshops are then held with the Village Board and staff at open public meetings to discuss the proposed five-year operating and capital improvements budget. Any revisions are included in the final document which must be adopted prior to May 1, the beginning of the next fiscal year.

The Village maintains an extensive budgetary control system to ensure compliance with legal provisions embodied in the adoption of the annual budget by the Village Board. The annual budget covers activities of the general special revenue, debt service, capital projects, enterprise, internal service, and pension funds. All budget authorizations lapse at year end and incomplete projects are usually re-budgeted in the subsequent fiscal year. The level of budgetary control (i.e. the level at which expenditures cannot legally exceed the budgeted amount) is at the fund level. As one method of accomplishing budgetary control, the Village reports material encumbrances, if any, as reservations of fund balance since they do not constitute expenditures or liabilities. Another method of accomplishing budgetary control is the analysis of prepared monthly reports comparing revenues and expenditures to budgeted amounts.

Pursuant to Village ordinance, revisions of the annual budget that alter the total expenditures of any fund may be approved by a two-thirds vote of the Village Board. The Village Manager may revise the annual budget by changing line items in the same general category without Board approval.

By adhering to the above described budget process and controls, the Village provides a multi-year planning tool to plan, prioritize, and provide the resources necessary to accomplish Village short and long-range goals and objectives as well as maintain the present level of essential services provided to Village residents.

The Village is the recipient of the Government Finance Officers Association of the United States and Canada (GFOA) Distinguished Budget Presentation Award for the fiscal years of 1995-96 through 2011-12. In order to qualify for this award, the Village's budget document was judged to be proficient in several categories including financial planning, organization and policy documentation

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In addition, the Village is also the recipient of the GFOA Certificate of Achievement for Excellence in Financial Reporting for the fiscal years of 1996-97 through 2010-11. In order to receive this prestigious award, a municipality must publish an easily readable and efficiently organized and comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

Certain Financial Information

The following pages set forth (i) the Village's statement of net asset as of April 30, 2011, (ii) the Village's combined balance sheet for all fund types and account groups as of April 30, 2011, and (iii) a summary of the operating results and fund balances of the Village General Fund for the fiscal years ended April 30, 2007 through 2011. This summary is qualified in its entirety by reference to the audited financial statements of the Village for the fiscal years ended April 30, 2007 through 2011.

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VILLAGE OF LA GRANGE, ILLINOIS
Statement of Net Assets
April 30, 2011

	Governmental Activities	Business-Type Activities	Total	Component Unit Library
ASSETS				
Cash and cash equivalents	$ 3,993,068	$ 1,129,787	$ 5,122,855	$ 3,181,538
Investments	10,180,917	1,846,367	12,027,284	-
Receivables				
Property taxes	3,195,435	-	3,195,435	1,354,728
Accounts	253,164	597,752	850,916	5,064
Accrued interest	38,486	9,640	48,126	-
Due from other governments	923,415	-	923,415	-
Due from other funds	29,331	-	29,331	-
Due to/from other funds	636,000	(636,000)	-	-
Prepaid expenses	41,120	-	41,120	22,599
Deferred costs	-	-	-	124,359
Net pension asset	64,900	-	64,900	-
Net other postemployment benefit asset	-	-	-	1,788
Capital assets, not being depreciated	11,768,668	1,564,734	13,333,402	94,418
Capital assest being depreciated (net of accumulated depreciation	13,370,020	17,996,414	31,366,434	8,162,538
Total Current Assets	44,494,524	22,508,694	67,003,218	12,947,032
Total assets	$ 44,494,524	$ 22,508,694	$ 67,003,218	$ 12,947,032
LIABILITIES				
Liabilities				
Accounts payable	$ 366,109	$ 141,691	$ 507,800	$ 1,124
Accrued payroll	16,070	4,291	20,361	21,488
Accrued interest payable	28,260	-	28,260	121,184
Deposits	-	5,749	5,749	-
Unearned revenue				
Property tax	6,125,134	-	6,125,134	2,655,989
Other	-	247,715	247,715	-
Due to component unit	419	-	419	-
Noncurrent liabilities				
Due within one year	304,353	34,853	339,206	443,563
Due in more than one year	2,397,364	160,598	2,557,962	6,887,250
Total liabilities	$ 9,237,709	$ 594,897	$ 9,832,606	$ 10,130,598
NET ASSETS				
Invested in capital assets, net related debt related debt	$ 23,308,688	$ 19,561,148	42,869,836	$ 1,003,399
Restricted for maintenance and roadways	1,829,575	-	1,829,575	-
Restricted for public safety	174,151	-	174,151	-
Restricted for debt service	170,422	-	170,422	-
Restricted for drug forfeiture	262,520	-	262,520	-
Unrestricted	9,511,459	2,352,649	11,864,108	1,813,035
Total net assets	35,256,815	21,913,797	57,170,612	2,816,434
TOTAL LIABILITIES AND NET ASSETS	$ 44,494,524	$ 22,508,694	$ 67,003,218	$ 12,947,032

Source: Annual Financial Report of the Village for the Fiscal Year Ended April 30, 2011

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VILLAGE OF LA GRANGE, ILLINOIS

GOVERNMENTAL FUNDS
BALANCE SHEET
April 30, 2011

	General	Motor Fuel Tax	Capital Projects	Debt Service	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 2,801,380	$ 771,881	$ 664	$ 170,422	$ 171,934	$ 3,916,281
Investments	$ 6,178,381	$ 1,022,900	$ -	$ -	$ -	$ 7,201,281
Receivables (net, where applicable, of allowances for uncollectibles)						
Property taxes	3,195,435	-	-	-	-	3,195,435
Accounts	78,805	-	174,359	-	-	253,164
Accured Interest	23,864	2,580	-	-	-	26,444
Other	41,120	-	-	-	-	41,120
Due from other governments	887,101	32,214	-	-	4,100	923,415
Due from other funds	64,331	-	636,000	-	-	700,331
Due to fiduciary funds	-	-	-	-	-	-
TOTAL ASSETS	$ 13,270,417	$ 1,829,575	$ 811,023	$ 170,422	$ 176,034	$ 16,257,471
LIABILITIES AND FUND BALANCES						
Accounts payable	$ 121,276	$ -	$ 242,950	$ -	$ 1,883	$ 366,109
Accrued payroll	16,070	-	-	-	-	16,070
Unearned revenues						
Property tax	6,125,134	-	-	-	-	6,125,134
Due to component unit	419	-	-	-	-	419
Due to other funds	-	-	35,000	-	-	35,000
Total liabilities	6,262,899	-	277,950	-	1,883	6,542,732
Fund Balance						
Restricted for maintenance of roadways	-	1,829,575	-	-	-	1,829,575
Restricted for public safety	-	-	-	-	174,151	174,151
Restricted for debt service	-	-	-	170,422	-	170,422
Restricted for drug forfeiture	262,520	-	-	-	-	262,520
Assigned for economic development	747,885	-	-	-	-	747,885
Assigned for capital projects	-	-	533,073	-	-	533,073
Unassigned	5,997,113	-	-	-	-	5,997,113
Total fund balances	$ 7,007,518	$ 1,829,575	$ 533,073	$ 170,422	$ 174,151	$ 9,714,739
TOTAL LIABILITIES AND FUND BALANCE	$ 13,270,417	$ 1,829,575	$ 811,023	$ 170,422	$ 176,034	$ 16,257,471

Source: Annual Financial Report of the Village for the Fiscal Year Ended April 30, 2011

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VILLAGE OF LA GRANGE, ILLINOIS
GENERAL FUND
SUMMARY OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FISCAL YEARS ENDED APRIL 30, 2007 THROUGH APRIL 30, 2011

Fiscal Year Ended	April 30, 2011	April 30, 2010	April 30, 2009	April 30, 2008	April 30, 2007
Revenues:					
Property tax revenue	$ 5,727,819	$ 5,371,495	$ 5,057,507	$ 4,811,928	$ 4,673,759
Property tax- road and bridge	$ 124,471	$ 110,542	$ 101,342	$ 93,764	$ 90,277
Replacement tax	267,063	240,262	271,436	296,449	259,923
Income tax	1,216,904	1,239,647	1,422,120	1,437,081	1,315,496
Sales and local use- NHR	1,687,782	1,585,276	1,707,932	1,712,279	1,085,000
Municipam utility tax	525,432	476,791	587,064	589,944	555,717
Simplified telecommunications	528,385	569,607	612,056	614,080	568,658
Video rental	-	-	-	4,434	10,690
Intergovernmental revenues	181,347	182,077	177,903	82,379	66,557
Fines, licenses and permits	1,050,567	949,402	932,583	1,056,762	1,005,086
Investment Income	61,340	139,369	306,847	433,700	446,107
Miscellaneous[1]	360,912	1,176,387	512,800	564,508	491,044
Total revenues	11,732,022	12,040,855	11,689,590	11,697,308	10,568,314
Expenditures:					
Current:					
General government	2,113,519	2,321,048	2,209,157	2,221,861	1,878,139
Public safety	7,546,971	7,347,412	6,861,922	6,597,216	6,205,002
Highways and streets	1,677,999	1,812,198	2,017,805	1,739,512	1,494,714
Total expenditures	11,338,489	11,480,658	11,088,884	10,558,589	9,577,855
Excess (deficiency) of revenues over expenditures	393,533	560,197	600,706	1,138,719	990,459
Other financing sources[2]					
Transfers in	57,381	-	-	-	-
Transfers out	(800,000)	(1,000,000)	(1,100,000)	(1,106,050)	(1,100,000)
Total other financing sources (uses)	(742,619)	(1,000,000)	(1,100,000)	(1,106,050)	(1,100,000)
Net change in fund balance	(349,086)	(439,803)	(499,294)	32,669	(109,541)
Fund balance, beginning of year (as restated)	7,356,604	7,796,407	8,295,701	8,263,032	8,372,573
Fund balance, end of year	7,007,518	7,356,604	7,796,407	8,295,701	8,263,032

Footnotes:

(1) Includes revenues of $747,885 from La Grange Road depot sublet for fiscal ended April 30, 2010.

(2) Includes transfers from/to other funds for unallocated operating and overhead expenses and other routine transfers to reimburse the General Fund for road repair and maintenance expenditures covered by the Motor Fuel Tax/ Capital Project Fund, and expenditures on behalf of the Water and Parking Funds and the now terminated TIF District.

Source: Annual Financial Reports of the Village for the Fiscal Years ended April 30, 2007 through April 30, 2011

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Property Taxes

The following table sets forth certain information concerning property tax levies, collections and property valuations in the Village for the past five tax levy years.

TAX LEVY YEAR/ COLLECTION YEAR	2011/2012	2010/2011	2009/2010	2008/2009	2007/2008
Equalized Assessed Valuation	$642,803,563	$781,389,511	$785,781,663	$700,982,539	$602,141,000
Tax Extensions/Net Certified to Collect	$8,852,793	$8,696,235	$8,468,661	$7,987,622	$7,943,415
Total Taxes Collected During Year[2]	$5,539,751	$8,586,685	$8,407,173	$8,164,388	$8,497,755
Total Collections as a Percentage of Extensions	62.58%	98.74%	99.27%	102.21%	106.98%

Source: Cook County Treasurer

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[1] Reflects triennal reassessment.

[2] Total taxes collected includes collections of delinquent taxes, back tax distributions, property tax abatements and taxes paid under protest as of August 30, 2012.

The following table sets forth the amount of equalized assessed valuation of the Village by category for the tax levy years 2008, 2009 and 2010. (Category totals for tax levy year 2011 are not yet available.)

