

**VILLAGE OF DOWNERS GROVE**  
**Report for the Village Council Meeting**

**3/10/2026**

<b>SUBJECT:</b>	<b>SUBMITTED BY:</b>
Parameters Ordinance - GO Bond Series 2026 and authorizing staff to proceed with the completion of all obligations in connection with the bonds	Robin Lahey Finance Director

**SYNOPSIS**

An ordinance has been prepared authorizing the issuance of bonds to fund projects and to refund existing bonds pursuant to specific parameters.

**STRATEGIC PLAN ALIGNMENT**

The goals for 2025-2027 include *Steward of Financial, Environmental and Neighborhood Sustainability, Exceptional Municipal Services, Top Quality Infrastructure, and Continual Innovation.*

**FISCAL IMPACT**

Pursuant to the attached bond issuance parameters ordinance:

- The annual principal and interest payments to fund projects would not exceed \$1.4 million and the principal amount of the bond issuance would not exceed \$15,925,000.
- The annual principal and interest payments for the bond refunding would not exceed \$1.1 million and the principal amount of the bond issuance would not exceed \$4,700,000. Based on current market conditions, the potential refunding opportunity identified for the Stormwater bonds (Series 2016) is currently generating potential present value debt service savings of \$190,000 or about 4.3% of refunded par amount. The ordinance also establishes a minimum savings threshold of 2.5% present value savings of the refunded par amount.

There are additional obligations and fees in connection with bond issuances as noted in the table below.

Vendor	Professional Service	Estimated Fee
Raymond James	Municipal Advisor	\$38,050
Standard & Poors	Rating Fee	\$30,000
Miller, Canfield, Paddock & Stone, PLC	Bond Counsel Fees and Disclosure Counsel	\$45,000
To be determined	Underwriter	\$285,000
IPREO	Competitive Sale Platform	\$1,500
Miscellaneous Fees	Paying Agent, Escrow Agent, Verification Agent	\$5,000
	<b>Total Fee Estimate:</b>	<b>\$404,550</b>

**UPDATE & RECOMMENDATION**

This item was discussed at the March 3, 2026 Village Council meeting. Staff recommends approval on the March 10, 2026 Active Agenda.

## **BACKGROUND**

Pursuant to the 2024 Water Rate Study, the Long Range Plan and the FY26 budget, the Village will be issuing bonds to pay for needed improvements to the water distribution system. In addition, staff has been made aware of a potential opportunity for an advance refunding of existing stormwater debt for a net present value savings to the Village estimated at \$190,000. The proposed Parameters Ordinance would allow the Village to proceed with both the issuance of new bonds and the possible refinancing of certain outstanding obligations of the Village. Combining these two bonds into one debt issuance will save money on issuance costs.

This bond issuance of up to \$15.925 million is higher than the 2024 Water Rate Study, the Long Range Plan and the FY26 budget (\$13.0 million) due to:

- Increased capital needs due to performing more lead service line replacements pursuant to updated legislation
- The possible refunding of certain outstanding obligations of the Village

The ordinance outlines the following parameters:

### **Project Bond Issuance**

- Method of Sale permits either Competitive Sale or Negotiated Sale
- Maximum Principal amount of \$15,925,000
- Maximum Annual Debt Service Payments of \$1.4 million
- The Mayor or Village Manager is authorized to Execute the Bond Order

### **Bond Refunding**

- Minimum Net Present Value Savings to the Village of 2.5%
- Maximum Size of Refunding of \$4,700,000
- Maximum Annual Debt Service Payments of \$1.1 million
- The Mayor or Village Manager is authorized to Execute the Refunding Agreement

## **ATTACHMENTS**

Ordinance

VILLAGE OF DOWNERS GROVE  
COUNCIL ACTION SUMMARY

INITIATED: Finance Director DATE: March 10, 2026  
(Name)

RECOMMENDATION FROM: \_\_\_\_\_ FILE REF: \_\_\_\_\_  
(Board or Department)

**NATURE OF ACTION:**

**STEPS NEEDED TO IMPLEMENT ACTION:**

- Ordinance
- Resolution
- Motion
- Other

Motion to adopt an ordinance providing for the issuance of not to exceed \$20,625,000 General Obligation Bonds, Series 2026, and providing for the levy and collection of a direct annual tax sufficient for the payment of the principal of and interest on said bonds and to authorize staff to proceed with the completion of all obligations in connection with the issuance of the General Obligation Bonds, including the execution of all required documents and payment of all required fees in connection therewith.

**SUMMARY OF ITEM:**

Adoption of this motion shall adopt an ordinance providing for the issuance of not to exceed \$20,625,000 General Obligation Bonds, Series 2026 and authorize staff to proceed with the completion of all obligations in connection with the issuance of the General Obligation Bonds, including the execution of all required documents and payment of all required fees in connection therewith.

**RECORD OF ACTION TAKEN:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

EXTRACT OF MINUTES of a regular public meeting of the Village Council of the Village of Downers Grove, DuPage County, Illinois, held at the Village Hall, 850 Curtiss Street, in said Village, at 7:00 p.m., on the 10th day of March, 2026.

The Mayor called the meeting to order and directed the Village Clerk to call the roll.

Upon the roll being called, the Mayor and the following Commissioners answered physically present at said location: \_\_\_\_\_

The following Commissioners were allowed by a majority of the Village Council in accordance with and to the extent allowed by rules adopted by the Village Council to attend the meeting by video or audio conference: \_\_\_\_\_

No Commissioner was not permitted to attend the meeting by video or audio conference. The following Commissioners were absent and did not participate in the meeting in any manner or to any extent whatsoever: \_\_\_\_\_

The Village Council then discussed a (i) proposed capital infrastructure improvement project for the Village and (ii) possible refinancing of certain outstanding obligations of the Village and considered an ordinance providing for the issuance of General Obligation Bonds, Series 2026, of the Village of Downers Grove, DuPage County, Illinois, in one or more series, taxable or tax-exempt, and providing for the levy and collection of a direct annual tax sufficient for the payment of the principal of and interest on said bonds.

Whereupon Commissioner \_\_\_\_\_ presented and read by title an ordinance as follows, a copy of which was provided to each Commissioner of the Village Council prior to said meeting and to everyone in attendance at said meeting who requested a copy:

AN ORDINANCE providing for the issuance of not to exceed \$20,625,000 General Obligation Bonds, Series 2026, of the Village of Downers Grove, DuPage County, Illinois, in one or more series, taxable or tax-exempt, and providing for the levy and collection of a direct annual tax sufficient for the payment of the principal of and interest on said bonds

(the “*Bond Ordinance*”) which was before the Village Council and made available to any person requesting one in words and figures as follows.

The ordinance having been first read at a public meeting of the Village Council at least five (5) days before the present meeting, Commissioner \_\_\_\_\_ moved and Commissioner \_\_\_\_\_ seconded the motion that the Bond Ordinance as presented be adopted.

