

ORDINANCE NO. 92-31

AN ORDINANCE AUTHORIZING THE ISSUANCE OF \$1,985,000 GENERAL OBLIGATION REFUNDING BONDS (ALTERNATE REVENUE SOURCE), SERIES 1992, OF THE VILLAGE OF CHATHAM, SANGAMON COUNTY, ILLINOIS, PROVIDING THE DETAILS OF SUCH BONDS AND FOR AN ALTERNATE REVENUE SOURCE AND THE LEVY OF DIRECT ANNUAL TAXES SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON SUCH BONDS, AND RELATED MATTERS

WHEREAS, the Village of Chatham, Sangamon County, Illinois (the "Issuer"), is a non-home rule municipality duly established and operating (including with respect to its combined waterworks and sewerage system (the "System") under Section 11-139-1 et seq. of the Illinois Municipal Code, the "Revenue Source Act") and in accordance with the provisions of the Illinois Municipal Code (Paragraph 1-1-1 et seq. of Chapter 24 of the Illinois Revised Statutes, as supplemented and amended, the "Illinois Municipal Code"); and

WHEREAS, the President and Board of Trustees of the Issuer (the "Corporate Authorities") determined that it was advisable, necessary and in the best interests of the Issuer's public health, safety and welfare to undertake a project providing for System facilities and improvements, together with all required structures, equipment, appurtenances and fixtures, all electrical, mechanical or other work and the acquisition of land or rights in land necessary, useful or advisable in connection with such work (including as such work progressed in one or more phases, with respect to completed work, improvements and facilities, the "Prior Project"); and

WHEREAS, in connection with the estimated cost of refunding the outstanding principal balance of the Issuer's initially \$3,680,000 authorized principal amount Waterworks and Sewerage Revenue Bonds, Series of 1978, issued under Ordinance No. 78-29, adopted November 14, 1978 (the "Prior Bond Ordinance") for the purpose of acquiring, constructing and installing the Prior Project (the "Prior Bonds"), including related costs and other expenses, the cost thereof is to be paid from the hereinafter described alternate bonds, being general obligation in lieu of revenue bonds as authorized by Section 15 of the Local Government Debt Reform Act, but nevertheless expected to be paid from revenues of the System rather than by any levy of taxes, and any balance from other available funds; and

WHEREAS, the estimated cost of refunding the Prior Bonds on November 1, 1992 (the "Refunding"), and related legal, financial, bond discount, printing and publication costs, and other expenses preliminary to and in connection with the Refunding is anticipated to be approximately the amount of \$2,456,191.83 of which \$1,985,000, presently anticipated and planned to be paid from the hereinafter described Bonds; and

WHEREAS, the Issuer has insufficient funds to pay the costs of the Refunding and, therefore, must borrow money and issue general obligation bonds (waterworks and sewerage alternate revenue source) under this ordinance in evidence thereof up to the aggregate principal amount set forth above for such purposes; and

**WHEREAS**, pursuant to and in accordance with the Illinois Municipal Code and the provisions of Section 15 of the Local Government Debt Reform Act (Paragraph 6915 of Chapter 17 of the Illinois Revised Statutes), as supplemented and amended, and this ordinance, the Issuer is authorized to issue its General Obligation Refunding Bonds (Alternate Revenue Source), Series 1992, up to the aggregate principal amount set forth above (the "Bonds"), for the purpose of providing funds to pay costs of the Refunding; and

**WHEREAS**, in connection with Section 2 of Ordinance No. 92-26, AN ORDINANCE Authorizing the Issuance of up to \$1,990,000 Waterworks and Sewerage System Revenue Bonds and \$1,990,000 Alternate Revenue Source Bonds of the Village of Chatham, Sangamon County, Illinois, for the Purpose of Refunding Certain Outstanding Prior Obligations of Its Combined Waterworks and Sewerage System (the "Preliminary Ordinance"), adopted July 27, 1992, the Issuer has received no petition in connection with the Bonds or the Refunding, a form of petition therefor being at all relevant times available in the office of the Village Clerk; and

**WHEREAS**, for convenience of reference only this ordinance is divided into numbered sections with headings, which shall not define or limit the provisions hereof, as follows:

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NOW, THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF CHATHAM, SANGAMON COUNTY, ILLINOIS, as follows:

Section 1. Definitions. Certain words and terms used in this ordinance shall have the meanings given them herein, including above in the preambles hereto, and the meanings given them in this Section 1, unless the context or use clearly indicates another or different meaning is intended. Certain definitions are as follows:

"Act" means, collectively, the Local Government Debt Reform Act (Paragraph 6901 et seq. of Chapter 17 (and particularly Paragraph 6915 thereof) of the Illinois Revised Statutes and the Illinois Municipal Code, as supplemented and amended, including, without limitation, by the Revenue Source Act, the Registered Bond Act, the Illinois Bond Replacement Act and the Bond Authorization Act.

"Alternate Bonds" means "alternate bonds" as described in Section 15 of the Local Government Debt Reform Act (Paragraph 6915 of Chapter 17 of the Illinois Revised Statutes).

"Bond" or "Bonds" means the Issuer's General Obligation Refunding Bonds (Alternate Revenue Source), Series 1992, authorized to be issued by this ordinance, in the principal amount set forth above.

"Code" means the Internal Revenue Code of 1986, as amended, and includes related and applicable Income Tax Regulations promulgated by the Treasury Department.

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

"Fiscal Year" means the twelve-month period constituting the Issuer's fiscal year, not inconsistent with applicable law, presently May 1 of any to April 30 of the next year.

"Gross Revenues" means all income from whatever source derived from the System, including; (i) investment income; (ii) connection, permit and inspection fees and the like; and (iii) penalties and delinquency charges, but excluding expressly (a) nonrecurring income from the sale of real estate; (b) governmental or other grants; (c) advances or grants made to or from the Issuer; (d) capital development, reimbursement, or recovery charges and the like; (e) annexation or preannexation charges; and (f) as otherwise determined in accordance with generally accepted accounting principles for municipal enterprise funds.

"Issuer" means the Village of Chatham, Sangamon County, Illinois.

"Net Revenues" means Gross Revenues minus Operation and Maintenance Expenses.

**"Operation and Maintenance Expenses"** means all expenses of operating, maintaining and routine repair of the System, including wages, salaries, costs of materials and supplies, power, fuel, insurance, purchase of System services; but excluding debt service, depreciation, or any reserve requirements, and otherwise as determined in accordance with generally accepted accounting principles for municipal enterprise funds.

**"Outstanding Bonds"** means the Bonds, other Alternate Bonds and Parity Bonds which are outstanding and unpaid; provided, however, such term shall not include the Bonds, Parity Bonds or other Alternate Bonds: (i) which have matured and for which moneys are on deposit with proper paying agents, or are otherwise properly available, sufficient to pay all principal and interest thereof, or (ii) the provision for payment of which has been made by the Issuer by the deposit in an irrevocable trust or escrow of funds or direct, full faith and credit obligations of the United States of America, the principal and interest of which will be sufficient to pay at maturity or as called for redemption all the principal of and applicable premium on such Bonds, and will not result in the loss of the exclusion from gross income of the interest thereon under Section 103 of the Code.

**"Parity Bonds"** means bonds or any other obligations to be issued subsequent in time to the Bonds and which will share ratably and equally in the Revenue Source with the Bonds and other Alternate Bonds.

**"Pledged Revenues"** or **"Revenue Source"** means the Net

Revenues of the System, constituting "enterprise revenues" under the Local Government Debt Reform Act.

"Prior Project" means the acquisition, construction and installation, as the case may be, of land, buildings and equipment constituting extensions and improvements, and related improvements and facilities, as more fully set forth in the preambles to this ordinance, which were acquired, constructed and installed in whole or in part from proceeds of the Prior Bonds.

"Purchase Agreement" means the Bond purchase contract to be entered into by and between the Issuer and the Underwriter in connection with the Bonds.

"Qualified Investments" means legal investments of the Issuer under applicable law.

"Underwriter" means Griffin, Kubik, Stephens & Thompson, Inc., Chicago, Illinois, the underwriter in connection with the Bonds.

Section 2. Authority and Purpose. This ordinance is adopted pursuant to the Constitution and applicable laws of the State of Illinois, including the Act, for the purpose of paying, refunding, redeeming and retiring on November 1, 1992 all outstanding Prior Bonds.

Section 3. Authorization and Terms of Bonds. To meet part of the estimated cost of the Refunding, there is hereby appropriated the sum of \$1,985,000, to be derived from the proceeds of the Bonds. For the purpose of financing such appropriation, Bonds of the Issuer shall be issued and sold in the aggregate principal amount set forth above, shall each be

designated "General Obligation Refunding Bond (Alternate Revenue Source), Series 1992", and shall be issuable in the denomination of \$5,000 or any authorized integral multiple thereof.

(a) General Terms. The Bonds shall be numbered consecutively from 1 upwards in order of their issuance and may bear such identifying numbers or letters as shall be useful to facilitate the registration, transfer and exchange of the Bonds. Unless otherwise determined in an order to authenticate the Bonds (in any event to be as of or after September 15, 1992, and as of or before the date or dates of the issuance and sale thereof) and acceptable to the Underwriter, each Bond shall be dated September 15, 1992. The Bonds are hereby authorized to bear interest at the rates percent per annum set forth below and shall mature on May 1 of the years and in the principal amount in each year, as follows:

<u>Year</u>	<u>Principal Amount(\$)</u>	<u>Interest Rate (%)</u>
1993	130,000	5.25
1994	180,000	5.25
1995	190,000	5.25
1996	200,000	4.40
1997	210,000	4.70
1998	220,000	5.00
1999	230,000	5.20
2000	240,000	5.40
2001	255,000	5.60
2002	130,000	5.80

Each Bond shall bear interest from its date, or from the most recent interest payment date to which interest has been paid, computed on the basis of a 360-day year consisting of twelve 30-day months, and payable in lawful money of the United States of America semiannually on each May 1 and November 1, commencing May 1, 1993, at the rates percent per annum herein



provided. The principal of and premium, if any, on the Bonds shall be payable in lawful money of the United States of America upon presentation and surrender thereof at the principal corporate trust office of the financial institution designated in this ordinance to act as the Paying Agent for the Bonds (including its successors, the "Paying Agent"). Interest on the Bonds shall be payable on each interest payment date to the registered owners of record appearing on the registration books maintained by the financial institution designated in this ordinance to act as Bond Registrar on behalf of the Issuer for such purpose (including its successors, the "Bond Registrar"), at the principal corporate trust office of the Bond Registrar as of the close of business on the fifteenth (15th) day of the calendar month next preceding the applicable interest payment date. Interest on the Bonds shall be paid by check or draft mailed by the Paying Agent to such registered owners at their addresses appearing on the registration books.

(b) No Redemption. The Bonds shall not be subject to call for redemption prior to maturity.

(c) Transfer. The Bond Registrar shall not be required to exchange or transfer any Bond during the period from the fifteenth (15th) day of the month preceding any interest payment date to such interest payment date.

Section 4. Related Agreements and Official Statement.

The Purchase Agreement and the Official Statement in connection with the Bonds (the "Official Statement"), in substantially the forms thereof presented before the meeting of the Corporate

Authorities at which this ordinance is adopted, shall be and are hereby approved. All things done by the Underwriter with respect to the Official Statement and by the Issuer's Village President, Village Clerk, Treasurer and Village Attorney, in connection with the issuance and sale of the Bonds, shall be and are hereby in all respects ratified, confirmed and approved. The Village President, Village Clerk, Treasurer, Village Attorney and other officials of the Issuer are hereby authorized and directed to do and perform, or cause to be done or performed for or on behalf of the Issuer, each and every thing necessary for the issuance of the Bonds, including the proper execution, delivery and performance of the Purchase Agreement, and related instruments and certificates, by the Issuer and the purchase by and delivery of the Bonds to or at the direction of the Underwriter. No elected or appointed officer of the Issuer is in any manner interested, directly or indirectly, in his or her own name or in the name of any other person, association, trust or corporation in the Purchase Agreement.

At the direction of the Village President or Treasurer, the Underwriter is hereby authorized to pay for the Bonds in whole or in part, as the case may be, by the application for and purchase of investments to deposit to effect the Refunding. The Issuer shall cooperate with the Underwriter in connection with compliance by the Underwriter with Rule 15c2-12 of the Securities and Exchange Commission and applicable rules of the Municipal Securities Rulemaking Board. The Issuer hereby expressly finds that the Official Statement in the form presented to the

Corporate Authorities at the time of adoption of this ordinance is "deemed final" under such SEC Rule 15c2-12.

Section 5. Execution and Authentication. Each Bond shall be executed in the name of the Issuer by the manual or authorized facsimile signature of its Village President and the corporate seal of the Issuer, or a facsimile thereof, shall be thereunto affixed, impressed or otherwise reproduced or placed thereon and attested by the manual or authorized facsimile signature of its Village Clerk. Temporary Bonds, preliminary to the availability of Bonds in definitive form, shall be and are hereby authorized and approved.

In case any officer whose signature, or a facsimile of whose signature, shall appear on any Bond shall cease to hold such office before the issuance of such Bond, such Bond shall nevertheless be valid and sufficient for all purposes, the same as if the person whose signature, or a facsimile thereof, appears on such Bond had not ceased to hold such office. Any Bond may be signed, sealed or attested on behalf of the Issuer by any person who, on the date of such act, shall hold the proper office, notwithstanding that at the date of such Bond such person may not hold such office. No recourse shall be had for the payment of any Bonds against the Village President or any member of the Board of Trustees or any officer or employee of the Issuer (past, present or future) who executes the Bonds, or on any other basis.

Each Bond shall bear thereon a certificate of authentication executed manually by the Bond Registrar. No Bond shall be entitled to any right or benefit under this ordinance or

shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Bond Registrar. Such certificate of authentication shall have been duly executed by the Bond Registrar by manual signature, and such certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this ordinance. The certificate of authentication on any Bond shall be deemed to have been executed by the Bond Registrar if signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

Section 6. Transfer, Exchange and Registration. The Bonds shall be negotiable, subject to the provisions for registration of transfer contained herein. Each Bond shall be transferable only upon the registration books maintained by the Bond Registrar on behalf of the Issuer for that purpose at the principal corporate trust office of the Bond Registrar by the registered owner thereof in person or by such registered owner's attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Bond Registrar and duly executed by the registered owner or such registered owner's duly authorized attorney. Upon the surrender for transfer of any such Bond, the Issuer shall execute and the Bond Registrar shall authenticate and deliver a new Bond or Bonds registered in the name of the transferee of the same aggregate principal amount, maturity and interest rate as the

surrendered Bond. Bonds, upon surrender thereof at the principal corporate trust office of the Bond Registrar, with a written instrument satisfactory to the Bond Registrar, duly executed by the registered owner or such registered owner's attorney duly authorized in writing, may be exchanged for an equal aggregate principal amount of Bonds of the same maturity and interest rate and of the denomination of \$5,000 or any authorized integral multiple thereof, less previous retirements.

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

The Issuer, the Paying Agent and the Bond Registrar may deem and treat the person in whose name any Bond shall be registered upon the registration books as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of, premium, if any, or interest thereon and for all other purposes whatsoever, and all such payments so made to any such registered owner or upon such registered owner's order shall be

valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Issuer nor the Paying Agent or the Bond Registrar shall be affected by any notice to the contrary.

Section 7. Bond Registrar and Paying Agent. The Bond Registrar and Paying Agent with respect to this ordinance and the Bonds shall be United Community Bank, with its principal corporate trust office in Chatham, Illinois. The Issuer covenants that it shall at all times retain a Bond Registrar and Paying Agent with respect to the Bonds and shall cause to be maintained at the office of such Bond Registrar a place where Bonds may be presented for registration of transfer or exchange, that it will maintain at the designated office of the Paying Agent a place where Bonds may be presented for payment, that it shall require that the Bond Registrar maintain proper registration books and that it shall require the Bond Registrar and Paying Agent to perform the other duties and obligations imposed upon each of them by this ordinance in a manner consistent with the standards, customs and practices concerning municipal securities. The Issuer may enter into appropriate agreements with the Bond Registrar and Paying Agent in connection with the foregoing, including as follows:

(a) to act as Bond Registrar, authenticating agent, Paying Agent and transfer agent as provided herein;

(b) to maintain a list of the registered owners of the Bonds as set forth herein and to furnish such list to the Issuer upon request, but otherwise to keep such list confidential;

(c) to cancel and/or destroy Bonds which have been paid at maturity or submitted for exchange or transfer;

(d) to furnish the Issuer at least annually a certificate with respect to Bonds cancelled and/or destroyed; and

(e) to furnish the Issuer at least annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with respect to interest on the Bonds.

The Bond Registrar and Paying Agent shall signify their acceptances of the duties and obligations imposed upon them by this ordinance. The Bond Registrar by executing the certificate of authentication on any Bond shall be deemed to have certified to the Issuer that it has all requisite power to accept, and has accepted, such duties and obligations (including as Paying Agent in the case of United Community Bank not only with respect to the Bond so authenticated but with respect to all of the Bonds. The Bond Registrar and Paying Agent are the agents of the Issuer for such purposes and shall not be liable in connection with the performance of their respective duties except for their own negligence or default. The Bond Registrar shall, however, be responsible for any representation in its certificate of authentication on the Bonds.

The Issuer may remove the Bond Registrar or Paying Agent at any time. In case at any time the Bond Registrar or Paying Agent shall resign (such resignation to not be effective until a successor has accepted such role) or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Bond Registrar or Paying Agent, or of its property, shall be appointed, or if any public officer shall take charge or control of the Bond Registrar or Paying Agent or of their respective

properties or affairs, the Issuer covenants and agrees that it will thereupon appoint a successor Bond Registrar or Paying Agent, as the case may be. The Issuer shall mail or cause to be mailed notice of any such appointment made by it to each registered owner of Bonds within twenty (20) days after such appointment. Any Bond Registrar or Paying Agent appointed under the provisions of this Section 7 shall be a bank, trust company or other qualified professional with respect to such matters, authorized to exercise such functions in the State of Illinois.

**Section 8. Alternate Bonds; General Obligations.** The Bonds are and constitute Alternate Bonds under the Local Government Debt Reform Act, anticipated to be payable from Pledged Revenues. Under and pursuant to Section 15 of the Local Government Debt Reform Act, the full faith and credit of the Issuer are hereby irrevocably pledged to the punctual payment of the principal of, premium, if any, and interest on the Bonds; the Bonds shall be direct and general obligations of the Issuer; and the Issuer shall be obligated to levy ad valorem taxes upon all the taxable property within the Issuer's corporate limits, for the payment of the Bonds and the interest thereon, without limitation as to rate or amount (such ad valorem taxes being the "Pledged Taxes").

Pledged Revenues are hereby determined by the Corporate Authorities to be sufficient to provide for or pay in each year to final maturity of the Bonds all of the following: (1) costs of operation and maintenance of the utility or enterprise (i.e., the System), but not including depreciation, (2) debt service on all



outstanding revenue bonds payable from enterprise revenues, (3) all amounts required to meet any fund or account requirements with respect to such outstanding revenue bonds, (4) other contractual or tort liability obligations, if any, payable from such enterprise revenues, and (5) in each year, an amount not less than 1.25 times debt service of all (i) alternate bonds payable from such enterprise revenues previously issued and outstanding and (ii) alternate bonds proposed to be issued. To the extent payable from one or more revenue sources, the Pledged Revenues shall be and, are hereby determined by the Corporate Authorities to provide in each year, an amount not less than 1.25 times debt service (as defined in Section 2 of the Local Government Debt Reform Act) of alternate bonds payable from such revenue sources previously issued and outstanding and alternate bonds proposed to be issued. Such conditions enumerated need not be met for that amount of debt service (as defined in Section 2 of the Local Government Debt Reform Act) provided for by the setting aside of proceeds of bonds or other moneys at the time of the delivery of such bonds. The Pledged Revenues (including as defined in Section 2 of the Local Government Debt Reform Act) are hereby determined by the Corporate Authorities to provide in each year Operation and Maintenance Expenses, depreciation and reserve requirements and an amount not less than 1.25 times debt service (as defined in Section 2 of the Local Government Debt Reform Act) of all of the Bonds, there being no obligations outstanding payable from such Pledged Revenues after the payment and refunding of the Prior Bonds on November 1, 1992, which is hereby authorized.

The determination of the sufficiency of the Pledged Revenues (including as defined in Section 2 of the Local Government Debt Reform Act) is supported by reference to the most recent audit of the Issuer, which is for a Fiscal Year ending not earlier than 18 months previous to the time of issuance of the alternate Bonds. In the event between the date of adoption of this ordinance and issuance of the Bonds such audit does not adequately show the sufficiency of such Pledged Revenues (including as defined in Section 2 of the Local Government Debt Reform Act), or if such Pledged Revenues (including as defined in Section 2 of the Local Government Debt Reform Act), the determination of sufficiency shall be supported by the report of an independent accountant or feasibility analyst having a national reputation for expertise in such matters demonstrating the sufficiency of such revenues and explaining, if appropriate, by what means the Pledged Revenues (including as defined in Section 2 of the Local Government Debt Reform Act) will be greater than as shown in the audit. Whenever the sufficiency of Pledged Revenues is demonstrated by reference to higher rates or charges and fees for enterprise revenues (with respect to the use of the services of the System constituting the Pledged Revenues, including as defined in Section 2 of the Local Government Debt Reform Act), such higher rates or charges and fees with respect to the use of the services of the System shall have been properly imposed by an ordinance adopted prior to the time of delivery of the Bonds.

