

ORDINANCE NO. 79-5

AN ORDINANCE providing for an escrow agreement in connection with \$3,680,000 Waterworks and Sewerage Revenue Bonds, Series of 1978, of the Village of Chatham, Sangamon County, Illinois, and providing for the call and redemption of certain outstanding bonds of said Village and for giving notice of such call.

* * *

WHEREAS, the President and Board of Trustees of the Village of Chatham, Sangamon County, Illinois (the "Village"), by Ordinance No. 78-29 adopted on the 14th day of November, 1978 (the "Bond Ordinance"), did authorize and provide for the issue of \$3,680,000 Waterworks and Sewerage Revenue Bonds, Series of 1978 of the Village (the "Bonds") for the purpose of defraying the cost of constructing improvements to the combined waterworks and sewerage system in and for said Village and refunding certain outstanding bonds of the Village more fully described therein (the "Outstanding Bonds"), which are payable from the revenues of the combined waterworks and sewerage system of the Village; and

WHEREAS, it is necessary and in the best interests of the Village that certain Outstanding Bonds be called for redemption prior to maturity; and

WHEREAS, it is necessary and for the best interests of the Village that said President and Board of Trustees approve the form and direct the execution of an escrow agreement (the "Escrow Agreement") between the Village and The Illinois National Bank of Springfield, Springfield, Illinois, 62701, (the "Escrow Agent") as provided in the Bond Ordinance;

NOW, THEREFORE, Be It Ordained by the President and Board of Trustees of the Village of Chatham, Sangamon County, Illinois, as follows:

Section 1. a) That the Village hereby calls for redemption on May 1, 1985, at a price of par and accrued interest, the following Outstanding Bonds:

\$300,000 Water Revenue Bonds, Series 1970, due serially on May 1 of the years and numbered and in the amounts and bearing interest as follows:

<u>Years</u>	<u>Bond Numbers (inclusive)</u>	<u>Total Amount</u>	<u>Interest Rate</u>
1986	40 - 43	20,000	7%
1987	44 - 48	25,000	7%
1988	49 - 53	25,000	7%
1989	54 - 59	30,000	7%
1990	60 - 65	30,000	7%
1991	66 - 71	30,000	7%
1992	72 - 78	35,000	7%
1993	79 - 85	35,000	7%
1994	86 - 92	35,000	7%
1995	93 - 99	35,000	7%

b) That the Village hereby calls for redemption on May 1, 1979, at a price of par and accrued interest, the following Outstanding Bonds:

\$210,000 Water Revenue Bonds, Series 1977 of the Village of Chatham, Illinois, due serially on May 1 of the years and numbered and in the amounts and bearing interest as follows:

<u>Years</u>	<u>Bond Numbers (inclusive)</u>	<u>Total Amount</u>	<u>Interest Rate</u>
1980	9 - 12	20,000	5.4%
1981	13 - 16	20,000	5.4%
1982	17 - 21	25,000	5.4%
1983	22 - 26	25,000	5.4%
1984	27 - 31	25,000	5.4%
1985	32 - 37	30,000	5.4%
1986	38 - 43	30,000	5.4%
1987	44 - 50	35,000	5.4%

c) That the Village Treasurer of the Village is hereby ordered and directed to give notice of redemption and payment prior to maturity in the manner, time and form as hereinafter provided in Sections 3.01 (viii) and 3.01 (ix) of the Escrow Agreement and is hereby ordered and directed to give said notice in said manner and form forthwith upon the refunding of the Outstanding Bonds and that said notice also be given by the Escrow Agent as provided in the Escrow Agreement.