A discussion of the matter followed. During the discussion, Commissioner \_\_\_\_\_ gave a public recital of the nature of the matter, which included a reading of the title of the ordinance and statements (1) that the ordinance provided for the issuance of general obligation bonds for the purpose of financing a portion of the costs of (a) the construction, renovation, equipping, rehabilitation and/or improvement of certain infrastructure within the Village, including, but not limited to, certain infrastructure projects related to the Village’s Water System, including, but not limited to, a new storage tank and lead service line replacement and the like (together with all necessary land and rights in land, professional, legal, engineering, electrical, financial and other services, costs of borrowing, reserves, capitalized interest, if any, and other related costs), and (b) refinancing of certain outstanding obligations of the Village, (2) that the bonds are issuable without referendum pursuant to the home rule powers of the Village, (3) that the ordinance provides for the levy of taxes sufficient to pay the bonds and (4) that the ordinance provides many details for the bonds, including provision for terms and form of the bonds, and covenants relating to tax exemption and appropriations.

The Mayor directed that the roll be called for a vote upon the motion to adopt the ordinance.

Upon the roll being called, the following Commissioners voted AYE: \_\_\_\_\_

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and the following Commissioners voted NAY: \_\_\_\_\_.

The Mayor declared the motion carried and the ordinance adopted, and henceforth did approve and sign the same in open meeting, and did direct the Village Clerk to record the same in full in the records of the Village Council of the Village of Downers Grove, DuPage County, Illinois.

Other business was duly transacted at said meeting.

Upon motion duly made and carried, the meeting adjourned.

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Village Clerk

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ORDINANCE NUMBER \_\_\_\_\_

AN ORDINANCE providing for the issuance of not to exceed \$20,625,000 General Obligation Bonds, Series 2026, of the Village of Downers Grove, DuPage County, Illinois, in one or more series, taxable or tax-exempt, and providing for the levy and collection of a direct annual tax sufficient for the payment of the principal of and interest on said bonds.

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Adopted by the Village Council on the  
10th day of March, 2026.

## TABLE OF CONTENTS

SECTION	HEADING	PAGE
SECTION 1.	DEFINITIONS .....	2
SECTION 2.	INCORPORATION OF PREAMBLES.....	5
SECTION 3.	DETERMINATION TO ISSUE BONDS.....	5
SECTION 4.	BOND DETAILS .....	5
SECTION 5.	BOOK ENTRY PROVISIONS.....	6
SECTION 6.	EXECUTION; AUTHENTICATION.....	8
SECTION 7.	REDEMPTION.....	9
SECTION 8.	REGISTRATION AND EXCHANGE OR TRANSFER OF BONDS; PERSONS TREATED AS OWNERS.....	12
SECTION 9.	FORM OF BOND.....	14
SECTION 10.	SECURITY FOR THE BONDS.....	19
SECTION 11.	SALE OF BONDS .....	19
SECTION 12.	TAX LEVY; ABATEMENT.....	22
SECTION 13.	FILING WITH COUNTY CLERK.....	23
SECTION 14.	CREATION OF FUNDS AND APPROPRIATIONS.....	24
SECTION 15.	REIMBURSEMENT.....	25
SECTION 16.	NOT PRIVATE ACTIVITY BONDS.....	26
SECTION 17.	ADDITIONAL FUNDS AND ACCOUNTS.....	26
SECTION 18.	REGISTERED FORM .....	27
SECTION 19.	TAX COVENANTS.....	27
SECTION 20.	FURTHER TAX COVENANTS.....	29
SECTION 21.	NONCOMPLIANCE WITH TAX COVENANTS.....	30
SECTION 22.	OPINION OF COUNSEL EXCEPTION.....	31
SECTION 23.	RIGHTS AND DUTIES OF BOND REGISTRAR AND PAYING AGENT.....	31
SECTION 24.	DEFEASANCE.....	31
SECTION 25.	CONTINUING DISCLOSURE UNDERTAKING .....	32
SECTION 26.	PUBLICATION OF ORDINANCE .....	33
SECTION 27.	SUPERSEDER.....	33

**ORDINANCE NUMBER \_\_\_\_\_**

AN ORDINANCE providing for the issuance of not to exceed \$20,625,000 General Obligation Bonds, Series 2026, of the Village of Downers Grove, DuPage County, Illinois, in one or more series, taxable or tax-exempt, and providing for the levy and collection of a direct annual tax sufficient for the payment of the principal of and interest on said bonds.

WHEREAS, pursuant to the provisions of Section 6 of Article VII of the Constitution of the State of Illinois (the "*State*"), the Village of Downers Grove, DuPage County, Illinois (the "*Village*"), is a home rule unit and may exercise any power or perform any function pertaining to its government and affairs including, but not limited to, the power to tax and to incur debt; and

WHEREAS, pursuant to the provisions of said Section 6, the Village has the power to incur debt payable from ad valorem property tax receipts or from any other lawful source and maturing within 40 years from the time it is incurred without prior referendum approval; and

WHEREAS, the Village Council of the Village (the "*Village Council*" or "*Corporate Authorities*") have heretofore and it hereby is determined that it is advisable, necessary and in the best interests of the Village and its residents that the Village finance a portion of the costs of ((a) the construction, renovation, equipping, rehabilitation and/or improvement of certain infrastructure within the Village, including, but not limited to, certain infrastructure projects related to the Village's Water System, including, but not limited to, a new storage tank and lead service line replacement and the like (together with all necessary land and rights in land, professional, legal, engineering, electrical, financial and other services, costs of borrowing, reserves, capitalized interest, if any, and other related costs) (the "*Project*"), (b) refinancing of certain outstanding obligations of the Village (the "*Refunding*"), and (c) payment of costs associated with the issuance of the Bonds (as hereinafter defined); and

WHEREAS, the estimated costs of the Project are not more than \$15,925,000 and investment earnings thereon; and

WHEREAS, the Village has insufficient funds on hand and lawfully available to pay the costs of the Project, and it will be necessary to borrow said amount of not to exceed \$15,925,000 to pay the same, and in evidence of such borrowing to issue general obligation bonds of the Village in the amount of not to exceed \$15,925,000 in one or more series, taxable or tax-exempt (the “*Bonds*”); and

WHEREAS, the Village reasonably expects to advance its own funds to pay certain costs of the Project and subsequently reimburse these advances with proceeds of debt to be incurred by the Village; and

WHEREAS, the Village has previously issued and remain outstanding its General Obligation Refunding Bonds, Series 2016 (the “*Prior Bonds*”), and the Series 2016 Bonds are, by their terms, subject to redemption; and

WHEREAS, the Corporate Authorities have determined that it is advisable, necessary and in the best interests of the Village to issue general obligation bonds in the aggregate issued amount not to exceed \$4,700,000 to pay the cost of (i) refunding all or a portion of the Prior Bonds as provided in the Bond Order (the “*Refunded Bonds*”) and (ii) issuing the Bonds; and

WHEREAS, the Village shall set further set forth the terms relevant to each purpose of Bonds as provided in the Bond Order as hereinafter defined; and