Section 9. Form of Bonds. The Bonds shall be issued as fully registered Bonds conforming to the industry customs and practices of printing, including part on the front and part on the reverse of the certificates, as appropriate, the blanks to be appropriately completed when the Bonds are printed. The Bonds shall be prepared in compliance with the National Standard Specifications for Fully Registered Municipal Securities prepared by the American National Standards Institute and shall be in substantially the form, as follows:

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UNITED STATES OF AMERICA  
STATE OF ILLINOIS  
COUNTY OF SANGAMON  
VILLAGE OF CHATHAM  
GENERAL OBLIGATION REFUNDING BOND  
(ALTERNATE REVENUE SOURCE)  
SERIES 1992

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

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

INTEREST RATE:

MATURITY DATE:

DATED DATE

CUSIP:

September 15, 1992

Registered Owner:

Principal Amount:

KNOW ALL BY THESE PRESENTS that the Village of Chatham, a non-home rule unit of local government situated in The County of Sangamon, in the State of Illinois (the "Issuer"), acknowledges itself indebted and for value received hereby promises to pay to the Registered Owner identified above, or registered assigns, the Principal Amount set forth above on the Maturity Date specified above, and to pay interest on such Principal Amount from the Dated Date hereof, or from the most recent interest payment date to which interest has been paid, at the Interest Rate per annum set forth above, computed on the basis of a 360-day year consisting of twelve 30-day months and payable in lawful money of the United States of America semiannually on the first days of May and November in each year, commencing May 1, 1993, until the Principal Amount hereof shall have been paid, by check or draft mailed to the Registered Owner of record hereof as of the fifteenth (15th) day of the calendar month next preceding such interest payment date, at the address of such Registered

Owner appearing on the registration books maintained for such purpose at the principal corporate trust office of United Community Bank, in Chatham, Illinois, as Bond Registrar (including its successors, the "Bond Registrar"). This Bond, as to principal and premium, if any, when due, will be payable in lawful money of the United States of America upon presentation and surrender of this Bond at the principal corporate trust office of United Community Bank, Chatham, Illinois, as Paying Agent (including its successors, the "Paying Agent"). Although it is expected, and has been certified, that the Bonds are to be paid from the receipts derived by the Issuer from Net Revenues constituting Pledged Revenues (as each such term is defined in the hereinafter defined Bond Ordinance) derived from the Issuer's combined waterworks and sewerage system (the "System"), which Pledged Revenues are pledged to the payment thereof, the full faith and credit of the Issuer, including the power to levy taxes without limit as to rate or amount, are irrevocably pledged for the punctual payment of the principal of and interest on this Bond and each Bond of the series of which it is a part, according to the terms thereof.

This Bond is one of a series of Bonds issued in the aggregate principal amount of \$1,985,000, which are all of like tenor, except as to maturity, interest rate and right of redemption, and which are authorized and issued under and pursuant to the Constitution and laws of the State of Illinois, including Section 15 of the Local Government Debt Reform Act

(Paragraph 6915 of Chapter 17 of the Illinois Revised Statutes, in connection with "alternate bonds", as supplemented and amended, including by the Registered Bond Act, the Illinois Bond Replacement Act, the Bond Authorization Act and the applicable laws authorizing the Pledged Revenues). and pursuant to and in accordance with Ordinance No. \_\_\_\_\_ adopted by the Village President and Board of Trustees of the Issuer on September 8, 1992, and entitled: "An Ordinance Authorizing the Issuance of \$1,985,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 1992, of the Village of Chatham, Sangamon County, Illinois, Providing the Details of Such Bonds and For an Alternate Revenue Source and the Levy of Direct Annual Taxes Sufficient to Pay the Principal of and Interest on such Bonds, and Related Matters" (with respect to which undefined terms herein shall have the meanings therein, the "Bond Ordinance"). The Bonds are issued to provide for the payment when due of the debt service on and the payment and redemption of certain prior Waterworks and Sewerage Revenue Bonds, Series 1985 (the "Prior Bonds"), issued to pay costs of improving and extending the System.

The Bonds shall not be subject to call for redemption prior to maturity.

This Bond is transferable only upon the registration books therefor by the Registered Owner hereof in person, or by such Registered Owner's attorney duly authorized in writing, upon surrender hereof at the principal corporate trust office of the Bond Registrar together with a written instrument of transfer

satisfactory to the Bond Registrar duly executed by the Registered Owner or by such Registered Owner's duly authorized attorney, and thereupon a new registered Bond or Bonds, in the denomination of \$5,000 or any authorized integral multiple thereof and of the same aggregate principal amount as this Bond shall be issued to the transferee in exchange therefor. In like manner, this Bond may be exchanged for an equal aggregate principal amount of Bonds of any authorized denomination.

The Bond Registrar shall not be required to exchange or transfer any Bond during the period from the fifteenth (15th) day of the month preceding any interest payment date to such interest payment date. The Issuer or the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to the transfer or exchange of this Bond. No other charge shall be made for the privilege of making such transfer or exchange. The Issuer, the Paying Agent and the Bond Registrar may treat and consider the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal, premium, if any, and interest due hereon and for all other purposes whatsoever, and all such payments so made to such Registered Owner or upon such Registered Owner's order shall be valid and effectual to satisfy and discharge the liability upon this Bond to the extent of the sum or sums so paid, and neither the Issuer nor the Paying Agent or the Bond Registrar shall be affected by any notice to the contrary.

No recourse shall be had for the payment of any Bonds against the Village President, any member of the Board of Trustees or any other officer or employee of the Issuer (past, present or future) who executes any Bonds, or on any other basis. The Issuer may remove the Bond Registrar or Paying Agent at any time and for any reason and appoint a successor.

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

The Issuer has designated the Bonds as "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

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

IN WITNESS WHEREOF, the Village of Chatham, Sangamon County, Illinois, has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of its Village President, and its corporate seal, or a facsimile thereof, to be hereunto affixed or otherwise reproduced hereon and attested by the manual or facsimile signature of its Village Clerk, all as of the Dated Date set forth above.



(SEAL)

VILLAGE OF CHATHAM, Sangamon  
County, Illinois

Attest:

\_\_\_\_\_  
Village Clerk

\_\_\_\_\_  
Village President

**CERTIFICATE OF AUTHENTICATION**

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

This Bond is one of the General Obligation Refunding Bonds (Alternate Revenue Source), Series 1992, described in the within mentioned Bond Ordinance.

UNITED COMMUNITY BANK, Chatham,  
Illinois, as Bond Registrar

By: \_\_\_\_\_  
Authorized Officer

Bond Registrar      United Community Bank,  
and Paying Agent:    Chatham, Illinois

**ASSIGNMENT**

For value received the undersigned sells, assigns and transfers unto \_\_\_\_\_ [Name, Address and Social Security Number or FEIN of Assignee] the within Bond and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated \_\_\_\_\_

\_\_\_\_\_  
Signature

Signature Guarantee:

Notice: The signature on this 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. Levy and Extension of Taxes.** For the purpose of providing the money required to pay the interest on the Bonds when and as the same falls due and to pay and discharge the principal thereof as the same shall mature, there shall be levied upon all the taxable property within the Issuer's corporate limits in each year while any of the Bonds shall be outstanding, a direct annual tax in each of the years 1992 through 2000, inclusive, sufficient for that purpose, in addition to all other taxes, and in the amounts for each year, as follows:

<u>Tax Levy Year</u>	<u>A Tax Sufficient to Produce the Sum of:</u>
1992	\$470,282.67 for interest and principal
1993	276,385.00 for interest and principal
1994	276,410.00 for interest and principal
1995	277,610.00 for interest and principal
1996	277,740.00 for interest and principal
1997	276,740.00 for interest and principal
1998	274,780.00 for interest and principal
1999	276,820.00 for interest and principal
2000	137,540.00 for interest and principal

To the extent lawful, interest or principal coming due at any time when there shall be insufficient funds on hand to pay the same shall be paid promptly when due from current funds on hand in advance of the collection of the taxes herein levied; and when such taxes shall have been collected, reimbursement shall be made to such fund or funds from which such advance was made in the amounts thus advanced.

As soon as this ordinance becomes effective, a copy

hereof certified by the Village Clerk, which certificate shall recite that this ordinance has been duly adopted, shall be filed with the County Clerk of Sangamon County, Illinois, who is hereby directed to ascertain the rate percent required to produce the aggregate tax hereinabove provided to be levied in the years 1992 through 2000, inclusive, and to extend the same for collection on the tax books in connection with other taxes levied in each of such years, in and by the Issuer for general corporate purposes of the Issuer, and in each of such years such annual tax shall be levied and collected in like manner as taxes for general corporate purposes for each of such years are levied and collected and, when collected, such taxes shall be used solely for the purpose of paying the principal of and interest on the Bonds herein authorized as the same become due and payable.

The Issuer covenants and agrees with the registered owners of the Bonds that so long as any of the Bonds remain outstanding the Issuer will not cause the abatement of the foregoing taxes and otherwise will take no action or fail to take any action which in any way would adversely affect the ability of the Issuer to levy and collect the foregoing taxes, unless and to the extent (i) there then shall be moneys irrevocably on deposit in the Debt Service Account of 1992 or (ii) by a three-fourths affirmative vote of the Corporate Authorities, supported by the projections or forecasts of an independent certified public accountant, the Corporate Authorities by resolution shall determine and find that Pledged Revenues to the extent of (and covering the applicable period for

which such taxes were levied) such abatement under the Local Government Debt Reform Act are to be timely received such that the Bonds continue to constitute "alternate bonds", and the Issuer 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 Debt Service Account of 1992 established in Section 11 below to pay the principal of and interest on the Bonds. Whenever either (i) or (ii) above in this paragraph have been satisfied, the Corporate Authorities shall duly direct the abatement of the Pledged Taxes for the year with respect to which such taxes have been levied to the extent of such deposit, and appropriate certification of such abatement shall be timely filed with the County Clerk in connection with such abatement. If for any reason there is abatement of such levy of taxes and the failure thereafter to pay debt service in respect of such abatement, the additional amount, together with additional interest accruing, shall be added to the tax levy in the year of, or the next year following, such failure.

Section 11. Debt Service Account. Pledged Revenues and moneys derived from taxes herein levied (i.e., the Pledged Taxes) are hereby pledged, appropriated and set aside for the sole purpose of paying principal of and interest on the Bonds when and as the same come due. All of such moneys, and all other moneys to be used for the payment of the principal of and interest on the Bonds, including Pledged Revenues available for such payment, shall be deposited in the "Debt Service Account of

1992" which is hereby established as a special account of the Issuer and shall be administered as a bona fide debt service fund under the Internal Revenue Code of 1986, as amended. All accrued interest received upon the issuance of the Bonds shall be deposited in the Debt Service Account of 1992 and applied to pay the first interest on the Bonds.

On or before the second business day of the Issuer preceding the first day of each month, commencing as of October 1, 1992, the Issuer's Treasurer shall first credit to and shall immediately deposit into the Debt Service Account of 1992 a pro rata amount (not less than 1/5) of Pledged Revenues of the installment of interest coming due on the next succeeding interest payment date (the aggregate being the "**Interest Requirement**" for the applicable period) on the then Outstanding Bonds plus a pro rata amount (not less than 1/10) of the installment of principal coming due on the then Outstanding Bonds on the next succeeding principal payment or mandatory redemption date on the then Outstanding Bonds (the aggregate being the "**Principal Requirement**" for the applicable period). Pledged Revenues shall be so credited in full to the Debt Service Account of 1992 until the Principal Requirement and the Interest Requirement shall have been met, after which no such deposits shall be required, and such moneys may be accumulated in the "**Surplus Account of 1992**", which is hereby established as a special account of the Issuer, and shall be applied to fund the Depreciation Account of 1992 or to any other lawful System or corporate purposes. Except as hereinafter provided, moneys to

the credit of the Debt Service Account of 1992 shall be used solely and only for the purpose of paying principal of and redemption premium, if any, and interest on the Bonds as the same become due or upon maturity or mandatory redemption.

Section 12. Bond Proceeds Account. Unless applied directly by the Underwriter or the Issuer to acquire Government Securities as provided above in Section 4, all of the proceeds derived from the sale of the Bonds (exclusive of accrued interest) shall be deposited in the "Bond Proceeds Account of 1992", which is hereby established as a special account of the Issuer. Moneys in the Bond Proceeds Account of 1992 shall be used for the purposes specified in Section 1 of this ordinance (that is, the costs of the Refunding) and for the payment of costs of issuance of the Bonds, but may hereafter be reappropriated and used for other lawful purposes in accordance with the Revenue Source Act. Before any such reappropriation shall be made, there shall be filed with the Village Clerk an opinion of Evans & Froehlich, Champaign, Illinois, or other nationally recognized Bond counsel ("Bond Counsel") to the effect that such reappropriation is authorized and will not adversely affect the tax-exempt status of the Bonds under Section 103 of the Internal Revenue Code of 1986, as amended. Unless applied as set forth above in Section 4 concerning the Refunding, moneys in the Bond Proceeds Account of 1992 shall be withdrawn from time to time as needed for the payment of costs and expenses incurred or advanced by the Issuer in connection with the Refunding and for paying the fees and expenses incidental thereto. Except as is

hereby authorized to be directly applied to the Refunding, moneys shall be withdrawn from the depository in connection with such funds from time to time by the Treasurer or other appropriate financial officer of the Issuer only upon submission by such officer to such depository of the following:

A duplicate copy of the order signed by the Village President and the Village Clerk or Treasurer, or such other officer(s) as may from time to time be by law authorized to sign and countersign orders of the Issuer, stating specifically the purpose for which the order is issued and indicating that the payment for which the order is issued has been approved by the Corporate Authorities.

Within sixty (60) days after completion of the Refunding, the Village President shall certify to the Corporate Authorities the fact that the Refunding has been completed, and after all costs have been paid, the Village President and Village Clerk shall execute a completion certificate and file it with the depository in which the Bond Proceeds Account of 1992 is on deposit and in the records of the Issuer certifying that the Refunding has been completed and that all costs have been paid; and, if at that time any funds remain in the Bond Proceeds Account of 1992, the same shall be applied for other improvements to the System or transmitted by the depository to the Treasurer or other appropriate financial officer of the Issuer, and such officer shall credit such funds to the Debt Service Account of 1992, as the Corporate Authorities direct. If not applied to System improvements within

90 days of filing such completion certificate, the Treasurer shall transfer such funds to the Depreciation Account of 1992 in Section 13 below.

**Section 13. Depreciation Account.** Beginning the month after the delivery of the Bonds, there shall be credited to the to the "Depreciation Account of 1992" and held, in cash and investments, such sum, if any, as the Corporate Authorities may deem necessary in order to provide an adequate depreciation fund for the System, and thereafter, the Corporate Authorities by resolution may direct to make specific monthly deposits to such Depreciation Account and to accumulate funds therein. Amounts to the credit of the Depreciation Account of 1992 shall be used for (i) the payment of the costs of extraordinary maintenance, necessary repairs and replacements, or contingencies, the payment for which no other funds are available, in order that the System may at all times be able to render efficient service and (ii) the payment of principal of or interest and applicable premium on any Outstanding Bonds at any time when there are no other funds available for that purpose in order to prevent a default and shall be transferred to the Debt Service Account of 1992 for such purpose.

Whenever an amount is withdrawn from the Depreciation Account of 1992 for the purpose stated in clause (ii) of the preceding paragraph, the Issuer shall have undertaken a rate study of the System by a qualified accountant, engineer or other municipal finance professional. Each expenditure to be made from the Depreciation Account of 1992 for the purpose stated in clause



(i) of the preceding paragraph shall be made only after a 2/3 approving vote of the Corporate Authorities has certified that such expenditure is necessary to the continued effective and efficient operation of the System.

**Section 14. Arbitrage Rebate.** The Issuer shall comply with the provisions of Section 148(f) of the Internal Revenue Code of 1986, as amended, relating to the rebate of certain investment earnings at periodic intervals to the United States of America to the extent that there shall have been filed with the Village Clerk an opinion of Bond Counsel to the effect that such compliance is necessary to preserve the exclusion from gross income for federal income tax purposes of interest on the Bonds under Section 103 of the Internal Revenue Code of 1986, as amended. There is hereby created a separate and special account Fund known as the "Rebate Account", into which there shall be deposited as necessary investment earnings to the extent required so as to maintain the tax-exempt status of the interest on the Bonds under Section 148(f) of the Internal Revenue Code of 1986, as amended. Any rebates, special impositions or taxes for such purpose payable to the United States of America (Internal Revenue Service) shall be payable from applicable excess earnings or other sources which are to be deposited into the Rebate Account.

**Section 15. Investment Regulations.** All investments shall be in Qualified Investments, unless otherwise expressly herein provided. No investment shall be made of any moneys in the Debt Service Account of 1992 or the Bond Proceeds Account of 1992 except in accordance with the tax covenants and other

covenants set forth in Section 15 of this ordinance. All income derived from such investments in respect of moneys or securities in any fund or account shall be credited in each case to the fund or account in which such moneys or securities are held.

Any moneys in any fund or account that are subject to investment yield restrictions may be invested in United States Treasury Securities, State and Local Government Series, pursuant to the regulations of the United States Treasury Department, Bureau of Public Debt. The Issuer's Treasurer and agents designated by such officer are hereby authorized to submit on behalf of the Issuer subscriptions for such United States Treasury Securities and to request redemption of such United States Treasury Securities.

**Section 16. Non-Arbitrage and Tax-Exemption.** One purpose of this Section is to set forth various facts regarding the Bonds and to establish the expectations of the Corporate Authorities and the Issuer as to future events regarding the Bonds and the use of Bond proceeds. The certifications and representations made herein and at the time of the issuance of the Bonds are intended, and may be relied upon, as certifications and expectations described in Sections 1.103-13(a)(2)(ii) and 1.148-0 et seq. of the Income Tax Regulations dealing with arbitrage and rebate (the "Regulations"). The covenants and agreements contained herein and at the time of the issuance of the Bonds are made for the benefit of the registered owners from time to time of the Bonds. The Corporate Authorities and the Issuer agree, certify, covenant and represent as follows:

(a) The Bonds are being issued to pay the costs of the Refunding and related costs and expenses, and all of the amounts received upon the sale of the Bonds, plus all investment earnings thereon (the "Proceeds") are needed for the purpose for which the Bonds are being issued.

(b) The Issuer will deposit funds with the paying agent for the Prior Bonds concurrently with the issuance of the Bonds sufficient to pay when due and redeem and retire on November 1, 1992 all outstanding Prior Bonds.

(c) The Issuer has on hand no funds which could legally and practically be used for the Refunding which are not pledged, budgeted, earmarked or otherwise necessary to be used for other purposes. Accordingly, no portion of the Proceeds will be used (i) directly or indirectly to replace funds of the Issuer or any agency, department or division thereof that could be used for the Refunding, or (ii) to replace any proceeds of any prior issuance of obligations by the Issuer. No portion of the Bonds is being issued solely for the purpose of investing the Proceeds at a Yield higher than the Yield on the Bonds. For purposes of this Section, "Yield" means that yield (that is, the discount rate) which when used in computing the present worth of all payments of principal and interest to be paid on an obligation (using semi-annual compounding on the basis of a 360-day year) produces an amount equal to the purchase price of the Bonds, including accrued interest, and the purchase price of the Bonds is equal to the first offering price at which more than 10% of the principal amount of each maturity of the Bonds is sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers).

(d) All principal proceeds of the Bonds will be directly applied to the Refunding or will be deposited in the Bond Proceeds Account of 1992 and used to pay costs of the Refunding and costs of issuance of the Bonds, and any accrued interest and premium received on the delivery of the Bonds will be deposited in the Debt Service Account of 1992 and used to pay the first interest due on the Bonds. Earnings on the investment of moneys in any fund or account will be credited to that fund or account. Other Refunding costs, including issuance costs of the Bonds, will be paid directly from other available funds or from the Bond Proceeds Account of 1992, and no other moneys are expected to be deposited therein. This ordinance provides that moneys in the Depreciation Account of 1992 may be applied to pay debt service on the Bonds in the event there shall be an insufficiency in the Debt Service Account of 1992. However, due to the expected application of such moneys to pay costs of replacement, repair and extraordinary maintenance of System facilities, it is unlikely such moneys will be available for such purpose. Interest on and principal of

the Bonds will be paid from the Debt Service Account of 1992. Except for the Refunding, no Proceeds will be used more than 30 days after the date of issue of the Bonds for the purpose of paying any principal or interest on any issue of bonds, notes, certificates or warrants or on any installment contract or other obligation of the Issuer or for the purpose of replacing any funds of the Issuer used for such purpose.

(e) The Debt Service Account of 1992 is established to achieve a proper matching of revenues and earnings with debt service in each bond year. Other than any amounts held to pay principal of matured Bonds that have not been presented for payment, it is expected that any moneys deposited in the Debt Service Account of 1992 will be spent within the 12-month period beginning on the date of deposit therein. Any earnings from the investment of amounts in the Debt Service Account of 1992 will be spent within a one-year period beginning on the date of receipt of such investment earnings. Other than any amounts held to pay principal of matured Bonds that have not been presented for payment, it is expected that the Debt Service Account of 1992 will be depleted at least once a year, except for a reasonable carryover amount not to exceed the greater of (i) one-year's earnings on the investment of moneys in the Debt Service Account of 1992, or (ii) in the aggregate one-twelfth (1/12th) of the annual debt service on the Bonds.