Equalized Assessed Value by Property Classification

	2010 EAV		2009 EAV		2008 EAV	
	Amount	%	Amount	%	Amount	%
Residential	$862,256,327	87.9%	$659,634,278	84.0%	$612,239,451	87.3%
Commercial	75,586,633	7.7%	79,941,557	10.2%	39,233,415	5.6%
Industrial	43,014,350	4.4%	45,670,865	5.8%	49,040,791	7.0%
Railroad	532,201	0.1%	534,963	0.1%	468,882	0.1%
Total*	$981,389,511	100.0%	$785,781,663	100.0%	$700,982,539	100.0%

*Totals may not add due to rounding

Source: Cook County Clerk

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Tax Rates

The following is a table showing the tax rate statutory limitations and actual tax rates levied by the Village per $100 of Equalized Assessed Valuation on property located in the Village for the past five tax levy years.

Purpose	Tax Rate Limitation	2011	2010	2009	2008	2007
Corporate	0.4375	0.0959	0.0723	0.0542	0.0819	0.0850
Bonds & Interest	no limit	0.0000	0.0000	0.0000	0.0000	0.0560
Police Pension	no limit	0.1230	0.1004	0.1037	0.0807	0.0811
Fire Pension	no limit	0.1192	0.1008	0.0974	0.0848	0.0901
IMRF	no limit	0.0420	0.0321	0.0291	0.0293	0.0302
Street & Bridge	0.1000	0.0436	0.0359	0.0344	0.0387	0.0442
Public Benefit	0.0500	0.0000	0.0000	0.0000	0.0000	0.0000
Play Grounds and Rec	0.2000	0.0000	0.0000	0.0000	0.0000	0.0000
Fire Protection	0.6000	0.2031	0.1636	0.1624	0.1789	0.2043
Police Protection	0.6000	0.2031	0.1636	0.1624	0.1789	0.2043
Social Security	no limit	0.0340	0.0272	0.0267	0.0285	0.0309
Auditing	no limit	0.0000	0.0000	0.0000	0.0000	0.0000
Liability Insurance	no limit	0.0000	0.0000	0.0000	0.0000	0.0000
Crossing Guards	0.0200	0.0000	0.0000	0.0000	0.0000	0.0000
Ambulance Service	0.2500	0.0465	0.0380	0.0377	0.0429	0.0498
Forestry	0.0500	0.0254	0.0204	0.0203	0.0224	0.0255
Library	0.6000	0.3107	0.2507	0.0918	0.2546	0.2814
Library Bonds & Int.	no limit	0.1117	0.0922	0.2417	0.1024	0.1194
Library Bldg and Site	0.0200	0.0000	0.0000	0.0000	0.0000	0.0000
Total**		1.359	1.098	1.062	1.124	1.303

**May not add due to rounding

Source: Cook County Clerk

A representative property owner living in the Village had combined tax rates for the past five tax levy years as set below.

	Tax Levy Year				
	2011	2010	2009	2008	2007
Representative Tax Rate (Tax Code 21030)	$8.271	$6.748	$6.544	$6.741	$7.355

Source: Cook County Clerk.

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Debt Statement

As a non-home rule municipality, the Village's statutory debt limit for general obligation full faith and credit debt is 8.625% of the total equalized assessed valuation of all taxable property located within the boundaries of the Village. Based upon 2011 Equalized Assessed Valuation of the Village of $642,803,563, the latest date for which such certified information is available from Cook County, the Village's statutory debt limit is $55,441,807.31. The Village currently has outstanding debt applicable to this limit of $7,045,000 of general obligation indebtedness. Therefore, pursuant to the Village's overall statutory debt limit, approximately $48,396,807.31* of its general obligation debt margin is available. Debt limits do not apply to alternate bonds, including the Series 2012A Bonds except pursuant to provisions of the Debt Reform Act.

Debt instruments and other items included in the computation for determining outstanding general obligation indebtedness include the principal of general obligation full faith and credit bonds outstanding and any other long-term indebtedness which represents a direct claim against the Village's tax receipts. Cash and investments available and applicable to the retirement of outstanding debt and notes payable from specific tax levies are deducted for purposes of determining compliance with the debt limits.

Outstanding General Obligation Debt (as of closing of this Issue):

General Obligation Bonds, Series 2004	$ 840,000
General Obligation Bonds, Series 2005	1,595,000
General Obligation Bonds, Series 2012B Bonds	6,205,000
General Obligation Bonds, Series 2012A Bonds	2,080,000*
Gross General Obligation Direct Debt	$10,720,000*
Less: Self-Supporting Debt[1]	3,675,000*
Net General Obligation Direct Debt	$ 7,045,000*

[1] Includes the Series 2005 Bonds, which are paid from utility taxes and the Series 2012A Bonds, which are to be paid from certain water system revenues.

* Preliminary, subject to change.

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Overlapping and Underlying Bonded Debt (as of July 19, 2012):

Taxing Body	Outstanding Bonded Debt As of July 19, 2012	Applicable to the Village Percent	Applicable to the Village Amount
Cook County	$3,738,830,000	0.42%	$15,703,086
Cook County Forest Preserve District	101,935,000	0.42	428,127
Metropolitan Water Reclamation District of Greater Chicago	2,495,258,694	0.43	10,729,612
High School District #204	5,780,000	21.05	1,216,690
School District #102	25,716,000	52.07	13,390,321
School District #105	27,780,000	27.63	7,675,614
School District #106	4,790,000	7.20	344,880
Community College District #502	270,440,000	1.53	4,541,346
Total Overlapping Debt			$54,029,676
Total Gross Direct and Overlapping Debt			$64,749,676*
Total Net Direct and Overlapping Debt			$61,074,676*

Debt Ratios:

Estimated Full Value of Taxable Property, 2011	$1,928,429,973
Equalized Assessed Valuation, 2011	$642,803,563
Population, 2010 U.S. Census	15,550

	Gross Direct Debt*	Gross Direct and Overlapping Debt*
Per Capita	$689.39	$4,163.97
Percent of Estimated Full Value	0.56%	3.36%
Percent of Equalized Assessed Value	1.67%	10.07%

The Village intends to abate its property tax levy on the Series 2012A Bonds. Assuming that the Series 2012A Bonds are not supported by a separate property tax levy, debt ratios would be as follows:

	Net Direct Debt*	Net Direct and Overlapping Debt*
Per Capita	$453.05	$3,927.63
Percent of Estimated Full Value	0.37%	3.17%
Percent of Equalized Assessed Value	1.10%	9.50%

*Preliminary, subject to change.

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Debt Maturity Schedule:

The following schedule sets forth the maturity schedule for all general obligation debt of the Village as of the closing of this issue.

		Cumulative Retirement*	
Calendar Year	Annual Retirement*	Amount	Percent
2012	700,000	700,000	6.53%
2013	815,000	1,515,000	14.13%
2014	845,000	2,360,000	22.01%
2015	875,000	3,235,000	30.18%
2016	895,000	4,130,000	38.53%
2017	915,000	5,045,000	47.06%
2018	635,000	5,680,000	52.99%
2019	650,000	6,330,000	59.05%
2020	665,000	6,995,000	65.25%
2021	670,000	7,665,000	71.50%
2022	690,000	8,355,000	77.94%
2023	700,000	9,055,000	84.47%
2024	705,000	9,760,000	91.04%
2025	110,000	9,870,000	92.07%
2026	110,000	9,980,000	93.10%
2027	115,000	10,095,000	94.17%
2028	115,000	10,210,000	95.24%
2029	120,000	10,330,000	96.36%
2030	125,000	10,455,000	97.53%
2031	130,000	10,585,000	98.74%
2032	135,000	10,720,000	100.00%

Short-Term Borrowing

The Village has no plans to utilize short-term borrowing in the foreseeable future.

Future Debt

The Village currently does not have plans to issue additional debt in the foreseeable future, with the exception of $6,205,000 Series 2012B for refunding the Series 2004 Library Corporate Purpose Bond.

*Preliminary,subject to change.

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Pension and Retirement Fund Commitments

The Village contributes to four defined benefit pension plans: the Illinois Municipal Retirement Fund ("IMRF"), which is an agent-multiple-employer public employee retirement system that acts as a common investment and administrative agent for local governments and school districts in Illinois, the Police Pension Plan, which is a single-employer pension plan, and the Firefighters' Pension Plan which is also a single-employer pension plan. The funding status of these plans as of April 30, 2011, is summarized in the table below. This summary is qualified in its entirety by reference to the audited financial statements of the Village for the fiscal year ended April 30, 2011 attached hereto as the Appendix A.

The Sheriff's Law Enforcement Personnel (SLEP), having accumulated at least 30 years of SLEP service and terminating IMRF participation on or after January 1, 1988, may elect to retire at or after age 50 with no early retirement discount penalty. SLEP members meeting these two qualifications are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.50% of their final rate of earnings, for each year of credited service up to 20 years, 2.00% of their final earnings rate for the next 10 years of credited service, and 1.00% for each year thereafter. For those SLEP members retiring with less than 20 years of SLEP service, the regular IMRF pension formula applies.

The amount shown as the "actuarial accrued liability" is a standardized disclosure measure of the present value of pension benefits estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of the pension trusts on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers. The measure is the actuarial present value of credited projected benefits and is independent of the funding method used to determine contributions to the pension trusts.

	Illinois Municipal Retirement Fund	Sheriff's Law Enforcement Personnel	Police Pension Fund	Firefighters' Pension Fund
Actuarial Valuation Assumptions:	December 31, 2008	December 31, 2008	April 30, 2010	April 30, 2010
Significant Actuarial Assumptions:				
a) Rate of Return on Investment of Present and Future Assets	7.50%	7.50%	7.50%	7.50%
b) Projected Salary Increases - Attributable to Inflation	4.00%	4.00%	3.00%	3.00%
c) Additional Projected Salary Increases - Depending on Age and Service	0.40% to 10%	0.4% to 10.0%	2.00%	2.00%
d) Post Retirement Benefit Increases	3.00%	3.00%	3.00%	3.00%
Actuarial Value of Plan Assets	$8,552,699	$194523	$14,409,306	$8,452,039
Actuarial Accrued Liability (AAL) - Entry Age	$12,248,866	$261,895	$23,911,338	$17,622,336
Unfunded (overfunded) AAL	$3,696,167	$67,372	$9,506,032	$9,170,297

Source: Comprehensive Annual Financial Report of the Village for the Fiscal Year ended April 30, 2011.

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INSURANCE COVERAGE

The Village participates in the Intergovernmental Risk Management Risk Agency (IRMA), an organization of municipalities and special districts in northeastern Illinois that have formed an association under the Illinois Intergovernmental Cooperations Statute to pool their risk management needs. Each member assumes the first $2,500 of each occurrence and IRMA has a mix of self-insurance and commercial insurance at various amounts above that level.