Section 2. That in order to provide for the payment of the Outstanding Bonds of the Village, immediately and simultaneously with the delivery of the bonds to the purchaser thereof, the Treasurer of the Village shall deposit with the Escrow Agent the obligations issued or guaranteed by the United States Government or receipts therefor, or moneys sufficient for the Escrow Agent to purchase on behalf of the Village such obligations, and the beginning cash from the Village, all as described in detail in the Escrow Agreement to be in substantially the following form:

ESCROW AGREEMENT

THIS ESCROW AGREEMENT by and between the Village of Chatham, Sangamon County, Illinois (the "Village"), and The Illinois National Bank of Springfield, Springfield, Illinois, 62701, not individually, but in the capacity as hereinafter described, a banking corporation organized and existing under the laws of the State of Illinois, with its principal office in Springfield, Illinois (the "Escrow Agent"), in consideration of the mutual promises and agreements herein set forth:

W I T N E S S E T H:

Article I. Definitions

That the following words and terms used in this Escrow Agreement shall have the following meanings unless the context or use indicates another or different meaning:

- (1) "Agreement" means this Agreement between the Village and the Escrow Agent.
- (2) "the Bonds" means the \$3,680,000 Waterworks and Sewerage Revenue Bonds, Series of 1978, authorized to be issued by the Bond Ordinance.
- (3) "the Bond Ordinance" means Ordinance No. 78-29 adopted by the President and Board of Trustees of

the Village on the 14th day of November, 1978, authorizing the issuance of the Bonds.

(4) "the Village" means the Village of Chatham, Sangamon, County, Illinois.

(5) "Escrow Agent" means The Illinois National Bank of Springfield, Springfield, Illinois.

(6) "Escrow Income" means the payments received by the Escrow Agent as principal and interest on the Government Securities as the same mature and fall due on each respective principal and interest payment date thereof.

(7) "Government Securities" means the securities issued by the United States Government or securities the principal and interest of which is fully and irrevocably guaranteed by the United States Government purchased from the proceeds of the sale of the Bonds, or receipts therefor, which have been deposited with or purchased by the Escrow Agent as described in the Agreement.

(8) "Outstanding Bonds" means the Water Revenue Bonds, Series 1970 and the Water Revenue Bonds, Series 1977, of the Village.

(9) "Paying Agent" means the Michigan Avenue National Bank of Chicago, Illinois.

(10) "Treasurer" means the Village Treasurer of the Village.

Article II. Creation of Escrow

Section 2.01. That the Village by the Bond Ordinance has authorized the issue and delivery of the Bonds and the use of not more than \$650,000 of the proceeds thereof to refund the Outstanding Bonds in the aggregate principal amount of \$650,000, by the deposit with the Escrow Agent of Government Securities or of moneys sufficient to purchase on behalf of the Village Government Securities which, with the beginning cash to be made available therefor will provide all moneys necessary to pay fees of the paying agent and all principal of and interest on the Outstanding Bonds as the same mature and fall due on each respective principal and interest payment dates or on the date of redemption.

Section 2.02. That the Village has sold the Bonds and the Treasurer has deposited with the Escrow Agent, at the execution and delivery of this Agreement, the Government Securities, or receipts therefor, or a sum not to exceed \$650,000, from the sale of the Bonds and the Escrow Agent has purchased on behalf of the Village the Government Securities, listed and described in Schedule A attached hereto and made a part hereof by reference, and the Escrow Agent will hold the Government Securities, together with the beginning cash deposited by the Village as sinking fund assets for the payment of the Outstanding Bonds.

Section 2.03. That the Escrow Income, together with the beginning cash deposited by the Village, will be sufficient at all times pending the final payment of the Outstanding Bonds to pay the Outstanding Bonds as they severally mature, as to both principal and interest or on date of redemption, and the fees and charges of the paying agent.

Article III. Covenants of Escrow Agent.

Section 3.01. That the Escrow Agent covenants and agrees with the Village;

(i) That it will hold the Government Securities and the Escrow Income and the beginning cash deposited by the Village in an irrevocable segregated and separate trust fund account for the sole and exclusive benefit of the holders of the Outstanding Bonds until final payment thereof;

(ii) That upon receipt of any Escrow Income it will promptly in a timely fashion remit such receipts to the paying agent to apply the same to the payment of the principal of and interest on the Outstanding Bonds as the same mature, that after all such principal and interest payments that are due and owing have been paid, it shall apply any remaining Escrow Income to the payment of the fees of the Paying Agent on the Outstanding Bonds and that it shall transfer any Escrow Income remaining thereafter to the Treasurer who shall promptly pay the same into the Waterworks and Sewerage Fund of the Village;