(f) Other than the Debt Service Account of 1992, no funds or accounts, including the Depreciation Account of 1992, have been or are expected to be established, and no moneys or property have been or are expected to be pledged (no matter where held or the source thereof) which will be available to pay, directly or indirectly, the Bonds or restricted so as to give reasonable assurance of their availability for such purposes. No property of any kind is pledged to secure, or is available to pay, obligations of the Issuer to any credit enhancer or liquidity provider.

(g) (i) All amounts on deposit in the Bond Proceeds Account of 1992 or the Debt Service Account of 1992 or the Depreciation Account of 1992 and all Proceeds, no matter in what funds or accounts deposited ("Gross Proceeds"), to the extent not exempted in (ii) below, and all amounts in any fund or account pledged directly or indirectly to the payment of the Bonds which will be available to pay, directly or indirectly, the Bonds or restricted so as to give reasonable assurance of their availability for such purpose contrary to the expectations set forth in (f) above, shall be invested at market prices and at a Yield not in excess of the Yield on the Bonds plus, for amounts in the Bond Proceeds Account of 1992 not applied to the Refunding or to be transferred to the Bond Proceeds Account of 1992 to finance System improvements or to the Debt Service Account of 1992 only, 1/8 of 1%.

(ii) The following may be invested without Yield restriction:

(A) amounts invested in obligations described in Section 103(a) of the Internal Revenue Code of 1986, as amended (but not specified private activity bonds as defined in Section 57(a)(5)(C) of the Code), the interest on which is not includable in the gross income of any registered owner thereof for federal income tax purposes ("**Tax-Exempt Obligations**");

(B) amounts deposited in the Debt Service Account of 1992 that are reasonably expected to be expended within 13 months from the deposit date and have not been on deposit therein for more than 13 months;

(C) amounts, if any, in the Bond Proceeds Account of 1992 to be applied to System improvements prior to the earlier of completion (or abandonment) of such improvements or three years from the date of issue of the Bonds;

(D) an amount not to exceed the lesser of \$100,000 or 5% of Bond proceeds;

(E) all amounts for the first 30 days after they become Gross Proceeds (e.g. date of deposit in any fund or account securing the Bonds); and

(F) all amounts derived from the investment of the Proceeds for a period of one year from the date received.

(h) Subject to (g) below, once moneys are subject to the Yield limits of (g)(i) above, such moneys remain Yield restricted until they cease to be Gross Proceeds.

(i) As set forth in Section 148(f)(4)(D) of the Internal Revenue Code of 1986, as amended, the Issuer is excepted from the required rebate of arbitrage profits on the Bonds because the Issuer is a governmental unit with general taxing powers, none of the Bonds is a "**private activity bond**" as defined in Section 141(a) of the Internal revenue Code of 1986, as amended, all the net proceeds of the Bonds are to be used for the local government activities of the Issuer, and the aggregate face amount of all tax-exempt obligations (including "**qualified 501(c)(3) bonds**" and excluding other than "**private activity bonds**" as defined in Internal Revenue Code of 1986, as amended) issued by the Issuer and all subordinate entities thereof during the calendar year 1992, including the Bonds, is not reasonably expected to exceed \$5,000,000.

(j) None of the Proceeds will be used, directly or indirectly, to replace funds which were used in any business carried on by any person other than a state or local governmental unit.

(k) The payment of the principal of or the interest on the Bonds will not be, directly or indirectly (A) secured by any interest in (i) property used or to be used for a private business use by any person other than a state or local governmental unit, or (ii) payments in respect of such property, or (B) derived from payments (whether or not by or to the Issuer), in respect of property, or borrowed money, used or to be used for a private business use by any person other than a state or local governmental unit.

(l) None of the Proceeds will be used, directly or indirectly, to make or finance loans to persons other than a state or local governmental unit.

(m) No user of the Prior Project other than a state or local government unit will use the Prior Project on any basis other than the same basis as the general public, and no person other than a state or local governmental unit will be a user of the Prior Project as a result of (i) ownership, or (ii) actual or beneficial use pursuant to a lease or a management or incentive payment contract, or (iii) any other similar arrangement.

(n) Beginning on the 31st day prior to the Bond sale date, the Issuer has not sold or delivered, and will not sell or deliver, (nor will it deliver within 31 days after the date of issuance of the Bonds) any other obligations pursuant to a common plan of financing, which will be paid out of substantially the same source of funds (or which will have substantially the same claim to be paid out of substantially the same source of funds) as the Bonds or will be paid directly or indirectly from Proceeds.

(o) No portion of the Prior Project is expected to be sold or otherwise disposed of prior to the last maturity of the Bonds.

(p) The Issuer has not been notified of any disqualification or proposed disqualification of it by the Internal Revenue Service as a bond issuer which may certify bond issues under Section 1.103-13(a)(2)(ii) of the Regulations.

(q) The Yield restrictions contained in (g) above or any other restriction or covenant contained herein need not be observed and may be changed if the Issuer receives an opinion of Bond Counsel to the effect that such non-observance or change will not adversely affect the tax-exempt status of interest on the Bonds to which the Bonds otherwise are entitled.

(r) The Issuer acknowledges that any changes in facts or expectations from those set forth herein may result in different Yield restrictions or rebate requirements from those set forth herein and that Bond Counsel should be contacted if such changes do occur.

(s) The Corporate Authorities have no reason to believe the facts, estimates, circumstances and expectations set forth herein are untrue or incomplete in any material respect. On the basis of such facts, estimates, circumstances and expectations, it is not expected that the Proceeds or any other moneys or property will be used in a manner that will cause the Bonds to be private activity bonds, arbitrage bonds or hedge bonds within the meaning of Sections 141, 148 or 149(g) of the Internal Revenue Code of 1986, as amended, and of applicable Regulations. To the best of the knowledge and belief of the Corporate Authorities, such expectations are reasonable, and there are no other facts, estimates and circumstances that would materially change such expectations.

The Issuer also agrees and covenants with the registered owners of the Bonds from time to time outstanding that, to the extent possible under Illinois law, it will comply with all present federal tax law and related regulations and with whatever federal tax law is adopted and regulations promulgated in the future which apply to the Bonds and affect the tax-exempt status of the Bonds.

Section 17. Further Assurances and Actions. The Corporate Authorities hereby authorize the officials of the Issuer responsible for issuing the Bonds, the same being the Village President, Village Clerk and Treasurer of the Issuer, to make such further filings, covenants, certifications and supplemental agreements as may be necessary to assure that the use of the Prior Project and Bonds and related proceeds will not cause the Bonds to be private activity bonds, arbitrage bonds or hedge bonds and to assure that the interest on the Bonds will be excluded from gross income for federal income tax purposes. In

connection therewith, the Issuer and the Corporate Authorities further agree: (a) through the officers of the Issuer, to make such further specific covenants, representations as shall be true, correct and complete, and assurances as may be necessary or advisable; (b) to consult with Bond 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; (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, to employ and pay fiscal agents, financial advisors, attorneys, and other persons to assist the Issuer in such compliance.

**Section 18. General Covenants.** The Issuer covenants and agrees with the registered owners of the Outstanding Bonds, so long as there are any Outstanding Bonds (as defined herein), as follows:

(a) The Issuer will take all action necessary to impose, levy and collect the Pledged Revenues and Pledged Taxes in the manner contemplated by this ordinance and such Pledged Revenues shall not be less than as shall be required under Section 15 of the Local Government Debt Reform Act to maintain the Bonds as Alternate Bonds.

(b) The Issuer covenants that it will, while any of the Bonds shall remain outstanding, charge rates and fees for usage of the System which are sufficient to provide for or pay each of the following in any given year: (1) cost of



operation and maintenance of the System (but not including depreciation); (2) debt service on all outstanding revenue bonds or other obligations payable from the Net Revenues of the System; (3) all amounts required to meet any fund or account requirements with respect to the Bonds or any other obligations payable from New Revenues of the System; (4) other contractual or tort liability obligations, if any, payable from such enterprise revenues; and (5) in each year, an amount not less than 1.25 times the debt service for all (i) alternate bonds payable from Net Revenues, including any previously issued and outstanding; and (ii) alternate bonds proposed to be issued and payable from Net Revenues, including the Bonds.

(c) Whenever the 125% coverage in subsection (b)(5) above is not effected or the Bonds at any time fail to qualify as Alternate Bonds not subject to any applicable debt limit under Section 15 of the Local Government Debt Reform Act or taxes are levied and extended and collected as in Section 9 hereof, the Issuer covenants to promptly have prepared a financial analysis of the System by an independent consulting accountant or other qualified professional employed for that purpose, and further, to send a copy of such analysis, when completed, to the Underwriter of the Bonds along with a letter indicating what action the Issuer has taken responsive to such study and to comply with Section 15 of the Local Government Debt Reform Act.

(d) The Issuer will make and keep proper books and

accounts (separate and apart from all other records and accounts of the Issuer), in which complete entries shall be made of all transactions relating to the Pledged Revenues and the operation of the System, and hereby covenants that within ninety (90) days following the close of each Fiscal Year, it will cause the books and accounts related to the Pledged Revenues and the System to be audited by independent certified public accountants. Such audit will be available for inspection by the registered owners of any of the Bonds. Upon availability, the Issuer will send the Underwriter a copy of such audit and of its general audit in each year. Each such audit, in addition to whatever matters may be thought proper by the accountants to be included therein, shall, without limiting the generality of the foregoing, include the following:

(i) A balance sheet as of the end of such Fiscal Year, including a statement of the amount held in each of the accounts under this ordinance.

(ii) A list of all insurance policies in force at the end of the Fiscal Year in connection with the System, setting out as to each policy the amount of the policy, the risks covered, the name of the insurer, and the expiration date of the policy.

(iii) The amount and details of all Outstanding Bonds.

(iv) The accountant's comments regarding the manner in which the Issuer has carried out the accounting

requirements of this ordinance (including as to the Alternate Bond Status of the Bonds) and has complied with Section 15 of the Local Government Debt Reform Act, and the accountant's recommendations for any changes.

It is further covenanted and agreed that a copy of each such audit shall be furnished upon completion to the Underwriter, and a summary thereof shall be furnished to the registered owner of any Bond upon request.

(e) The Issuer will keep its books and accounts in accordance with generally accepted fund reporting practices for local government entities and enterprise funds; provided, however, that the monthly credits to the Debt Service Account of 1992 shall be in cash, and such funds shall be held separate and apart in cash and investments. For the purpose of determining whether sufficient cash and investments are on deposit in such accounts under the terms and requirements of this ordinance, investments shall be valued at the lower of the cost or market price on the valuation date thereof, which valuation date shall be not less frequently than annually.

(f) The Issuer will take no action in relation to the Pledged Revenues or the Pledged Taxes which would unfavorably affect the security of the Outstanding Bonds or the prompt payment of the principal and interest thereon.

(g) The registered owner of any Bond may proceed by

civil action to compel performance of all duties required by law and this ordinance.

(h) The Issuer will adopt a budget and/or approve appropriations for the System prior to the beginning of each Fiscal Year, subject to all applicable state laws, providing for payment of all sums to be due in the Fiscal Year so as to comply with the terms of this ordinance. The budget may include in its estimate of income the use of available surplus moneys or other funds of the Issuer appropriated for such purposes. If during the Fiscal Year there are extraordinary receipts or payments of unusual cost, the Issuer will adopt an amended budget for the remainder of the Fiscal Year, providing for receipts or payments pursuant to this ordinance.

(i) The Issuer will comply with the special covenants concerning Alternate Bonds as required by Section 15 of the Local Government Debt Reform Act and Section 15 of this ordinance.

(j) After their issuance, the Bonds shall be incontestable by the Issuer.

Section 19. Ordinance to Constitute a Contract. The provisions of this ordinance shall constitute a contract between the Issuer and the registered owners of the Bonds. Any pledge made in this ordinance and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the Issuer shall be for the equal benefit, protection and security of the registered owners of any and all of the Bonds.

All of the Bonds, regardless of the time or times of their issuance, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof except as expressly provided in or pursuant to this ordinance. This ordinance and the Preliminary Ordinance shall constitute full authority for the issuance of the Bonds, and to the extent that the provisions of this ordinance conflict with the provisions of any other ordinance or resolution of the Issuer, the provisions of this ordinance shall control.

**Section 20. Severability and No Contest.** If any section, paragraph or provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this ordinance. Upon the issuance of the Bonds, neither the Bonds nor this ordinance shall be subject to contest by or in respect of the Issuer.

**Section 21. Bank Qualified Bonds.** Pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, the Issuer hereby designates the Bonds as "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. The Issuer represents that the reasonably anticipated amount of tax-exempt obligations that will be issued by the Issuer and all subordinate entities of the Issuer during the calendar year in which the Bonds are issued will not exceed \$10,000,000 (and reasonably expects not to exceed \$5,000,000) within the meaning of Section 265(b)(3) of the

Internal Revenue Code of 1986, as amended. The Issuer covenants that it will not so designate and issue more than \$10,000,000 (and reasonably expects not to exceed \$5,000,000) aggregate principal amount of tax-exempt obligations in such calendar year. For purposes of this Section, the term "tax-exempt obligations" includes "qualified 501(c)(3) Bonds" (as defined in the Section 145 of the Internal Revenue Code of 1986, as amended) but does not include other "private activity bonds" (as defined in Section 141 of the Internal Revenue Code of 1986, as amended).

Section 22. Repeal. All ordinances, resolutions or parts thereof in conflict herewith be and the same are hereby repealed to the extent of such conflict and this ordinance shall be in full force and effect forthwith upon its adoption.

Section 23. Effective Date. This ordinance shall become effective immediately upon its passage and approval in the manner provided by law, and upon its becoming effective and prior to the issuance of the Bonds a certified copy of this ordinance shall be filed with the County Clerk of Sangamon County, Illinois.

Upon motion by seconded by Trustee \_\_\_\_\_,  
seconded by Trustee \_\_\_\_\_, adopted this \_\_\_\_ day  
of September, 1992, by roll call vote as follows:

Ayes (Names): \_\_\_\_\_

Nays (Names): \_\_\_\_\_

Absent, Abstain & other (Names): \_\_\_\_\_

ATTEST:

APPROVED: September \_\_\_\_, 1992

\_\_\_\_\_  
Village Clerk  
(SEAL)

\_\_\_\_\_  
Village President

[Series of 1978 Bonds: Form of Notice of Call for Redemption]

**NOTICE OF CALL FOR REDEMPTION:** Notice is hereby given that the **VILLAGE OF CHATHAM, ILLINOIS** hereby calls for redemption prior to maturity all of the Village's outstanding and unpaid **Waterworks and Sewerage Revenue Bonds, Series of 1978, dated November 1, 1978** (the "Bonds"), authorized in the initial aggregate principal amount of \$3,680,000. Redemption shall be upon presentation and surrender of such Bonds, together with all unmatured coupons appertaining thereto, on November 1, 1992, at United Community Bank (successor as paying agent to Illinois National Bank of Springfield), 201 Mulberry, Chatham, Illinois 62629 [tel. 217/483-2491; fax 217/483-4747], at a price of 100% of par plus accrued interest. On the redemption date the redemption price will become due and payable, and after such redemption date interest on the Bonds shall cease to accrue. To avoid a 20% backup withholding tax required by the Interest and Dividend Tax Compliance Act of 1983, holders must submit a properly completed IRS Form W-9 with their Bonds, if they have not done so previously. It is suggested that any Bonds submitted be sent by some secure means, such as registered insured mail.

-----  
**Note to the Village and Griffin, Kubik, Stephens & Thompson, Inc.:**

This notice is to be given at least 30 days before November 1, 1992. The 1978 ordinance also provides, oddly, that written notice of its option to redeem any or all of the Bonds is to be given by the Village to the holder of each of such Bonds called for redemption, if known\*, by registered mail at least thirty (30) days prior to the date of redemption, or if the holders of any such Bonds are unknown, then notice of redemption shall be given by publication of such notice at least once in a newspaper published in the English language and of general circulation in the City of Chicago, Illinois. Please confirm records as to any known holders.

STATE OF ILLINOIS )  
COUNTY OF SANGAMON ) SS.  
VILLAGE OF CHATHAM )

CERTIFICATION OF ORDINANCE

I, the undersigned, do hereby certify that I am the duly selected, qualified and acting Village Clerk of the Village of Chatham, Sangamon County, Illinois (the "Issuer"), and as such official I am the keeper of the records and files of the Issuer and of its Village President and Board of Trustees (the "Corporate Authorities").

I do further certify that the foregoing constitutes a full, true and complete excerpt from the proceedings of the regular meeting of the Corporate Authorities held on the \_\_\_\_ day of September, 1992, insofar as same relates to the adoption of Ordinance No. \_\_\_\_\_, entitled:

**AN ORDINANCE AUTHORIZING THE ISSUANCE OF \$1,985,000 GENERAL OBLIGATION REFUNDING BONDS (ALTERNATE REVENUE SOURCE), SERIES 1992, OF THE VILLAGE OF CHATHAM, SANGAMON COUNTY, ILLINOIS, PROVIDING THE DETAILS OF SUCH BONDS AND FOR AN ALTERNATE REVENUE SOURCE AND THE LEVY OF DIRECT ANNUAL TAXES SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON SUCH BONDS, AND RELATED MATTERS**

a true, correct and complete copy of which ordinance (the "Ordinance") as adopted at such meeting appears in the transcript of the minutes of such meeting and is hereto attached. The Ordinance was adopted and approved by the vote and on the date therein set forth.

I do further certify that the deliberations of the Corporate Authorities on the adoption of such Ordinance were taken openly, that the adoption of such Ordinance was duly moved and seconded, that the vote on the adoption of such Ordinance was taken openly and was preceded by a public recital of the nature of the matter being considered and such other information as would inform the public of the business being conducted, that such meeting was held at a specified time and place convenient to the public, that notice of such meeting was duly given to all of the news media requesting such notice, that such meeting was called and held in strict compliance with the provisions of the open meeting laws of the State of Illinois, as amended, and the Illinois Municipal Code, as amended, and that the Corporate Authorities have complied with all of the applicable provisions of such open meeting laws and such Code and their procedural rules in the adoption of such Ordinance.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of the Village of Chatham, Sangamon County, Illinois, this \_\_\_\_ day of \_\_\_\_\_, 1992.

(SEAL)

\_\_\_\_\_  
Village Clerk



STATE OF ILLINOIS     )  
                                  ) SS.  
COUNTY OF SANGAMON    )

FILING AND VALUATION CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of the The County of Sangamon, Illinois, and as such official I do further certify that on the 23<sup>rd</sup> day of SEPTEMBER, 1992, there was filed in my office a duly certified copy of an ordinance of the Village of Chatham, Illinois, numbered and entitled, as follows:

ORDINANCE NO. 92-31

AN ORDINANCE AUTHORIZING THE ISSUANCE OF \$1,985,000 GENERAL OBLIGATION REFUNDING BONDS (ALTERNATE REVENUE SOURCE), SERIES 1992, OF THE VILLAGE OF CHATHAM, SANGAMON COUNTY, ILLINOIS, PROVIDING THE DETAILS OF SUCH BONDS AND FOR AN ALTERNATE REVENUE SOURCE AND THE LEVY OF DIRECT ANNUAL TAXES SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON SUCH BONDS, AND RELATED MATTERS,

duly adopted by the President and Board of Trustees of the Village of Chatham, Illinois, on the 8th day of September, 1992, and that the same has been deposited in the official files and records of my office. I understand that such ordinance provides for a tax levy related to an issue of general obligation bonds of the Village of Chatham, Illinois.

I further certify that the most recently ascertained equalized assessed value (for the year 1991) of all taxable property within the Village of Chatham, Illinois is \$ 39 639 615.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of my office, this 23<sup>rd</sup> day of SEPTEMBER, 1992.

Donald L. Sloper  
COUNTY CLERK OF THE COUNTY OF  
SANGAMON, ILLINOIS

(SEAL)

**FILED**

SEP 3 2 1992

Donald L. Sloper  
COUNTY CLERK PRO TEMPORE



STATE OF ILLINOIS )  
 )  
COUNTY OF SANGAMON ) SS  
 )  
VILLAGE OF CHATHAM )

CERTIFICATION OF ORDINANCE

I, the undersigned, do hereby certify that I am the duly selected, qualified and acting Clerk of the Village of Chatham, Sangamon County, Illinois (the "Issuer"), and as such official I am the keeper of the records and files of the Issuer and of its President and Board of Trustees (the "Corporate Authorities").

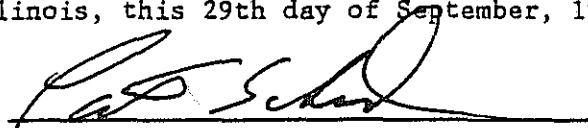
I do further certify that the attached constitutes a full, true and complete excerpt from the proceedings of the regular meeting of the Corporate Authorities held on the 27th day of July, 1992, insofar as same relates to the adoption of Ordinance No. 92-26 entitled:

AN ORDINANCE AUTHORIZING THE ISSUANCE OF UP TO \$2,050,000 WATERWORKS AND SEWERAGE REVENUE BONDS AND \$2,050,000 ALTERNATE REVENUE SOURCE BONDS OF THE VILLAGE OF CHATHAM, SANGAMON COUNTY, ILLINOIS, FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING PRIOR OBLIGATIONS OF ITS COMBINED WATERWORKS AND SEWERAGE SYSTEM,

a true, correct and complete copy of which ordinance (the "Preliminary Ordinance") as adopted at such meeting appears in the minutes of such meeting and is hereto attached. The Preliminary Ordinance was adopted and approved by the vote and on the date therein set forth.