WHEREAS, the Bonds shall be payable from a direct annual ad valorem tax levied against all taxable property in the Village, without limitation as to rate or amount; and

WHEREAS, the County Clerk of DuPage County, Illinois (the “*County Clerk*”), is herein authorized to extend and collect said tax so levied for the payment of the Bonds without limitation as to rate or amount; and

WHEREAS, the Corporate Authorities have heretofore, and it hereby is determined that it is advisable and necessary that such indebtedness be incurred in accordance with the Act as hereinafter defined, and without submitting the question of incurring such indebtedness to the electors of the Village for their approval:

NOW THEREFORE Be It Ordained by the Village Council of the Village of Downers Grove, DuPage County, Illinois, in the exercise of its home rule powers, as follows:

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

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

Bonds

Corporate Authorities

Village Council

County Clerk

Prior Bonds

Project

Refunded Bonds

Refunding

State

## Village

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

“*Act*” means the Illinois Municipal Code, as supplemented and amended, and also the home rule powers of the Village under Section 6 of Article VII of the Illinois Constitution of 1970; and in the event of conflict between the provisions of said Code and home rule powers, the home rule powers shall be deemed to supersede the provisions of said Code.

“*Bond*” or “*Bonds*” means one or more, as applicable, of the Bonds authorized to be issued by this Ordinance.

“*Bond Counsel*” means Miller, Canfield, Paddock and Stone, P.L.C., Chicago, Illinois.

“*Bond Fund*” means the Bond Fund established and defined in Section 14 of this Ordinance.

“*Bond Moneys*” means all moneys on deposit from time to time in the Bond Fund including investment income earned in the Bond Fund.

“*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 the person or institution, in its capacity as bond registrar for the Bonds, or successor or assigns, as set forth in each applicable Bond Order.

“*Business Day*” means any day other than a day on which banks in the City of Chicago, Illinois, are required or authorized to close.

“*Code*” means the Internal Revenue Code of 1986, as existing on the date of issuance of the Bonds.

“*Depository*” means The Depository Trust Company, a New York limited trust company, its successors, or a successor depository qualified to clear securities under applicable state and federal laws.

“*Designated Officers*” means the Mayor, Village Manager, Deputy Village Manager, Finance Director, or Assistant Finance Director of the Village, or successors or assigns.

“*Ordinance*” means this Ordinance, numbered as set forth on the title page hereof, and passed by the Corporate Authorities on the 10th day of March, 2026.

“*Paying Agent*” means a person or entity, in its capacity as paying agent for the Bonds, or successor or assigns, as set forth in each applicable Bond Order.

“*Record Date*” means the 15th day (whether or not a business day) of the calendar month next preceding any regularly scheduled interest payment date and the 15th day (whether or not a business day) of the calendar month next preceding any interest payment date occasioned by a redemption of Bonds on other than a regularly scheduled interest payment date.

“*Stated Maturity*” means with respect to any Bond or interest thereon the date specified in such Bond as the fixed date on which the principal of such Bond or such interest is due and payable, whether by maturity or otherwise.

“*Taxable*” or “*taxable*” with respect to an obligation means that the obligation is not tax-exempt.

“*Tax-exempt*” or “*tax-exempt*” means, with reference to the Bonds, the status of interest paid and received thereon as excludable from the gross income of the owners thereof for federal income tax purposes except to the extent that such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

“*Term Bonds*” means Bonds subject to mandatory redemption by operation of the Bond Fund and designated as term bonds herein.

“*Treasurer*” means the Treasurer of the Village or successors or assigns.

C. Certain further words and terms used in various sections are defined therein.

*Section 2. Incorporation of Preambles.* The Corporate Authorities hereby find that all of the recitals contained in the preambles to this Ordinance are true, correct and complete and 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 undertake the Project and the Refunding and to pay all necessary costs thereof, to pay all related costs and expenses incidental thereto, and to borrow money and issue the Bonds for such purposes. It is hereby found and determined that such borrowing of money is for a proper public purpose or purposes and is in the public interest and is authorized pursuant to the Act; and these findings and determinations shall be deemed conclusive.

*Section 4. Bond Details.* For the purpose of providing for the costs of the Project and the Refunding, there shall be issued and sold the Bonds in a principal amount not to exceed \$15,925,000 (Project)/\$4,700,000 (Refunding). The Bonds shall each be designated “*General Obligation Bond, Series 2026.*” The Bonds shall be dated the date of delivery (the “*Dated Date*”) specified in each applicable Bond Order executed by a Designated Officer (the “*Bond Order*”); and shall also bear the date of authentication thereof. The Bonds shall be in fully registered book-entry form, shall be in denominations of \$5,000 or integral multiples thereof (but no single Bond shall represent principal maturing on more than one date), shall be numbered consecutively in such fashion as shall be determined by the Bond Registrar, and shall become due and payable (subject to prior redemption as hereinafter provided) on January 1 of the years (not to exceed 2046 (Project)/2038 (Refunding)), in the amounts (not to exceed \$1,335,000 per year

(Project)/\$1,000,000 (Refunding)), and bearing interest at the rates percent per annum (not to exceed 6.00% per annum (Project)/6.00% (Refunding)) as specified in each applicable Bond Order. The Designated Officers are hereby given the full authority to execute and deliver a Bond Order for and on behalf of the Village as herein provided. The Bond Order shall be made a part of the transcript of the proceedings related to the issuance of the Bonds.

Each Bond shall bear interest from the later of its Dated Date as herein provided or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of such Bond is paid or duly provided for, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable on January 1 and July 1 of each year, commencing on the date set forth in the Bond Order. Interest on each Bond shall be paid by check or draft of the Paying Agent, payable upon presentation thereof in lawful money of the United States of America, to the person in whose name such Bond is registered at the close of business on the applicable Record Date, and mailed to the registered owner of the Bond as shown in the Bond Registrar or at such other address furnished in writing by such Registered Owner, or as otherwise may be agreed with the Depository. The principal of the Bonds shall be payable in lawful money of the United States of America upon presentation thereof at the office maintained for the purpose of the Paying Agent or at successor Paying Agent and locality.

*Section 5. Book Entry Provisions.* The Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the maturities of the Bonds. 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, as nominee of the Depository. All of the outstanding Bonds from time to time shall be registered in the Bond Register in the name of Cede & Co., as nominee of the

Depository. The Treasurer, as representative of the Village, is authorized to execute and deliver on behalf of the Village, and as such agent for the Village, such letters to or agreements with the Depository as shall be necessary to effectuate such book-entry system (any such letter or agreement being referred to herein as the “*Representation Letter*”). Without limiting the generality of the authority given with respect to entering into such Representation Letter, it may contain provisions relating to (a) payment procedures, (b) transfers of the Bonds or of beneficial interests therein, (c) redemption notices and procedures unique to the Depository, (d) additional notices or communications, and (e) amendment from time to time to conform with changing customs and practices with respect to securities industry transfer and payment practices.