The Village currently has (as of July 15, 2012) the following coverages:

Policy	Coverage/Limits of Liability
General Liability Bodily Injury & Property Damage	$1,000,000 combined single limit
Automobile Liability Bodily Injury & Property Damage	$1,000,000 combined single limit
Worker's Compensation Employer's Liability	$2,500,000 per occurrence
First Party Property – All Risk (Includes Auto Comp./Collision)	$250,000,000 per occurrence

TAX EXEMPTION

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The Village has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to the Village's compliance with the above referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes, and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but interest on the Bonds is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

In rendering its opinion, Bond Counsel will rely upon certifications of the Village with respect to certain material facts within the Village's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

The Internal Code of 1986, as amended (the "Code") includes provisions for an alternative minimum tax ("AMT") for corporations in addition to the corporate regular tax in certain cases. The AMT, if any, depends upon the corporation's alternative minimum taxable income ("AMTI"), which is the corporation's taxable income with certain adjustments. One of the adjustment items used in computing the AMTI of a corporation (with certain exceptions) is an amount equal to 75% of the excess of such corporation's "adjusted current earnings" over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction). "Adjusted current earnings" would include certain tax-exempt interest, including interest on the Bonds.

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Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price (the "Issue Price") for each maturity of the Bonds is the price at which a substantial amount of such maturity of the Bonds is first sold to the public. The Issue Price of a maturity of the Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the inside cover page hereof.

If the Issue Price of a maturity of the Bonds is less than the principal amount payable at maturity, the difference between the Issue Price of each such maturity, if any, of the Bonds (the "OID Bonds") and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the Village complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Code, but is taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations under the Code, as described above; and (d) the accretion of original issue discount in each year may result in an alternative minimum tax liability for corporations or certain other collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Based upon the stated position of the Illinois Department of Revenue under Illinois income tax law, accreted original issue discount on such OID Bonds is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of the Bonds who dispose of the Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Bonds in the initial public offering, but at a price different from the Issue Price or purchase Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Bond is purchased at any time for a price that is less than the Bond's stated redemption price at maturity or, in the case of an OID Bond, its Issue Price plus accreted original issue discount (the "Revised Issue Price"), the purchaser will be treated as having purchased a Bond with market discount subject to the market discount rules of the Code (unless a statutory de minimis rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

An investor may purchase a Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax exempt bond. The amortized bond premium is treated as a reduction in the tax exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Bond. Investors who purchase a Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Bond.

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There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The 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 includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the Village as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds, until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

Interest on the Bonds is not exempt from present State of Illinois income taxes. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

QUALIFIED TAX-EXEMPT OBLIGATIONS

Subject to the Village's compliance with certain covenants, in the opinion of Bond Counsel, the Bonds are "qualified tax-exempt obligations" under the small issuer exception provided under Section 265(b)(3) of the Code, which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code.

RULE 15C2-12

The Village deems this Official Statement provided in connection with the sale of the Bonds to be final as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission (the "Commission").

CONTINUING DISCLOSURE

The Village will enter into a Continuing Disclosure Undertaking (the *"Undertaking"*) for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (the *"MSRB"*) pursuant to the requirements of Section (b)(5) of Rule 15c2-12 (the *"Rule"*) adopted by the Commission under the Exchange Act. No person, other than the Village, has undertaken, or is expected, to provide continuing disclosure with respect to the Bonds. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and a summary of other terms of the Undertaking, including termination, amendment and remedies, are set forth below under "The Undertaking."

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There have been no instances in the previous five years in which the Village failed to comply in all material respects, with any undertaking previously entered into by it pursuant to the Rule. A failure by the Village to comply with the Undertaking will not constitute a default under the Bond Ordinances and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. The Village must report any failure to comply with the Undertaking in accordance with the Rule. Any broker, dealer or municipal securities dealer must consider such report before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

A failure by the Village to comply with the Undertaking will not constitute a default under the Bond Ordinances and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. See "The Undertaking—Consequences of Failure of the Village to Provide Information." The Village must report any failure to comply with the Undertaking in accordance with the Rule. Any broker, dealer or municipal securities dealer must consider such report before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Neither Bond Counsel nor the Financial Advisor expresses any opinion as to whether the Undertaking complies with the requirements of Section (b)(5) of the Rule.

THE UNDERTAKING

The following is a brief summary of certain provisions of the Undertaking of the Village and does not purport to be complete. The statements made under this caption are subject to the detailed provisions of the Undertaking, a copy of which is available upon request from the Village.

Annual Financial Information Disclosure

The Village covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements, if any (as described below) to the MSRB 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. The Village is required to deliver such information within 210 days after the last day of the Village's fiscal year (currently on April 30). If Audited Financial Statements are not available when the Annual Financial Information is filed, the Village will file unaudited financial statements. The Village will submit Audited Financial Statements to the MSRB's Electronic Municipal Market Access (*"EMMA"*) System within [30] days after such statements become available to the Village. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format.

"Annual Financial Information" means information of the type contained in the following headings, subheadings and exhibits of the Final Official Statement:

1) REAL PROPERTY ASSESSMENT TAX LEVY AND COLLECTION PROCEDURES
2) CERTAIN FINANCIAL INFORMATION REGARDING THE VILLAGE

"Audited Financial Statements" means the combined financial statements of the Village prepared in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States.

Reportable Events Disclosure

The Village 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 the MSRB 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 to be filed with EMMA, including financial statements and other externally prepared reports. The *"Events"* are:

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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) Bond 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

Consequences of Failure of the Village to Provide Information

The Village shall give notice in a timely manner to the MSRB of any failure to provide disclosure of Annual Financial Information and Audited Financial Statements when the same are due under the Undertaking.

In the event of a failure of the Village to comply with any provision of the Undertaking, the beneficial owner of any Bond may seek mandamus or specific performance by court order to cause the Village to comply with its obligations under the Undertaking. A default under the Undertaking shall not be deemed a default under the Bond Ordinances and the sole remedy under the Undertaking in the event of any failure of the Village to comply with the Undertaking shall be an action to compel performance.

Amendment; Waiver

Notwithstanding any other provision of the Undertaking, the Village by ordinance authorizing such amendment or waiver, may amend the Undertaking, and any provision of the Undertaking may be waived, if:

(a) (i) The amendment or the 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; or

(ii) The Undertaking, 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

---

* 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.

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(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, 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 approves or requires Annual Financial Information or notices of a Reportable Event to be filed with a central post office, governmental agency or similar entity other than the MSRB or in lieu of the MSRB, the Village shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending the Undertaking.

Termination of Undertaking

The Undertaking shall be terminated if the Village shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Bond Ordinances. The Village shall give notice to the MSRB in a timely manner if this paragraph is applicable.

Additional Information

Nothing in the Undertaking shall be deemed to prevent the Village from disseminating any other information, using the means of dissemination set forth in the Undertaking or any other means of communication, or including any other information in any Annual Financial Information or Audited Financial Statements or notice of occurrence of a Reportable Event, in addition to that which is required by the Undertaking. 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 the Undertaking, the Village shall have no obligation under the Undertaking to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event.

Dissemination of Information; Dissemination Agent

When filings are required to be made with the MSRB in accordance with the Undertaking, such filings are required to be made through its EMMA system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

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

LITIGATION

General

There is no claim or action against the Village and about which the Village has been properly served or given notice or, to the knowledge of the Village, threatened that, if successful, would materially adversely affect the operations or financial condition of the Village.

The Bonds

There is no claim or litigation of any nature pending and about which the Village has been properly served or given notice or, to the knowledge of the Village, threatened restraining or enjoining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the Village taken with respect to the issuance or sale thereof.

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FINANCIAL ADVISOR

Kane, McKenna Capital, Inc., Chicago, Illinois, is serving as financial advisor to the Village with respect to the sale of the Bonds and has prepared the Feasibility Report. Kane, McKenna and Associates, Inc., an affiliate of Kane, McKenna Capital, Inc., is also providing certain other financial consulting services to the Village. Kane, McKenna and Associates, Inc. has also served as consultant to the Village with respect to certain economic development activities and has been compensated separately for such services.

UNDERWRITERS

The Bonds are being purchased for reoffering by _____, at an aggregate purchase price of $_____ (which represents the principal amount of the Series 2012A Bonds less the Underwriters Discount of $_____). The Bonds are being purchased for reoffering by _____, at an aggregate purchase price of $_____ (which represents the principal amount of the Bonds less the Underwriter's Discount of $_____).

The Underwriters intend to offer the Bonds to the public at the offering prices set forth on the cover page of this Official Statement. The Underwriters may allow concessions to certain dealers (including dealers in a selling group of the Underwriters and other dealers depositing the Bonds into investment trusts), who may reallow concessions to other dealers. After the initial public offering, the public offering price may be varied from time to time by the Underwriters.

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AUTHORIZATION

This Official Statement has been approved by the Village for distribution to prospective purchasers of the Village of La Grange, Cook County, Illinois General Obligation Bonds (Waterworks System Alternate Revenue Source), Series 2012A.

The Board, acting through its Village President, will provide to the initial purchaser of each series of the Bonds at the time of delivery of the Series 2012A Bonds, a certificate confirming to such initial purchaser that, to the best of its knowledge and belief, the Official Statement with respect to the Series 2012A Bonds, together with any supplements thereto, at the time of acceptance and adoption of the Series 2012A Bond Ordinance and at the time of delivery of the Series 2012A Bonds, was true and correct in all material respects and did not at any time contain an untrue statement of a material fact or omit to state a material fact required to be stated, where necessary to make the statements therein in light of the circumstances under which they were made, not misleading.

The Board, acting through its Village President, will provide to the initial purchaser of each series of the Bonds at the time of delivery of the Bonds, a certificate confirming to such initial purchaser that, to the best of its knowledge and belief, the Official Statement with respect to the Bonds, together with any supplements thereto, at the time of acceptance and adoption of the Series 2012A Bond Ordinance and at the time of delivery of the Bonds, was true and correct in all material respects and did not at any time contain an untrue statement of a material fact or omit to state a material fact required to be stated, where necessary to make the statements therein in light of the circumstances under which they were made, not misleading.

/s/_____
Village President
Village of La Grange
Cook County, Illinois

Dated: September __, 2012

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APPENDIX A

Audited Financial Statements of the Village for the Fiscal Year Ended April 30, 2011

Hard copy of audit financial statements not included for purposes of efficiency. However, if you wish to reference the audit, a copy can be found at the Village's web site at www.villageoflagrange.com under the Finance Department tab/section.

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APPENDIX B

Feasibility Report

PRELIMINARY FEASIBILITY REPORT
FOR THE
VILLAGE OF LA GRANGE
COOK COUNTY, ILLINOIS

IN CONJUNCTION WITH THE ISSUANCE OF

$2,080,000*
VILLAGE OF LA GRANGE
COOK COUNTY, ILLINOIS
General Obligation Bonds (Waterworks System Alternate Revenue Source)
Series 2012A

Prepared By: Kane, McKenna Capital, Inc.

September 10*, 2012

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***Subject to change**

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THIS REPORT HAS BEEN PREPARED IN CONNECTION WITH THE PROPOSED ISSUANCE OF $2,080,000* GENERAL OBLIGATION BONDS (WATERWORKS SYSTEM ALTERNATE REVENUE SOURCE), SERIES 2012A OF THE VILLAGE OF LA GRANGE, ILLINOIS. UTILIZATION OR REPRODUCTION OF ALL OR ANY PORTION OF THIS REPORT WITHOUT THE EXPRESS WRITTEN CONSENT OF KANE, MCKENNA CAPITAL, INC. IS PROHIBITED.