I do further certify that the deliberations of the Corporate Authorities on the adoption of such Preliminary Ordinance were taken openly, that the adoption of such Preliminary Ordinance was duly moved and seconded, that the vote on the adoption of such ordinance was taken openly and was preceded by a public recital of the nature of the matter being considered and such other information as would inform the public of the business being conducted, that such meeting was held at a specified time and place convenient to the public, that notice of such meeting was duly given to all of the news media requesting such notice, that such meeting was called and held in strict compliance with the provisions of the open meeting laws of the State of Illinois, as amended, and the Illinois Municipal Code, as amended, and that the Corporate Authorities have complied with all of the applicable provisions of such open meeting laws and such Code and their procedural rules in the adoption of such Preliminary Ordinance. NO petition(s) has(have) been received as mentioned in Section 2 of such Preliminary Ordinance, forms thereof being at all relevant times available therefor in Clerk's office.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of the Village of Chatham, Illinois, this 29th day of September, 1992.

  
\_\_\_\_\_  
Clerk

(SEAL)

ORDINANCE NO. 92-26

AN ORDINANCE AUTHORIZING THE ISSUANCE OF UP TO \$2,050,000 WATERWORKS AND SEWERAGE REVENUE BONDS AND \$2,050,000 ALTERNATE REVENUE SOURCE BONDS OF THE VILLAGE OF CHATHAM, SANGAMON COUNTY, ILLINOIS, FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING PRIOR OBLIGATIONS OF ITS COMBINED WATERWORKS AND SEWERAGE SYSTEM.

PREAMBLES

WHEREAS, the Village of Chatham, Sangamon County, Illinois (the "Municipality"), operates its municipally-owned combined waterworks and sewerage system (the "System") in accordance with the provisions of Division 139 of Article 11 of the Illinois Municipal Code [Paragraph 11-139-1 et seq. of Chapter 24 of the Illinois Revised Statutes, as supplemented and amended, including by the Local Government Debt Reform Act (collectively, the "Act")]; and

WHEREAS, the President and Board of Trustees of the Municipality (the "Corporate Authorities") determined that it was advisable, necessary and in the best interests of the Municipality's public health, safety and welfare to undertake prior projects providing for the acquisition, construction and installation of System facilities and improvements (the "Prior Projects"), and now determines that it is desirable to achieve cost savings by refunding the outstanding waterworks and sewerage revenue bonds related to such Prior Projects (the "Prior Obligations"); and

WHEREAS, in connection with the estimated costs of refunding the Prior Obligations, up to \$2,050,000 is to be paid from the hereinafter described Alternate Bonds, being general obligation in lieu of revenue bonds as authorized by Section 15 of the Local Government Debt Reform Act, but nevertheless expected to be paid from revenues of the System rather than by any levy of taxes, and any balance from other available funds, with respect to which authorization is necessary to issue up to \$2,050,000 of waterworks and sewerage revenue bonds (howsoever styled, the "Revenue Bonds") and to issue up to \$2,050,000 general obligation bonds (waterworks and sewerage revenue alternate revenue source) (howsoever styled, the "Alternate Bonds"), provided, however, that only one set of such obligations shall be issued; and

WHEREAS, the costs of refunding the Prior Obligations are expected to be paid from funds on hand and from Alternate Bonds (in lieu of Revenue Bonds), to be payable from the revenues of the System and issued pursuant to the Act, this ordinance and one or more ordinances supplemental to this ordinance authorizing and providing for the issuance of Alternate Bonds in lieu of the Revenue Bonds and the Prior Obligations, prescribing the details

of such Alternate Bonds and providing for the collection, segregation and distribution of the revenues of the System to pay the Alternate Bonds or Revenue Bonds, as the case may be, in either case in lieu of any levy of taxes; and

WHEREAS, the Municipality has insufficient funds to pay the costs of refunding the Prior Obligations and, therefore, must borrow money and issue Revenue Bonds, to be included in an issue of Alternate Bonds, if authorized to be issued in lieu of the Revenue Bonds, in evidence thereof, at one time or from time to time and in one or more series, in an approximate principal amount aggregating \$2,050,000 for such purposes (Alternate Bonds and Revenue Bonds combined not to exceed \$2,050,000 in the aggregate), pursuant to and in accordance with the provisions of the Act.

NOW, THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF CHATHAM, SANGAMON COUNTY, ILLINOIS, as follows:

Section 1. Incorporation of Preambles and Determination to Issue Bonds. The Corporate Authorities hereby find that all of the recitals contained in the preambles to this ordinance are true, complete and correct and hereby incorporate them into this Section 1 of this ordinance by this reference thereto. It is necessary and in the best interests of the Municipality to refund the Prior Obligations and that it is in the Municipality's best interests that the System continue to be owned and operated as a combined municipal waterworks and sewerage system in accordance with the provisions of the Act, and that for such purposes there are hereby authorized to be issued and sold not to exceed \$2,050,000 of Revenue Bonds and \$2,050,000 of Alternate Bonds in lieu of the Prior Obligations and in lieu of the Revenue Bonds (Alternate Bonds and Revenue Bonds combined not to exceed \$2,050,000 in the aggregate).

Section 2. Publication and Notice. Within ten (10) days after the adoption of this ordinance by the Corporate Authorities, this ordinance, preceded by the notices hereinafter described, shall be published in the *Chatham Clarion*, the same being a newspaper (as described in AN ACT to revise the law in relation to notices, R.S.1874, p. 723) published and of general circulation within the Municipality, and (a) concerning the Alternate Bonds -- if no petition, signed by not less than registered voters of the Municipality numbering the greater of (i) 7.5% of the registered voters in the Municipality or (ii) 200 of those registered voters or 15% of those registered voters, whichever is less, is filed with the Clerk of the Municipality within thirty (30) days after the date of the publication of this ordinance, preceded by the Alternate Bond notice hereinafter described, asking that the question of the issuance of the Revenue Bonds to pay the costs of refunding the Prior Obligations, and related expenses, be submitted to the electors of the Municipality, and/or (b) concerning the Revenue Bonds -- if, no petition signed by not less than the number of electors

equal to 10% of the number of registered voters in the Municipality is filed with the Clerk of the Municipality within thirty (30) days after the date of the publication of this ordinance, preceded by the Revenue Bond notice hereinafter described, asking that the question of the issuance of the Revenue Bonds to pay the costs of refunding the Prior Obligations, and related expenses, be submitted to the electors of the Municipality, then this ordinance shall be in full force and effect, and the Revenue Bonds and/or the Alternate Bonds, as the case may be, shall be authorized to be issued by this ordinance and related proceedings supplemental to this ordinance. If an applicable petition is filed, an election on the question shall be held as set forth in the forms of the notices required by Sections 5 and 15 of the Local Government Debt Reform Act, and this ordinance shall not become effective as to the Revenue Bonds and/or the Alternate Bonds, as the case may be, until the applicable question or questions shall have been duly approved by a majority of the votes cast on the applicable question or questions at the election to be held as set forth in the applicable notice or notices. The Clerk shall have available and provide an applicable form of petition to any person requesting one. The Clerk shall give notice of the foregoing provisions as set forth in substantially the forms of such notices as are presented at the meeting of the Corporate Authorities at which this ordinance is adopted, modified as may be necessary for completeness and to comply with the Act.

Section 3. Additional Ordinances. If no petition meeting the requirements of applicable law is filed as provided above in Section 2, then the Corporate Authorities in accordance with and pursuant to the Act may adopt additional ordinances or other proceedings supplemental to or amending this ordinance, providing for the issuance and sale of up to but in any event not to exceed \$2,050,000 of the Alternate Bonds and/or \$2,050,000 of the Revenue Bonds, prescribing the details of such Alternate Bonds or Revenue Bonds, providing for the collection, segregation and distribution of the revenues of the System for the payment thereof and in the case of the Alternate Bonds providing for a levy of taxes as further security and source of payment, although expected to be paid from System revenues and not any levy of taxes. Such additional or supplemental ordinances or other proceedings shall in all instances become effective in accordance with applicable law; and this ordinance, together with such supplemental and additional ordinances or other proceedings, shall constitute complete authority for the issuance of the Alternate Bonds and/or the Revenue Bonds under applicable law (but in any event not to exceed \$2,050,000 in aggregate principal amount combined). Alternate Bonds are to be issued in lieu of Revenue Bonds and the Prior Obligations.

Section 4. Severability and Repealer. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this

ordinance. 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.

Upon motion by Trustee JOSWIAK, seconded by Trustee WILLIAMSSEN, adopted (and recorded in the Municipality's records) on July 27, 1992, by roll call vote, as follows:

AYES (names): JOSWIAK, ROESTER, HILT, WILLIAMSSEN  
KRUEGER

NAYS (names): NONE

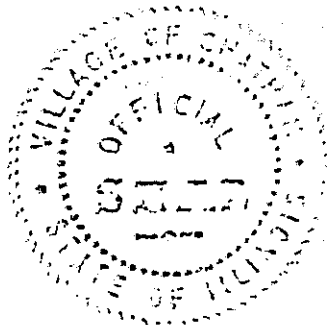
ABSENT, ABSTAIN (names): MILLER

Approved: July 27, 1992:

Attest:

Carl D. Quinn  
President, Village of Chatham,  
Sangamon County, Illinois

Patricia A. Schell  
Clerk, Village of Chatham,  
Sangamon County, Illinois



(form of notices)

NOTICE OF INTENT TO ISSUE BONDS  
AND RIGHT TO FILE PETITION  
[REVENUE BONDS]

92-26 Notice is hereby given that pursuant to Ordinance No. 92-26, adopted at a regular meeting of the President and Board of Trustees on July 27, 1992, the Village of Chatham, Sangamon County, Illinois (the "Municipality"), intends to issue its Revenue Bonds (howsoever styled, the "Revenue Bonds"), up to the amount of but in any event not to exceed \$2,050,000, bearing interest at not to exceed the rate limitation provided by applicable law, for the purpose of paying the costs of refunding certain outstanding Prior Obligations, and related expenses. The Revenue Bonds are to be payable solely and only from enterprise revenues derived from the Municipality's combined waterworks and sewerage system and shall not constitute a debt of the Municipality under applicable law.

In addition, notice is hereby given that if a petition signed by not less than \_\_\_\_\_ electors of the Municipality (numbering 10% of the registered voters in the Municipality) requesting that the question of the issuance of the Revenue Bonds and of undertaking the above refunding be submitted to the Clerk within thirty (30) days of the date of publication of this notice and of the above described ordinance, the question of undertaking such refunding and of the issuance of such Revenue Bonds shall be submitted to the electors of the Municipality at the general election to be held on November 3, 1992, if such question can be and is presented at such election, and otherwise at the next election at which such question could be presented under the general election laws. A form of petition is available to any person requesting one in the Village Clerk's office.

/s/   
Clerk, Village of Chatham,  
Sangamon, County, Illinois

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NOTICE OF INTENT TO ISSUE BONDS  
AND RIGHT TO FILE PETITION  
[ALTERNATE BONDS]

92-26 Notice is hereby given that pursuant to Ordinance No. 92-26 adopted at a regular meeting of the President and Board of Trustees on July 27, 1992, the Village of Chatham, Sangamon County, Illinois (the "Municipality"), intends to issue its Alternate Bonds (howsoever styled, the "Alternate Bonds"), being general obligation in lieu of revenue bonds, up to the amount of but in any event not to exceed \$2,050,000, bearing interest at



not to exceed the rate limitation provided by applicable law, for the purpose of paying the costs of refunding certain outstanding Prior Obligations, and related expenses. Although the Alternate Bonds are to be general obligation bonds, they are to be paid from revenues of the Municipality's combined waterworks and sewerage system as the alternate revenue source and are not to constitute a debt of the Municipality under applicable law.

In addition, notice is hereby given that if a petition signed by not less than \_\_\_\_\_ electors of the Municipality (numbering the greater of (i) 7.5% of the registered voters in the Municipality or (ii) 200 of those registered voters or 15% of those registered voters, whichever is less) requesting that the question of the issuance of the Alternate Bonds and of undertaking such refunding be submitted to the Clerk within thirty (30) days of the date of publication hereof and of the above described ordinance, such question shall be submitted to the electors of the Municipality at the general election to be held on November 3, 1992, if such question can be and is presented at such election, and otherwise at the next election at which such question could be presented under the general election laws. A form of petition is available to any person requesting one in the Village Clerk's office.

/s/   
Clerk, Village of Chatham,  
Sangamon, County, Illinois

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Note to publisher: The full text of the ordinance is to follow the above notices. Publish in order (and all run together): the Revenue Bonds notice first, the Alternate Bonds notice second, and the ordinance third. Please check with the Village as to any blanks in the ordinance. Send your publication statement to the Village of Chatham, Village Hall, 117 E. Mulberry Street, Chatham, Illinois 62629-1357 Attention: Treasurer, and send two certificates of publication to Evans & Froehlich, 44 Main Street, P.O. Box 737, Champaign, Illinois, 61820.

To: Clerk, Village of Chatham, Illinois.

ALTERNATE BONDS  
PETITION

In accordance with and pursuant to Section 2 of Ordinance No. 92-26 of the Village of Chatham, Sangamon County, Illinois (the "Municipality"), adopted July 27, 1992, and entitled:

AN ORDINANCE AUTHORIZING THE ISSUANCE OF UP TO \$2,050,000 WATERWORKS AND SEWERAGE REVENUE BONDS AND \$2,050,000 ALTERNATE REVENUE SOURCE BONDS OF THE VILLAGE OF CHATHAM, SANGAMON COUNTY, ILLINOIS, FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING PRIOR OBLIGATIONS OF ITS COMBINED WATERWORKS AND SEWERAGE SYSTEM,

each of the undersigned hereby certifies, as applicable to each, that each is an elector (a registered voter) of the Municipality, and hereby petitions and asks that the question of issuing Alternate Bonds [General Obligation Bonds (Waterworks and Sewerage Revenue Alternate Revenue Source)] in an amount not to exceed \$2,050,000 to pay all or a part of the costs of refunding certain outstanding Prior Obligations, and related expenses, all as set forth in the above ordinance, be submitted to the electors of the Municipality at the general election to be held on November 3, 1992, if such question can be and is presented at such election, and otherwise at the next election at which such question could be presented under the general election laws.

	<u>Print Name</u>	<u>Address</u>	<u>Chatham, IL</u>	<u>Signature</u>
1.	_____	_____	Chatham, IL	_____
2.	_____	_____	Chatham, IL	_____
3.	_____	_____	Chatham, IL	_____
.	_____	_____	Chatham, IL	_____
5.	_____	_____	Chatham, IL	_____
6.	_____	_____	Chatham, IL	_____
7.	_____	_____	Chatham, IL	_____
8.	_____	_____	Chatham, IL	_____
9.	_____	_____	Chatham, IL	_____
10.	_____	_____	Chatham, IL	_____

Statement: I, \_\_\_\_\_ [Name], of \_\_\_\_\_ [Address], Chatham, Illinois, hereby state that I am a registered voter of Chatham, Illinois, that the above signatures on this sheet were signed in my presence in Chatham, Illinois, and are genuine, and to the best of my knowledge and belief each of the persons so signing were at the time of signing registered voters of the Village of Chatham, Illinois, and their addresses are correctly stated.

\_\_\_\_\_  
Signature

State of Illinois ) The above Statement was subscribed and sworn to before me this  
) \_\_\_\_\_ day of \_\_\_\_\_, 1992.  
County of Sangamon )

(SEAL) \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

To: Clerk, Village of Chatham, Illinois.

REVENUE BONDS  
PETITION

In accordance with and pursuant to Section 2 of Ordinance No. 92-26 of the Village of Chatham, Sangamon County, Illinois (the "Municipality"), adopted July 27, 1992, and entitled:

AN ORDINANCE AUTHORIZING THE ISSUANCE OF UP TO \$2,050,000 WATERWORKS AND SEWERAGE REVENUE BONDS AND \$2,050,000 ALTERNATE REVENUE SOURCE BONDS OF THE VILLAGE OF CHATHAM, SANGAMON COUNTY, ILLINOIS, FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING PRIOR OBLIGATIONS OF ITS COMBINED WATERWORKS AND SEWERAGE SYSTEM,

each of the undersigned hereby certifies, as applicable to each, that each is an elector (a registered voter) of the Municipality, and hereby petitions and asks that the question of issuing Revenue Bonds in an amount not to exceed \$2,050,000 to pay all or a part of the costs of refunding certain Prior Obligations, and related expenses, all as set forth in the above ordinance, be submitted to the electors of the Municipality at the general election to be held on November 3, 1992, if such question can be and is presented at such election, and otherwise at the next election at which such question could be presented under the general election laws.

	<u>Print Name</u>	<u>Address</u>	<u>Chatham, IL</u>	<u>Signature</u>
1.	_____	_____	Chatham, IL	_____
2.	_____	_____	Chatham, IL	_____
3.	_____	_____	Chatham, IL	_____
4.	_____	_____	Chatham, IL	_____
.	_____	_____	Chatham, IL	_____
6.	_____	_____	Chatham, IL	_____
7.	_____	_____	Chatham, IL	_____
8.	_____	_____	Chatham, IL	_____
9.	_____	_____	Chatham, IL	_____
10.	_____	_____	Chatham, IL	_____

Statement: I, \_\_\_\_\_ [Name], of \_\_\_\_\_ [Address], Chatham, Illinois, hereby state that I am a registered voter of Chatham, Illinois, that the above signatures on this sheet were signed in my presence in Chatham, Illinois, and are genuine, and to the best of my knowledge and belief each of the persons so signing were at the time of signing registered voters of the Village of Chatham, Illinois, and their addresses are correctly stated.

\_\_\_\_\_  
Signature

State of Illinois    )    The above Statement was subscribed and sworn to before me this  
                          )    \_\_\_\_\_ day of \_\_\_\_\_, 1992.  
County of Sangamon )

(SEAL) \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

# Public Notice

## NOTICE OF INTENT TO ISSUE BONDS AND RIGHT TO FILE PETITION (REVENUARY BONDS)

Notice is hereby given that pursuant to Ordinance No. 92-28, adopted at a regular meeting of the President and Board of Trustees on July 27, 1992, the Village of Chatham, Sangamon County, Illinois (the "Municipality"), intends to issue its Revenue Bonds (Revenue Bonds) in the amount of \$2,050,000, up to the amount of \$2,050,000, bearing interest at not to exceed the rate limitation provided by applicable law, for the purpose of paying the costs of refunding certain outstanding Prior Obligations, and related expenses. The Revenue Bonds are to be payable solely and out of certain revenues derived from the Municipality's combined waterworks and sewerage system and shall not constitute a debt of the Municipality under applicable law.

In addition, notice is hereby given that if a petition signed by not less than 375 electors of the Municipality (representing 10% of the registered voters in the Municipality) requesting that the question of the issuance of the Revenue Bonds and of undertaking the above refunding be submitted to the Clerk within thirty (30) days of the date of publication of this notice and of the above described ordinance, the question of undertaking such refunding and of the issuance of such Revenue Bonds shall be submitted to the electors of the Municipality at the general election to be held on November 2, 1992, if such question can be and is presented at such election, and otherwise at the next election at which such question could be presented under the general election law. A form of petition is available to any person requesting one in the Village Clerk's office.

/s/ Pal Sched, Clerk  
Village of Chatham  
Sangamon County, Illinois

## NOTICE OF INTENT TO ISSUE BONDS AND RIGHT TO FILE PETITION (ALTERNATE BONDS)

Notice is hereby given that pursuant to Ordinance No. 92-28 adopted at a regular meeting of the President and Board of Trustees on July 27, 1992, the Village of Chatham, Sangamon County, Illinois (the "Municipality"), intends to issue its Alternate Bonds (Alternate Bonds) in the amount of \$2,050,000, bearing interest at not to exceed the rate limitation provided by applicable law, for the purpose of paying the costs of refunding certain outstanding Prior Obligations, and related expenses. Although the Alternate Bonds are to be general obligation bonds, they are to be paid from revenues of the Municipality's combined waterworks and sewerage system as the alternate revenue source and are not to constitute a debt of the Municipality under applicable law.

In addition, notice is hereby given that if a petition signed by not less than 375 electors of the Municipality (representing the greater of 10% of the registered voters in the Municipality or 200 of those registered voters, whichever is less) requesting that the question of the issuance of the Alternate Bonds and of undertaking such refunding be submitted to the Clerk within thirty (30) days of the date of publication of this notice and of the above described ordinance, such question shall be submitted to the electors of the Municipality at the general election to be held on November 2, 1992, if such question can be and is presented at such election, and otherwise at the next election at which such question could be presented under the general election law. A form of petition is available to any person requesting one in the Village Clerk's office.