With respect to Bonds registered in the Bond Register in the name of Cede & Co., as nominee of the Depository, none of the Village, the Treasurer, the Paying Agent or the Bond Registrar shall have any responsibility or obligation to any broker-dealer, bank or other financial institution for which the Depository holds Bonds from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a “*Depository Participant*”) or to any person on behalf of whom such a Depository Participant holds an interest in the Bonds. Without limiting the meaning of the immediately preceding sentence, the Village, the Treasurer, the Paying Agent and the Bond Registrar shall have no responsibility or obligation with respect to (a) the accuracy of the records of the Depository, Cede & Co., or any Depository Participant with respect to any ownership interest in the Bonds, (b) the delivery to any Depository 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 (c) the payment to any Depository 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 principal of or interest on the

Bonds. No person other than a registered owner of a Bond as shown in the Bond Register shall receive a Bond certificate with respect to any Bond. Upon delivery by the Depository to the Bond Registrar of written notice to the effect that the Depository has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions hereof with respect to the payment of interest to the registered owners of Bonds at the close of business on the applicable record date, the name “Cede & Co.” in this Ordinance shall refer to such new nominee of the Depository.

In the event that (a) the Village determines that the Depository is incapable of discharging its responsibilities described herein and in the Representation Letter, (b) the agreement among the Village, the Paying Agent and Bond Registrar, and the Depository evidenced by the Representation Letter shall be terminated for any reason or (c) the Village determines that it is in the best interests of the Village or of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Village shall notify the Depository and the Depository shall notify the Depository Participants of the availability of Bond certificates, and the Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede & Co., as nominee of the Depository. The Village may determine that the Bonds shall be registered in the name of and deposited with a successor depository operating a book-entry system, as may be acceptable to the Village, or such depository’s agent or designee, but if the Village does not select such alternate book-entry system, then the Bonds shall be registered in whatever name or names registered owners of Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions hereof.

*Section 6. Execution; Authentication.* The Bonds shall be executed on behalf of the Village by the manual or facsimile signature of its Mayor and attested by the manual or facsimile signature of its Village Clerk, as they may determine, and shall have impressed or imprinted

thereon the corporate seal or facsimile thereof of the Village. In case any such officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. All Bonds shall have thereon a certificate of authentication, substantially in the form hereinafter set forth, duly executed by the Bond Registrar as authenticating agent of the Village and showing the date of authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until such certificate of authentication shall have been duly executed by the Bond Registrar by manual signature, and such certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Ordinance.

*Section 7. Redemption.* If any Bonds are sold as term bonds and/or subject to optional redemption as set forth in each applicable Bond Order, the following provisions shall apply. For any such redemptions, the Village shall, at least 45 days prior to the redemption date (unless a shorter time period shall be satisfactory to the Registrar), notify the Registrar of such redemption date and of the principal amount of Bonds to be redeemed. In the event of the redemption of less than all the Bonds of like series and maturity, the aggregate amount thereof to be redeemed shall be \$5,000 of the principal amount or any integral multiple thereof, and the Registrar shall assign to each Bond of such series and maturity a distinctive number for each \$5,000 principal amount, as the case may be, of such Bond and shall select by lot from the numbers so assigned as many numbers as, at \$5,000 for each number, shall equal the principal amount of such Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned the numbers so

selected; provided that only so much of the principal amount of each Bond shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected.

The 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 Registrar on behalf of the Village by mailing the redemption notice by registered or certified mail not less than 30 days and not more than 60 days prior to the date fixed for redemption to each registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Registrar.

All official notices of redemption shall include 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 office of the Registrar.

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

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Village shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Neither the failure to mail such redemption notice, nor any defect in any notice so mailed to any particular registered owner of a Bond, shall affect the sufficiency of such notice with respect to other registered owners. Notice having been properly given, failure of a registered owner of a Bond to receive such notice shall not be deemed to invalidate, limit or delay the effect of the notice or redemption action described in the notice. Such notice may be waived in writing by a registered owner of a Bond entitled to receive such notice either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by registered owners shall be filed with the Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds or portions being redeemed shall be paid by the Registrar at the redemption price. If the redemption date is an interest payment date, 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 and premium (if any) shall, until paid or duly provided for, bear interest from the redemption date at the rate borne by the Bond or portion of Bond so called for redemption. All Bonds which have been redeemed shall be canceled and destroyed by the Registrar and shall not be reissued.

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

Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (a) the CUSIP numbers of all Bonds being redeemed; (b) the date of issue of the Bonds as originally issued; (c) the rate of interest borne by each Bond being redeemed; (d) the maturity date of each Bond being redeemed; and (e) any other descriptive information needed to identify accurately the Bonds being redeemed.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

*Section 8. Registration and Exchange or Transfer of Bonds; Persons Treated as Owners.* The Village shall cause the Bond Register to be kept at the office maintained for the purpose by the Bond Registrar, which is hereby constituted and appointed the registrar of the Village for the Bonds. The Village is authorized to prepare, and the Bond Registrar or such other agent as the Village may designate shall keep custody of, multiple Bond blanks executed by the Village for use in the transfer and exchange of Bonds.

Any Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in this Ordinance. Upon surrender for transfer or exchange of any Bond at the office maintained for the purpose by the Bond Registrar, duly endorsed by or accompanied by a written instrument or instruments of transfer or exchange in form satisfactory to the Bond Registrar and duly executed by the registered owner or an attorney for such owner duly authorized in writing, the Village shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees or, in the case of an exchange, the registered owner, a new fully registered Bond or Bonds of like tenor, of the same maturity, bearing the same interest rate, of authorized denominations, for a like aggregate principal amount.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period from the close of business on the Record Date for an interest payment to the opening of business on such interest payment date, 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 execution by the Village of any fully registered Bond shall constitute full and due authorization of such Bond, and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond; provided, however, that the principal amount of Bonds of each maturity authenticated by the Bond Registrar shall not at any one time exceed the authorized principal amount of Bonds for such maturity less the amount of such Bonds which have been paid.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on any Bond

shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

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

*Section 9. Form of Bond.* The Bonds shall be in substantially the form hereinafter set forth:

REGISTERED  
NO. \_\_\_\_\_

REGISTERED  
\$ \_\_\_\_\_

the applicable Record Date. Interest shall be paid by check or draft of the Paying Agent, payable upon

UNITED STATES OF AMERICA  
STATE OF ILLINOIS  
COUNTY OF DUPAGE  
VILLAGE OF DOWNERS GROVE  
GENERAL OBLIGATION BOND, SERIES 2026

Interest Rate: \_\_\_\_\_%      Maturity Date: January 1, \_\_\_\_\_      Dated Date: \_\_\_\_\_, 2026      presentation in CUSIP: \_\_\_\_\_ of lawful money of

Registered Owner: CEDE & CO. the United States of America, mailed to the address of such  
Principal Amount: \_\_\_\_\_ Dollars  
Registered Owner as it appears on such \_\_\_\_\_ registration

KNOW ALL PERSONS BY THESE PRESENTS that the Village of Downers Grove, DuPage County, Illinois (the “*Village*”), a municipality, home rule unit, and political subdivision of the State of Illinois (the “*State*”), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above (subject to right of prior redemption as hereinafter stated), the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the later of the Dated Date of this Bond identified above or from the most recent interest payment date to which interest has been paid or duly provided for, at the Interest Rate per annum identified above, such interest to be payable on January 1 and July 1 of each year, commencing \_\_\_\_\_, 20\_\_, until said Principal Amount is paid or duly provided for. The principal of this Bond is payable in lawful money of the United States of America upon presentation hereof at the office maintained for the purpose by \_\_\_\_\_, as paying agent (the “*Paying Agent*”). Payment of interest shall be made to the Registered Owner hereof as shown on the registration books of the Village maintained by \_\_\_\_\_, as bond register (the “*Bond Registrar*”), at the close of business on

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 the Bond Registrar 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.

