

PAMPHLET PUBLICATION

ORDINANCE NO. 01-74

AN ORDINANCE AUTHORIZING THE ISSUANCE OF \$390,000 GENERAL OBLIGATION BONDS (LIMITED TAX), SERIES 2001, OF THE VILLAGE OF CHATHAM, SANGAMON COUNTY, ILLINOIS, AND PROVIDING THE DETAILS OF SUCH BONDS AND FOR THE LEVY OF DIRECT ANNUAL TAXES TO PAY SUCH BONDS, AND RELATED MATTERS

PRESENTED: November 27, 2001

PASSED: November 27, 2001

APPROVED: November 27, 2001

RECORDED: November 27, 2001

PUBLISHED: November 27, 2001

The undersigned being the duly qualified and acting Village Clerk of the Village of Chatham, Illinois, does hereby certify that this document constitutes the publication in pamphlet form, in connection with and pursuant to Section 1-2-4 of the Illinois Municipal Code, of the above-captioned ordinance and that such ordinance was presented, passed, approved, recorded and published as above stated.


Village Clerk

(SEAL)

Dated: November 27, 2001



FILED

DEC 03 2001


Sangamon County Clerk

ORDINANCE NO. 01-74

AN ORDINANCE AUTHORIZING THE ISSUANCE OF \$390,000 GENERAL OBLIGATION BONDS (LIMITED TAX), SERIES 2001, OF THE VILLAGE OF CHATHAM, SANGAMON COUNTY, ILLINOIS, AND PROVIDING THE DETAILS OF SUCH BONDS AND FOR THE LEVY OF DIRECT ANNUAL TAXES TO PAY SUCH BONDS, AND RELATED MATTERS

WHEREAS, the President and Board of Trustees (the "**Corporate Authorities**") of the Village of Chatham, Sangamon County, Illinois (the "**Issuer**"), has determined that it is advisable, necessary and in the Issuer's best interests to provide for the acquisition, construction and installation of Plummer/Peachtree signals, Plummer temporary road, Plummer Boulevard viaduct, interurban bike trail, temporary road work and viaduct bike tunnel, and related facilities, improvements and costs (the "**Project**"); and

WHEREAS, the Issuer is a non-home rule unit under the provisions of Section 7 (Counties and Municipalities other than Home Rule Units) of Article VII (Local Government) of the Constitution of the State of Illinois and has the authority under the Illinois Municipal Code (Section 5/1-1-1 *et seq.* of Chapter 65 of the Illinois Compiled Statutes, and particularly Section 8-5-16 thereof concerning non-referendum general obligation bonds, as supplemented and amended, including by the Registered Bond Act, the Bond Replacement Act, the Bond Authorization Act and the Local Government Debt Reform Act, collectively, the "**Act**"); and

WHEREAS, the estimated cost of financing the Project as contemplated by this ordinance, and related costs and expenses, including legal, financial, printing and publication costs is anticipated to be paid in part from proceeds derived from and in respect of this ordinance; and

WHEREAS, pursuant to and in accordance with the Act and this ordinance, the Issuer is authorized to issue its General Obligation Bonds (Limited Tax), Series 2001, up to the aggregate principal amount of \$390,000 (the "**Bonds**") for the purpose of providing funds to pay costs of the Project and related facilities, improvements, costs and expenses; and

WHEREAS, pursuant to arrangements made on behalf of the Issuer by Speer Financial, Inc., Chicago, Illinois, the Issuer's financial advisor (the "**Financial Advisor**"), to offer the Bonds, Bernardi Securities, Inc., Chicago, Illinois, as underwriter (including its assigns, the "**Purchaser**") has submitted to the Issuer a Bond purchase contract (which when executed by the Purchaser and the Issuer will constitute the "**Bond Purchase Agreement**"), to purchase the Bonds, as described in the Issuer's Preliminary Term Sheet for the Bonds (including when supplemented, to constitute the final "**Term Sheet**"); and