/s/ Pal Sched, Clerk  
Village of Chatham  
Sangamon County, Illinois

**ORDINANCE NO. 92-28**  
**AN ORDINANCE AUTHORIZING THE ISSUANCE OF UP TO \$2,050,000 WATERWORKS AND SEWERAGE REVENUE BONDS AND \$2,050,000 ALTERNATE REVENUE SOURCE BONDS OF THE VILLAGE OF CHATHAM, SANGAMON COUNTY, ILLINOIS FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING PRIOR OBLIGATIONS OF ITS COMBINED WATERWORKS AND SEWERAGE SYSTEM.**

**PREAMBLE**  
WHEREAS, the Village of Chatham, Sangamon County, Illinois (the "Municipality"), operates its municipally owned combined waterworks and sewerage system (the "System") in accordance with the provisions of Division 139 of Article 11 of the Illinois Municipal Code (Parag. 11-139-1) of Chapter 116 of the Statutes, as supplemented and amended, including by the Local Government Debt Reform Act (hereinafter, the "Act"); and

WHEREAS, the President and Board of Trustees of the Municipality (the "Corporate Authorities") determined that it was advisable, in accordance with the best interests of the Municipality's public health, safety and welfare to undertake prior projects providing for the acquisition, construction and installation of certain facilities and improvements (the "Prior Projects"), and now determines that it is desirable to achieve cost savings by refunding the outstanding waterworks and sewerage revenue bonds related to such Prior Projects (the "Prior Obligations"); and

WHEREAS, in connection with the estimated costs of refunding the outstanding waterworks and sewerage revenue bonds, it is estimated that \$2,050,000 is to be paid from the hereinafter described Alternate Bonds being general obligation bonds of the Municipality as authorized by Section 15 of the Local Government Debt Reform Act, but nevertheless expected to be paid from revenues of the System (the "System") by any of the following means: (a) from other available funds, with respect to which authorization is necessary to issue up to \$2,050,000 of waterworks and sewerage revenue bonds (the "Revenue Bonds") and to issue up to \$2,050,000 of general obligation bonds (waterworks and sewerage revenue bonds) (the "Alternate Bonds") provided, however, that only one set of such obligations shall be issued; and

WHEREAS, the costs of refunding the Prior Obligations are expected to be paid from funds on hand and from Alternate Bonds in lieu of Revenue Bonds, to be payable from the revenues of the System and from proceeds of the Act, this ordinance and one or more ordinances supplemental to this ordinance authorizing and providing for the collection, negotiation and distribution of the revenues of the System to pay the Alternate Bonds or Revenue Bonds, as the case may be, in either case in lieu of any levy of taxes; and the Municipality has insufficient funds to pay the costs of refunding the Prior Obligations and, therefore, must borrow money and issue Revenue Bonds, to be included in issue of Alternate Bonds, is authorized to be issued in lieu of the Revenue Bonds, in evidence thereof, at one time or from time to time and in one or more series, in an aggregate principal amount aggregating \$2,050,000 for such purposes (Alternate Bonds and Revenue Bonds combined not to exceed \$2,050,000) the aggregate principal amount and in accordance with the provisions of the Act.

**NOW, THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF CHATHAM, SANGAMON COUNTY, ILLINOIS, as follows:**

**Section 1. Interpretation of Terms and Definitions.** The Corporate Authorities hereby find that all of the recitals contained in the preamble to this ordinance are true, complete and correct and hereby incorporate them into this Section 1 of this ordinance by this reference thereto. It is necessary and in the best interests of the Municipality to refund the Prior Obligations and that it is in the Municipality's best interests that the System continue to be owned and operated as a combined municipal waterworks and sewerage system in accordance with the provisions of the Act, and that for such purposes there are hereby authorized to be issued and not to exceed \$2,050,000 of Revenue Bonds and \$2,050,000 of Alternate Bonds in lieu of the Prior Obligations and in lieu of the Revenue Bonds (Alternate Bonds and Revenue Bonds combined not to exceed \$2,050,000 in the aggregate).

**Section 2. Publication and Filing.** Within ten (10) days after the date of this ordinance by the Corporate Authorities, this ordinance, provided by the notices hereinafter described, shall be published in the Chatham Clarion, the same being a newspaper law described in an Act to revise the law in relation to notices, R.S. (1974, p. 723) published and of general circulation within the Municipality, and (b) commencing the Alternate Bonds - if no petition, signed by not less than

registered voters of the Municipality numbering the greater of 10% of the registered voters in the Municipality or 200 of those registered voters or 10% of those registered voters, whichever is less, is filed with the Clerk of the Municipality within thirty (30) days after the date of the publication of this ordinance, provided by the Alternate Board notice hereinafter described, asking that the question of the issuance of the Revenue Bonds and of the costs of refunding the Prior Obligations, and related expenses, be submitted to the electors of the Municipality, and/or for concerning the Revenue Bonds - if no petition signed by not less than the number of electors equal to 10% of the number of registered voters in the Municipality is filed with the Clerk of the Municipality within thirty (30) days after the date of the publication of this ordinance, provided by the Revenue Bond notice hereinafter described, asking that the question of the issuance of the Revenue Bonds to pay the costs of refunding the Prior Obligations, and related expenses be submitted to the electors of the Municipality, then this ordinance shall be in full force and effect, and the Revenue Bonds and/or the Alternate Bonds, as the case may be, shall be authorized to be issued by this ordinance and related proceedings supplemental to this ordinance. If an applicable petition is filed, an election on the question shall be held as set forth in the forms of the notices required by Sections 8 and 15 of the Local Government Debt Reform Act, and this ordinance shall not become effective as to the Revenue Bonds and/or the Alternate Bonds, as the case may be, until the applicable question or questions shall have been duly answered by a majority of the voters cast on the applicable question or questions at the election to be held as set forth in the applicable notice or notices. The Clerk shall have available and provide an applicable form of petition to any person requesting one. The Clerk shall give notice of the foregoing provisions as set forth in substantially the forms of such notices as are presented at the meeting of the Corporate Authorities at which this ordinance is adopted, modified or amended as may be necessary for completeness and to comply with the Act.

**Section 3. Additional Ordinance.** If no petition requesting the requirements of a applicable law is filed as provided above in Section 2, the Corporate Authorities, in accordance with and pursuant to the Act may adopt additional ordinances or other proceedings supplemental to or amending this ordinance, providing for the issuance and sale of up to but in any event not to exceed \$2,050,000 of the Alternate Bonds and/or \$2,050,000 of the Revenue Bonds, providing for the collection, as general law and distribution of the revenues of the System for the payment thereof and in the case of the Alternate Bonds providing for a levy of taxes as further security and source of repayment, although expected to be paid from System revenues and not any levy of taxes. Such additional or supplemental ordinances or other proceedings shall in all instances become effective in accordance with applicable law and this ordinance, together with such supplemental and additional ordinances or other proceedings, shall constitute complete authority for the issuance of the Alternate Bonds and/or the Revenue Bonds under applicable law but in any event not to exceed \$2,050,000 in aggregate principal amount combined. Alternate Bonds are to be issued in lieu of Revenue Bonds and the Prior Obligations.

**Section 4. Applicability and Rescission.** If any section, paragraph, clause or provision of this ordinance shall be in conflict with the provisions of this ordinance are to the extent of such conflict hereby repealed.

Upon motion by Trustee Jaworski, seconded by Trustee Williamson, adopted and recorded in the Municipality's records on July 27, 1992, by roll call vote, as follows:

AYES: Jaworski, Krueger, Williamson, Krueger  
NAYS: ABSENT: ABSTAIN: Miller  
APPROVED: July 27, 1992  
Carl D. Olsinger, President  
Village of Chatham  
Sangamon County, Illinois

ATTEST:  
Pal Sched, Clerk  
Village of Chatham,  
Sangamon County, Illinois

## CERTIFICATE OF PUBLICATION IN THE CHATHAM CLARION

STATE OF ILLINOIS }  
COUNTY OF SANGAMON, } SS.  
CITY OF CHATHAM

The undersigned Joseph Michelich, Jr., publisher of THE CHATHAM CLARION, a secular newspaper of general circulation in said county, printed and published in the aforesaid City of Chatham, county of Sangamon and state of Illinois, does hereby certify that a notice of which the annexed is a true copy has been regularly published in said newspaper one time each week for one successive weeks.

The first publication of said notice was on the 30th day of July, A. D. 1992 and the last said publication was on the 30th day of July, A. D. 1992. And the undersigned does further certify that the said Chatham Clarion has been and was regularly published in said city, county and state for at least six months prior to the first publication of the said notice.

In Witness whereof the undersigned publisher as aforesaid has hereunto set his hand and seal on this 14th day of September, A. D. 1992.

*Joseph Michelich, Jr.*  
Publisher

Printer's Fee, \$ 14.00 Paid 19

Subscribed and sworn to before me this 14th day of September

A. D. 1992  
"OFFICIAL SEAL"  
CONNIE L. McAULIFF  
NOTARY PUBLIC STATE OF ILLINOIS  
MY COMMISSION EXPIRES 2/28/96

*Connie L. McAuliff*  
Notary Public

STATE OF ILLINOIS )  
COUNTY OF SANGAMON ) SS.  
VILLAGE OF CHATHAM )

CERTIFICATION OF ORDINANCE

I, the undersigned, do hereby certify that I am the duly selected, qualified and acting Village Clerk of the Village of Chatham, Sangamon County, Illinois (the "Issuer"), and as such official I am the keeper of the records and files of the Issuer and of its President and Board of Trustees (the "Corporate Authorities").

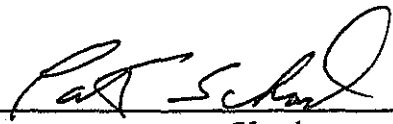
I do further certify that the foregoing constitutes a full, true and complete excerpt from the proceedings of the regular meeting of the Corporate Authorities held on the 14th day of November, 1978, insofar as same relates to the adoption of Ordinance No. 78-29, entitled:

AN ORDINANCE authorizing and providing for the issuance of the principal amount of \$3,680,000 Waterworks and Sewerage Revenue Bonds, Series of 1978, of the Village of Chatham, Sangamon County, Illinois, providing for the payment, sale and delivery thereof and making certain covenants in that connection,

a true, correct and complete copy of which ordinance (the "Ordinance") as adopted at such meeting appears in the transcript of the minutes of such meeting and is hereto attached. The Ordinance was adopted and approved by the vote and on the date therein set forth.

I do further certify that the deliberations of the Corporate Authorities on the adoption of such Ordinance were taken openly, that the adoption of such Ordinance was duly moved and seconded, that the vote on the adoption of such Ordinance was taken openly and was preceded by a public recital of the nature of the matter being considered and such other information as would inform the public of the business being conducted, that such meeting was held at a specified time and place convenient to the public, that notice of such meeting was duly given to all of the news media requesting such notice, that such meeting was called and held in strict compliance with the provisions of the open meeting laws of the State of Illinois, as amended, and the Illinois Municipal Code, as amended, and that the Corporate Authorities have complied with all of the applicable provisions of such open meeting laws and such Code and their procedural rules in the adoption of such Ordinance.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of the Village of Chatham, Sangamon County, Illinois, this 29th day of September, 1992.

  
\_\_\_\_\_  
Clerk

(SEAL)

ORDINANCE NO. 78.27

AN ORDINANCE authorizing and providing for the issuance of the principal amount of \$3,680,000 Waterworks and Sewerage Revenue Bonds, Series of 1978, of the Village of Chatham, Sangamon County, Illinois, providing for the payment, sale and delivery thereof and making certain covenants in that connection.

WHEREAS the Village of Chatham (hereinafter referred to as the "Village" or the "municipality"), Sangamon County, Illinois, has heretofore by ordinance provided for the combination of its existing municipally owned waterworks system and the sewerage system which the Village proposes to acquire and construct into a combined waterworks and sewerage system and such waterworks system has been in operation for many years: and

WHEREAS it is deemed advisable, necessary and in the best interest of public health and safety that such sewerage system be acquired and constructed, such acquisition and construction to be for the purpose of providing a Village sewage collection system by the construction and installation of the following:

1.0 miles of 24 inch sanitary sewer, 0.7 miles of 12 inch, 2.8 miles of 10 inch, 17.5 miles of 8 inch and 422 manholes connected into two 24 inch to 18 inch interceptor sewers and pumping stations provided by The Springfield Sanitary District.

together with the necessary pipes, valves and connections necessary to integrate said improvements with the existing combined waterworks system of said Village, and in accordance with the detailed plans, specifications and estimate of cost therefor heretofore approved by the President and Board of Trustees of said Village and now on file in the office of the Village Clerk for public inspection; and

WHEREAS the total estimated cost of the construction of such sewerage system, as prepared by the engineers of said Village employed for that purpose, together with costs of engineering, legal and bond discount, is the sum of \$6,888,633; and

WHEREAS the Village has received a commitment from the Environmental Protection Agency of the State of Illinois for grant moneys to pay part of such cost, and to pay the balance of the cost of the construction of said improvements it will be necessary for the Village to borrow money and issue revenue bonds as hereinafter provided for the purpose of paying part of such construction cost of said sewerage system; and

WHEREAS pursuant to the provisions of Division 139 of Article 11 of the Illinois Municipal Code of 1961, effective July 1, 1961, as amended, this Village is authorized to issue Waterworks and Sewerage Revenue Bonds in an amount sufficient to pay the cost of constructing said improvements; and

WHEREAS the said Village has heretofore, pursuant to Ordinance 70-5, issued, delivered and currently has outstanding Water Revenue Bonds, Series 1970; and said Village has heretofore pursuant to Ordinance 77-2, issued, delivered and currently has outstanding Water Revenue Bonds, Series 1977; and

WHEREAS said Village proposes to call and provide for the payment of all of the principal and interest on

all of said bonds and obligations by making an irrevocable deposit of funds as received upon the issuance of such bonds as are authorized by the terms of this Ordinance and adequate for such purpose with an escrow agent; and

WHEREAS the revenues of said system have not been pledged or hypothecated in whole or in part in any manner or for any purpose except for the payment of the outstanding Water Revenue Bonds, as hereinabove described, and payment is to be provided for said outstanding bonds as hereinabove described:

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

Section 1. That the Village of Chatham, in Sangamon County, State of Illinois, construct necessary improvements to the combined sewerage system, acquire and construct a sewerage system for said Village, said improvements being described hereinabove in the preamble of this ordinance, and all in accordance with the detailed plans and specifications therefor heretofore prepared and approved by this President and Board of Trustees and now on file in the office of the Village Clerk for public inspection.

Section 2. That the cost of acquiring and constructing said improvements, together with costs of engineering, legal and bond discount, has been estimated by engineers employed for that purpose, and it is hereby found and determined by the President and Board of Trustees of said Village that the total estimated cost of the acquisition and construction of said improvements is the sum of \$6,888,633.

Section 3. That the President and Board of Trustees do hereby determine the period of usefulness of such combined waterworks and sewerage system and the improvements to be made thereto to be forty (40) years.



Section 4. That the Village does not have sufficient funds available for the purpose of paying the cost of acquiring and constructing such improvements, and for the purpose of paying part of the cost of constructing such improvements it will require the issuance by said Village of \$3,680,000 Waterworks and Sowerage Revenue Bonds, bearing interest as hereinafter set forth, which such interest shall be payable May 1, 1979 and thereafter on November 1, and May 1 of each year until paid at The Illinois National Bank of Springfield, Springfield, Illinois.

Section 5. That for the purpose of defraying part of the cost of such acquisition and construction of such improvements, all as referred to and described in the preamble hereof, there be issued and sold revenue bonds of said Village, to be designated "Waterworks and Sewerage Revenue Bonds, Series of 1978", in the principal amount of \$3,680,000 which bonds shall bear date of November 1, 1978, be numbered 1 - 736, inclusive, be of the denomination of \$5000 each and shall mature serially on May 1 in each of the years and in the amounts as follows:

1981	20,000	1991	200,000	
1982	30,000	1992	210,000	
1983	40,000	1993	230,000	6.4
1984	50,000	1994	250,000	6.4
1985	80,000	1995	270,000	6.7
1986	100,000	1996	290,000	6.8
1987	120,000	1997	310,000	7.25
1988	140,000	1998	330,000	7.25
1989	160,000	1999	330,000	7.25
1990	180,000	2000	340,000	6

bearing interest at not to exceed the rate of 8% per annum, provided, however, bonds maturing in the years 1993 to 2000 inclusive, shall be subject to redemption and payment prior

to their maturity at the option of the Village at par and accrued interest to the date of redemption on any interest payment date as a whole or in part in inverse numerical order on or after May 1, 1992. Written notice of its option to redeem any or all of said bonds shall be given by the Village to the holder of such bond called for redemption, if known, by registered mail at least thirty (30) days prior to the date of redemption, or if the holders of any such bonds are unknown, then notice of redemption shall be given by publication of such notice at least once in a newspaper published in the English language and of general circulation in the City of Chicago, Illinois, and the date of the publication of such notice shall be not less than thirty (30) days prior to such redemption date, and any such notice shall designate the date and place of redemption of said bonds, which shall be the paying agent for such bonds and shall designate the serial number and the aggregate principal amount of the bonds to be redeemed, and shall indicate that on the designated date of redemption said bonds will be redeemed by payment of the principal thereof and accrued interest thereon, and that from and after the designated redemption date interest in respect of said bonds so called for redemption shall cease.

Section 6. That said bonds shall be signed by the President of the Village, sealed with the corporate seal of said Village, and be attested by the Village Clerk, and the interest coupons attached to said bonds shall be signed by the facsimile signature of said President and said Village Clerk, and said officials, by the execution of said bonds, shall adopt as and for their own proper signatures their respective facsimile signatures appearing on said coupons.

Said bonds and interest thereon shall be payable on a parity with such additional parity bonds as may be

hereafter issued under the terms of this ordinance solely from the revenues derived from the combined waterworks and sewerage system of said Village, and such bonds shall not in any event constitute an indebtedness of the Village of Chatham within the meaning of any constitutional or statutory limitation.

Any of said bonds may be registered as to principal at any time prior to maturity in the name of the holder on the books of said Village in the office of the Village Treasurer, such registration to be noted on the reverse side of the bonds by the Village Treasurer, and thereafter the principal of such registered bonds shall be payable only to the registered holder, his legal representatives or assigns. Such registered bonds shall be transferable to another registered holder or back to bearer only upon presentation to the Village Treasurer, with a legal assignment duly acknowledged or approved. Registration of any of such bonds shall not affect the negotiability of the coupons thereto attached but such coupons shall be transferable by delivery merely.

Section 7. That said bonds and coupons shall be in substantially the following form:

(Form of Bond)

UNITED STATES OF AMERICA  
STATE OF ILLINOIS, COUNTY OF SANGAMON  
VILLAGE OF CHATHAM

WATERWORKS AND SEWERAGE REVENUE BOND, SERIES OF 1978

Number \_\_\_\_\_ \$5000.00

KNOW ALL MEN BY THESE PRESENTS, that the Village of Chatham, Sangamon County, Illinois, for value received, hereby promises to pay to bearer, or if this bond be registered as hereinafter provided, then to the registered holder hereof, solely from the Waterworks and Sewerage Fund of the Village of Chatham, as hereinafter mentioned and not otherwise, the sum of \$5000 on May 1, \_\_\_\_\_, together with interest

on said sum from date hereof until paid at the rate of \_\_\_\_\_  
\_\_\_\_\_ per cent \_\_\_\_\_ % per  
annum, payable on May 1, 1979 and semiannually thereafter  
on the first days of November and May in each year upon  
presentation and surrender of the annexed interest coupons  
as they severally become due.

Both principal of and interest on this bond are  
hereby made payable in lawful money of the United States  
of America at The Illinois National Bank of Springfield,  
in the City of Springfield, Illinois.

This bond and the series of which it forms a part,  
together with such additional parity bonds as may be hereafter  
issued under the terms of the ordinance authorizing said  
bonds, are payable solely from the revenues derived from  
the operation of the combined waterworks and sewerage system  
of said Village and not otherwise, and is issued under authority  
of Division 139 of Article II of the Municipal Code of 1961,  
effective July 1, 1961, of the State of Illinois, and all  
laws amendatory thereof and supplemental thereto, and an  
ordinance adopted \_\_\_\_\_, 1978, and published as required  
by law, for the purpose of paying part of the cost of acquiring  
and constructing improvements to the combined waterworks  
and sewerage system of said Village of Chatham, and this  
bond does not constitute an indebtedness of said Village  
within any constitutional or statutory limitation.

This bond is one of an authorized issue of \$3,680,000  
numbered from 1 through 736, inclusive, denomination \$5000  
each, of like date and tenor except as to maturity and privilege  
of redemption and of said bonds, bonds maturing in the years  
1993 through 2000, inclusive, shall be subject to redemption  
and payment prior to their maturity at the option of the  
Village at par and accrued interest to the date of redemption  
on any interest payment date as a whole or in part in inverse  
numerical order on or after May 1, 1992. Notice of the re-  
demption of any or all of said bonds which by their terms

shall have been subject to redemption shall be given by the Village to the holder thereof, if known, by registered mail at least thirty (30) days prior to the date of redemption, or if the holder thereof be unknown, such notice shall be published at least once in a newspaper published in the English language of general circulation in the City of Chicago, Illinois, the date of the publication of such notice to be not less than thirty (30) days prior to such redemption date, and when any or all of said bonds which by their terms have become subject to redemption and payment prior to their maturity shall have been called for redemption, and payment made or provided for, interest thereon shall cease from and after the date so specified. Such bonds shall be redeemed at the paying agent as stated on this bond.

Under said Code and the Ordinance adopted pursuant thereto, the entire revenues derived from the operation of the combined waterworks and sewerage system of said Village shall be deposited in a separate fund designated as the "Waterworks and Sewerage Fund" of said Village, which shall be used only in paying the cost of maintenance and operation of such combined system, providing an adequate depreciation fund and paying the principal of and interest on the bonds of said Village that are issued under authority of said Code and that payable by their terms only from the revenues of such combined waterworks and sewerage system. For a more complete statement of the source of payment of this bond and the issue of which it is a part, and a statement of the terms and conditions under which additional revenue bonds may be issued on a parity herewith, reference is made to said ordinance to all the terms and conditions of which ordinance the holder thereof by the acceptance of this bond and coupons assents.