It is hereby certified and recited that all conditions, acts and things required by the Constitution and Laws of the State to exist or to be done precedent to and in the issuance of this Bond, including the authorizing Act, have existed and have been properly done, happened and been performed in regular and due form and time as required by law; that the indebtedness of the Village, represented by the Bonds, and including all other indebtedness of the Village, howsoever evidenced or incurred, does not exceed any constitutional or statutory or other lawful limitation; and that provision has been made for the collection of a direct annual tax, in addition to all other taxes, on all of the taxable property in the Village sufficient to pay the interest hereon as the same falls due and also to pay and discharge the principal hereof at maturity.

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.

This bond is one of a series of bonds (the "*Bonds*") in the aggregate principal amount of \$ \_\_\_\_\_ issued by the Village for the purpose of paying costs of the Project and the Refunding, and of paying expenses incidental thereto, all as described and defined in the ordinance authorizing the Bonds (the "*Ordinance*"), pursuant to and in all respects in compliance with the applicable provisions of the Illinois Municipal Code, as supplemented and amended, and as further supplemented and, where necessary, superseded, by the powers of the Village as a home rule unit under the provisions of Section 6 of Article VII of the Illinois Constitution of 1970 (such code and powers being the "*Act*"), and with the Ordinance, which has been duly passed by the Village Council of the Village, approved by the Mayor, and published, in all respects as by law required.

This Bond is subject to provisions relating to registration, transfer and exchange; and such other terms and provisions relating to security and payment as are set forth in the Ordinance, to which reference is hereby expressly made, and to all the terms of which the Registered Owner hereof is hereby notified and shall be subject.

[Optional and mandatory redemption provisions, as applicable.]

IN WITNESS WHEREOF the Village of Downers Grove, DuPage County, Illinois, by its Village Council, has caused this Bond to be executed by the manual or duly authorized facsimile signature of its Mayor and attested by the manual or duly authorized facsimile signature of its Village Clerk and its corporate seal or a facsimile thereof to be impressed or reproduced hereon, all as appearing hereon and as of the Dated Date identified above.

\_\_\_\_\_  
 Mayor, Village of Downers Grove  
 DuPage County, Illinois

ATTEST:

\_\_\_\_\_  
 Village Clerk, Village of Downers Grove  
 DuPage County, Illinois

[SEAL]

Date of Authentication: \_\_\_\_\_, 20\_\_

**CERTIFICATE OF AUTHENTICATION**

This Bond is one of the Bonds described in the within-mentioned Ordinance and is one of the General Obligation Bonds, Series 2026, having a Dated Date of \_\_\_\_\_, 2026, of the Village of Downers Grove, DuPage County, Illinois.

\_\_\_\_\_, as Bond Registrar and  
Paying Agent

By \_\_\_\_\_

Its \_\_\_\_\_

Bond Registrar and Paying Agent:

\_\_\_\_\_  
\_\_\_\_\_

**ASSIGNMENT**

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

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

\_\_\_\_\_  
\_\_\_\_\_

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint

\_\_\_\_\_

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

Dated: \_\_\_\_\_

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. Security for the Bonds.* The Bonds are a general obligation of the Village, for which the full faith and credit of the Village are hereby irrevocably pledged, and are payable from the levy of taxes on all of the taxable property in the Village, without limitation as to rate or amount (the “*Pledged Taxes*”).

*Section 11. Sale of Bonds.* The Designated Officers are hereby authorized to proceed without any further authorization or direction from the Village Council, to sell the Bonds upon the terms as prescribed in this Ordinance. The Bonds hereby authorized shall be executed as in this Ordinance provided as soon after the delivery of the Bond Order 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 thereof, as hereinafter described (the “*Purchaser*”), upon receipt of the purchase price therefor, the same being not less than 96% of the principal amount of the Bonds plus any accrued interest to date of delivery. The Purchaser shall be (a) pursuant to a competitive sale conducted by Raymond James & Associates, Inc., Naperville, Illinois (“*Raymond James*”), the best bidder for the Bonds; (b) in a negotiated underwriting, a bank or financial institution listed in the Dealers & Underwriters or Municipal Derivatives sections of the most recent edition of The Bond Buyer’s Municipal Marketplace; or (c) in a private placement, (i) a bank or financial institution authorized to do business in the State, (ii) a governmental unit as defined in the Local Government Debt Reform Act of the State, as supplemented and amended, or (iii) an “accredited investor” as defined in Rule 501 of Regulation D as promulgated under the Securities Act of 1933, as supplemented and amended; *provided, however,* that the Purchaser as set forth in either (b) or (c) shall only be selected upon receipt by the Village of the recommendation of Raymond James that the sale of the Bonds on a negotiated or private placement basis to the Purchaser is

in the best interests of the Village because of (i) the pricing of the Bonds by the Purchaser, (ii) then current market conditions or (iii) the timing of the sale of the Bonds; and *further provided*, that the Purchaser as set forth in (c) may be selected through the utilization of a placement agent selected by the Designated Officers after consultation with Raymond James if the use of such placement agent is determined by the Designated Officers to be in the best interest of the Village.

As an additional limitation on the sale of the Bonds, Raymond James must provide a certificate delivered at closing of the Bonds that the refunding of the Refunded Bonds will provide to the Village present value debt service savings equal to 2.5% or more of the principal amount of Refunded Bonds to be refunded. For this purpose, present value debt service savings shall be determined by using as the discount rate the yield on the Bonds.

Prior to the sale of the Bonds, a Designated Officer is hereby authorized to approve and execute a commitment for the purchase of a Municipal Bond Insurance Policy (as hereinafter defined), to further secure the Bonds, as long as the present value of the fee to be paid for the Municipal Bond Insurance Policy (using as a discount rate the expected yield on the Bonds treating the fee paid as interest on the Bonds) is less than the present value of the interest reasonably expected to be saved on the Bonds over the term of the Bonds as a result of the Municipal Bond Insurance Policy.