WHEREAS, the Issuer's Corporate Authorities held a public hearing on November 13, 2001, as set by the Village President, under the Bond Issue Notification Act (30

ILCS 352/1 *et seq.*), with notice having been published on November 6, 2001 in *The State Journal-Register*, a newspaper published in Springfield, Illinois and of general circulation in Chatham, Illinois and with notice having been posted at the Village Hall at least 48 hours before the hearing; and

WHEREAS, the Bonds so authorized shall be issued as “**limited bonds**” under the provisions of Section 15.01 of the Local Government Debt Reform Act of the State of Illinois, 30 ILCS 350/15.01, as amended (the “**Debt Reform Act**”), and as such it is not necessary to submit the proposition of the issuance of the Bonds to the voters of the Issuer for approval; 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:

	<u>Page</u>
Preambles	1
Section 1. Authority and Purpose	2
Section 2. Authorization and Terms of Bonds.....	3
Section 3. Sale and Delivery.....	7
Section 4. Execution and Authentication.....	7
Section 5. Transfer, Exchange, Registration and Book-Entry	8
Section 6. Bond Registrar and Paying Agent.....	10
Section 7. General Obligations	11
Section 8. Form of Bonds	12
Section 9. Levy and Extension of Taxes.....	17
Section 10. Debt Service Fund.....	19
Section 11. Bond Proceeds Fund	19
Section 12. Arbitrage Rebate	19
Section 13. Investment Regulations.....	19
Section 14. Non-Arbitrage and Tax-Exemption	20
Section 15. Bank Qualified Bonds.....	23
Section 16. Ordinance to Constitute a Contract/Severability	24
Section 17. Conflict and Repeal.....	24
Section 18. Effective Date	24

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

Section 1. Authority and Purpose. This ordinance is adopted pursuant to the Act for the purpose of financing the Project and costs of issuance of the Bonds. Proceeds of the Bonds are hereby appropriated for such purpose.

Section 2. Authorization and Terms of Bonds. For the purposes described above in Section 1, there is hereby appropriated the sum of up to \$390,000, 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 an aggregate principal amount of not to exceed \$390,000, shall each be designated "**General Obligation Bond (Limited Tax), Series 2001**", and shall be issuable in the denominations of \$5,000 each or any authorized integral multiple thereof.

(a) **General.** 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, not inconsistent herewith, each Bond shall be dated as of or after December 1, 2001 and as of or before the date of issuance thereof. The Bonds shall come due in the principal amount on December 30 of each of the years and shall bear interest with respect to the amounts coming due at the rates, as follows:

<u>Year</u>	<u>Principal Amount(\$)</u>	<u>Interest Rate (%)</u>
2002	9,000 *	4.30
2003	20,000 *	4.30
2004	21,000 *	4.30
2005	22,000 *	4.30
2006	23,000 *	4.30
2007	24,000 *	4.30
2008	25,000 *	4.30
2009	26,000 *	4.30
2010	27,000 *	4.30
2011	28,000**	5.00
2012	30,000**	5.00
2013	31,000**	5.00
2014	33,000**	5.00
2015	35,000**	5.00
2016	36,000**	5.00

* \$197,000 Term Bond / 4.30% / Maturity December 30, 2010

** \$193,000 Term Bond / 5.00% / Maturity December 30, 2016

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 on the first days of each June 30 and December 30, commencing June 30, 2002, at the rates per annum above set forth. 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 office of BNY Midwest Trust Company, through its principal office in Chicago, Illinois, 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 BNY Midwest Trust Company, through its

principal office in Chicago, Illinois, the Bond Registrar on behalf of the Issuer for such purpose (including its successors, the "**Registrar**"), at the principal office of the Bond Registrar as of the close of business on the fifteenth (15th) day (whether or not a business day) of the calendar month next preceding the applicable interest payment date. Interest on the Bonds shall be paid by check or draft mailed to such registered owners at their addresses appearing on the registration books therefor. The Bond Registrar shall not be required to transfer or exchange any Bond during a period commencing the fifteenth (15th) day of the month next preceding each interest payment date and ending on such interest date or during a period of fifteen (15) days next preceding the mailing of a notice of redemption of any Bond which could designate all or a part of such Bond for redemption.