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the issuance of this bond have been done and have happened

and have been performed in regular and due form of law and that provision has been made for depositing in said Waterworks and Sewerage Fund sufficient revenues received from the operation of said combined waterworks and sewerage system to be applied in the manner as hereinabove set forth; and and it is hereby covenanted and agreed that rates will be charged for the use and service of such combined waterworks and sewerage system sufficient at all times to pay the cost of operation and maintenance of such system, provide an adequate depreciation fund, and pay the principal of and interest on all revenue bonds issued by said Village which are payable solely from the revenues of such combined waterworks and sewerage system.

This bond may be registered as to principal in the name of the holder on the books of said Village in the office of the Village Treasurer, such registration to be evidenced by notation of said Treasurer on the back hereof, after which no transfer hereof shall be valid unless made on said books and similarly noted hereon, but it may be discharged from such registration by being transferred to bearer, after which it shall be transferable by delivery, but it may be again registered as before. The registration of this bond shall not restrict the negotiability of the coupons by delivery merely.

IN WITNESS WHEREOF, said Village of Chatham, Sangamon County, Illinois, by its President and Board of Trustees, has caused this bond to be signed by the President of said Village, its corporate seal to be hereto affixed and attested by the Village Clerk and the coupons hereto attached to be signed by the facsimile signatures of said President and said Village Clerk, which officials, by the execution of this bond, do adopt as and for their own proper signatures

their respective facsimile signatures appearing on said coupons, and this bond to be dated the first day of November, 1978.

President of the Village of  
Chatham, Sangamon County, Illinois

Attest:

Village Clerk of the Village  
of Chatham, Sangamon County,  
Illinois.

(Form of Coupon)

Number \_\_\_\_\_ \$ \_\_\_\_\_

On the first day of \_\_\_\_\_, \_\_\_\_\_ (unless the bond to which this coupon is attached has been called for payment prior to said date as therein provided and payment made or provided for) the Village of Chatham, Sangamon County, Illinois, will pay to bearer out of the Waterworks and Sewerage Fund of said Village \_\_\_\_\_

Dollars (\$ \_\_\_\_\_)

in lawful money of the United States of America, at The Illinois National Bank of Springfield, in the City of Springfield, Illinois, being interest then due on its Waterworks and Sewerage Revenue Bond, Series of 1978, dated November 1, 1978, Number \_\_\_\_\_

(Facsimile Signature)

President of the Village of Chatham  
Sangamon County, Illinois

Attest:

(Facsimile Signature)

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

(Form of Registration Certificate)

Date of Registration:	In Whose Name Registered :	Signature of Village Treasurer as Registrar:

Section 8. That upon the issuance of any of the bonds herein provided for, the system, for the purpose of this ordinance, shall be operated on a fiscal year basis, commencing with the first day of May and ending the last day of April of each calendar year, so long as any of the bonds herein authorized to be issued are outstanding, the entire revenues derived from the operation of the system shall be collected and shall be set aside as collected and such revenues be deposited in a separate fund previously created and designated as the "Waterworks and Sewerage Fund" of the village of Chatham, which shall be kept apart and segregated from all other moneys of the municipality and shall be used only to create and to maintain the several accounts hereinafter specified for the purpose of paying the cost of the operation and maintenance of said system, providing an adequate depreciation reserve and paying the principal of and interest upon all revenue bonds which by their terms are payable from the revenues of the system, and such Waterworks and Sewerage Fund shall be used only for such purposes is hereby pledged therefor.

Section 9. That for the accounting of all moneys and assets of said Waterworks and Sewerage Fund at any time and from time to time while any bonds herein authorized are outstanding and unpaid, there are hereby created and established separate accounts to be designated (a) Operation and Maintenance Account, (b) Bond and Interest Account,



(c) Bond Reserve Account, (d) Improvement, Extension and Replacement Account, and (e) Surplus Revenue Account. All deposits made to and all funds held in each of said accounts, respectively, shall be continuously secured as provided by the laws of the State of Illinois governing public bodies. Except as hereinafter provided, money in the Waterworks and Sewerage Fund may be deposited in one or more bank accounts as may be designated by the President and Board of Trustees of the Village of Chatham. Interest or income earned on any investment shall be considered as revenues of the system. There shall be paid on the first business day of each month all moneys held in said Waterworks and Sewerage Fund in accordance with the following provisions and in the priority of said accounts so created and established as follows:

(a) Operation and Maintenance Account: There first shall be set apart and paid out of said Waterworks and Sewerage Fund into the Operation and Maintenance Account, an amount considered necessary and sufficient to pay the reasonable current expenses of operating, repairing and maintaining said system for the next succeeding month, and one-twelfth of expenses computed on annual basis, including without limiting the generality of the foregoing, salaries, wages, taxes, costs of materials, supplies, insurance, power, fuel, reasonable repairs and extensions necessary to render efficient service and all other necessary incidental expenses which under recognized accounting principles are properly chargeable to the system and costs of administration. The costs of extraordinary or unusual repairs and maintenance, extraordinary or unusual capital expenditures, extraordinary or unusual administrative, improvement, extension or replacement charges shall not be paid from this account.

(b) Bond and Interest Account: Commencing with the first day of the month following delivery of the bonds herein authorized and after all payments required to be

made into the foregoing account have been made and all deficits in said account have been fully remedied, there shall next be deposited in the Bond and Interest Account for the purpose of paying the maturing principal of and the interest accruing on the bonds issued under the terms of this ordinance such amount of said income and revenue as will be sufficient and adequate at any time to pay the principal of and interest on said bonds as the same respectively mature, which amount is hereby irrevocably pledged for the payment of the bonds authorized hereunder and for payment of principal of and interest on the outstanding bonds described in the preambles hereto and for the payment of principal of and interest on such additional parity bonds as may be hereafter authorized and shall be used solely for that purpose. It is hereby covenanted and agreed that there shall be set aside monthly in said Bond Account an amount at least equal to 1/5th of the interest becoming due on all of said outstanding bonds on the next succeeding interest payment date and an amount at least equal to 1/10th of the principal becoming due on the next succeeding principal payment date.

It is the express intent and determination of the governing body of this municipality that the amount of said income and revenue so to be set aside and deposited into said Bond and Interest Account shall be in any event, always sufficient to pay the interest upon said bonds as the same becomes due and the principal thereof as the same matures and there shall be deposited out of such income and revenue received from the operation of said system from month to month during each such fiscal year, without further authorization from the governing body of this municipality, sufficient moneys in said Bond and Interest Account to pay promptly such principal and interest. At the time of delivery of the bonds there shall be deposited in said account any accrued interest on the bonds received at delivery plus

premium, if any, and the sum of \$345,000, such amount being equal to the interest estimated to accrue during the estimated time to complete construction, acquisition and development of the improvements authorized herein.

No further payments need be made into said Bond and Interest Account when and so long as such amount of bonds shall have been retired that the amount then held in said account, together with the amount then on deposit in the Bond Reserve Account hereinafter described, is equal to the entire amount of all interest and principal that will be payable at the time of redemption or maturity on all of said bonds then remaining outstanding.

If in any fiscal year said municipality shall for any reason fail to pay into said Bond and Interest Account the full amount above specified, then an amount equivalent to such deficiency shall be set apart and paid into said account from the first available revenue of the next following fiscal year or years, and shall be in addition to the amount otherwise herein provided to be so set apart and deposited during each succeeding fiscal year or years.

If there are not sufficient funds in the Bond and Interest Account available to pay maturing principal of and interest on the bonds herein authorized, such deficiency shall be made up (1) by the transfer of funds from the Bond Reserve Account, (2) by the transfer of funds from the Improvement, Extension and Replacement Account and (3) by the transfer of funds from the Surplus Account.

The Bond and Interest Account shall be carried as a separate deposit at the paying agent, and the moneys in said account may be invested and reinvested in bonds or other direct obligations of the United States of America maturing within the time or times as provided by the laws of the State of Illinois as may be authorized from time to time by resolution of the governing body of the municipality.

Earned income from any such investments shall be considered as revenues of the system.

Funds to pay principal and interest, together with the fees and expenses of the paying agent, shall be delivered to the paying agent not less than fifteen (15) days prior to the due date of principal or interest. Interest and principal due on May 1, shall be considered a part of the debt service requirements of the fiscal year ending the prior April 30.

(c) Bond Reserve Account: Commencing with the first day of the month following delivery of the bonds herein authorized, and after all payments required to be made into the foregoing accounts have been made and all deficits in said accounts have been fully remedied, there shall next be deposited in the Bond Reserve Account the sum of \$3,000 each month until the balance in this Bond Reserve Account equals the maximum principal and interest requirements on all outstanding bonds of the system for any future fiscal year, and at which figure said account, notwithstanding any transfer therefrom as herein permitted, shall thereafter be continuously maintained, and all moneys therein shall be only used by the Treasurer hereof as may be needed from time to time in the payment of the interest on or principal of the bonds herein authorized, the outstanding bonds described in the preambles hereto, or the interest on and principal of such additional parity bonds as may be hereafter authorized whenever there exists a deficiency in the Bond and Interest Account hereinabove established and all withdrawals therefrom for that purpose shall be reimbursed from the next revenues available therefor as provided herein. Whenever the amount on deposit in said account, together with the amount on deposit in the Bond and Interest Account, is equal to or greater than the interest on and principal of all bonds payable therefrom and then outstanding, no further deposits need be made in said Bond Reserve Account.

The Bond Reserve Account shall be carried as a separate deposit at the paying agent, and the moneys in said Bond Reserve Account may be invested and reinvested in bonds or other direct obligations of the United States Government with fixed redemption value maturing within five (5) years from date of purchase as may be authorized from time to time by resolution of the governing body of said municipality. Earned income from any such investments shall be considered as revenues of the system.

(d) Improvement, Extension and Replacement Account:

Commencing with the first day of the month following delivery of the bonds herein authorized, and after all payments required to be made in the foregoing accounts have been made and all deficits in said accounts have been fully remedied, there next shall be deposited in the Improvements, Extension and Replacement Account the sum of \$4,000 or such other sum not less than \$4,000 as may be established by resolution of the Board of Trustees of the Village of Chatham, each month until \$300,000 is on deposit in said account, which amount is hereby found and determined to be a reasonable amount necessary to accomplish the purpose for which said Improvement, Extension and Replacement Account is established. The moneys in said account shall be used to pay the cost of necessary replacements and extraordinary or unusual maintenance to the system, but if not so used may be applied to pay the cost of extensions to said system. Provided, however, that to the extent necessary to prevent or to remedy a default in the payment of principal or interest on the bonds herein authorized, the outstanding bonds described in the preambles hereto, or on such additional parity bonds as may be hereafter authorized, the moneys in said Improvement, Extension and Replacement Account shall be transferred to the Bond and Interest Account, and whenever such a transfer is made, and amount equal to the amount so transferred shall be added to the next deposit to be made into the Improvement, Extension and Replacement Account, and thereafter until said Improvement,

Extension and Replacement Account has been fully reimbursed. Any sum in excess of \$300,000 in this Improvement, Extension and Replacement account, may be transferred to the Bond Reserve Account or to the Surplus Revenue Account by resolution of the President and Board of Trustees of the Village of Chatham.

The moneys in said Improvement, Extension and Replacement Account may be invested and reinvested in bonds or other direct obligations of the United States of America with fixed redemption value maturing within five (5) years from date of purchase as may be authorized from time to time by resolution of the governing body of the municipality. Earned income from any such investments shall be considered as revenues of the system.

(c) Surplus Revenue Account: Any surplus funds then remaining at the end of each fiscal year after providing for all of the deposits hereinabove listed in paragraphs (a) through (d) shall be deposited in the Surplus Account to be used and held for use as follows:

(i) for the reimbursement at any time and from time to time of any account listed in paragraphs (a) through (d) hereof that is depleted by withdrawals; and

(ii) after remedying any reimbursements as required in subparagraph (i) above, such surplus may be used for the repair, improvement or extension of the system or for the redemption of such bonds payable from the revenues of the system as may be by their terms callable for redemption prior to maturity or for any lawful corporate purpose for purchase on the open market at not more than par and accrued interest any of such bonds which are payable from the revenues of the system.

The money in the Surplus Account may be invested and reinvested in bonds or other direct obligations of the United States of America maturing within five (5) years from date of purchase or in such securities provided by the laws of the State of Illinois governing the deposit of public funds as may be authorized from time to time by resolution of the governing body of said municipality. Earned income from any such investments shall be considered as revenues of the system.

Section 10. That said municipality hereby agrees to carry insurance on said system of the kinds and in the amounts which are usually carried by private parties operating similar properties, including without limiting the generality of the foregoing, fire, windstorm insurance and public liability insurance, and all moneys received for losses under such insurance policies as insure against physical damage to or loss of the system shall be deposited in the Improvement, Extension and Replacement Account and shall be used to the extent reasonably possible in making good the loss or damage in respect of which they were paid, either by repairing the property damaged or replacing the property destroyed, and provision for making good such loss or damage shall be made within ninety (90) days from date of the loss. The proceeds of any and all policies for public liability shall be paid into the Operation and Maintenance Account and used in paying the claims on account of which they were received...

The payment of premiums for all insurance policies required under the provision of this section shall be considered an operation and maintenance expense.

Section 11. That while any of the bonds issued pursuant to this ordinance remain outstanding or unpaid, rates charged for water and sewerage services shall be sufficient at all times to pay all costs of operation and maintenance of the system, to make the payments and maintain the balance as required in an adequate depreciation account to pay the principal of and interest on all bonds authorized hereunder, and to make the payments and maintain the balance as required in the Bond and Interest Account and the Bond Reserve Account. There shall be charged against all users of the system, including the municipality, such rates and amounts for water and sewerage services as shall be adequate to meet the requirements of this section. Charges for services rendered the municipality shall be made against the municipality and

payment for the same from the corporate funds shall be made monthly into the Waterworks and Sewerage Fund created by this ordinance in the same manner as other revenues derived from the operation of the system are so required to be deposited.

In addition to the foregoing, the municipality covenants not to provide any free service of said system and to pay promptly for the use of all facilities connected and to be connected to the system, including water used for fire protection to be computed by the number of fire hydrants connected and to be connected with said system.

It is expressly herein covenanted that to the extent permitted by law the municipality will not grant a franchise for the operation of any competing waterworks system or sanitary sewer system or combination thereof within said municipality, and that the bonds herein authorized to be executed shall constitute legally enforceable liens upon the earnings of the combined waterworks and sewerage system of said municipality, including all further extensions, additions and improvements thereto, whether acquired through purchase, contract or otherwise.

Section 12. That in the event the municipality defaults in complying with any covenant contained in this ordinance, any holder of any bond issued hereunder, or of any coupon representing interest accrued thereon, may, either in law or in equity, by proper suit, compel the officials of said municipality to perform all duties required by law and by this ordinance, including the making and collecting of sufficient rates for water and sewerage services for that purpose and application of income and revenue therefrom.

Section 13. That it is hereby covenanted and agreed with the holder of the bonds herein authorized that said municipality will not issue any other or additional bonds or obligations enjoying a prior claim on the revenues of the combined system and it is further hereby covenanted



and agreed with the holder of the bonds herein authorized that said municipality will not issue any other or additional bonds or obligations enjoying a prior claim on the revenues of the combined system and it is further hereby covenanted and agreed with the holder of the bonds herein authorized that said municipality will not issue any other or additional bonds or other evidences of obligations of said municipality payable from or in any way creating a charge upon the income and revenue to be derived from the operation of said system, except as herein provided:

A. Said municipality reserves the right to issue additional bonds for construction of further necessary improvements, extensions, replacements to the properties comprising said system or for the purpose of refunding any of the Waterworks and Sewerage Revenue Bonds issued under this Ordinance or parity bonds as hereinafter described, or for any combination of such purposes, to share ratably and equally in the revenues of said system only whenever all of the following conditions are met:

(1) When additional bonds are to be issued for such construction, there shall have been filed with the governing body of the municipality a certificate of an independent engineer in responsible charge of constructing such further improvements, extensions, repairs and rehabilitations which shall be approved by and made of public record in the proceedings of the governing body of the municipality before any such additional bonds are authorized:

(a) giving a reasonably detailed description of such work, an estimate of the cost thereof and an estimate of the time of completion thereof; and

(b) showing the feasibility of such additional revenue financing with reference to existing rates and anticipated earnings based thereon.

(2) The net earnings of the system for the last completed fiscal year prior to the issuance of such

additional bonds shall have been at least equal to 1.35 times the maximum amount of interest and principal that will become due in any fiscal year subsequent to the issuance of such additional bonds on the bonds of this issue then outstanding and on the additional bonds then proposed to be issued. The term "net earnings" for the purpose of this subparagraph shall be deemed to be the gross revenues for the next preceding completed fiscal year after deducting therefrom all maintenance and operation expenses for such preceding completed fiscal year, before provision for depreciation or any other accounts required by this ordinance. Provided, that if there has been a change in the rates of the system from the rate in effect for any part of the preceding fiscal year, which change is in effect at the time of the issuance of such additional bonds, net earnings shall be adjusted as though the then existing rates had been in effect all of said year. Any such adjustments shall be made and attested by certificate of a certified public accountant or an independent consulting engineer employed for that purpose and shall be approved by The President and Board of Trustees of the Village and filed with the Village Clerk prior to the issuance of such additional bonds.

(3) The amounts required to be credited to the respective accounts described in Section 9(a) through (d) of this ordinance shall have been credited in full to the date of issue of the proposed additional bonds.

B. In addition to the foregoing, if, prior to the payment of the bonds hereby authorized, it shall be found desirable to refund part or all of the bonds hereby authorized and then outstanding, said bonds may be refunded notwithstanding the restrictions as to the issuance of additional bonds set forth in this section (with the consent of the holders thereof unless the bonds to be refunded are

subject to redemption and provision for call and redemption thereof is duly made), and any refunding bonds so issued shall share ratably and equally in the income and revenue of said system with the portion of the bonds hereby authorized, which are not refunded; provided, further, that if any such bonds are refunded in such manner that the interest rate is increased or the refunding bonds mature at a date earlier than the maturity of any of the bonds not refunded, then such refunding bonds shall not share ratably and equally in the income and revenue of said system with the portion of bonds remaining outstanding authorized under this ordinance, except that if it is found necessary to refund any principal or interest on the bonds provided for by this ordinance at maturity or within one year of maturity thereof in order to prevent default, such refunding bonds may be issued to share ratably and equally in the income and revenue of the system with the portion of the bonds hereby authorized which are not refunded, notwithstanding the fact that the interest rate is increased, provided, however, that such refunding bonds shall not mature at a date earlier than the maturity of any of said bonds not refunded and then outstanding.

C. When the conditions specified in paragraphs A or B of this section have been met, then any such additional bonds, when issued, shall be entitled to the equal and proportionate benefit and security of the pledge of the revenue and income derived and to be derived from the operation of said system with the bonds herein authorized without preference, priority or distinction as to participation of such pledge of revenue, or in the preference of one bond or coupon of each of said issues over or from any other issue, by reason of priority in execution, issue, delivery or negotiation thereof, or by reason of the date or dates of said bonds, or the date or the dates of maturity thereof, or for any other reason whatsoever, the intent hereof being that each and all of said bonds, as aforesaid, and of coupons evidencing interest thereon, shall have the same right and

pledge as to payment and security with the same legal effect as if each and all of said bonds and coupons had been executed, issued, delivered and negotiated simultaneously as one proceeding.

D. Said municipality reserves the right to issue Junior Lien Bonds payable solely from the Surplus Revenue Account with principal payable on May 1 and interest payable on May 1 and November 1 for the construction of further necessary improvements, extensions or replacements to the properties comprising said system or for the purpose of refunding any of the bonds issued under this Ordinance:

Section 14. That the municipality hereby covenants and agrees with the holder or holders of said bonds that it will punctually perform all duties with reference to said system required by the Constitution and laws of the State of Illinois, including the making and collecting of sufficient rates for the use and service of said system, segregating the revenues of said system and maintaining the Waterworks and Sewerage Fund and the application of said revenues to the respective accounts created by this ordinance, and it hereby covenants and agrees not to sell, lease, loan, mortgage, or in any manner dispose of, or encumber said system (subject, however, to the right reserved in Section 13 to issue additional bonds), including any and all extensions and improvements that may be made thereto, until all of the bonds herein authorized to be issued shall have been paid in full, both principal and interest, or unless and until provision shall have been made for the payment thereof.

Said municipality further covenants and agrees with the holders of said bonds authorized hereunder to maintain in good condition and continuously to operate said system, and to make enact and enforce all needful rules and regulations and ordinances for the efficient management and proper maintenance

nance and protection of such system, and for the use and service thereof. Provided, however, that nothing herein shall be construed to prohibit the sale or other disposition of property, which in the discretion of the President and Board of Trustees of the Village is no longer useful or profitable to the system nor essential to the continued operation of the system.