(iii) That it will remit to the Paying Agent in good funds on or prior to each principal maturity and interest payment date of the Outstanding Bonds, or on the redemption date set for the Outstanding Bonds described in Section 3.01(viii) and (ix) hereof that have been called for redemption prior to maturity, moneys sufficient to pay the fees of the paying agent and such principal maturity and interest as will meet the requirements for the retirement of the Outstanding Bonds, and each such remittance shall fully release and discharge the Escrow Agent from any further duty or obligation thereto under this Agreement;

(iv) That the cost and expenses of the Escrow Agent have been paid to the Escrow Agent at the date of the execution and delivery of this Agreement, and all charges, fees or expenses of the Escrow Agent, in carrying out any of the duties, terms or provisions of this Agreement have been paid therefrom;

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

(vi) That it will submit to the Treasurer a statement within ten (10) days after May 1 and November 1 of each calendar year, commencing May 1, 1979, itemizing all Escrow Income received by it and all payments made by it under the provisions of this Agreement during the preceding six (6) months period, and also listing the Government Securities and cash on deposit therewith on the date of said report;

(vii) That if at any time it shall appear to the Escrow Agent that the available proceeds of the Government Securities will not be sufficient to make any payment due to the holders of any of the Outstanding Bonds, the Escrow Agent shall notify the Village not less than fifteen (15) days prior to such date and the Village agrees that it will from any funds legally available for such purpose make upon the anticipated deficit so that no default in the making of any such payment will occur;

(viii) That the Escrow Agent will not later than thirty (30) days and not more than one hundred twenty (120) days prior to May 1, 1985, cause a Notice of Redemption to be given on behalf of the Village over the name of the then Treasurer, such Notice of Redemption to be given by registered mail to the registered holders at the address shown on the books of the Registrar, and by registered mail to any other known holders and as to unknown holders, such notice shall be published once in a newspaper published in the City of Chicago, Illinois, and devoted in part to the publication of financial news, and such notice shall be filed at the Michigan Avenue National Bank, Chicago, Illinois, the same being the place of payment of the Outstanding Bonds, such Notice of Redemption to be substantially in words and figures as follows:

NOTICE OF REDEMPTION of Water Revenue Bonds, Series 1970, of the Village of Chatham, Sangamon County, Illinois.

NOTICE IS HEREBY GIVEN to the owners and holders of the following described bonds of the Village of Chatham, Sangamon County, Illinois:

\$300,000 Water Revenue Bonds, Series 1970, due serially on May 1 of the years and numbered and in the amounts and bearing interest as follows:

<u>Years</u>	<u>Bond Numbers (inclusive)</u>	<u>Total Amount</u>	<u>Interest Rate</u>
1986	40 - 43	20,000	7%
1987	44 - 48	25,000	7%
1988	49 - 53	25,000	7%
1989	54 - 59	30,000	7%
1990	60 - 65	30,000	7%
1991	66 - 71	30,000	7%
1992	72 - 78	35,000	7%
1993	79 - 85	35,000	7%
1994	86 - 92	35,000	7%
1995	93 - 99	35,000	7%

that such bonds will be paid on May 1, 1985, upon surrender of said bonds with all coupons attached representing interest becoming due on May 1, 1985, and accompanied by all subsequent coupons and such payment will be at the price of par and accrued interest up to and including May 1, 1985.

The owners and holder of said bonds are directed to present the same for payment at the Michigan Avenue National Bank, Chicago, Illinois, where such bonds and interest will be paid.

NOTICE IS HEREBY FURTHER GIVEN that said bonds shall cease to bear interest from and after May 1, 1985.

By order of the President and Board of Trustees of the Village of Chatham, Sangamon County, Illinois.

DATED this ____ day of _____, 19__.

 Village Treasurer
 Village of Chatham
 Sangamon County, Illinois

(ix) That the Escrow Agent will not later than thirty (30) days and not more than one hundred-twenty (120) days prior to May 1, 1979, cause a Notice of Redemption to be given on behalf of the Village over the name of the then Treasurer, such Notice of Redemption to be given by registered mail to the registered holders at the address shown on the books of the Registrar, and by registered mail to any other known holders and as to unknown holders, such notice shall be published once in a newspaper published in the City of Chicago, Illinois, and devoted in part to the publication of financial news, and such notice shall be filed at the Michigan Avenue National Bank, Chicago, Illinois, the same being the place of payment of the Outstanding Bonds, such Notice of Redemption to be substantially in words and figures as follows:

NOTICE OF REDEMPTION of Water Revenue Bonds, Series 1977, of the Village of Chatham, Sangamon County, Illinois.