(b) **Redemption.** The Bonds shall be subject to redemption prior to maturity as provided in this subsection (b).

(A) **Optional Redemption.** Bonds shall be subject to optional call for redemption prior to maturity, if at all, only as provided in a Bond Order, and not otherwise.

(B) **Sinking Fund Redemption.** Bonds specified above in Section 2(a), or otherwise in a Bond Order, as Term Bonds (the "**Term Bonds**"), if any, are subject to mandatory sinking fund redemption in the principal amount on December 1 of the years so specified.

At its option before the 45th day (or such lesser time acceptable to the Bond Registrar) next preceding any mandatory sinking fund redemption date in connection with Term Bonds the Issuer by furnishing the Bond Registrar and the Paying Agent an appropriate certificate of direction and authorization executed by the Village President or Village Treasurer may: (i) deliver to the Bond Registrar for cancellation Term Bonds in any authorized aggregate principal amount desired; or (ii) furnish the Paying Agent funds for the purpose of purchasing any of such Term Bonds as arranged by the Issuer; or (iii) receive a credit (not previously given) with respect to the mandatory sinking fund redemption obligation for such Term Bonds which prior to such date have been redeemed and cancelled. Each such Bond so delivered, previously purchased or redeemed shall be credited at 100% of the principal amount thereof, and any excess shall be credited with regard to future mandatory sinking fund redemption obligations for such Bonds in chronological order, and the principal amount of Bonds to be so redeemed as provided shall be accordingly reduced. In the event Bonds being so redeemed are in a denomination greater than \$1,000, a portion of such Bonds may be so redeemed, but such portion shall be in the principal amount of \$1,000 or any authorized integral multiple thereof.

(C) **Procedure.** The Issuer covenants that it will redeem Bonds pursuant to the redemption provisions applicable to such Bonds. Proper provision for redemption having been made, the Issuer covenants that the Bonds so selected for redemption shall be payable as at maturity.

The Issuer shall, at least 45 days prior to an optional redemption date (unless a shorter time shall be satisfactory to the Bond Registrar), notify the Bond Registrar of any optional redemption date and of the principal amount of Bonds to be redeemed (no such notice

shall be required in the case of any mandatory sinking fund redemption of Term Bonds). In the event that less than all of the Bonds of a particular series or maturity are called for redemption as aforesaid, as necessary, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot not more than sixty (60) days or less than thirty (30) days prior to the redemption date by the Bond Registrar by such method of lottery as the Bond Registrar shall deem fair and appropriate; provided, that such lottery shall provide for the selection for redemption of Bonds or portions thereof so that any \$1,000 Bond or \$1,000 portion of a Bond shall be as likely to be called for redemption as any other such \$1,000 Bond or \$1,000 portion. The Bond Registrar shall promptly notify the Issuer in writing of the Bonds or portions of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

Unless waived by the registered owner of Bonds to be redeemed, presentment for payment being conclusively such a waiver, notice of any such redemption shall be given by the Bond Registrar on behalf of the Issuer by mailing the redemption notice by first class mail not less than thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to each registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by each such registered owner to the Bond Registrar.

All notices of redemption shall include at least the information as follows: (1) the identification of the particular Bonds to be redeemed; (2) the redemption date; (3) the redemption price; (4) if less than all of the Bonds of a particular maturity are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed; (5) a statement that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after such date; and (6) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office of the Paying Agent.

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

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

be filed with the Bond Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Upon surrender of such Bonds for redemption in accordance with such notice, such Bonds shall be paid from available funds therefor by the Paying Agent at the redemption price. Interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for the partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal.