THIS REPORT HAS BEEN PREPARED BASED UPON INFORMATION WHICH THE AUTHORS BELIEVE TO BE RELIABLE BUT IS NOT GUARANTEED AS TO ACCURACY. NO PERSON HAS BEEN AUTHORIZED BY KANE, MCKENNA CAPITAL, INC. TO MAKE ANY REPRESENTATIONS WITH RESPECT TO THE CONTENTS OF THIS REPORT. THIS REPORT SHOULD BE CONSIDERED IN ITS ENTIRETY AND NO ONE FACTOR SHOULD BE CONSIDERED MORE OR LESS IMPORTANT THAN ANY OTHER BY REASON OF ITS POSITION IN THIS REPORT. THIS REPORT HAS BEEN BASED UPON FACTS AND CIRCUMSTANCES AVAILABLE TO THE AUTHORS AS OF AUGUST 31, 2012, AND AS INDICATED HEREIN. ANY CHANGE IN SUCH FACTS OR CIRCUMSTANCES AFTER SUCH DATE COULD ALTER THE PROJECTIONS CONTAINED HEREIN.

THIS REPORT IS A DRAFT; SUBJECT TO CHANGE INCLUDING, BUT NOT LIMITED TO, CHANGES RESULTING FROM THE EXECUTION OF THE BOND ORDINANCE, AS DEFINED HEREIN. THIS REPORT WILL BE ISSUED IN FINAL FORM UPON ADOPTION OF THE BOND ORDINANCE AND EXECUTION OF THE BOND PURCHASE CONTRACT.

*** Subject to change**

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*Subject to Change

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INTRODUCTION

Kane, McKenna Capital, Inc. ("KMC"), a nationally recognized and acknowledged expert in Illinois public finance, has been requested by the Village of La Grange, Cook County, Illinois (the "Village") to prepare an analysis of the Village's Water Fund, as defined herein, solely to determine if sufficient revenues are likely to be produced to support water operations and maintenances expenses and the debt service coverage requirements of the Local Debt Reform Act, as hereinafter defined, with respect to the Village's $2,080,000* General Obligation Bonds (Waterworks System Alternate Revenue Source), Series 2012A (the "Bonds" or the "Series 2012A Bonds") and to fund other required accounts of the Water Fund.

Plan of Finance

The Bonds are being issued pursuant to the Local Government Debt Reform Act of the State of Illinois, as supplemented and amended (the "Local Debt Reform Act") and the Illinois Municipal Code, as supplemented and amended.

The proceeds received from the sale of the Bonds will be used to provide funds for: (1) replacement and modernization of the water meters throughout the Village, improvements to the East Avenue Water Pumping Station system, and, if any, related waterworks system improvements (together the "Planned System Improvements"): and, (2) to fund certain costs associated with the issuance of the Bonds.

The Bonds are valid and legally binding upon the Village and are payable from (i) the moneys to the credit of the Alternate Bond and Interest Subaccount within the Surplus Account of the Water Fund of the Village after the required deposits and credits have been made to certain prior lien accounts and purposes as set forth in the Bond Ordinance (as such term is hereinafter defined), and (ii) ad valorem taxes levied against all taxable property in the Village without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

The Bond Ordinance, adopted on September 10*, 2012 by the Village Board of Trustees and executed by the President and Village Clerk, (the "Bond Ordinance"), provides for the levy of ad valorem taxes, unlimited as to rate or amount, upon all taxable property within the Village in amounts sufficient to pay all principal of and interest on the Bonds. The Bond Ordinance will be

*Subject to change.

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filed with the Clerk of Cook County and will serve as authorization to extend and collect the property taxes as set forth in the Bond Ordinance. Unless directed by the Village to abate said taxes for any given year, the County is obligated to extend and collect such property taxes. The Bond Ordinance provides that the Village may not direct the County to abate said taxes in any given year unless, prior to such direction, an amount equal to the amount to be abated is irrevocably deposited in the Alternate Bond and Interest subaccount within the Surplus Account of the Water Fund.

Planned System Improvements

The Planned System Improvements will enable the Village to substantially improve both the efficiency and effectiveness of its water revenue collection operations, and its overall water delivery system based on the complete replacement of water meters throughout the Village and through infrastructure and technological improvements to the Village's East Avenue water pumping station, as well as related System improvements. The new water meter installation program, pump station improvements and other improvements are further discussed in the section of this report entitled "Description of the Planned Improvements".

To facilitate the implementation of these Planned System Improvements, the Village Board adopted the Water Rate Ordinance (as defined herein) that included a 15% water rate increase, which included a designated 5% rate increase specifically intended to provide a portion of the necessary revenues to fund capital improvement and/or capital improvement bond issue costs associated with the System Improvements. The Village's intent is to implement the System Improvements within the next 12 months.

Base Assumptions

The Village operates its own waterworks system (the "System"). Operation of the System is accounted for within a separate proprietary fund that has been designated by the Village as the "Water Fund". The primary source of revenues into the Water Fund stems from charges to users for water services based on the number of gallons of water consumed. Critical base assumptions regarding the System have been provided to KMC by the Village for which KMC is not responsible. These critical base assumptions include the following:

1. The number of existing users;

2. The total gallons of water utilized by existing System users;

3. The total gallons of water used but not billed, including losses in the System;

4. The total gallons utilized by specific System customers;

5. The rates charged by the Village to System customers in effect over each of the last five years;

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6. Other information concerning the customer base structure of the System, as well as planned rate increases to be assessed to customers to support both ongoing System operations and to fund the Planned System Improvements.

Sources of Information

In preparing this Report, KMC has reviewed the following information.

1. Audited financial statements of the Village for the Fiscal Years ended April 30, 2007 to April 30, 2011.

2. Unaudited financial information of the Village for the Fiscal Year ended April 30, 2012.

3. Information prepared by the Village and the Village's engineer regarding the System's users, rates, and consumption, including usage by rate category and by major customers.

3. Information prepared by the Village and the Village's engineer regarding the System's users, rates, and consumption, including usage by rate category and by major customers.

4. Information supplied by the Village regarding projected consumption by System users and estimates for the recapture of leaked System revenues due to the elimination of inefficient, obsolete water meters throughout the Village.

5. Water System Rate Legislation and Ordinances as listed below:

   (a) Municipal Code of Village of La Grange.

   (b) Ordinance Number 0-12-16, An Ordinance Amending Chapter 52/ Water Service of La Grange Code of Ordinances, approved April 23, 2012 (an ordinance instituting certain System rate increases to support the Planned System Improvements) (the "Water Rate Ordinance").

6. Certain ordinances concerning the issuance of the Bonds including, but not limited to, the Bond Ordinance.

Limitations of this Report

The Water Fund revenue and expense projections contained in this Report are based upon information that was provided by the Village of La Grange.

The Report presents an estimate of the most probable Water Fund revenues based upon the System's current users and water consumption rates passed and approved in advance of the issuance of the Bonds. The Village has also pledged in the Bond Ordinance to Bondholders that it will, if necessary, in the future, increase Water System rates to levels sufficient to meet

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operations and maintenance expenses, as defined in the Bond Ordinance, and all debt service costs of the System while the Bonds are outstanding, along with an additional 0.25 times coverage of annual debt service on the Bonds. This covenant of the Village is relied upon in this Report.

The estimates are based upon legislation and regulations currently in effect.

The interest rates, principal payments and other financing assumptions used in this Report are described in the section of this Report entitled "Projected Funds Available to Pay Debt Service on the Bonds."

Conclusions

1. KMC believes that this Report provides a reasonable estimate of projected Water Fund revenues.

2. KMC believes that the underlying assumptions provide a reasonable basis for these estimates. However, some assumptions inevitably will not materialize and unanticipated events and circumstances may occur; therefore, the actual results achieved during the forecast periods may vary from the forecast, and the variations may be material. Any potential change in the level of annual revenues generated is the responsibility of the Village. Changes in the number of System's metered customers and users; changes in the major metered customers and users of the System; changes in the System users; and increases in expenses beyond those projected could affect the overall viability of the revenue projections.

3. In accordance with the Bond Ordinance, the accompanying forecast indicates that as of the date of this Report the Pledged Revenues will be sufficient to provide or pay in each year to final maturity of the Bonds all of the following: (1) operation and maintenance costs, but not including depreciation, (2) debt service on all outstanding revenue bonds payable from the revenues of the System, (3) all amounts required to meet any fund or account requirements with respect to such outstanding revenue bonds, (4) other contractual or tort liability obligations, if any, payable from such revenues, and (5) an amount not less than 1.25 times debt service on the Bonds now proposed to be issued in the amount of $2,080,000*.

   The determination of sufficiency is demonstrated in part by reference to a schedule of higher rates and charges that have been imposed pursuant to the Water Rate Ordinance as projected in the section entitled "Assumptions for Projected Water Fund Revenues and Expenses – Assumptions Regarding Waterworks System Users and Water Consumption" herein.

KMC has no responsibility to update this report for events and circumstances occurring after the date of this Report, but would not be available to answer any questions related to this Report if necessary.

*Subject to change.

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POTENTIAL RISKS ASSOCIATED WITH THE PROJECTIONS

The projections and the ultimate sufficiency of Pledged Revenues in connection with the Bonds are subject to certain risks.

THE FACTORS DESCRIBED BELOW COULD AFFECT THE PAYMENT OF THE BONDS TO AN EXTENT THAT CANNOT BE DETERMINED. THIS DISCUSSION OF RISK FACTORS IS NOT INTENDED TO BE EXHAUSTIVE.

Information Not Subject to Verification

Information concerning the Water Fund and the operations of the System has been obtained from the Village and the Village's Engineer. Some of that information involves predictions of future events, such as projected water consumption; such information is, by its nature, not subject to verification.

Risk of Natural Disaster

In the event of a natural disaster severely damaging the System, there can be no assurance as to the time frame or the costs necessary for such facilities to be rebuilt or repaired. In such case, generation of Pledged Revenues and payment of principal of and interest on the Bonds could be adversely affected.

Risks Associated With Generation of Pledged Revenues

There are risks associated with the projection and ultimate generation of Pledged Revenues. These risks include, but are not limited to, the following:

- a change in consumption of water by the users of the System;
- a change in the number of users of the System;
- a change in the major users of the System or their consumption;
- a breakdown, even temporary, in the operational abilities of the System;
- a failure by the Village to increase System rates sufficiently and/or frequently enough to keep pace with increases in operations and maintenance expenses, and to provide the required debt service coverage for the Bonds;
- an interruption or failure, for any reason, by the City of Chicago or the Village of McCook in delivery of water purchased by Village for distribution and sold by the Village to water users of the System;
- the establishment of a competing facility which could provide service to current and future System users; and
- a change in general economic conditions.

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Risk of Changes in Market Conditions, Changes in General Economic Conditions and Future Competition

Pledged Revenues could be significantly impaired as a result of changes in general economic conditions and competition from existing facilities or facilities developed in the future.

Risks Associated with Village Covenants Regarding Pledged Revenue Deposits

In the Bond Ordinance, the Village has made various covenants regarding deposits of Pledged Revenues, accounting, and water rates. Failure to comply with such covenants, could negatively impact the availability of Pledged Revenues. Such risks include, but are not limited to:

- a failure to collect and apply Pledged Revenues to the payment of the Bonds and to fund and maintain the various accounts required in the Bond Ordinance;
- a failure to make irrevocable deposits required prior to the abatement of property taxes;
- a failure to maintain System fees at a rate sufficient to pay operations and maintenance costs, debt service and certain costs related to any revenue bonds issued in the future and to provide for 125% of the principal and interest on all outstanding alternate bonds; and
- a failure to keep proper books and records for all transactions relating to the Pledged Revenues.

Risk of Legislative, Judicial and Regulatory Changes

Future legislation, regulations, governmental or judicial interpretation of regulations or legislation or practices and procedures could have a material effect on the calculation or availability of Pledged Revenues.