Upon the sale of the Bonds, the Designated Officers shall prepare the Bond Order, which shall include the pertinent details of sale as provided herein. In the Bond Order, the Designated Officers shall find and determine that the Bonds have been sold at such price and bear interest at such rates that either the true interest cost (yield) or the net interest rate received upon the sale of the Bonds does not exceed the maximum rate otherwise authorized by

applicable law. The Bond Order shall be entered into the records of the Village and made available to the Village Council at the next regular meeting thereof; but such action shall be for information purposes only, and the Village Council shall have no right or authority at such time to approve or reject such sale as evidenced in the Bond Order.

Upon the sale of the Bonds, as evidenced by the execution and delivery of the Bond Order by the Designated Officers, the Mayor, Village Manager, Deputy Village Manager, Finance Director, Assistant Finance Director and any other officers of the Village, as shall be appropriate, shall be and are hereby authorized and directed to approve or execute, or both, such documents of sale of the Bonds as may be necessary, including, without limitation, the contract for the sale of the Bonds between the Village and the Purchaser (the "*Purchase Contract*"). Prior to the execution and delivery of the Purchase Contract, the Designated Officers shall find and determine that no person holding any office of the Village, either by election or appointment, is in any manner interested, directly or indirectly, in his own name or in the name of any other person, association, trust or corporation, in the Purchase Contract.

The Bonds before being issued shall be registered, numbered and countersigned by the Treasurer, such registration being made in the Bond Registrar, in which shall be entered the record of the resolution authorizing the Village Council to borrow said money and a description of the Bonds issued, including the number, date, to whom issued, amount, rate of interest and when due.

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 authorized; the execution and delivery of the Official Statement is hereby authorized; and the officers of the Village Council 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 12. Tax Levy; Abatement.* In order to provide for the collection of a direct annual tax sufficient to pay the interest on the Bonds promptly when and as the same falls due, and to pay and discharge the principal thereof at maturity, there shall be levied upon all of the taxable property within the Village a direct annual tax for each of the years while the Bonds are outstanding, in amounts sufficient for that purpose. The Mayor is hereby directed to file with the County Clerk each applicable Bond Order providing that the Pledged Taxes be levied upon all of the taxable property in the Village, in each of the tax levy years 2026 to 2044 (Project)/2036 (Refunding) in an amount sufficient (but in an amount not to exceed \$1,375,000 per year (Project)/\$1,087,000 (Refunding)) to produce the sums necessary to pay interest on the Bonds as it falls due and pay and discharge the principal thereof at maturity; and there is hereby levied on all of the taxable property in the Village, in addition to all other taxes, direct annual taxes as fully detailed in each applicable Bond Order.

Principal or interest coming due at any time when there are not sufficient funds on hand from the foregoing tax levy to pay the same shall be paid from current funds on hand of the Village, and the fund from which such payment was made shall be reimbursed out of the taxes hereby levied when the same shall be collected.

The Village covenants and agrees with the purchaser and the holders of the Bonds that so long as the Bonds remain outstanding, the Village will take no action or fail to take any action which in any way would adversely affect the ability of the Village to levy and collect the foregoing tax levy, unless the abatement of any particular tax levy amount has been provided for through the deposit of moneys in a segregated account, and the Village and its officers will

comply with all present and future applicable laws in order to assure that the foregoing taxes will be levied, extended and collected as provided herein and deposited in the applicable Bond Fund (as such term is hereinafter defined) established to pay the principal of and interest on the Bonds. The funds derived from the tax levy be and the same are hereby appropriated and set aside for the sole and only purpose of paying principal and interest on said Bonds when and as the same become due. The funds from the sale of said Bonds be and they are hereby appropriated and set aside for the purpose hereinbefore set out.

In the event that funds from any lawful source may be made available for the purpose of paying any principal of or interest on the Bonds so as to enable the abatement of the Pledged Taxes, the Corporate Authorities shall, by proper proceedings, direct the deposit of such other funds into the Bond Fund, and further shall direct the abatement of the Pledged Taxes by the amount so deposited. A certified copy or other notification of any such proceedings abating taxes may then be filed with the County Clerk in a timely manner to effect such abatement.

*Section 13. Filing with County Clerk and Certificate of Reduction of Taxes.* Promptly, as soon as this Ordinance becomes effective, a copy hereof, certified by the Village Clerk of the Village, shall be filed with the County Clerk; and said County Clerk shall in and for each of the years 2026 to 2044 (Project)/2036 (Refunding), inclusive, ascertain the rate percent required to produce the aggregate Pledged Taxes hereinbefore provided to be levied in each of said years and subject to abatement as provided in said Section 12; and said 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 purposes of the Village; and, subject to abatement as stated hereinabove, in said years such annual tax shall be levied and collected by

and for and on behalf of the Village in like manner as taxes for general purposes for said years are levied and collected, and in addition to and in excess of all other taxes.

The Mayor and the Village Treasurer be and the same are hereby directed to prepare and file with the County Clerk, a Certificate of Reduction of Taxes Heretofore Levied for the Payment of Bonds showing the Prior Bonds being refunded and directing the abatement of the taxes heretofore levied to pay the Refunded Bonds.

*Section 14. Creation of Funds and Appropriations; Call of Refunded Bonds.*

A. There is hereby created the “*General Obligation Bonds, Series 2026, Bond Fund*” (the “*Bond Fund*”), which shall be the fund for the payment of principal of and interest on the Bonds. Accrued interest and premium, if any, received upon delivery of the Bonds shall be deposited into the applicable Bond Fund and be applied to pay first interest coming due on the Bonds.

B. The Pledged Taxes shall either be deposited into the Bond Fund and used solely and only for paying the principal of and interest on the Bonds or be used to reimburse a fund or account from which advances to the Bond Fund may have been made to pay principal of or interest on the Bonds prior to receipt of Pledged Taxes. Interest income or investment profit earned in the Bond Fund shall be retained in the Bond Fund for payment of the principal of or interest on the Bonds on the interest payment date next after such interest or profit is received or, to the extent lawful and as determined by the Corporate Authorities, transferred to such other fund as may be determined. The Village hereby pledges, as equal and ratable security for the Bonds, all present and future proceeds of the Pledged Taxes on deposit in the Bond Fund for the sole benefit of the registered owners of the Bonds, subject to the reserved right of the Corporate

Authorities to transfer certain interest income or investment profit earned in the Bond Fund to other funds of the Village, as described in the preceding sentence.

C. The sum necessary, as determined by the Designated Officers, of the principal proceeds of the Bonds shall be disbursed by the Purchaser to pay costs of issuance upon the delivery of the Bonds or, to the extent not so disbursed by the Purchaser, shall be deposited into a separate and segregated fund, hereby created, to be known as the “*Expense Fund*” (the “*Expense Fund*”) and shall be used by the Treasurer to pay costs of issuance of the Bonds in accordance with normal Village disbursement procedures. Any funds remaining to the credit of the Expense Fund on the date which is six months following the date of delivery of the Bonds shall be transferred by the Treasurer to the Bond Fund.