If any Bond or portion of Bond called for redemption shall not be so paid upon surrender thereof for redemption, the principal, and premium, if any, shall, until paid, bear interest from the redemption date at the rate borne by the Bond or portion of Bond so called for redemption. All Bonds which have been redeemed shall be marked cancelled by the Bond Registrar and shall not be reissued.

In addition to the foregoing notice set forth above, further notice shall be given by the Bond Registrar on behalf of the Issuer as set out below, but no defect in such further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed. Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (a) the CUSIP numbers of all Bonds being redeemed; (b) the date of issue of the Bonds as originally issued; (c) the rate of interest borne by each Bond being redeemed; (d) the maturity date of each Bond being redeemed; and (e) any other descriptive information needed to identify accurately the Bonds being redeemed.

Each further notice of redemption shall be sent at least thirty-five (35) days before the redemption date by registered or certified mail or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds and to one or more national information services, chosen in the discretion of the Bond Registrar, that disseminate notice of redemption of obligations such as the Bonds.

Each further notice of redemption may be (but is not required to be) published one time in *The Bond Buyer*, New York, New York or, if such publication is impractical or unlikely to reach a substantial number of the registered owners of the Bonds, in some other financial newspaper or journal which regularly carries notices of redemption of other obligations similar to the Bonds, such publication to be made at least thirty (30) days prior to the date fixed for redemption.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall identify the Bond or Bonds, or portion thereof, being redeemed with the proceeds of such check or other transfer.

(D) Bond Order. The terms of the Bonds are subject to a Bond Order. The term "**Bond Order**" means a certificate signed by the Village President, and attested by the Village Clerk and under the seal of the Issuer, setting forth and specifying details of the Bonds,

including, as the case may be, final principal amount and interest rates, optional and/or mandatory call provisions, bond insurer, policy or other credit facility and the final maturity schedule, pursuant to this ordinance.

Section 3. Sale and Delivery. All acts and things done by the Financial Advisor and by officers of the Issuer in connection with the sale of the Bonds shall be and they are hereby in all respects ratified, confirmed and approved. The sale of the Bonds to the Bond Purchase Agreement, pursuant to the Bond Purchase Agreement, shall be and is hereby authorized and approved.

The Village President, Village Clerk, Village Treasurer 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 due and proper execution, delivery and performance of this ordinance and all related and incidental agreements, certificates, receipts and opinions, upon payment of the full purchase price of the Bonds, an amount as set forth in the Bond Purchase Agreement, plus accrued interest, if any. Upon request, the Issuer will provide the Purchaser and the registered owners and the beneficial owners of the Bonds with its regularly prepared financial statements and financial information or operating data regarding the Issuer for which information or operating data is presented in the offering documents, which shall include, at a minimum, that financial information and operating data which is customarily prepared by the Issuer and is publicly available.

The designation in the Bond Purchase Agreement or Bond Order of a bond insurer (the "**Insurer**"), if any, is hereby ratified, confirmed and approved. The provisions of the Insurer's bond insurance policy (the "**Policy**"), if any, are incorporated into this ordinance by reference, including without limitation that any investment restrictions and limitations in the commitment for and related to the Insurer and the Policy shall be deemed to be applicable restrictions and limitations on the investments otherwise authorized by this ordinance. In the event there is no Policy or Insurer specified in the Bond Purchase Agreement or a Bond Order, reference to the Insurer and Policy in this ordinance shall be given no effect.

Section 4. 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 or otherwise reproduced thereon and attested by the manual or authorized facsimile signature of its Village Clerk.

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 of 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 5. Transfer, Exchange, Registration and Book-Entry. The Bonds shall be negotiable, subject to the provisions for registration of transfer contained herein and related to book-entry only registration.