THE ABOVE IS NOT INTENDED TO BE A COMPREHENSIVE DISCUSSION OF ALL POTENTIAL RISKS ASSOCIATED WITH THIS TRANSACTION. KMC HAS NO REASON TO EXPECT THAT ANY OF THE AFOREMENTIONED POTENTIAL RISKS MIGHT BE REALIZED.

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VILLAGE OF LA GRANGE WATERWORKS SYSTEM

The Village supplies potable water, from Lake Michigan, to customers through a network of pipes, pump stations, and storage reservoirs. The Village purchases water from the Village of McCook, Illinois ("McCook"). McCook receives Lake Michigan water directly from the City of Chicago, Illinois ("Chicago"). The Village's water is received from McCook at the La Grange reservoir located within the Village at East Avenue and Plainfield Road. The water is then pumped from the reservoir through the Village's distribution system consisting of 59 miles of water mains that range in size from 4" to 16".

The water received by the Village from McCook is measured through a water meter located at the point of the incoming water main from McCook. Water usage throughout the Village is then measured with water meters along the service lines located at each customer property point. There are approximately 4,775 meters distributed throughout the Village for residential, commercial, and industrial customers. The most recent water meter replacement project occurred over a four-year period starting in 1987 through 1990. The Village has identified the need to systematically replace the water meters as a major objective. Water meters are routinely replaced at the end of their useful life, which is typically 20-25 years.

The Village on average pumps approximately 1.7 million gallons of portable water per day through the System. A critical component of the Village's System is the East Avenue Pump Station (the "Pump Station"). The Pump Station receives the water, delivered from McCook, where it is re-chlorinated and then redistributed into the balance of the System. The capacity for the Pump Station and adjacent 1.75 gallon reservoir were constructed in the early 1980's, with an upgrade in 1993. However, the Village's Engineer has estimated that the Pump Station is nearing the end of its useful life. The Village has therefore identified as another key objective the replacement of all of the major operating components of the Pump Station, as part of the Planned System Improvements.

The Water Fund has been established by the Village as a proprietary and self-sufficient, enterprise fund to finance the cost of operating, maintaining and replacing the Village's waterworks distribution system. In establishing the water rate fee structure for its water customers, the Village considers three main areas of expenditures within the Water Fund – the cost of the water as a commodity; operating costs; and capital improvements. Taken together, all of these elements constitute the basis for establishing and subsequently adjusting the Village's water rate structure.

As noted above, one component of the establishment of the Village's water rate is to fund needs associated capital improvements such as the Planned System Improvements. It was specifically for this purpose that the Village adopted the Water Rate Ordinance as a means to supplement Water Fund revenues as a means to support the issuance of the Bonds.

System Administration

The System is maintained by the Village of La Grange Public Works Department and is administered by the Director of Public Works. In addition, the Department is staffed by the

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equivalent of eleven (11) full-time employees including the Assistant Public Works Director, two (2) Crew Leaders; five (5) General Utility Workers, an administrative assistant, an accounting clerk and a meter reader. System bills are prepared and billed on a bi-monthly basis for residential users and on a monthly basis for commercial and other larger users. The Village has an approximate average annual collection rate of 98% for all billings for the System.

Service Area and Typical Demand

The System serves an estimated 15,550 people within the Village. The System's customer base in the Village is primarily residential, and accounts for approximately 90% of the total volume of water in calendar year 2012. Total estimated water billings for System services for Fiscal Year 2012 were estimated at approximately $3,321,000.

Current total water demands in the Village are approximately 1.7 million gallons per day for the average day, and 2.8 million gallons per day for the peak day. The Villages total daily pumping capacity is approximately 3 million gallons per day.

Description of Planned System Improvements

The Village anticipates making certain improvements to the System, using proceeds from the Bonds in order to upgrade its current System and to improve accounting accuracy for System resources. These Planned System Improvements are described below.

- Replacement of all of the approximately 4,775 water meters throughout the Village's System, which will result in improved water accountability and reduced water reading expenses through the use of new technology.
- Renovation/upgrade of the Pump Station including replacement of the generator, control systems, pumps, and motors, which will result in the addition of new water pumping technology, increased energy efficiency and added pump station reliability. These upgrades will also benefit the System through reduced operating and maintenance costs.
- Other capital improvements to the System as deemed necessary by the Village.

Rate Structure and Recent Rate Increases

The Village's rate structure is based on water consumption. Charges to System users are bifurcated between low to normal users, who are billed bi-monthly, versus high water users, who are billed monthly. Based on the Water Rate Ordinance, low to normal users are assessed per billing period a minimum charge per meter (up to 600 cubic feet) of $44.451 and a rate of $6.687 per 100 cubic feet above 600 cubic feet. High water users are assessed per billing period a minimum charge per meter (up to 300 cubic feet) of $22.270 and the same rate of $6.687 per 100 cubic feet above 300 cubic feet.

The Village has maintained a historical policy to "pass through" water rate increases from the McCook, which in turns passes onto the Village its own water rate increases from Chicago. Outlined below are the recent water rate increases passed onto the Village and the

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Village's most recent water rate increases that have been adopted both to handle increased System operating cost and in response to increased water purchase costs:

Chicago adopted the following water rate increases in July 2011:

- January 1, 2012 – 25%
- January 1, 2013 – 15%
- January 1, 2014 – 15%
- January 1, 2015 – 15%

The Village was notified by McCook in December 2011 that it would be increasing water rates charged to the Village to offset the Chicago water rate increases, effective January 1, 2012. For budgeting purposes, the Village has estimated anticipated McCook increases as follows (the January 1, 2012 is actual, and the remaining are Village estimates):

- January 1, 2012 – 20%
- January 1, 2013 – 12%
- January 1, 2014 – 12%
- January 1, 2015 – 12%

In May 2011, the Village Board approved a water rate increase of 10 percent effective May 1, 2011 to help cover increased costs associated with growing operating expenses for the System. Additionally, in order to maintain adequate Water Fund reserves, fund operations, allow for ongoing improvements to System, and to further compensate for the January 1, 2012 increase in the wholesale rate from McCook/Chicago, the Water Rate Ordinance includes a rate increase of 15 percent, effective beginning Fiscal Year 2012/2013 (effective May 1, 2012). It should be noted that the Village May 1, 2012 rate increase is somewhat less than the McCook/Chicago 2012 rate increases as the McCook/ Chicago rate increase are primarily applied to the cost of the water purchased in the Water Fund, which is just one component of the total expenses for providing water to Village customers.

Current Users and Top Ten Users

As of the end of fiscal year 2012, based upon information provided by the Village, the number of System users for calendar year 2007 through 2012 is as follows:

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Exhibit A

Estimated Number of System Users and Top Ten Highest Users
As of Fiscal Year-Ended 2012

Number of System Users

User Category:	
Residential	4,600
Commercial/Other Large Users	175
Total	4, 775

Top Ten Highest Ten Highest System Users

User	Annual Consumption (Gallons)
La Grange Memorial Hospital	25,575,830
Villa Venice Condominiums	8,852,424
La Grange Physician Building	5,860,975
La Grange Country Club	5,231,862
Victorian Manor Healthcare/ Rehabilitation	4,169,631
Beacon Place Condo Association	2,154,384
Lyons Township High School	2,154,384
Grayhill, Inc. (Industrial)	1,716,775
La Grange Tower Condo Association	1,481,887
La Grange Plaza Condominiums	1,343,498

Historical Water Consumption

Water consumption is detailed in the following table for Fiscal Years 2008 through 2012, including a multi-year average. All users are charged the same rate for System consumption.

Exhibit B

Historical Consumption
Fiscal Years 2008 – 2012

Year	2012	2011	2010	2009	2008
Consumption (1,000 gallons)	550	580	578	615	664

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The Village indicates that the reason for the significant drop off in use between Fiscal Years 2008 and 2010 was the result of the 2007 closing of the 60-year old Rich Port YMCA. At the time of its closing the operation was one of the Village largest System customers. It should also be noted that rate of System water consumption normally varies significantly from year-to-year due to changes in weather conditions.

Billing Procedures

Bills for System services are rendered and collected by the Village bi-monthly for residential customers and every month for commercial and other high users. Payment on bills are sent out the first day of the month when due, and are payable within ten (15) days after they are mailed. There is a ten percent (10%) charge on any balance that remains unpaid after the payment due date.

Historical Revenues and Expenses

Exhibit C provides a summary of revenues and expenses for the Water Fund for the Fiscal Years ended April 30, 2007 through April 30, 2011.

The major source of revenue is from System customers. The Village's Water Fund receives other revenues in addition to sale of System charges. These other revenues include impact fees, tap on fees, turn on fees, meter sales and other revenues.

The major expenses for the Water Fund are salaries and wages, commodities, contractual services, materials and maintenance. Other expenses of the Water Fund consist of: employee benefits, capital improvements, and other expenses, as illustrated on the following page in **Exhibit C.**

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EXHIBIT C

VILLAGE OF LA GRANGE- WATER FUND

STATEMENT OF REVENUES, EXPENSES, AND

CHANGES IN FUND NET ASSETS

FISCAL YEARS ENDED APRIL 30, 2007 THROUGH 2011

	April 30, 2007	April 30, 2008	April 30, 2009	April 30, 2010	April 30, 2011
OPERATING REVENUES					
Water Sales	2,607,387	2,571,457	2,637,686	2,879,605	3,130,783
Water Meter Installation	33,130	47,042	14,644	8,055	33,011
Delinquent Penalties	35,852	27,916	34,542	38,618	39,365
Fire Lines	10,917	10,585	11,165	11,475	11,925
Miscellaneous Income	-	-	-	641	1,436
Total Operating Revenues	2,687,286	2,657,000	2,698,037	2,938,394	3,216,520
OPERATING EXPENSES					
Personnel Services	976,508	1,118,323	1,057,321	1,151,803	1,225,988
Supplies and Materials	21,925	30,438	28,514	35,062	26,381
Contractual Services	1,451,625	1,574,851	1,603,699	1,721,303	1,869,273
Other	80,518	70,411	100,938	117,313	98,849
Depreciation	361,906	363,534	376,815	386,868	392,049
Total Operating Revenues	2,892,482	3,157,557	3,167,287	3,412,349	3,612,540
OPERATING INCOME (LOSS)	(205,196)	(500,557)	(469,250)	(473,955)	(396,020)
NON-OPERATING REVENUES (EXPENSES)					
Investment Income	83,865	81,960	39,952	18,389	8,729
Grant Proceeds	-	-	336,800	-	-
Miscellaneous Revenue	(6,098)	3,675	(3,991)	-	-
Total Nonoperation Revenues (Expenses)	77,767	85,635	372,761	18,389	8,729
INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	(127,429)	(414,922)	(96,489)	(455,566)	(387,291)
TRANSFERS	-	6,050	-	-	-
CHANGE IN NET ASSET	(127,429)	(408,872)	(96,489)	(455,566)	(387,291)
NET ASSETS, MAY 1	10,117,278	9,989,849	9,580,977	9,484,488	9,028,922
NET ASSETS, APRIL 30	9,989,849	9,580,977	9,484,488	9,028,922	8,641,631

Source: Audited Financial Statements of the Village for the Fiscal Years ended April 30, 2007 through 2011

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ASSUMPTIONS FOR PROJECTED SYSTEM REVENUES AND EXPENSES

Methodology

KMC's sole objective for the Report was to determine the sufficiency of Pledged Revenues to support operations and maintenance expenses, other obligations as described in the flow of funds outlined below, and debt service for the Bonds, and to compute the projected coverage ratios for the Bonds. In order to achieve this objective, a methodology was developed to project future Pledged Revenues.