NOTICE IS HEREBY GIVEN to the owners and holders of the following described bonds of the Village of Chatham, Sangamon County, Illinois:

\$210,000 Water Revenue Bonds, Series 1977 of the Village of Chatham, Illinois, due serially on May 1 of the years and numbered and in the amounts and bearing interest as follows:

<u>Years</u>	<u>Bond Numbers (inclusive)</u>	<u>Total Amount</u>	<u>Interest Rate</u>
1980	9 - 12	20,000	5.4%
1981	13 - 16	20,000	5.4%
1982	17 - 21	25,000	5.4%
1983	22 - 26	25,000	5.4%
1984	27 - 31	25,000	5.4%
1985	32 - 37	30,000	5.4%
1986	38 - 43	30,000	5.4%
1987	44 - 50	35,000	5.4%

that such bonds will be paid on May 1, 1979, upon surrender of said bonds with all coupons attached representing interest becoming due on May 1, 1979, and accompanied by all subsequent

coupons and such payment will be at the price of par and accrued interest up to and including May 1, 1979.

The owners and holder of said bonds are directed to present the same for payment at the Michigan Avenue National Bank, Chicago, Illinois, where such bonds and interest will be paid.

NOTICE IS HEREBY FURTHER GIVEN that said bonds shall cease to bear interest from and after May 1, 1979.

By order of the President and Board of Trustees of the Village of Chatham, Sangamon County, Illinois.

DATED this _____ day of _____, 19____.

Village Treasurer
Village of Chatham
Sangamon County, Illinois

Article IV. Covenants of Village

Section 4.01. That the Village covenants and agrees with the Escrow Agent, as follows:

(i) That the Escrow Agent shall have no responsibility or liability whatsoever for (a) any of the recitals herein, except those relating to its own organization, (b) the performance of or compliance with any covenant, condition, term or provision of the Bond Ordinance and (c) any undertaking or statement of the Village hereunder or under the Bond Ordinance;

(ii) That the Village will promptly and without delay supply to the Escrow Agent, within five (5) days after receipt of its written request, the names and addresses of the holders of the Outstanding Bonds registered as to principal upon the books of registration in the office of the Treasurer under the provisions of the ordinance authorizing the Outstanding Bonds;

(iii) That the Village will promptly and without delay remit to the Paying Agent, such sum or sums of money

as are necessary to fully pay and discharge the fees of the Paying Agent that are not paid by the Escrow Agent from Escrow Income after the payment of the principal of and interest on the Outstanding Bonds;

(iv) That all payments to be made by, and all acts and things required to be done by, the Escrow Agent under the terms and provisions of this Agreement, shall be made and done by the Escrow Agent without any further direction or authority of the Village or Treasurer.

Article V. Notices to the Village, the
Treasurer and the Escrow Agent

Section 5.01. That all notices and communications to the Village and to the President and Board of Trustees of the Village shall be addressed in writing to the Village Clerk, Village of Chatham, Chatham Municipal Building, Chatham, Illinois.

Section 5.02. That all notices and communications to the Treasurer shall be addressed in writing to the Village Treasurer, Village of Chatham, Chatham Municipal Building, Chatham, Illinois.

Section 5.03. That all notices and communications to the Escrow Agent shall be addressed in writing to The Illinois National Bank of Springfield, Springfield, Illinois.

Article VI. Irrevocability of Agreement

Section 6.01. That all of the rights, powers, duties and obligations of the Escrow Agent hereunder shall be irrevocable and shall not be subject to amendment by the Escrow Agent and shall be binding on any successor to the Escrow Agent during the term of this Agreement.

Section 6.02. That all of the rights, powers, duties and obligations of the Village hereunder shall be irrevocable and shall not be subject to amendment by the

Village and shall be binding on any successor to the officials now comprising the President and Board of Trustees of the Village during the term of this Agreement.