(a) General. This subsection (a) is subject to the provisions of subsection (b) concerning book-entry only provisions. The Issuer shall cause books (the "**Bond Register**") for the registration and for the transfer of the Bonds as provided in this ordinance to be kept at the principal corporate trust office of the Bond Registrar, which is hereby constituted and appointed the Bond Registrar of the Issuer. The Issuer is authorized to prepare, and the Bond Registrar shall keep custody of, multiple Bond blanks executed by the Issuer for use in the issuance from time to time of the Bonds and in the transfer and exchange of Bonds.

Upon surrender for transfer of any Bond at the principal corporate trust office of the Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Registrar and duly executed by the registered owner or such owner's attorney duly authorized in writing, the Issuer shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of the same series and maturity of authorized denominations, for a like aggregate principal amount. Any fully registered Bond or Bonds may be exchanged at the office of the Bond Registrar for a like aggregate principal amount of Bond or Bonds of the same series and maturity of other authorized denominations. The execution by the Issuer of any fully registered Bond shall constitute full and due authorization of such Bond, and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period of fifteen (15) days next preceding any interest payment date on such Bond and ending on such interest payment date, nor, as applicable, to transfer or exchange any Bond after notice calling such Bond for prepayment has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of prepayment and redemption of such Bond.

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

premium (if any) or interest on any Bond shall be made only to or upon the order of the registered owner thereof or such registered owner's legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

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

The Village President or Village Treasurer may, in his or her discretion at any time, designate a bank with trust powers or trust company, duly authorized to do business as a bond registrar, paying agent, or both, to act in one or both such capacities hereunder, in the event the Village President or Village Treasurer shall determine it to be advisable. Notice shall be given to the registered owners of any such designation in the same manner, as near as may be practicable, as for a notice of redemption of Bonds, and as if the date of such successor taking up its duties were the redemption date.

(b) Book-Entry-Only Provisions. At the Purchaser's direction, or as set forth in a Bond Order, as the case may be, the Bonds may be issued in the form of a separate single fully registered Bond of each series for each of the maturities of the Bonds. Upon initial issuance, the ownership of each such Bond shall be registered in the Bond Register therefor in a street name of the Depository, or any successor thereto, as nominee of the Depository; and the outstanding Bonds from time to time shall be registered in the Bond Register in a street name, as nominee of the Depository. The Village President or Village Treasurer is authorized to execute and deliver on behalf of the Issuer such letters to or agreements with the Depository as shall be necessary to effectuate such book-entry system (any such letter or agreement being referred to herein as the "**Representation Letter**"). Without limiting the generality of the authority given to the Village President or Village Treasurer with respect to entering into such Representation Letter, it may contain provisions relating to **(a)** payment procedures, **(b)** transfers of the Bonds or of beneficial interest therein, **(c)** redemption notices and procedures unique to the Depository, **(d)** additional notices or communications, and **(e)** amendment from time to time to conform with changing customs and practices with respect to securities industry transfer and payment practices.

With respect to Bonds registered in the Bond Register in the name of a nominee of the Depository, the Issuer and the Bond Registrar shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which the Depository holds Bonds from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a "**Depository Participant**") or to any person on behalf of whom such a Depository Participant holds an interest in the Bonds. Without limiting the meaning of the foregoing, the Issuer and the Bond Registrar shall have no responsibility or obligation with respect to **(a)** the accuracy of the records of the Depository, the nominee, or any Depository Participant with respect to any ownership interest in the Bonds, **(b)** the delivery to any Depository Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any notice with respect to the Bonds, including any notice of redemption,

or (c) the payment to any Depository Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any amount with respect to principal of or interest on the Bonds.

As long as the Bonds are held in a book-entry-only system, no person other than the nominee of the Depository, or any successor thereto, as nominee for the Depository, shall receive a Bond certificate with respect to any Bonds. Upon delivery by the Depository to the Bond Registrar of written notice to the effect that the Depository has determined to substitute a new nominee in place of the prior nominee, and subject to the provisions hereof with respect to the payment of interest to the registered owners of Bonds as of the close of business on the fifteenth (15th) day of the month next preceding the applicable interest payment date, the reference herein to nominee in this ordinance shall refer to such new nominee of the Depository.