Section 15. That the municipality will maintain and keep proper books of records and accounts (separate from all other records and accounts of said municipality) in which complete entries shall be made of all transactions relating to the said system and hereby covenants that it will cause the books and accounts of said system to be audited by certified public accountants and within not more than ninety (90) days after the close of each annual fiscal period will file with the original purchasers of said bonds now proposed to be issued, complete audited operating statements of said system in reasonable detail covering such annual period and will furnish upon written request not more than ninety (90) days after the close of each annual fiscal period copies of such operating statements to any holder of any of said bonds herein authorized and will permit any holder or holders or any purchaser of said bonds then outstanding to inspect at all reasonable times said system and all records and accounts and data relating thereto, and to furnish to any holder or holders or any purchaser of said bonds then outstanding all data and information relating to said system which may be reasonably requested. Each audit, in addition to whatever matters may be thought proper by the accountant to be included therein, shall, without limiting the generality of the foregoing, include the following:

(1) statement in detail of the income and revenue and expenditures of the system for such fiscal year;

(2) the accountant's comment regarding the method in which the municipality has carried out the requirements

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of this ordinance and the accountant's recommendations for any changes or improvements in the financial operation of the system;

(3) a list of all the insurance policies in force at the end of the fiscal year, setting out as to each policy the amount of the policy, the risks covered, the name of the insurer and the expiration date of the policy; and

(4) information concerning the number of customers served by the system at the end of the fiscal year, the number of metered customers at the end of such year, the number of unmetered customers at the end of such year and the quantity of water pumped or supplied.

All expenses incurred in the making of such audit shall be regarded and paid as an operation and maintenance expense.

Section 16. That the provisions of this ordinance shall constitute a contract between the municipality and the holders of the bonds herein authorized to be issued and after the issuance of said bonds no changes, additions or alterations of any kind shall be made hereto, until all of said bonds and the interest thereon shall have been paid in full, or unless and until provisions shall have been made for the payment thereof, and that no modification or amendment of this Ordinance shall be made without the written consent of the holders of not less than two-thirds of the principal amount of all bonds and parity bonds then outstanding exclusive of those owned or held or controlled by Village of Chatham.

Section 17. That after this ordinance has been adopted as provided by law, the bonds herein authorized shall be sold and shall be then executed and delivered to the Village Treasurer of said Village and be by him delivered to the purchaser thereof, upon receipt of the purchase price therefor, the same to be not less than that allowed by law.

That there shall be deposited in an escrow account with the paying agent an amount not greater than \$650,000 derived from the sale of the bonds herein authorized, together with other funds currently available, which amount shall

be adequate to pay the principal and interest accrued on said outstanding and unpaid bonds to the date upon which such outstanding and unpaid bonds are subject to redemption.

The Village Treasurer shall receipt for the payment of said bonds against delivery thereof to said purchaser and the remainder of the proceeds derived at the sale and delivery of said bonds shall be accounted for by said Treasurer as follows:

A. All accrued interest from the date of the bonds to the date of delivery and payment together with \$345,000 from the proceeds of sale of bonds shall be credited to the Bond and Interest Account.

B. The balance of the proceeds received as principal after payment of the aforementioned bonds and credit of accrued and capitalized interest shall be deposited by the Treasurer in a separate and special account of said municipality to be known and designated as the "1978 Waterworks and Sewerage System Bond Construction Fund Account", in a depository selected by the governing body of the municipality for that purpose, to be secured in the manner, form and time as by law required, and all moneys or investments held in said Construction Fund Account shall be used and held for use solely to pay the cost of constructing the improvements and extensions to the system as hereinabove described in this ordinance and the beneficial interest to all such moneys and investments held in said Construction Fund Account at the time of the original deposit therein and from time to time thereafter shall be in the holder or holders of the bonds herein authorized, and all disbursements therefrom shall be made by the Treasurer of this municipality from time to time but only upon submission to him and said depository of the following:

(1) a certificate by the engineer in responsible charge of the construction of said improvements, extensions and repairs stating the nature of the work and services completed and the amount due and payable thereon and that sufficient funds remain to complete the construction, thereof, bearing the endorsement and approval of the President of said municipality and accompanied by

(2) an order for payment upon said Treasurer signed by the President of said municipality and the Village Clerk, which order shall state specifically the purpose for which said order is issued.

Within the sixty (60) days after completion of the construction of the improvements and extensions herein authorized the municipality agrees to deliver to said depository an original counterpart of a certificate (herein called the "Certificate of Completion"), signed by the President and by the Village Treasurer, and having endorsed thereon the approval of the engineer in charge of such construction, stating that said improvements, extensions and repairs have been fully constructed and completed in accordance with the plans, maps, files and specifications therefor that have been approved by the governing body of the municipality and that the same have been fully paid for, or that funds sufficient so to pay for the same remain in said Construction Fund Account, giving the date of final completion and the total cost of construction and the amount, if any, of such construction cost then remaining unpaid, together with an original counterpart of the opinion of counsel for said municipality to the effect that all property, real, personal and mixed, connected with or forming a part of, or necessary to the operation of said system as completed, is owned by said municipality and covered by the lien of this ordinance, and upon receipt of such Certificate of completion and opinion of counsel as mentioned, said depository, after retaining in said Construction Fund Account a sum sufficient to pay



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the balance of the construction cost remaining unpaid as shown by said Certificate of Completion, including any items then in controversy, shall deposit all moneys then remaining with the paying agent for said bonds, in the Waterworks and Sewerage Fund herein created.

The costs of engineering, legal, bond discount and financial services, the costs of surveys, designs, soundings, borings, rights-of-way, land and easements and all other necessary and incidental expenses, including interest accruing on said bonds during the construction period to the extent such interest is not paid from income and revenue, shall be deemed items of cost of construction of the improvements and extensions to the system.

Section 18. The President, the Village Clerk and the Village Treasurer are each hereby authorized and directed to execute and deliver such certificates, proceedings and agreements as may be necessary or convenient to establish the accounts created in Section 9 hereof and the Construction Fund Account created in Section 17 hereof, properly to secure all proceeds thereof, and to evidence compliance herewith in the making of any withdrawals therefrom.

Section 19. That if any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance.

Section 20. That ordinances, resolutions or orders or parts thereof in conflict with the provisions of this ordinance are, to the extent of such conflict, hereby repealed.

Section 21. That this ordinance, after its passage and approval, shall be published once in the Chatham Clarion, a newspaper published and of general circulation in the municipality and if no petition, signed by electors numbering 15% of the number of electors voting for President of said Village at the last preceding general Village election at which a President was elected and asking that the question.

of improving the combined waterworks and sewerage system and the issuance of revenue bonds therefor, as provided in this ordinance, be submitted to the electors of the Village, is filed with the Village Clerk of said Village within twenty-one (21) days after the date of the publication of this ordinance, then this ordinance shall be in full force and effect.

Passed: November 14, 1978.

AYES: six

NAYS: none

Approved: November 14, 1978.

John White  
President

Attest:

Steven S. Spence  
Village Clerk

Published in the \_\_\_\_\_ on \_\_\_\_\_, 1978. Recorded in the official Ordinance Book of said Village at page \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_, 1978.

STATE OF ILLINOIS )  
COUNTY OF SANGAMON ) SS.  
VILLAGE OF CHATHAM )

CERTIFICATION OF ORDINANCE

I, the undersigned, do hereby certify that I am the duly selected, qualified and acting Village Clerk of the Village of Chatham, Sangamon County, Illinois (the "Issuer"), and as such official I am the keeper of the records and files of the Issuer and of its President and Board of Trustees (the "Corporate Authorities").

I do further certify that the foregoing constitutes a full, true and complete excerpt from the proceedings of the regular meeting of the Corporate Authorities held on the 9th day of January, 1979, insofar as same relates to the adoption of Resolution No. 1-79, entitled:

RESOLUTION confirming sale of and fixing the interest rates and designating the place of payment for \$3,680,000 Waterworks and Sewerage Revenue Bonds, Series of 1978, of the Village of Chatham, Sangamon County, Illinois,

a true, correct and complete copy of which resolution (the "Resolution") as adopted at such meeting appears in the transcript of the minutes of such meeting and is hereto attached. The Resolution was adopted and approved by the vote and on the date therein set forth.

I do further certify that the deliberations of the Corporate Authorities on the adoption of such Resolution were taken openly, that the adoption of such Resolution was duly moved and seconded, that the vote on the adoption of such Resolution was taken openly and was preceded by a public recital of the nature of the matter being considered and such other information as would inform the public of the business being conducted, that such meeting was held at a specified time and place convenient to the public, that notice of such meeting was duly given to all of the news media requesting such notice, that such meeting was called and held in strict compliance with the provisions of the open meeting laws of the State of Illinois, as amended, and the Illinois Municipal Code, as amended, and that the Corporate Authorities have complied with all of the applicable provisions of such open meeting laws and such Code and their procedural rules in the adoption of such Resolution.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of the Village of Chatham, Sangamon County, Illinois, this 29th day of September, 1992.

  
\_\_\_\_\_  
Clerk

(SEAL)

MINUTES of a Regular public meeting of  
The President and Board of Trustees of the Village  
of Chatham, Sangamon County, Illinois, held at  
Village Hall in said Village at  
7 o'clock P.M., on the 9 day of Jan  
Jan, 1979.

The meeting was called to order by the President,  
and upon the roll being called, John F. Whitney, the President,  
and the following Trustees answered present:

Cain, Brown, Hill, Keown, Wisenmeyer

and the following Trustees were absent:

none

Trustee Mayor Whitney presented,  
and the Village Clerk read in full a resolution as follows:

RESOLUTION NO. 1-79

RESOLUTION confirming sale of and fixing the interest rates and designating the place of payment for \$3,680,000 Waterworks and Sewerage Revenue Bonds, Series of 1978, of the Village of Chatham, Sangamon County, Illinois.

\* \* \*

WHEREAS, the President and Board of Trustees of the Village of Chatham, Sangamon County, Illinois, by Ordinance 78-29, adopted on the 14th day of November, 1978, authorized and provided for the issue of \$3,680,000 Waterworks and Sewerage Revenue Bonds, Series of 1978, of said Village; and

WHEREAS; the Bonds have been offered for sale and the bids therefor have been received and tabulated; and

WHEREAS; it is hereby determined that the bid of Wauterlek & Brown, Inc., conforms to all terms of the official notice of sale for such bonds and is the highest and best bid for the Bonds, and said purchaser has agreed to accept delivery of the Bonds being the rates of interest as hereinafter set forth; and

WHEREAS, it is now desired to confirm the sale of and fix the interest rate and designate the place of payment for said bonds:

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

Section 1. That the sale of \$3,680,000 Waterworks and Sewerage Revenue Bonds, Series of 1978, of the Village of Chatham, Sangamon County, Illinois, authorized by Ordinance 78-29, adopted by the President and Board of Trustees of said Village on the 14th day of November, 1978, to: Wauterlek & Brown, Inc., at the price of \$3,619,831.51 and accrued

interest to the date of delivery thereof, in accordance with the contract of sale heretofore entered into is hereby ratified, approved and confirmed and that it is hereby found and determined that said contract is in the best interest of said Village and that no person holding any office of said Village, either by election or appointment, is in any manner interested, either directly or indirectly, in his own name or in the name of any other person, association, trust or corporation, in said contract for the purchase of said bonds.

Section 2. That the said bonds be executed by the officials of the Village in the manner and form as provided for in and by the Ordinance so authorizing.

Section 3. That said bonds shall mature serially on May 1 in each of the years and in the amounts and bear interest as follows:

<u>Year</u>	<u>Amount</u>	<u>Rate of Interest</u>	<u>Year</u>	<u>Amount</u>	<u>Rate of Interest</u>
1981	20,000	7.25%	1991	200,000	6.70%
1982	30,000	7.25%	1992	210,000	6.70%
1983	40,000	7.25%	1993	230,000	6.40%
1984	50,000	7.25%	1994	250,000	6.40%
1985	80,000	7.25%	1995	270,000	6.70%
1986	100,000	7.25%	1996	290,000	6.80%
1987	120,000	7.25%	1997	310,000	7.25%
1988	140,000	7.25%	1998	330,000	7.25%
1989	160,000	7.25%	1999	330,000	7.25%
1990	180,000	6.70%	2000	340,000	6.00%

provided, however, bonds maturing in the years 1993 through 2000, inclusive, shall be subject to redemption and payment prior to their maturity at the option of the Village at par and accrued interest to the date of redemption on any interest payment date as a whole or in part in inverse numerical order on or after May 1, 1992.

Section 4. That said bonds shall be payable as to principal and interest at the Illinois National Bank of Springfield, Springfield, Illinois.

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

Adopted January 9, ~~1978~~ <sup>1979</sup>

AYES: 6

NAYS: 0

Approved January 9, ~~1978~~ <sup>1979</sup>

Approved:

John W. [Signature]  
President

Attest:

Helen S. [Signature]  
Village Clerk

Trustee, Wiesenmeyer, moved and Trustee, Brown seconded the motion that said resolution as presented and read by the Village Clerk be adopted.

After a full discussion thereof, the question was called for a vote upon the motion to adopt said resolution as read.

Upon the roll being called the following Trustees voted:

AYES: Brown, Cionis, Will Keever  
Wiesenmeyer & Mayor Whitney

NAYS: none

Whereupon the President declared the motion carried and the resolution adopted, and henceforth did approve and sign the same in open meeting, and did direct the Village Clerk to record the same in the records of the Village of Chatham, Sangamon County, Illinois.

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

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

Allen S. Spencer  
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 9 day of January, 1979, insofar as same relates to the adoption of a resolution entitled:

RESOLUTION confirming sale of and fixing the interest rates and designating the place of payment for \$3,680,000 Waterworks and Sewerage Revenue Bonds, Series of 1978, of the Village of Chatham, Sangamon County, Illinois.

a true, correct and complete copy of which said resolution 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 resolution were conducted openly; that the vote on the adoption of said resolution 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 9 day of January, 1979.

Helew Spence  
Village Clerk

(SEAL)



OFFICE OF THE SECRETARY OF STATE

INDEX DEPARTMENT  
ADMINISTRATIVE SERVICES DIVISION

SPRINGFIELD, ILLINOIS 62756

GEORGE H. RYAN  
SECRETARY OF STATE

September 25, 1992

Kurt P. Froehlich, Ltd.  
EVANS & FROEHLICH  
44 Main Street  
P.O. Box 737  
Champaign, Illinois 61820

Dear Mr. Froehlich:

Receipt is acknowledged of the manual signatures of the following Authorized Officials of the Village of Chatham, Sangamon County, Illinois.

Carl D. Oblinger  
Pat Schad

Same have been placed on file in this office under the provisions of the Uniform Facsimile Signature of Public Officials Act.

Pursuant to your request we are returning file-stamped copies of said signatures.

Sincerely

A handwritten signature in cursive script that reads "Tony Leone".

TONY LEONE  
Director

Index Department  
111 East Monroe Street  
Springfield, Illinois 62756

(217) 782-7017

Enc.

CERTIFICATE OF SIGNATURE  
under the  
UNIFORM FACSIMILE SIGNATURE OF PUBLIC OFFICIALS ACT.  
(Ill. Rev. Stat. ch. 102, par. 67 et seq.)

FILED  
INDEX DEPARTMENT

SEP 25 1992

IN THE OFFICE OF  
SECRETARY OF STATE

I, CARL <sup>D.</sup>OBLINGER, Village President, certify that  
I am an "Authorized Official" of The Village of Chatham, Illinois

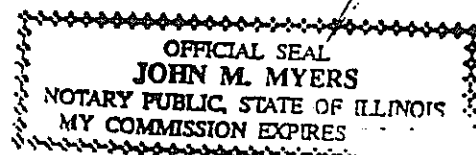
within the meaning of the provisions of Section 1 (c) of the Uniform Facsimile Signature of Public Officials Act and that my signature is required or permitted on a public security or instrument of payment as defined in said Act. That I am filing my signature with the Secretary of State, certified under oath, so as to permit the use of a facsimile thereof upon a public security or instrument of payment requiring or permitting my signature as provided under the Uniform Facsimile Signature of Public Officials Act.

I, CARL OBLINGER, Village President, certify under  
oath that the following is my manual signature:

Carl D. Oblinger  
CARL OBLINGER, Village President

Subscribed and sworn to before me this 18 day of September, A.D. 19 92

John M. Myers  
Notary Public



Complete and return to: Secretary of State  
Index Department  
111 East Monroe Street  
Springfield, Illinois 62756  
(217) 782-7017

CERTIFICATE OF SIGNATURE  
under the  
UNIFORM FACSIMILE SIGNATURE OF PUBLIC OFFICIALS ACT  
(Ill. Rev. Stat. ch. 102, par. 67 et seq.)

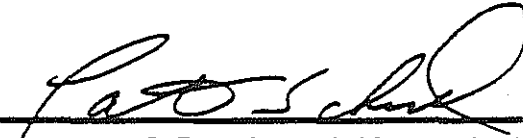
FILED  
INDEX DEPARTMENT  
SEP 25 1992

IN THE OFFICE OF  
SECRETARY OF STATE

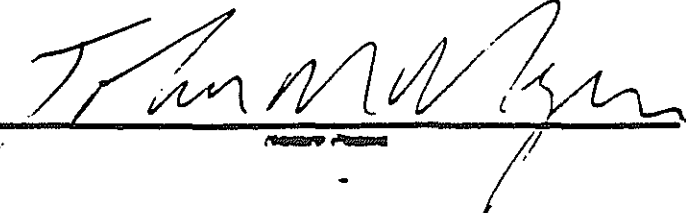
I, PAT SCHAD, Village Clerk certify that  
I am an "Authorized Official" of The Village of Chatham, Illinois

within the meaning of the provisions of Section 1 (c) of the Uniform Facsimile Signature of Public  
Officials Act and that my signature is required or permitted on a public security or instrument of pay-  
ment as defined in said Act. That I am filing my signature with the Secretary of State, certified under  
oath, so as to permit the use of a facsimile thereof upon a public security or instrument of payment  
requiring or permitting my signature as provided under the Uniform Facsimile Signature of Public  
Officials Act.

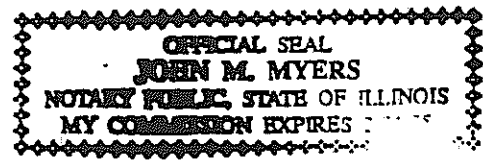
I, PAT SCHAD, Village Clerk certify under  
oath that the following is my manual signature:

  
PAT SCHAD, Village Clerk

Subscribed and sworn to before me this 18 day of September, A.D. 19 92

  
NOTARY PUBLIC

Complete and return to: Secretary of State  
Index Department  
111 East Monroe Street  
Springfield, Illinois 62756  
(217) 782-7017







**NEW ISSUE****RATINGS:** Non-Rated

*Subject to compliance by the Village with certain covenants, in the opinion of Evans & Froehlich, Bond Counsel, under present law, interest on the Bonds will not be includible in gross income of the owners thereof for federal income tax purposes, but will be taken into account in computing the corporate alternative minimum tax, as more fully discussed under the heading "Tax Exemption" herein. Interest on the Bonds is not exempt from Illinois income tax.*

**\$1,985,000**  
**VILLAGE OF CHATHAM**  
**SANGAMON COUNTY, ILLINOIS**  
**General Obligation Refunding Bonds, Series 1992**  
**(Alternate Revenue Source)**

**Dated:** September 15, 1992**Due:** May 1, as shown below

Principal is payable at the principal corporate trust office of the Paying Agent/Registrar, United Community Bank of Chatham, Chatham, Illinois. Interest is due May 1, 1993 and semiannually thereafter, payable by check or draft, mailed by the Paying Agent/Registrar to the registered owners. The Bonds will be issued in fully registered form in multiples of \$5,000 for any one maturity.

**THE VILLAGE INTENDS TO DESIGNATE THE BONDS AS "QUALIFIED TAX-EXEMPT OBLIGATIONS."**

In the opinion of Bond Counsel, Evans & Froehlich, Champaign, Illinois, the Bonds will constitute valid and legally binding obligations of the Village, payable as to principal and interest from (a) the net revenues derived from the operation of the Village's waterworks and sewerage system, after making any payments required to pay the principal of and interest on the Prior Bonds (as defined herein) and on any waterworks and sewerage revenue bonds as may be issued in the future under the terms of the Ordinance authorizing the Bonds, and (b) ad valorem taxes levied against all of the taxable property in the Village without limitation as to rate or amount. See "Security" herein. The Village will furnish the written approving opinion of Evans & Froehlich evidencing legality of the Bonds and that they are valid and binding obligations of the Village.

**The Bonds are not subject to redemption prior to maturity.**

<u>Amount</u>	<u>Maturity May 1</u>	<u>Coupon Rate</u>	<u>Price or Yield</u>	<u>Amount</u>	<u>Maturity May 1</u>	<u>Coupon Rate</u>	<u>Price or Yield</u>
\$130,000	1993	5.25%	3.20%	\$220,000	1998	5.00%	100.00%
180,000	1994	5.25	3.60	230,000	1999	5.20	100.00
190,000	1995	5.25	4.00	240,000	2000	5.40	100.00
200,000	1996	4.40	100.00	255,000	2001	5.60	100.00
210,000	1997	4.70	100.00	130,000	2002	5.80	100.00

(Accrued interest to be added)

The Bonds are offered when, as and if issued and received by the Underwriter, subject to prior sale, withdrawal or modification of the offer without notice, and subject to the approval of legality of the Bonds by Evans & Froehlich, Champaign, Illinois, Bond Counsel. It is expected that the Bonds in definitive form will be available for delivery to the Underwriter in Chicago, Illinois, on or about September 29, 1992.

Official Statement Prepared By:



Griffin, Kubik, Stephens  
& Thompson, Inc.