Section 6.03. That all of the rights, powers, duties and obligations of the Treasurer hereunder shall be irrevocable and shall not be subject to amendment by the Treasurer and shall be binding on any successor to said official now in office during the term of this Agreement.

Article VII. Termination of Agreement

Section 7.01. That upon the retirement of the Outstanding Bonds as hereinabove provided for, the Escrow Agent will transfer any balance remaining in said trust fund account to the Treasurer who shall promptly pay the same into the Waterwork and Sewerage Fund of the Village, and the Escrow Agent shall give due notice thereof to the Village, and thereupon this Agreement shall terminate.

IN WITNESS WHEREOF, the Village of Chatham, Sangamon County, Illinois, has caused this Agreement to be signed in its name by its President, to be attested by the Village Clerk of the Village under its corporate seal hereunto affixed; and The Illinois National Bank of Springfield, Springfield, Illinois, not individually, but in the capacity as hereinabove described, has caused this Escrow Agreement to be signed in its corporate name by one of its Vice Presidents and to be attested by one of its Assistant Secretaries under its corporate seal hereunto affixed, all this _____ day of _____, 1979.

VILLAGE OF CHATHAM, SANGAMON
COUNTY, ILLINOIS

By _____
President

Attest:

Village Clerk

(SEAL)

_____, Illinois

By _____
Vice President

Attest:

Assistant Secretary

(SEAL)

The foregoing Escrow Agreement approved and accepted,
this _____ day of _____, 1979.

Village Treasurer of the Village
of Chatham, Sangamon County,
Illinois

Section 3. That the Village covenants that it will take no action with respect to the proceeds of the Bonds or with respect to any aspect of the Escrow Agreement which will cause the Bonds to be classified as Arbitrage Bonds within the meaning of Section 103(c) of the Internal Revenue Code of 1954, as amended, and that the President and Village Clerk of the Village are hereby authorized and directed to execute and deliver such certificates as may be necessary to evidence such compliance.

Section 4. That during the term of the Escrow Agreement any moneys transferred by the Escrow Agent to the Village Treasurer of the Village and upon termination of the Escrow Agreement any balance transferred by the Escrow Agent to said Treasurer shall be promptly deposited by said Treasurer in the Waterworks and Sewerage Fund of the Village created by the Bond Ordinance and shall be treated as and

applied in the same manner as other income and revenue of the Waterworks and Sewerage system of the Village.

Section 5. That all ordinances, resolutions or orders, or parts thereof, in conflict with the provisions of this ordinance are to the extent of such conflict hereby repealed and that this ordinance be in full force and effect forthwith upon its adoption and approval.

Passed January 23, 1979.

Approved January 23, 1979.


President, Village of Chatham

Attest:


Village Clerk

STATE OF ILLINOIS)
) SS
COUNTY OF SANGAMON)

CERTIFICATION OF MINUTES

I, the undersigned, do hereby certify that I am the duly qualified and acting Village Clerk of the Village of Chatham, Sangamon County, Illinois, and that as such official I am the keeper of the records and files of the President and Board of Trustees of said Village.

I do further certify that the foregoing constitutes a full, true and complete transcript of the minutes of the meeting of said President and Board of Trustees of said Village held on the 23 day of January, 1979, insofar as same relates to the adoption of an ordinance entitled:

AN ORDINANCE providing for an escrow agreement in connection with \$3,680,000 Waterworks and Sewerage Revenue Bonds, Series 1978, of the Village of Chatham, Sangamon County, Illinois, and providing for the call and redemption of certain outstanding bonds of said Village and for giving notice of such call.

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 President and Board of Trustees on the adoption of said ordinance were conducted openly; that the vote on the adoption of said ordinance was taken openly; that said meeting was held at a specified time and place convenient to the public; that notice of said meeting was duly given to all newspapers, radio or television stations and other news media requesting such notice; that said meeting was called and held in strict compliance with the provisions of "AN ACT in relation to meetings," approved July 11, 1957, as amended, and with the applicable provision of the Illinois Municipal Code, as amended, and that said President and Board of Trustees has complied with all of the applicable provisions of said Act and said Code and with all of the procedural rules of said President and Board of Trustees.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of said Village, this 23 day of January, 1979.



Village Clerk

(SEAL)