In the event that (a) the Issuer determines that the Depository is incapable of discharging its responsibilities described herein and in the Representation Letter, (b) the agreement among the Issuer, the Bond Registrar, the Paying Agent and the Depository evidenced by the Representation Letter shall be terminated for any reason or (c) the Issuer determines that it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Issuer shall notify the Depository and the Depository Participants of the availability of Bond certificates, and the Bonds shall no longer be restricted to being registered in the Bond Register in the name of a nominee of the Depository. At that time, the Issuer may determine that the Bonds shall be registered in the name of and deposited with a successor depository operating a book-entry system, as may be acceptable to the Issuer, or such depository's agent or designee, and if the Issuer does not select such alternate book-entry system, then the Bonds may be registered in whatever name or names registered owners of Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions hereof. Notwithstanding any other provision of this ordinance to the contrary, so long as any Bond is registered in the name of a nominee of the Depository, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Representation Letter.

Section 6. Bond Registrar and Paying Agent. 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 the 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 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 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 Bondholders 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;

(e) to give notices of call for redemption; and

(f) 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.

In any event, (a) - (f) above shall apply to the Bond Registrar and Paying Agent.

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, including as Paying Agent in the case of BNY Midwest Trust Company, such duties and obligations 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 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 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 6 shall be a bank, trust company, national banking association or other qualified professional with respect to such matters, maintaining its principal office in the State of Illinois.

Section 7. General Obligations. The full faith and credit of the Issuer are hereby irrevocably pledged to the punctual payment of the principal of 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 in the Village of Chatham, Illinois, for the payment of the Bonds and the interest thereon, without limitation as to rate but subject to limitation as to aggregate principal amount as shall comply with the Debt Reform Act provision as to "limited bonds". The "debt service extension base" with respect to the Bonds is

\$37,402.50 based upon the Issuer's 1996 levy under Ordinance No. 33, adopted July 13, 1993 in connection with the Issuer's \$220,000 initial principal amount General Obligation Bonds, Series 1993, dated July 27, 1993 (the "1993 Bonds").

Section 8. 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 delivered; and 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, with appropriate insertions and modifications, shall be in substantially the form, as follows [Bracketed provisions shall be deleted or modified as appropriate.]:

[The remainder of this page is intentionally left blank.]

UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF SANGAMON
VILLAGE OF CHATHAM
GENERAL OBLIGATION BOND
(LIMITED TAX)
SERIES 2001

REGISTERED NO. _____

REGISTERED \$ _____

INTEREST RATE:

MATURITY DATE:

DATED DATE:

CUSIP:

Registered Owner:

Principal Amount:

KNOW ALL BY THESE PRESENTS that the Village of Chatham (the **"Issuer"**), a municipal corporation and non-home rule unit of local government, situated in The County of Sangamon, in the State of Illinois, 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 later of the Dated Date hereof or 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 on each June 30 and December 30 commencing June 30, 2002, until the Principal Amount hereof shall have been paid, by check or draft mailed to the Registered Owner of record hereof as of the close of business on the fifteenth (15th) day (whether or not a business day) of the calendar month of each interest payment date, at the address of such Registered Owner appearing on the registration books maintained for such purpose at BNY Midwest Trust Company, through its principal office in Chicago, Illinois, as Bond Registrar (including its successors, the **"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 BNY Midwest Trust Company, through its principal office in Chicago, Illinois, as Paying Agent (including its successors, the **"Paying Agent"**). The full faith and credit of the Issuer, including the power to levy taxes without limit as to rate but subject to limitation as to aggregate principal amount for **"limited bonds"** under Section 15.01 of the Local Government Debt Reform Act, are irrevocably pledged for the punctual payment of the principal of and interest on this Bond according to its terms. Although this Bond constitutes a general obligation of the Issuer and no limit exists on the rate of such direct annual tax, the amount of such tax is limited by the provisions of the Property Tax Extension Limitation Law of the State of Illinois, as amended (the **"Law"**). The Law provides that the annual amount of the taxes to be extended to pay the issue of Bonds of which this Bond is one and all other limited bonds (as defined in the Local Government Debt Reform Act of the State of Illinois, as amended) hereafter issued by the Issuer shall not exceed the debt service extension base (as defined in the Law) of the Issuer (the **"Base"**) less the amount extended to