D. From the principal proceeds of the Bonds, the sum necessary, as determined by the Designated Officers, shall be used to pay costs of the Project and to that end shall be deposited into a separate and segregated account of the Village, hereby created, and to be known as the “*2026 Project Fund*” (the “*Project Fund*”). Monies on deposit in and to the credit of the Project Fund shall be disbursed from time to time as needed by the Treasurer, without further official action or direction of the Corporate Authorities, in accordance with normal Village procedures for disbursements of corporate funds for capital projects. Upon the completion of the Project, as certified to the Treasurer by the architect or engineer in responsible charge of the Project, remaining funds, if any, on deposit in and to the credit of the Project Fund shall be transferred by the Treasurer, without further official action of or direction by the Corporate Authorities, to the Bond Fund. Monies on deposit in and to the credit of the Project Fund may be invested by the Treasurer in any investments lawful under Illinois law for Village funds, without further official action of or direction by the Corporate Authorities.

Without further official action of or direction by the Corporate Authorities, if necessary to ensure the timely payment of principal of and interest on the Bonds, monies on deposit in the Project Fund may be transferred by the Treasurer at any time to the Bond Fund in anticipation of the collection of Pledged Taxes. Any amount so transferred shall be promptly repaid upon the collection of Pledged Taxes.

Simultaneously with the delivery of the Bonds, principal proceeds of the Bonds in the sum necessary, as determined by the Designated Officers, shall be used to pay costs of the Refunding and are hereby ordered deposited in escrow pursuant to an escrow letter agreement (the "*Escrow Agreement*") to be entered into between the Village and the escrow agent to be named in the Bond Order (the "*Escrow Agent*"), for the purpose of paying the principal of and interest on the Prior Bonds when due or upon redemption thereof. The Village Council directs a Designated Officer to execute, attest, seal and deliver the Escrow Agreement in the name and on behalf of the Village. Amounts in the escrow may be used to purchase U.S. Treasury Securities which may include State and Local Government Series (the "*Government Securities*") to provide for the payment of the principal of and interest on the Prior Bonds when due. The Escrow Agent is hereby authorized to act as agent for the Village in the purchase of Government Securities, if any.

In accordance with the redemption provisions of the ordinances authorizing the issuance of the Prior Bonds, the Village by the Village Council does hereby make provision for the payment of and does hereby call (subject only to the delivery of the Bonds) the Refunded Bonds, as provided in the Bond Order.

*Section 15. Reimbursement.* A portion 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 construction of the Project or expenditures for which an intent to reimburse it was properly declared under Treasury Regulations Section 1.150-2. This ordinance is a declaration of official intent under Treasury Regulations Section 1.150-2 as to all costs of the Project paid after the date hereof and prior to issuance of the Bonds.

*Section 16. Not Private Activity Bonds.* None of the Bonds is a “private activity bond” as defined in Section 141(a) of the Code. In support of such conclusion, the Village certifies, represents and covenants as follows:

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

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

C. No user 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 the Project as a result of (i) ownership or (ii) actual or beneficial use pursuant to a lease, a management or incentive payment contract, or (iii) any other arrangement.

*Section 17. Additional Funds and Accounts.* In addition to the funds established hereunder, the Mayor is hereby authorized and directed to establish, and the Treasurer is further authorized to hold, any and all funds and/or accounts they deem necessary or convenient to the accomplishment of the purposes set forth in this Ordinance.

*Section 18. Registered Form.* The Village recognizes that Section 149 of the Code requires the Bonds to be issued and to remain in fully registered form in order to be and remain

Tax-exempt. In this connection, the Village agrees that it will not take any action to permit the Bonds to be issued in, or converted into, bearer or coupon form.

*Section 19. Tax Covenants.* In order to preserve the exclusion of interest on the Bonds from gross income for federal tax purposes under Section 103 of the Code and as an inducement to purchasers of the Bonds, the Village represents, covenants and agrees that:

(a) No more than 10% of the payment of the principal of or interest on the Bonds will be (under the terms of the Bonds, this Ordinance or any underlying arrangement), directly or indirectly, (i) secured by any interest in property used or to be used for a private business use or payments in respect of such property or (ii) derived from payments (whether or not to the Village) in respect of such property or borrowed money used or to be used for a private business use.

(b) No more than 5% of the Bond proceeds will be loaned to any entity or person other than a state or local governmental unit. No more than 5% of the Bond proceeds will be transferred, directly or indirectly, or deemed transferred to a non-governmental person in any manner that would in substance constitute a loan of the Bond proceeds.

(c) The Village reasonably expects, as of the date hereof, that the Bonds will not meet either the private business use test described in paragraph (a) above or the private loan test described in paragraph (b) above during the entire term of the Bonds.

(d) No more than 5% of the proceeds of the Bonds will be attributable to private business use as described in (a) and private security or payments described in (b) attributable to unrelated or disproportionate private business use. For this purpose, the private business use test is applied by taking into account only use that is not related to any government use of proceeds of the issue (Unrelated Use) and use that is related but disproportionate to any governmental use of those proceeds (Disproportionate Use).

(e) The Village will not take any action or fail to take any action with respect to the Bonds that would result in the loss of the exclusion from gross income for federal tax purposes on the Bonds pursuant to Section 103 of the Code, nor will the Village act in any other manner which would adversely affect such exclusion.

(f) It shall not be an event of default under this Ordinance if the interest on any Bond is not excludable from gross income for federal tax purposes or otherwise pursuant to any provision of the Code which is not currently in effect and in existence on the date of issuance of the Bonds.

(g) [Intentionally omitted.]

(h) These covenants are based solely on current law in effect and in existence on the date of delivery of such Bonds.

The Village hereby authorizes the officials of the Village responsible for issuing the Bonds, the same being the Mayor and Village Clerk of the Village, to make such further covenants and certifications as may be necessary to assure that the use thereof will not cause the Bonds to be arbitrage bonds and to assure that the interest on the Bonds will be excludable from gross income for federal income tax purposes. In connection therewith, the Village further 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 consult with counsel approving the Bonds and to comply with such advice as may be given; (c) to pay to the United States, as necessary, such sums of money representing required rebates of excess arbitrage profits relating to the Bonds as required pursuant to Section 148 of the Code and the regulations promulgated thereunder; (d) to file such forms, statements, and supporting documents as may be required and in a timely manner; and (e) if deemed necessary or advisable by their officers, to

employ and pay fiscal agents, financial advisors, attorneys, and other persons to assist the Village in such compliance.

*Section 20. Further Tax Covenants.* The Village agrees to comply with all provisions of the Code which, if not complied with by the Village, would cause the Bonds not to be Tax-exempt. 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 certificates or agreements as may be prepared by Bond Counsel; (c) to consult with Bond 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.

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

A. Unless an applicable exception to the Rebate Requirement is available to the Village, the Village will meet the Rebate Requirement.

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

C. The Designated Officers shall cause to be established, at such time and in such manner as they may deem necessary or appropriate hereunder, a “2026 General Obligation Bonds Rebate or Penalty, if applicable Fund” (the “148 Compliance Fund”) for the Bonds, and such officers shall further, not less frequently than annually, cause to be transferred to the 148 Compliance Fund the amount determined to be the accrued liability under the Rebate Requirement or Penalty. Said Designated 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.