Flow of Funds

In order to determine the sufficiency of the Pledged Revenues to support all of the future obligations of the Water Fund, including the required coverage ratios for the Bonds, KMC has relied upon the Village's covenants, as set forth, in the Bond Ordinance that the Village will monthly make the following deposits of the Pledged Revenues into the following accounts of the Water Fund:

(a) *Operation and Maintenance Account:* There will be credited to or retained in the Operation and Maintenance Account an amount sufficient, when added to the amount then on deposit in said Account, to establish or maintain a balance to an amount not less than the amount considered necessary to pay Operation and Maintenance Expenses for the then current month.

(b) *Accounts Created Pursuant to Future Bond Ordinances:* Future bond ordinances providing for the issuance of Additional Bonds or Revenue Bonds, each as defined in the Bond Ordinance (together, *"Future Bond Ordinances"*), may create additional accounts in the Water Fund for the payment and security of waterworks and revenue bonds that hereafter may be issued by the Village. Amounts in the Water Fund will be credited to and transferred from said accounts in accordance with the terms of the Future Bond Ordinances.

(c) *Depreciation Account:* Beginning the month after the delivery of the Bonds, there will be credited to the Depreciation Account and held, in cash and investments, such sum as the Board may deem necessary in order to provide an adequate depreciation fund for the System. In Future Bond Ordinances, the Village may covenant to make specific monthly deposits to said Depreciation Account and to accumulate funds therein.

Amounts to the credit of said Depreciation Account will be used for (i) the payment of the cost of extraordinary maintenance, necessary repairs and replacements, or contingencies, the payment for which no other funds are available, in order that the System may at all times be able to render efficient service, (ii) for the purpose of acquiring or constructing improvements and extensions to the System, and (iii) the payment of principal of or interest and applicable premium on any Outstanding Bonds (as

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defined in the Bond Ordinance) at any time when there are no other funds available for that purpose in order to prevent a default. Future Bond Ordinances may provide for additional deposits to said Depreciation Account and additional uses and transfers of the funds on deposit in said Depreciation Account.

(d) *Surplus Account:* All moneys remaining in the Water Fund, after crediting the required amounts to the respective accounts hereinabove provided for, and after making up any deficiency in said accounts, will be credited to the Surplus Account. Funds in the Surplus Account will first be used to make up any subsequent deficiencies in any of said accounts and then will be deposited to a separate and segregated account designated as the "Alternate Bond and Interest Subaccount of the Surplus Account" (the *"Alternate Bond and Interest Subaccount"*), as follows:

A. There will be paid into the Alternate Bond and Interest Subaccount in each month after the required payments have been made into the Accounts above described, a fractional amount of the interest becoming due on the next succeeding interest payment date on all Outstanding Bonds and a fractional amount of the principal becoming due on the next succeeding principal maturity date of all Outstanding Bonds until there will have been accumulated in the Alternate Bond and Interest Subaccount on or before the month preceding such maturity date of interest or principal, an amount sufficient to pay such principal or interest, or both, of all Outstanding Bonds.

B. In computing the fractional amount to be set aside each month in said Alternate Bond and Interest Subaccount, the fraction will be so computed that sufficient funds will be set aside in said Subaccount and will be available for the prompt payment of such principal of and interest on all Outstanding Bonds as the same will become due and will be not less than one-fifth of the interest becoming due on the next succeeding interest payment date and not less than one-tenth of the principal becoming due on the next succeeding principal payment date on all Outstanding Bonds until there is sufficient money in said Subaccount to pay such principal or interest or both.

C. Credits to the Alternate Bond and Interest Subaccount may be suspended in any fiscal year at such time as there will be a sufficient sum, held in cash and investments, in said Subaccount to meet principal and interest requirements in said Subaccount for the balance of such fiscal year, but such credits will be resumed at the beginning of the next fiscal year.

D. All moneys in said Subaccount will be used only for the purpose of paying interest on and principal of Bonds and Additional Bonds.

E. Any funds remaining in the Surplus Account after making the aforesaid deposits to the credit of the Alternate Bond and Interest Subaccount, at the discretion of the Board, will be used, first, to make up any subsequent deficiencies in any of the accounts hereinabove named; and then, for the

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remainder of all surplus Revenues, at the discretion of the Board, for one or more of the following purposes without any priority among them:

1. For the purpose of constructing or acquiring repairs, replacements, improvements or extensions to the System; or

2. For making transfers to the Fund generally to be applied and treated as Revenues (as defined in the Bond Ordinance) when transferred; or

3. For the purpose of calling and redeeming Outstanding Bonds payable from the System which are callable at the time; or

4. For the purpose of purchasing Outstanding Bonds payable from the System; or

5. For the purpose of paying principal of and interest on any subordinate bonds or obligations issued for the purpose of acquiring or constructing repairs, replacements, improvements or extensions to the System, including loans from the State of Illinois, acting through the Illinois Environmental Protection Agency; or

6. For any purpose enumerated in any Future Bond Ordinance; or

7. For any other lawful System purpose.

Assumptions Regarding System Users and Water Consumption

The Village is a matured, Chicago area community that has not experienced any recent growth in the number of System users. This Report assumes no new users will be added to the System within the corporate boundaries of the Village.

Even though the Village expects that the Planned System Improvements will result in recovered System revenues up to approximately $200,000 annually, such anticipated additional revenues are not reflected in the projected Pledged Revenues. The projected Pledged Revenues will be based on the estimated future of consumption of water by System customers, and certain projected rate increases on such customers that are anticipated to be required to meet future Water Fund obligations. The Village estimates the future water consumption for System will be consistent with recent historical water use in the range of 550 and 600 million gallons annually, as reflected in Exhibit B.

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Assumptions Regarding Operating and Other Revenues

For purposes of this Report, the Operating and Other Revenues of the Water Fund have been itemized into the following categories: Water Sales, Meter Installation, Interest Income, Penalties, and Fire Lines/ Miscellaneous. Following below are the core revenue assumptions utilized for the preparation of this Report. Historical revenue data is based on the Village's audited financial statements from Fiscal Years 2007 through 2011. Projected data is based solely upon the Village's estimated actual revenue results for Fiscal Year 2012.

It is important to note that the Village does expect to increase revenues in the future in connection with its ongoing covenant to impose future rate increases as required to meet all obligations of the Water Fund, including those related to the coverage of debt service, plus .25 coverage, for the Bonds. However, the Local Debt Reform Act prohibits the Village from making any such estimates which include future rate increases without corresponding legislative action. Accordingly, for purposes of this Report, projected revenues (except for Water Sales, as explained below) are assumed stabilized based upon the estimated actual financial results for the Village's Fiscal Year 2012.

Water Sales. Historical revenues from water sales have ranged from $2,607,387 in Fiscal Year 2007 to $3,130,783 in Fiscal Year 2011.For purposes of this report, KMC utilized as a baseline the Village's actual estimated water sales for Fiscal Year 2012 of $3,321,609 (the increase over the Fiscal Year 2011 water sales amount of $3,130,131 in part factors in the ten percent rate increase enacted during Fiscal Year 2012). Further, with the Rate Ordinance the Village initiated an additional 15% rate increase that went into effect as of May 1, 2012. For purposes of this Report, beginning with Fiscal Year 2013, that increase is reflected above the $3,321,609 estimated actual amount from Fiscal Year 2012 resulting in a projected water sales of $3,819,850 for that year. That projected amount is assumed at a stabilized level for each Fiscal Year thereafter.

Meter Installation: Water meter installation refers to the cost of new meters and replacement meters. Historical revenues from meter installation have ranged from $33,130 in Fiscal Year 2007 to $33,011 in Fiscal Year 2011. The Village estimated actual from revenue source was $38,940 for Fiscal Year 2012. For purposes of this report, the meter installation revenues are assumed to be stabilized at that $38,940 level annually beginning in Fiscal Year 2013.

Interest Income. Historical revenues from interest income, which is designated as non-operating revenue, have ranged from $83,865 in Fiscal Year 2007 to $8,729 in Fiscal Year 2011. The Village's estimated actual for interest income was $1,628 for Fiscal Year 2012. The interest income projections assume that stabilized amount through the life of the Bonds beginning with Fiscal Year 2013.

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Delinquent Penalties. Historical revenues for delinquent penalties have ranged from $35,852 in Fiscal Year 2007 to $39,365 in Fiscal Year 2011. The Village estimated actual for that revenue source was $42,869 for Fiscal Year 2012. For purposes of this Report, the revenues associated with these fees are assumed to stabilize at that $42,869 amount annually beginning in Fiscal Year 2013.

Fire Lines/ Miscellaneous. Historical revenues for combined fire lines and miscellaneous income have ranged from $10,917 in Fiscal Year 2007 to $13,361 in Fiscal Year 2011. The Village estimated actual from those combined revenue sources was $15,286 for Fiscal Year 2012. For purposes of this Report, these revenues are assumed to stabilize at that amount beginning with Fiscal Year 2013.

Assumptions Regarding Operations Expenses

For purposes of this Report, the Operating Expenses of the Water Fund have been itemized into the following categories: Personnel Services, Materials and Maintenance, Water Purchases (from McCook), Contractual Services, Capital Outlay and Other Operating Expenses. Following below are the core expenditure assumptions utilized for the preparation of this Report. Historical expenditure data, except for Capital Outlay, is based on the Village's audited financial statements from Fiscal Years 2007 through 2011. Again, solely for purposes of this Report, projected data is based upon the Village's estimated actual expenditure results for Fiscal Year 2012. As with future revenues, the Village does expect that expenses will increase in the future and that the Village will primarily manage such increased costs through future rate increases. However, because, pursuant to the Local Debt Reform Act, such rate increases cannot be projected as part of this Report, this Report assumes that both revenues (except for Water Sales, as explained above) and expenditures (except for Water Purchases, as explained below) will remain stable at Fiscal Year 2012 levels beginning with Fiscal Year 2013.

Personal Services: Historical expenses have ranged from $976,508 in Fiscal Year 2007 to an estimated $1,225,988 in Fiscal Year 2011. The Village's estimated actual for this expenditure was $1,237,575 for Fiscal Year 2012. For purposes of this Report, that amount of $1,237,575 from Fiscal Year 2012 is assumed stabilized beginning with Fiscal Year 2013.

Supplies and Materials. Historical expenses have ranged from $21,925 in Fiscal Year 2007 to an estimated $26,381 in Fiscal Year 2011. The Village's estimated actual expenditure for supplies and materials was $30,527 for Fiscal Year 2012. For purposes of this Report, Supplies and Materials expenses are assumed stabilized at the $30,527 amount on an annual basis commencing with Fiscal Year 2013.

Contractual Services: Historical expenses for contractual services, for which the purchase of water comprises over 90%, have ranged from $1,451,625 in Fiscal Year 2007 to $1,869,273 in Fiscal Year 2011. For purposes of this Report, based upon the Village's estimated actual financial results for Fiscal Year 2012 the contractual services related to water purchases, at $1,666,836, are shown separately from the remaining contractual services The Village estimated other contractual services expenses which are reflected at $186,321. Then, for the

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expenses for water purchases are adjusted beginning in Fiscal Year 2013 based upon a 20% adjustment resulting from Chicago/McCook rate increases passed on to the Village. This adjustment results in a projected Fiscal Year 2013 amount for water purchases of $2,000,203 and that amount is stabilized for each Fiscal Year thereafter. However, the amount of $186,321 shown for the Village estimated actual expenses for the remaining contractual services is projected at that Fiscal Year 2012 stabilized amount beginning with Fiscal Year 2013.