pay certain other non-referendum bonds heretofore and hereafter issued by the Issuer, as more fully described in the proceedings of the Issuer providing for the issue of this Bond. The Issuer is authorized to issue from time to time additional limited bonds payable from the Base and additional non-referendum bonds payable from property taxes unlimited as to rate or amount, as permitted by law, and to determine the lien priority of payments to be made from the Base to pay the Issuer's limited bonds.

This Bond is one of a series of Bonds issued in the aggregate principal amount of \$ _____, which are all of like tenor, except as to maturity, and which are authorized and issued under and pursuant to the Constitution and laws of the State of Illinois and pursuant to and in accordance with an authorizing ordinance adopted by the President and Board of Trustees of the Issuer on November 27, 2001, and entitled: "An Ordinance Authorizing the Issuance of \$390,000 General Obligation Bonds (Limited Tax), Series 2001, of the Village of Chatham, Sangamon County, Illinois, and Providing the Details of Such Bonds and for the Levy of Direct Annual Taxes To Pay Such Bonds, and Related Matters." The Bonds are issued to finance acquisition, construction and installation of Plummer/Peachtree signals, Plummer temporary road, Plummer Boulevard viaduct, interurban bike trail, temporary road work and viaduct bike tunnel, and related facilities, improvements and costs.

The Bonds are not subject to optional call for redemption prior to maturity.

[Term Bond provisions, as applicable.]

[The Bonds are subject to redemption prior to maturity at the option of the Issuer as a whole or in part _____ (with notice as herein provided) in integral multiples of \$ _____ in inverse order of maturity (to be selected by the Bond Registrar in such manner as it shall deem fair and appropriate in the case of partial redemption of the Bonds of a maturity) at a redemption price equal to the principal amount to be so redeemed plus accrued interest to the redemption date.]

[In the event of the redemption of less than all the Bonds of a maturity, the aggregate principal amount thereof to be redeemed shall be \$1,000 each or an integral multiple thereof, and the Bond Registrar shall assign to each Bond of such maturity a distinctive number for each \$1,000 principal amount of the Bonds of such maturity and shall select by lot from the numbers so assigned as many numbers as, at \$1,000 for each number, shall equal the principal amount of such Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; provided that only so much of the principal amount of each Bond shall be redeemed as shall equal \$1,000 for each number assigned to it and so selected.]

[Notice of the redemption of Bonds will be mailed not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for such redemption to the registered owners of Bonds to be redeemed at their last addresses appearing on the registration books therefor. The Registered Owner of this Bond may waive such notice, presentment for payment being conclusive of such a waiver. The Bonds or portions thereof specified in such notice shall become due and payable at the applicable redemption price on the redemption date therein designated, and if, on the redemption date, moneys for payment of the redemption price of all the

Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on such redemption date, and if notice of redemption shall have been mailed as herein set forth (and notwithstanding any defect therein or the lack of actual receipt thereof by any registered owner), then from and after the redemption date interest on such Bonds or portions thereof shall cease to accrue and become payable. All notices of redemption shall state the redemption date, the redemption price, if less than all outstanding Bonds of a maturity are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts in integral multiples of \$500.00) of the Bonds to be redeemed, that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption and, upon the deposit of funds therefor with the Paying Agent, that interest thereon shall cease to accrue from and after such redemption date, and the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Paying Agent.]