The date of this Official Statement is September 8, 1992

No person has been authorized by the Village of Chatham, Sangamon County, Illinois or the Underwriter to give any information or make any representations other than those contained in this Official Statement and, if given or made, such information or representations with respect to the Village or the Bonds must not be relied upon as having been authorized by the Village or the Underwriter. This Official Statement does not constitute an offer to sell, or solicitation of an offer to buy, any securities other than the securities offered hereby or an offer, or solicitation of such offer of the securities offered hereby to any person in any jurisdiction where such offer or solicitation of such offer would be unlawful.

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

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

In connection with this offering, the Underwriter may over-allot or effect transactions that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. Although the Underwriter anticipates that it will maintain a secondary market for the Bonds, there can be no assurance that such a market will develop or, if developed, will be maintained.



VILLAGE OF CHATHAM  
SANGAMON COUNTY, ILLINOIS  
116 East Mulberry  
Chatham, Illinois 62629  
(217) 483-2451

Carl Oblinger  
President

Patrick Schad  
Village Clerk

Donald C. Fuener  
Treasurer

\* \* \* \* \*

Board of Trustees

Mike Williamsen  
Linda Koester  
Dave Hilt  
Dave Joswiak  
Robert Krueger  
Rose Miller

\* \* \* \* \*

Paying Agent/Registrar  
United Community Bank of Chatham  
201 Mulberry  
Chatham, Illinois 62629  
(217) 483-2491

Independent Auditors  
Estes, Bridgewater & Ogden  
Springfield, Illinois 62705

Bond Counsel  
Evans & Froehlich  
Champaign, Illinois

Underwriter  
Griffin, Kubik, Stephens & Thompson, Inc.  
One South Wacker Drive, Suite 2200  
Chicago, Illinois (312) 346-6450  
Wheaton, Illinois (708) 260-7870

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## OFFICIAL STATEMENT SUMMARY

**Issuer:** Village of Chatham, Sangamon County, Illinois.

**Issue:** \$1,985,000 General Obligation Refunding Bonds, Series 1992.

**Dated Date:** September 15, 1992.

**Settlement Date:** September 29, 1992, expected.

**Interest Due:** Each May 1 and November 1, commencing May 1, 1993.

**Principal Due:** May 1, 1993 - 2002.

**Redemption Provision:** The Bonds are not subject to redemption prior to maturity.

**Purpose:** The Bonds are being issued to currently refund Waterworks and Sewerage Revenue Bonds, Series of 1978.

**Security:** In the opinion of Bond Counsel, the Bonds will constitute valid and legally binding obligation of the Village, payable as to principal and interest from the net revenues derived from the operation of the Village's waterworks and sewerage system and from ad valorem taxes levied against all of the taxable property in the Village without limitation as to rate or amount.

**Coverage:** Pledged revenues to provide coverage of 1.25 times annual debt service.

**Parity Bonds:** Pledged revenues equal to 125% of Maximum Annual Debt Service after issuance of proposed Parity Bonds.

**Tax Exemption:** Under present law, interest on the Bonds will not be includible in gross income of the owners for federal income tax purposes. See "TAX EXEMPTION" herein.

**Bank Qualification:** Bank-Qualified.

**Paying Agent/Registrar:** United Community Bank of Chatham, Chatham, Illinois.

**Legal Opinion:** Evans & Froehlich, Champaign, Illinois.

**Record Date:** The 15th day of the calendar month preceding each interest payment date.

***This offering of Bonds is made only by means of the attached Official Statement in its entirety. No person shall be authorized to detach this Summary Statement from the Official Statement or to otherwise use such Summary Statement without the entire Official Statement.***

**LONG, MORRIS, MYERS & RABIN p.c.**

ATTORNEYS AT LAW

1300 SOUTH EIGHTH STREET • P.O. BOX 1858 • SPRINGFIELD, ILLINOIS 62705-1858  
PHONE: 217-544-5000 • FAX: 217-544-5017

JOHN H. LONG  
STANLEY L. MORRIS\*  
JOHN M. MYERS  
MARK RABIN  
W. SCOTT HANKEN  
LEO J. ZAPPA, JR.

September 29, 1992

JOSEPH E. McMENAMIN  
OF COUNSEL  
\* ALSO LICENSED IN MISSOURI

Griffin, Kubik Stephens  
& Thompson, Inc.  
Chicago, Illinois

Village of Chatham  
Chatham, Illinois

Evans & Froehlich  
Champaign, Illinois

Re: **\$1,985,000 General Obligation Refunding Bonds  
(Alternate Revenue Source), Series 1992, of the Village  
of Chatham, Sangamon County, Illinois**

Ladies and Gentlemen:

In connection with the issuance, sale and delivery on the date hereof by the Village of Chatham, Sangamon County, Illinois (the "Issuer"), of its \$1,985,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 1992 (the "Bonds"), we have acted as counsel to the Issuer, and we have examined, among other things, the following:

1. A certified copy of Ordinance No. 92-26, adopted July 27, 1992 (the "Preliminary Ordinance"), and a certified copy of Ordinance No. 92-31, adopted September 8, 1992 (with respect to which undefined terms herein shall have the meanings therein, the "Bond Ordinance").
2. A certified copy of Ordinance No. 78-29, adopted November 14, 1978, as supplemented by Resolution No. 1-70, adopted January 9, 1979 (collectively, the "Prior Bond Ordinance").
3. A certified copy of Ordinance No. 78-32, adopted November 28, 1978, and a certified copy of Ordinance No. 82-22, adopted August 10, 1982, adopted in connection with sewer and water rates respectively (the "Rate Ordinances").

Griffin, Kubik Stephens & Thompson, Inc.  
Evans & Froehlich  
Village of Chatham  
September 29, 1992  
Page 2

4. An executed counterpart of the Bond Purchase Contract dated September 8, 1992 (the "Purchase Contract"), by and between the Issuer and Griffin Kubik, Stephens & Thompson, Inc., in Chicago, Illinois (the Underwriter").

5. The Official Statement prepared by Griffin, Kubik, Stephens & Thompson, Inc., Chicago, Illinois, for the Issuer in connection with the offering and sale of the Bonds.

Based upon the foregoing, we are of the opinion that (undefined terms herein shall have the meanings given them in the Bond Ordinance):

1. The Issuer is a validly established and duly organized and existing non-home rule municipality under the Constitution and laws of the State of Illinois, including the Illinois Municipal Code (Paragraph 1-1-1 et seq. of Chapter 24 of the Illinois Revised Statutes, as supplemented and amended, including by the Local Government Debt Reform Act, collectively, the "Act"). The Issuer does not operate under the "commission" form of municipal government. The Issuer operates a combined waterworks and sewerage system under Section 11-139-1 et seq. of the Illinois Municipal Code.

2. The Issuer's President and Board of Trustees has duly and effectively adopted the Bond Ordinance, the Prior Bond Ordinance, the Preliminary Ordinance and the Rate Ordinances, each of which has been duly approved by the President. The Bond Ordinance, the Preliminary Ordinance, the Rate Ordinances, the Prior Bond Ordinance and all ordinances, resolutions and other actions, including related to and in connection with the Pledged Revenues (collectively, the "Revenue Source Actions"), are in full force and effect according to the terms thereof. Adoption of the Bond Ordinance has been in compliance with applicable law, including the Issuer's rules and procedures.

3. The Official Statement has been duly authorized by the Issuer, and the Bond Ordinance, the Prior Bond Ordinance, the Preliminary Ordinance, the Rate Ordinance and the Purchase Contract have been duly adopted and executed and delivered, as the case may be, by the Issuer, and each of the foregoing constitutes a valid and binding obligation of the Issuer in accordance with their respective terms, except to the extent that enforcement thereof may be limited by laws, rulings and decisions affecting remedies, and by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforcement of creditors' rights, and by equitable principles.

4. The execution, delivery and performance by the Issuer of the Bond Ordinance, the Prior Bond Ordinance, the Preliminary Ordinance, the Rate Ordinances, and the Revenue Source Actions and the Purchase Contract will not conflict with, or result in the breach of any of the provisions of, or constitute a default under, any indenture, mortgage, deed of trust or other agreement or instrument to which the Issuer is a party or by which it or its properties are bound. Without undertaking a review of the title to the real estate and other property acquired or previously owned by the Issuer constituting the Prior Project and the System, I am unaware of any claim that the Issuer lacks fee title or easement interests in such real estate and title to such real estate and title to such other property subject to no encumbrances that interfere with the use of the System in the manner and with the effect contemplated by the Bond Ordinance and as described in the Official Statement.

5. There is no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any judicial or administrative court or agency, pending or, to the best of my knowledge after due investigation, threatened, against or affecting the Issuer or its properties wherein an unfavorable decision, ruling or finding would adversely affect the validity or enforceability of the Bond Ordinance, the Prior Bond Ordinance, the Preliminary Ordinance, the Rate Ordinances, and the Revenue Source Actions and the Purchase Contract, in accordance with their respective terms, or in any way relating to, affecting or questioning the issuance, sale, execution or delivery of the Bonds or of any of the proceedings had or actions taken leading up to the execution and delivery of the Bonds, the Prior Project contracts, the Purchase Contract or the acquisition, construction, installation or operation of the Prior Project and the System (each as defined herein or in the Bond Ordinance) in connection with which the Bonds are issued and the Prior bonds were issued, or the payment of the interest on or principal of the Bonds, or otherwise affecting or questioning the validity of the Bonds.

6. The adoption of all resolutions, ordinances and actions of the Issuer relating to the Bond ordinance, the Prior Bond Ordinance, the Preliminary Ordinance, the Rate Ordinances, the Revenue Source Actions, the Official Statement and the Purchase Contract, and all related proceedings, comply with all applicable laws governing the Issuer and with all rules and regulations of the Issuer and its President and Board of Trustees.

7. On the basis of our representation of the Issuer and our review of the Official Statement, but without having undertaken to determine independently the accuracy or completeness of or to verify the statements in the Official Statement, nothing

Griffin, Kubik Stephens & Thompson, Inc.  
Evans & Froehlich  
Village of Chatham  
September 29, 1992  
Page 4

has come to our attention which would lead me to believe that the Official Statement contains any untrue statement of material fact or omits to state a material fact required to be stated therein, or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect.

8. None of the proceedings had or actions taken with regard to the Bond Ordinance, the Prior Bond Ordinance, the Preliminary Ordinance, the Rate Ordinances, the Revenue Source Actions and to the Official Statement and the Purchase Contract, including the proceedings relating to the execution, issuance, sale and delivery of the Bonds and the levy, imposition, collection and receipt of the Pledged Revenues and the levy of general taxes as provided in the Bond Ordinance, has or have been repealed, rescinded or revoked, and all such proceedings and actions remain in full force and effect on the date hereof.

9. The Bonds and the Prior Bonds are the only outstanding obligations of the Issuer to which are pledged any Pledged Revenues.

Sincerely yours,

**LONG, MORRIS, MYERS & RABIN, P.C.**

By: 

John M. Myers

JMM:dnc

LAW OFFICES OF  
**EVANS & FROELICH**  
 A PARTNERSHIP OF PROFESSIONAL CORPORATIONS  
 44 MAIN STREET, P.O. BOX 737  
 CHAMPAIGN, ILLINOIS 61820  
 TELEPHONE 217-359-6494

September 29, 1992

**\$1,985,000 GENERAL OBLIGATION REFUNDING BONDS  
 (ALTERNATE REVENUE SOURCE)  
 SERIES 1992  
 OF THE  
 VILLAGE OF CHATHAM  
 SANGAMON COUNTY, ILLINOIS**

Opinion of Bond Counsel

We have acted as bond counsel and have examined, among other things, certified copies of the proceedings of the President and Board of Trustees of the Village of Chatham, in Sangamon County, Illinois (the "Issuer"), in connection with the issuance by the Issuer of its \$1,985,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 1992 (the "Bonds"), dated September 15, 1992, which bear interest and mature annually on May 1 of the years in the principal amount in each year, as follows:

<u>Year</u>	<u>Principal Amount(\$)</u>	<u>Interest Rate (%)</u>
1993	130,000	5.25
1994	180,000	5.25
1995	190,000	5.25
1996	200,000	4.40
1997	210,000	4.70
1998	220,000	5.00
1999	230,000	5.20
2000	240,000	5.40
2001	255,000	5.60
2002	130,000	5.80

Interest is due and payable semiannually on May 1 and November 1 of each year, commencing May 1, 1993. The Bonds are in the form as required by law, and the proceedings by which the Bonds were issued show lawful authority for the issuance thereof under the laws of the State of Illinois. The Bonds are not subject to call for redemption prior to maturity.



## EVANS & FROELICH

The Bonds are issuable in fully registered form in the denomination of \$5,000 or any authorized integral multiple thereof. United Community Bank, with its principal corporate trust office in Chatham, Illinois, is the registrar (together with its successors, the "Bond Registrar") and paying agent (together with its successors, the "Paying Agent") in connection with the Bonds. As provided in the Bonds, payment of the installments of interest on the Bonds shall be made to the registered owners of the Bonds at their addresses as shown on the registration books of the Issuer maintained by the Bond Registrar at the close of business on the fifteenth (15th) day of the month next preceding each interest payment date and shall be paid by check or draft of the Paying Agent, payable in lawful money of the United States of America, mailed to such registered owners at their addresses appearing on such registration books or at such other addresses furnished in writing by such registered owners to the Bond Registrar.

The Bonds are issued by the Issuer for the purpose of paying all or a part of the costs of paying, redeeming and retiring on November 1, 1992 the Issuer's outstanding Waterworks and Sewerage Revenue Bonds, Series of 1978, dated November 1, 1978 (the "Prior Bonds") and costs of issuance of the Bonds, pursuant to and in all respects in compliance with the provisions of the Illinois Municipal Code (Paragraph 1-1-1 et seq. of Chapter 24 of the Illinois Revised Statutes) and the Local Government Debt Reform Act (Paragraph 6901 et seq. of Chapter 17 of the Illinois Revised Statutes), and all acts amendatory thereof and supplementary thereto (collectively, the "Act"), and in compliance with Ordinance No. 92-31, adopted September 8, 1992 (as supplemented and amended, collectively, the "Bond Ordinance").

For the prompt payment of the Bonds, and any obligations on equal parity therewith, both principal and interest, in addition to pledging the Net Revenues of the combined waterworks and sewerage system of the Issuer, constituting Pledged Revenues, as each term is defined in the Bond Ordinance, the Issuer has provided for a levy of taxes to pay the principal of and interest on the Bonds. The Bonds are general obligations of the Issuer according to their terms.

We are of the opinion that the foregoing show lawful authority for the issuance and sale of the Bonds as "alternate bonds" under and pursuant to the Constitution and laws of the State of Illinois, and that the Bonds constitute legal, valid and binding general obligations of the Issuer, in connection with which the Issuer has provided for a levy of taxes without limit as to rate or amount to pay when due the principal thereof and interest thereon. We are also of the opinion that as of the date of delivery thereof, and assuming the Issuer's continued

EVANS & FROEHLICH

compliance with the terms and provisions of the Bond Ordinance, the Bonds are not arbitrage bonds, hedge bonds or private activity bonds, and the interest on the Bonds is not a specific preference item for determining corporate or individual alternative minimum taxable income and is excluded from gross income under the Internal Revenue Code of 1986, as amended (the "Code"). However, the interest on the Bonds may be subject to "adjusted current earnings" alternative minimum taxes, environmental taxes and foreign branch profits taxes, on certain corporations, and may be a factor in a computation in connection with certain collateral federal income tax consequences, including that certain social security and railroad pension income of certain recipients may be subject to federal income taxes. The interest on the Bonds is not exempt from income taxation by the State of Illinois. We are also of the opinion that the Bonds constitute "qualified tax-exempt obligations" under Section 265(b)(3) of the Code.

Respectfully yours,

*Evans & Froelich*

**Part I** Reporting Authority Check box if Amended Return

1 Issuer's name  
The Village of Chatham, Illinois

2 Issuer's employer identification number  
37-6002010

3 Number and street  
116 East Mulberry Street

4 Report number  
G19 92 - 1

5 City or town, state, and ZIP code  
Chatham, Illinois 62629-1357

6 Date of issue  
9/29/92

7 Name of Issue General Obligation Refunding Bonds (Alternate Revenue Source), Series 1992

8 CUSIP Number  
162077

**Part II** Type of Issue (check box(es) that applies and enter the Issue Price)

	Issue price
9 Check box if obligations are tax or other revenue anticipation bonds <input type="checkbox"/>	
10 Check box if obligations are in the form of a lease or installment sale <input type="checkbox"/>	
11 <input type="checkbox"/> Education	<u>5</u>
12 <input type="checkbox"/> Health and hospital	
13 <input type="checkbox"/> Transportation	
14 <input type="checkbox"/> Public safety	
15 <input checked="" type="checkbox"/> Environment (including sewage bonds)	<u>1,996,855.40</u>
16 <input type="checkbox"/> Housing	
17 <input type="checkbox"/> Utilities	
18 <input type="checkbox"/> Other. Describe (see instructions) <input type="checkbox"/>	

**Part III** Description of Obligations

	(a) Maturity date	(b) Interest rate	(c) Issue price	(d) Stated redemption price at maturity	(e) Weighted average maturity	(f) Yield	(g) Net interest cost
19 Final maturity	<u>5/1/2000</u>	<u>6.0 %</u>	<u>130,000</u>	<u>130,000</u>			
20 Entire issue			<u>1,996,855.40</u>	<u>1,985,000</u>	<u>5.35 years</u>	<u>5.12 %</u>	<u>5.46 %</u>

**Part IV** Uses of Original Proceeds of Bond Issues (including underwriters' discount)

21 Proceeds used for accrued interest	21	<u>3,992.33</u>
22 Issue price of entire issue (enter line 20c)	22	<u>1,996,855.40</u>
23 Proceeds used for bond issuance costs (including underwriters' discount)	23	<u>19,850.00</u>
24 Proceeds used for credit enhancement	24	<u>-0-</u>
25 Proceeds allocated to reasonably required reserve or replacement fund	25	<u>-0-</u>
26 Proceeds used to refund prior issues	26	<u>1,977,005.40</u>
27 Total (add lines 23, 24, 25, and 26)	27	<u>1,996,855.40</u>
28 Nonrefunding proceeds of the issue (subtract line 27 from line 22 and enter amount here)	28	<u>-0-</u>

**Part V** Description of Refunded Bonds (complete this part only for refunding bonds)

29 Enter the remaining weighted average maturity of the bonds to be refunded                      years

30 Enter the last date on which the refunded bonds will be called                     

31 Enter the date(s) the refunded bonds were issued                     

**Part VI** Miscellaneous

32 Enter the amount of the state volume cap allocated to the issue                      -0-

33 Enter the amount of the bonds designated by the issuer under section 265(b)(3)(B)(i)(III) (small issuer exception)                      1,985,000

34 Pooled financings:

a Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units                     

b Check box if this issue is a loan made from the proceeds of another tax-exempt issue  and enter the name of the issuer                      and the date of the issue                     

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Please Sign Here

Carl D. Oblinger  
Signature of officer

9/29/92  
Date

Carl Oblinger, Village Presi-  
Type or print name and title

LAW OFFICES OF  
**EVANS & FROEHLICH**  
A PARTNERSHIP OF PROFESSIONAL CORPORATIONS  
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—  
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TELEPHONE 217-359-6494  
FAX No. 217-359-6468  
—  
ALBERT TUXHORN (1908-1989)

September 29, 1992  
Certified Mail No. P 796 280 683

Internal Revenue Service Center  
Philadelphia, PA 19255

RE: \$1,985,000 General Obligation Refunding Bonds  
(Alternate Revenue Source), Series 1992 of the Village  
of Chatham, Sangamon County, Illinois

Enclosed is a Form 8038-G in connection with the above captioned issue. The form has been prepared by our firm as bond counsel and is filed as required by the Tax Reform Act of 1986. Please advise me if you see any problems or have any concerns about the form as herewith filed. We will accept your collect call in that connection.

Also enclosed is a copy of the form as executed and herewith submitted for filing which we would ask you to file-stamp and return to us in the enclosed self-addressed stamped envelope.

Very truly yours,

KURT P. FROEHLICH, Ltd.

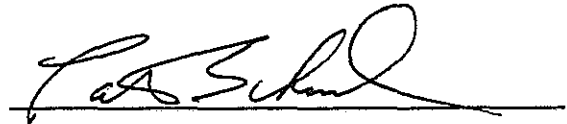
Enclosure

KPF/pas

TRANSCRIPT CERTIFICATE

I, Pat Schad, being first duly sworn, do hereby depose and certify that I am the duly selected, qualified and acting Clerk of the Village of Chatham, Sangamon County, Illinois (the "Issuer"), and that as such Clerk I have in my possession or have access to the complete corporate records of the Issuer and of its President and Board of Trustees and other officials, and that I have carefully compared the transcript hereto attached with such corporate records and that such transcript hereto attached is a true and complete copy of all the corporate records to date in relation to the authorization, issuance and disposition by the Issuer of its \$1,985,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 1992, issued, sold and delivered on the date hereof pursuant to Ordinance No. 92-31, adopted September 8, 1992 (including as supplemented by Ordinance No. 92-26, adopted July 27, 1992, the "Bond Ordinance"), and that the transcript hereto attached contains a true and complete statement of all the measures adopted and proceedings, acts and things had, done and performed up to the present time in relation to the authorization, issuance and disposition of the Bonds. The Bonds and the Prior Bonds described in the Bond Ordinance are the only obligations to which are pledged the Pledged Revenues (as defined in the Bond Ordinance).

WITNESS my hand and the seal of the Village of Chatham, Sangamon County, Illinois, hereto impressed this 29th day of September, 1992.



Clerk

(SEAL)