Assumptions Regarding Other Anticipated Expenses

For purposes of this Report, the Village also has indicated other anticipated expenses that include projected Capital Outlay, as well as other that the Village believes should factor into the conclusions of this Report. Following below are the core expenditure assumptions utilized related for these expenditures for the preparation of this Report. Historical information for this section, as well as for the projected data, has been provided by the Village.

Capital Outlays: The Village has estimated capital outlay expenses of $949,010 in Fiscal Year 2009, $236,313 in Fiscal Year 2010, $540,849 in Fiscal Year 2011, and $91,893 in Fiscal Year 2012. For purposes of this Report that amount of $91,893 from Fiscal Year 2012 is assumed stabilized beginning with Fiscal Year 2013.

Other Operating Expenses. The Village has estimated other expenses of $70,411 in Fiscal Year 2008, $3,991 in Fiscal Year 2009, $4,659 in Fiscal Year 2010, $5,141 in Fiscal Year 2011, and $5,995 in Fiscal Year 2012. For purposes of this Report, that amount of $5,995 from Fiscal Year 2012 is assumed stabilized beginning with Fiscal Year 2013.

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PROJECTED FUNDS AVAILABLE TO PAY DEBT SERVICE ON THE BONDS

Methodology

Given the historical information and the assumptions presented and discussed above, KMC projected Pledged Revenues available for debt service. These projections are presented in Attached Schedule I. Attached hereto as Schedule II is the projected debt service schedule relating to the Bonds, given additional assumptions discussed below. The revenue and expense projections requirement and the debt service schedule in Schedule I and Schedule II were analyzed to generate projected coverage ratios.

Projected Pledged Revenues Available for Debt Service

Projected Water Fund revenues range from $4,125,850 in Fiscal Year 2013 to $6,180,242 in Fiscal Year 2033. Projected Water Fund expenses range from $3,919,010 in Fiscal Year 2013 to $6,180,242 in Fiscal Year 2033. After deducting projected operating expenses from projected revenues, Pledged Revenues available for debt service on the Bonds ranges from $206,840 in Fiscal Year 2013 to $178,151 in Fiscal Year 2033.

Assumptions Regarding the Bonds

Bond Size and Sources and Uses of Funds. The Village expects to issue $2,080,000* General Obligation Bonds (Waterworks System Alternate Revenue Source), Series 2012A as described in "Introduction - Plan of Finance". Approximate sources and uses of Bond proceeds are listed below in Exhibit E.

Exhibit D

Estimated Sources and Uses of Funds
$2,080,000* General Obligation Bonds (Waterworks System Alternate Revenue Source)
Series 2012A

	Amount
Sources of Funds*	
Par Amount of Bonds	$2,080,000
Total Sources of Funds	$2,080,000
Uses of Funds*	
Deposit to Project Fund for Project Costs	$2,000,000
Costs of Issuance (Includes Underwriters' Discount)	80,000
Total Uses of Funds	$2,080,000

*Subject to change.

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Bond Interest Rate and Maturity Schedule. The analysis was performed based upon the following assumptions: 1) an estimated true interest cost of _____%; 2) dated date and delivery date of September 25*, 2012; and 3) principal payment date beginning December 1, 2013, and semiannual interest payments on June 1 and December 1 beginning December 1, 2012. See Exhibit H for a principal maturity schedule for the Bonds.

Exhibit E

General Obligation Bonds (Waterworks System Alternate Revenue Source)
Series 2012A
Principal Maturity Schedule

Serial Bonds: December 1	Principal*
2013	85,000
2014	85,000
2015	90,000
2016	90,000
2017	90,000
2018	90,000
2019	95,000
2020	95,000
2021	95,000
2022	100,000
2023	100,000
2024	105,000
2025	110,000
2026	110,000
2027	115,000
2028	115,000
2029	120,000
2030	125,000
2031	130,000
2032	135,000
Total	$2,080,000

See Schedule II for a complete debt service schedule.

*Subject to change.

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Uses of Revenues After Payment of Debt Service

Pursuant to the Bond Ordinance, Pledged Revenues after payment of operating expenses and debt service on the Bonds may be used for the remaining purposes as set forth for the Surplus Account.

Coverage Ratios

Schedule I demonstrates that Pledged Revenues available for debt service on a Fiscal Year basis are projected to provide coverage equal to or in excess of 1.25 times the debt service requirements for the Bonds in each of the Fiscal Years 2014 to 2033.

Abatement Requirement

Table 1 demonstrates sufficiency of Pledged Revenues available for debt service on a Fiscal Year basis to abate property taxes for the related tax levy year. As discussed under "Plan of Finance" the Village needs sufficient Pledged Revenues for the next two succeeding interest payment dates in order to abate property taxes. For example, Schedule I examines whether the Village is projected to have sufficient Pledged Revenues on December 31, 2012 to pay debt service due on June 1, 2013 and December 1, 2013.

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SCHEDULE I

BOND FEASIBILITY ANALYSIS FOR THE SERIES 2012A BONDS

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PROJECTED REVENUES AND EXPENSES, AND
NET REVENUES AVAILABLE FOR DEBT SERVICE

VILLAGE OF LA GRANGE, ILLINOIS
WATER FUND
GENERAL OBLIGATION BONDS(WATERWORKS SYSTEM ALTERNATE REVENUE SOURCE)
SERIES 2012- $2,080,000

SCHEDULE I

Fiscal Year	(Unaudited Actual) FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
REVENUES										
Water Sales (Proposed Rate Increase, effective May 1st)		15.0%								
Water Sales	$3,321,609	$3,819,850	$3,819,850	$3,819,850	$3,819,850	$3,819,850	$3,819,850	$3,819,850	$3,819,850	$3,819,850
Water Meter Installation	$38,940	$38,940	$38,940	$38,940	$38,940	$38,940	$38,940	$38,940	$38,940	$38,940
Delinquent Penalties	42,869	42,869	42,869	42,869	42,869	42,869	42,869	42,869	42,869	42,869
Fire Lines	12,370	12,370	12,370	12,370	12,370	12,370	12,370	12,370	12,370	12,370
Miscellaneous Income	2,916	2,916	2,916	2,916	2,916	2,916	2,916	2,916	2,916	2,916
Investment Income	1,628	1,628	1,628	1,628	1,628	1,628	1,628	1,628	1,628	1,628
Total Revenues	$3,420,332	$3,918,573	$3,918,573	$3,918,573	$3,918,573	$3,918,573	$3,918,573	$3,918,573	$3,918,573	$3,918,573
EXPENSES										
McCook Rate Increases, effective Jan 1st		20.0%								
Water Purchase - McCook	1,666,836	2,000,203	2,000,203	2,000,203	2,000,203	2,000,203	2,000,203	2,000,203	2,000,203	2,000,203
Personnel Services	$1,237,575	1,237,575	1,237,575	1,237,575	1,237,575	1,237,575	1,237,575	1,237,575	1,237,575	1,237,575
Supplies and Materials	30,527	30,527	30,527	30,527	30,527	30,527	30,527	30,527	30,527	30,527
Contractual Services	186,321	186,321	186,321	186,321	186,321	186,321	186,321	186,321	186,321	186,321
Capital Outlay	91,893	91,893	91,893	91,893	91,893	91,893	91,893	91,893	91,893	91,893
Other	5,995	5,995	5,995	5,995	5,995	5,995	5,995	5,995	5,995	5,995
Total Expenses	$3,219,147	$3,552,514	$3,552,514	$3,552,514	$3,552,514	$3,552,514	$3,552,514	$3,552,514	$3,552,514	$3,552,514
NET REVENUES AVAILABLE FOR DEBT SERVICE	$201,185	$366,059	$366,059	$366,059	$366,059	$366,059	$366,059	$366,059	$366,059	$366,059
DEBT SERVICE EXPENSE (SERIES 2012)										
Amount funded from Deposit to Alternate Bond and Interest Subaccount At Closing		$37,763								
Debt Service Amount funded from Water Fund	NA	$ -	$110,650	$135,493	$139,558	$138,478	$137,308	$135,958	$139,383	$137,245
PROJECTED COVERAGE RATIO										
Series 2012 Bonds	NA	NA	3.31	2.70	2.62	2.64	2.67	2.69	2.63	2.67
NET REVENUES AVAILABLE FOR LEVY ABATEMENTS (BASED ON USE OF REVENUES FROM PREVIOUS FY)	NA	$201,185	$366,059	$366,059	$366,059	$366,059	$366,059	$366,059	$366,059	$366,059
TAX LEVY YEAR	NA	2012	2013	2014	2015	2016	2017	2018	2019	2020
PROPERTY TAX LEVY FOR NEXT YEAR'S DEBT SERVICE (1)	NA	$110,650	$135,493	$139,558	$138,478	$137,308	$135,958	$139,383	$137,245	$135,203
ARE NET REVENUES SUFFICIENT TO ABATE NEXT YEAR'S PROPERTY TAX LEVY?	NA	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

FOOTNOTES:
(1) Consists of June 1 and December 1 debt service payments for each Fiscal Year.
Applies previous Fiscal Year revenues in advance to cover abatement requirements.

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PROJECTED REVENUES AND EXPENSES, AND
NET REVENUES AVAILABLE FOR DEBT SERVICE

SCHEDULE I

VILLAGE OF LA GRANGE, ILLINOIS
WATER FUND
GENERAL OBLIGATION BONDS(WATERWORKS SYSTEM ALTERNATE REVENUE SOURCE)
SERIES 2012- $ 2,080,000