D. Interest earnings in the Bond Fund are hereby authorized to be transferred, without further order or direction from the Corporate Authorities, from time to time as required, to the 148 Compliance 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.

The Village also certifies and further covenants with the Purchaser and registered owners of the Bonds from time to time outstanding that moneys on deposit in any fund or account in connection with the Bonds, whether or not such moneys were derived from the proceeds of the sale of the Bonds or from any other source, will not be used in a manner which will cause the Bonds to be “*arbitrage bonds*” within the meaning of Code Section 148 and any lawful regulations promulgated thereunder, as the same presently exist or may from time to time hereafter be amended, supplemented or revised.

*Section 21. Noncompliance with Tax Covenants.* Notwithstanding any other provisions of this Ordinance, the covenants and authorizations contained in this Ordinance (the

“*Tax Sections*”) which are designed to preserve the exclusion of interest on the Bonds from gross income under federal law (the “*Tax Exemption*”) need not be complied with if the Village receives an opinion of nationally recognized bond counsel that any Tax Section is unnecessary to preserve the Tax Exemption.

*Section 22. Opinion of Counsel Exception.* The Village reserves the right to use or invest moneys in connection with the Bonds in any manner, notwithstanding the tax-related covenants set forth in Sections 16 through 22 herein, provided it shall first have received an opinion from Bond Counsel (or, in the event that Bond Counsel is unable or unwilling to provide such opinion, then from another attorney or a firm of attorneys of nationally recognized standing as bond counsel) to the effect that use or investment of such moneys as contemplated is valid and proper under applicable law and this Ordinance and, further, will not adversely affect the Tax-exempt status for the Bonds.

*Section 23. Rights and Duties of Bond Registrar and Paying Agent.* The Bond Registrar and Paying Agent shall:

- (a) act as bond registrar, paying agent, authenticating agent, and transfer agent as provided herein;
- (b) maintain a list of Bondholders as set forth herein;
- (c) cancel and/or destroy Bonds which have been paid at maturity or submitted for exchange or transfer; and
- (d) furnish the Village at least annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with respect to interest on the Bonds.

*Section 24. Defeasance.* Any Bond or Bonds which (a) are paid and canceled, (b) which have matured and for which sufficient sums been deposited with the Paying Agent to pay

all principal and interest due thereon, or (c) for which sufficient funds and Defeasance Obligations have been deposited with the Paying Agent or similar institution having trust powers to pay, taking into account investment earnings on such obligations, all principal of and interest on such Bond or Bonds when due at maturity or as called for redemption, pursuant to an irrevocable escrow or trust agreement, shall cease to have any lien on or right to receive or be paid from the Pledged Taxes hereunder and shall no longer have the benefits of any covenant for the registered owners of outstanding Bonds as set forth herein as such relates to lien and security of the outstanding Bonds. All covenants relative to the payment, registration, transfer, and exchange; are expressly continued for all Bonds whether outstanding Bonds or not. For purposes of this section, “*Defeasance Obligations*” means (a) direct and general full faith and credit obligations of the United States Treasury (“*Directs*”), (b) certificates of participation or trust receipts in trusts comprised wholly of Directs or (c) other obligations unconditionally guaranteed as to timely payment by the United States Treasury.

*Section 25. Continuing Disclosure Undertaking.* Any Designated Officer is hereby authorized to execute and deliver a Continuing Disclosure Undertaking (the “*Undertaking*”), in customary form as previously executed by the Village and as provided by Bond Counsel, to effect compliance with Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. When such Undertaking is executed and delivered on behalf of the Village, it will be binding on the Village and the officers, agents, and employees of the Village, and the same are hereby authorized and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of such Undertaking as executed and delivered. Notwithstanding any other provisions hereof, the sole remedies for failure to comply with such Undertaking shall be the ability of the beneficial

owner of any Bond to seek mandamus or specific performance by court order, to cause to the Village to comply with its obligations thereunder.

*Section 26. Publication of Ordinance.* A full, true, and complete copy of this Ordinance shall be published within ten (10) days after passage in pamphlet form by authority of the Corporate Authorities.

*Section 27. Superseder.* All ordinances, resolutions and orders, or parts thereof, in conflict herewith, are to the extent of such conflict hereby superseded; and this Ordinance shall be in full force and effect immediately upon its passage and approval.

ADOPTED: March 10, 2026

AYES: \_\_\_\_\_  
\_\_\_\_\_

NAYS: \_\_\_\_\_

ABSENT: \_\_\_\_\_

APPROVED: March 10, 2026

\_\_\_\_\_  
Mayor, Village of Downers Grove,  
DuPage County, Illinois

Published in pamphlet form by authority of the Village Council on March 10, 2026.

ATTEST:

\_\_\_\_\_  
Village Clerk, Village of Downers Grove  
DuPage County, Illinois

STATE OF ILLINOIS            )  
   ) SS  
 COUNTY OF DUPAGE            )

### CERTIFICATION OF MINUTES AND ORDINANCE

I, the undersigned, do hereby certify that I am the duly qualified and acting Village Clerk of the Village of Downers Grove, DuPage County, Illinois (the “*Village*”), and as such official I am the keeper of the official journal of proceedings, books, records, minutes and files of the Village and of the Village Council (the “*Corporate Authorities*”) thereof

I do further certify that the foregoing is a full, true and complete transcript of that portion of the minutes of the meeting of the Corporate Authorities held on the 10th day of March, 2026, insofar as the same relates to the adoption of an ordinance entitled:

AN ORDINANCE providing for the issuance of not to exceed \$20,625,000 General Obligation Bonds, Series 2026, of the Village of Downers Grove, DuPage County, Illinois, in one or more series, taxable or tax-exempt, and providing for the levy and collection of a direct annual tax sufficient for the payment of the principal of and interest on said bonds

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

I do further certify that the deliberations of the Corporate Authorities on the adoption of said ordinance were taken openly; that the vote on the adoption of said ordinance was taken openly; that said meeting was held at a specified time and place convenient to the public; that notice of said meeting was duly given to all newspapers, radio or television stations and other news media requesting such notice; that an agenda for said meeting was posted at the principal office of the Corporate Authorities and at the location where said meeting was to be held on a day which was not a Saturday, Sunday or legal holiday for Illinois municipalities and at least 48 hours in advance of holding said meeting; that said agenda described or made specific reference to said ordinance; that a true, correct and complete copy of said agenda as so posted is attached hereto; and that said meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as supplemented and amended, and the Illinois Municipal Code, as supplemented and amended, and that the Corporate Authorities has complied with all of the provisions of said Act and said Code, except as said Act and said Code are validly superseded by the home rule powers of the Village, and with all of the procedural rules of the Corporate Authorities in the adoption of said ordinance.

IN WITNESS WHEREOF I hereunto affix my official signature and the seal of the Village  
this 10th day of March, 2026.

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Village Clerk

[SEAL]

**VILLAGE CLERK TO ATTACH AGENDA**