Fiscal Year	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33
REVENUES												
Water Sales (Proposed Rate Increase, effective May 1st)												
Water Sales	$3,819,850	$3,819,850	$3,819,850	$3,819,850	$3,819,850	$3,819,850	$3,819,850	$3,819,850	$3,819,850	$3,819,850	$3,819,850	$3,819,850
Water Meter Installation	$38,940	$38,940	$38,940	$38,940	$38,940	$38,940	$38,940	$38,940	$38,940	$38,940	$38,940	$38,940
Delinquent Penalties	42,869	42,869	42,869	42,869	42,869	42,869	42,869	42,869	42,869	42,869	42,869	42,869
Fire Lines	12,370	12,370	12,370	12,370	12,370	12,370	12,370	12,370	12,370	12,370	12,370	12,370
Miscellaneous Income	2,916	2,916	2,916	2,916	2,916	2,916	2,916	2,916	2,916	2,916	2,916	2,916
Investment Income	1,628	1,628	1,628	1,628	1,628	1,628	1,628	1,628	1,628	1,628	1,628	1,628
Total Revenues	$3,918,573	$3,918,573	$3,918,573	$3,918,573	$3,918,573	$3,918,573	$3,918,573	$3,918,573	$3,918,573	$3,918,573	$3,918,573	$3,918,573
EXPENSES												
McCook Rate Increases, effective Jan 1st												
Water Purchase - McCook	2,000,203	2,000,203	2,000,203	2,000,203	2,000,203	2,000,203	2,000,203	2,000,203	2,000,203	2,000,203	2,000,203	2,000,203
Personnel Services	1,237,575	1,237,575	1,237,575	1,237,575	1,237,575	1,237,575	1,237,575	1,237,575	1,237,575	1,237,575	1,237,575	1,237,575
Supplies and Materials	30,527	30,527	30,527	30,527	30,527	30,527	30,527	30,527	30,527	30,527	30,527	30,527
Contractual Services	186,321	186,321	186,321	186,321	186,321	186,321	186,321	186,321	186,321	186,321	186,321	186,321
Capital Outlay	91,893	91,893	91,893	91,893	91,893	91,893	91,893	91,893	91,893	91,893	91,893	91,893
Other	5,995	5,995	5,995	5,995	5,995	5,995	5,995	5,995	5,995	5,995	5,995	5,995
Total Expenses	$3,552,514	$3,552,514	$3,552,514	$3,552,514	$3,552,514	$3,552,514	$3,552,514	$3,552,514	$3,552,514	$3,552,514	$3,552,514	$3,552,514
NET REVENUES AVAILABLE FOR DEBT SERVICE	$366,059	$366,059	$366,059	$366,059	$366,059	$366,059	$366,059	$366,059	$366,059	$366,059	$366,059	$366,059
DEBT SERVICE EXPENSE (SERIES 2012)												
Amount funded from Deposit to Alternate Bond and Interest Subaccount At Closing												
Debt Service Amount funded from Water Fund	$135,203	$137,970	$135,470	$137,820	$139,933	$136,798	$138,608	$135,158	$136,593	$137,813	$138,813	$139,523
PROJECTED COVERAGE RATIO												
Series 2012 Bonds	2.71	2.65	2.70	2.66	2.62	2.68	2.64	2.71	2.68	2.66	2.64	2.62
NET REVENUES AVAILABLE FOR LEVY ABATEMENTS (BASED ON USE OF REVENUES FROM PREVIOUS FY)	$366,059	$366,059	$366,059	$366,059	$366,059	$366,059	$366,059	$366,059	$366,059	$366,059	$366,059	$366,059
TAX LEVY YEAR	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
PROPERTY TAX LEVY FOR NEXT YEAR'S DEBT SERVICE (1)	$137,970	$135,470	$137,820	$139,933	$136,798	$138,608	$135,158	$136,593	$137,813	$138,813	$139,523	NA
ARE NET REVENUES SUFFICIENT TO ABATE NEXT YEAR'S PROPERTY TAX LEVY?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA

FOOTNOTES:
(1) Consists of June 1 and December 1 debt service payments for each Fiscal Year.
Applies previous Fiscal Year revenues in advance to cover abatement requirements.

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SCHEDULE II

DEBT SERVICE SCHEDULE, SERIES 2012A BONDS

Preliminary

VILLAGE OF LAGRANGE, ILLINOIS

General Obligation Bonds (Water System Alternate Revenue Source, Series 2012A
(Preliminary Analysis - For Bond Sizing Purposes Only)

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Net New D/S
12/01/2012	-	-	10,117.50	10,117.50	10,117.50
06/01/2013	-	-	25,650.00	25,650.00	25,650.00
12/01/2013	85,000.00	0.950%	25,650.00	110,650.00	110,650.00
06/01/2014	-	-	25,246.25	25,246.25	25,246.25
12/01/2014	85,000.00	1.100%	25,246.25	110,246.25	110,246.25
06/01/2015	-	-	24,778.75	24,778.75	24,778.75
12/01/2015	90,000.00	1.200%	24,778.75	114,778.75	114,778.75
06/01/2016	-	-	24,238.75	24,238.75	24,238.75
12/01/2016	90,000.00	1.300%	24,238.75	114,238.75	114,238.75
06/01/2017	-	-	23,653.75	23,653.75	23,653.75
12/01/2017	90,000.00	1.500%	23,653.75	113,653.75	113,653.75
06/01/2018	-	-	22,978.75	22,978.75	22,978.75
12/01/2018	90,000.00	1.750%	22,978.75	112,978.75	112,978.75
06/01/2019	-	-	22,191.25	22,191.25	22,191.25
12/01/2019	95,000.00	2.250%	22,191.25	117,191.25	117,191.25
06/01/2020	-	-	21,122.50	21,122.50	21,122.50
12/01/2020	95,000.00	2.150%	21,122.50	116,122.50	116,122.50
06/01/2021	-	-	20,101.25	20,101.25	20,101.25
12/01/2021	95,000.00	2.350%	20,101.25	115,101.25	115,101.25
06/01/2022	-	-	18,985.00	18,985.00	18,985.00
12/01/2022	100,000.00	2.500%	18,985.00	118,985.00	118,985.00
06/01/2023	-	-	17,735.00	17,735.00	17,735.00
12/01/2023	100,000.00	2.650%	17,735.00	117,735.00	117,735.00
06/01/2024	-	-	16,410.00	16,410.00	16,410.00
12/01/2024	105,000.00	2.750%	16,410.00	121,410.00	121,410.00
06/01/2025	-	-	14,966.25	14,966.25	14,966.25
12/01/2025	110,000.00	2.850%	14,966.25	124,966.25	124,966.25
06/01/2026	-	-	13,398.75	13,398.75	13,398.75
12/01/2026	110,000.00	2.900%	13,398.75	123,398.75	123,398.75
06/01/2027	-	-	11,803.75	11,803.75	11,803.75
12/01/2027	115,000.00	3.000%	11,803.75	126,803.75	126,803.75
06/01/2028	-	-	10,078.75	10,078.75	10,078.75
12/01/2028	115,000.00	3.100%	10,078.75	125,078.75	125,078.75
06/01/2029	-	-	8,296.25	8,296.25	8,296.25
12/01/2029	120,000.00	3.150%	8,296.25	128,296.25	128,296.25
06/01/2030	-	-	6,406.25	6,406.25	6,406.25
12/01/2030	125,000.00	3.200%	6,406.25	131,406.25	131,406.25
06/01/2031	-	-	4,406.25	4,406.25	4,406.25
12/01/2031	130,000.00	3.300%	4,406.25	134,406.25	134,406.25
06/01/2032	-	-	2,261.25	2,261.25	2,261.25
12/01/2032	135,000.00	3.350%	2,261.25	137,261.25	137,261.25
Total	**$2,080,000.00**	**-**	**$679,535.00**	**$2,759,535.00**	**$2,759,535.00**

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APPENDIX C

Form of Opinion of Bond Counsel

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PROPOSED FORM OF OPINION OF BOND COUNSEL

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

We hereby certify that we have examined certified copy of the proceedings (the *"Proceedings"*) of the President and Board of Trustees of the Village of La Grange, Cook County, Illinois (the *"Village"*), passed preliminary to the issuance by the Village of its fully registered General Obligation Bonds (Waterworks System Alternate Revenue Source), Series 2012A (the *"Bonds"*), to the amount of $_____, dated the date hereof, due serially on December 1 of the years and in the principal amounts and bearing interest at the interest rates per annum as follows:

YEAR OF MATURITY	PRINCIPAL AMOUNT	RATE OF INTEREST
2013	$	%
2014		%
2015		%
2016		%
2017		%
2018		%
2019		%
2020		%
2021		%
2022		%
2023		%
2024		%
2025		%
2026		%
2027		%
2028		%
2029		%
2030		%
2031		%
2032		%

the Bonds due on or after December 1, 20__, 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 as determined by the Village (less than all of the Bonds of a single maturity to be selected by the Bond Registrar), on December 1, 20__, or on any date thereafter, at the redemption price of par plus accrued interest to the redemption date, as provided in the Proceedings, and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

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We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the Village, and is payable from (i) the moneys to the credit of the Alternate Bond and Interest Subaccount within the Surplus Account of the Waterworks Fund of the Village (the *"Pledged Revenues"*), said Surplus Account consisting of the funds remaining in said Waterworks Fund after the required monthly deposits and credits have been made under the provisions of the ordinance of the Village authorizing the Bonds and certain ordinances of the Village authorizing waterworks revenue bonds of future series, to certain prior lien accounts and purposes as set forth therein, and (ii) ad valorem property taxes as levied against all of the taxable property in the Village without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

The Village is authorized to issue from time to time additional obligations payable from the Pledged Revenues as permitted by law and to determine the lien priority of any such obligations.

It is also our opinion that, subject to the Village's compliance with certain covenants, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended (the *"Code"*), but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such Village covenants could cause interest on the Bonds to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

It is also our opinion that the Bonds are "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

We express no opinion herein as to the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

In rendering this opinion, we have relied upon certifications of the Village with respect to certain material facts within the Village's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of result. This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

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MANAGER'S REPORT

VILLAGE OF LA GRANGE
Administrative Offices

EXECUTIVE COMMITTEE REPORT

TO: Village President, Village Clerk,
Board of Trustees, and Village Attorney

FROM: Robert J. Pilipiszyn, Village Manager

DATE: September 10, 2012

RE: **PRE-BUDGET DEVELOPMENT WORKSHOP**

During the budget adoption process for the current FY 2012-13 Village Budget and its subsequent amendment to further reduce operating expenses, we heard from the Village Board concerns with financial sustainability of the General Fund over the long term (i.e. — operating expenses exceeding the CPI which caps the percentage increase in the Village's annual property tax levy.) We additionally heard individual Trustee comments related to budget issues which also directly impact General Fund sustainability such as: revenue increases should only be directed to fund capital projects rather than support operations; increase pension funding; questions regarding the level of staff allocation to the Water Fund; and a general dislike for revenue increases. All of these discussion points, singularly and collectively, result in pressures on the General Fund that cannot be accomplished without revenue increases or expenditure reductions within the latter years of our current five-year financial plan.

The Village Board was very engaged with the last budget development process. The FY 2012-13 Village budget as amended provides for the General Fund to operate status quo for the next two years. An increase in the utility tax (for electric and natural gas) is scheduled to be implemented in FY 2014-15. An increase in the utility tax not only maintains operations as currently budgeted but also results in surpluses for each of the remaining three years of the Village's current five-year financial plan. If the utility tax is not implemented as anticipated, it will result in the General Fund going into a deficit spending position in each of those last three years by approximately $25,000, $50,000 and $100,000, respectively.

We have attempted to identify the major issues expressed by individual members of the Village Board as we understand them as they relate to the development of future Village budgets. However, we note for the Village Board as a whole that these individual interests compete with the allocation of limited resources in the General Fund and thus, consensus direction is required.

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After conferring with President Asperger, we intend to conduct a series of pre-budget development workshops, beginning with this evening's discussion. The agenda for tonight's discussion is to have the Village Board confirm or clarify the major issues identified above and to outline for the Village Board, the workshop schedule and supporting thought process. We have scheduled the workshops for the first meeting of each month so as not to conflict with our Town Meetings.

The second workshop is scheduled for Monday, October 8, 2012, at which time we will discuss revenues including but not limited to the anticipated increase in the property tax levy, the utility tax, an amusement tax, and other potential revenue enhancements.

The third workshop is scheduled for Monday, November 12, 2012, at which time we will discuss expenditures including employee compensation and benefits, and potential expenditure reductions in the future. We note as information for the Village Board, that the preliminary property tax levy (including the Village's contributions to its pension funds) is scheduled to be announced that same evening.

We will seek consensus direction from the Village Board at the end of each of these two workshops.

The fourth and final workshop is scheduled for Monday, December 10, 2012, at which time we would like to confirm consensus direction from the Village Board as to how staff should plan for major revenues and expenditures in the development of the draft FY 2013-14 Village budget. We note for the Village Board that the Village's 2012 property tax levy is scheduled for adoption that same evening.

This schedule breaks down the topical areas of budget preparation into logical and manageable proportions and segues into the operational development of the Village budget for FY 2013-14.

c: Andri Peterson, Assistant Village Manager
Department Heads

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