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 office of the Registrar in Chicago, Illinois, together with a written instrument of transfer satisfactory to the 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 authorized denominations of \$1,000 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 Registrar shall not be required to exchange or transfer any Bond during the period from the fifteenth (15th) day of the month of any interest payment date to such interest payment date [or during a period of fifteen (15) days next preceding the mailing of a notice of redemption which could designate all or a part of such Bond for redemption]. The Issuer or the 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 Registrar and the Paying Agent 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 Registrar or the Paying Agent 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 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 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, by its President and Board of Trustees 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.

VILLAGE OF CHATHAM, ILLINOIS

(SEAL)

Attest:

Village President

Village Clerk

CERTIFICATE OF AUTHENTICATION

Dated: _____

This Bond is one of the General Obligation Bonds (Limited Tax), Series 2001, described in the within mentioned authorizing ordinance.

BNY MIDWEST TRUST COMPANY,
Chicago, Illinois, as Bond Registrar

By _____
Authorized Signer

Bond Registrar BNY Midwest Trust Company
and Paying Agent: Chicago, Illinois

ASSIGNMENT

For value received the undersigned sells, assigns and transfers unto

[Name, Address and Tax Identification Number 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 9. 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 in the Village of Chatham, Illinois, in each year while any of the Bonds shall be outstanding, a direct annual tax in each of the years 2001 through 2015, inclusive, sufficient for that purpose, in addition to all other taxes, and in the amounts for each year, as follows:

<u>For Each Year</u>	<u>A Tax Sufficient to Produce the Sum of(\$):</u>	
2001	37,402.50	for interest and principal
2002	37,402.50	for interest and principal
2003	37,402.50	for interest and principal
2004	37,402.50	for interest and principal
2005	37,402.50	for interest and principal
2006	37,402.50	for interest and principal
2007	37,402.50	for interest and principal
2008	37,402.50	for interest and principal
2009	37,402.50	for interest and principal
2010	37,402.50	for interest and principal
2011	37,402.50	for interest and principal
2012	37,402.50	for interest and principal
2013	37,402.50	for interest and principal
2014	37,402.50	for interest and principal
2015	37,402.50	for interest and principal

*Pursuant to Section 16 of the Local Government Debt Reform Act (30 ILCS 30/16) the Issuer may have a 2001 tax levy extended if this ordinance is filed with the County Clerk prior to March 1, 2002.

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.

After this ordinance becomes effective and before the issuance under this ordinance of any Bonds, 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 per cent required to produce the aggregate tax hereinabove provided to be levied in each of the years 2001 through 2015, 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 or reimbursing the Issuer for any funds advanced therefor.

The Issuer covenants and agrees with the registered owners of the Bonds that so long as any of the Bonds remain outstanding, and unless and to the extent funds are then on deposit in the Debt Service Fund of 2001, the Issuer 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, 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 Fund of 2001 established in Section 10 below to pay the principal of and interest on the Bonds.

Notwithstanding any other provision of this ordinance, the annual amount of the taxes to be extended by the County Clerk to pay the Bonds and all other limited bonds (as defined in the Debt Reform Act) hereafter issued by the Issuer shall not exceed the Base of the Issuer (the "Base," i.e., \$37,402.50 under Section 9 of Ordinance No. 33, adopted July 13, 1996) less any amount having a prior lien on the Base. No limit, however, exists on the rate of the direct annual tax levied herein, and the Bonds shall constitute a general obligation of the Issuer. The Issuer is authorized to issue from time to time additional limited bonds payable from the Base and additional non-referendum bonds payable from property taxes unlimited as to rate or amount, as permitted by law, and to determine the lien priority of payments to be made from the Base to pay the District's limited bonds.

Section 10. Debt Service Fund. Moneys derived from taxes herein levied are 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, shall be deposited in the "**Debt Service Fund of 2001**", which is hereby established as a special fund of the Issuer and shall be administered as a bona fide debt service fund under the Internal Revenue Code of 1986, as amended. At the time of issuance of the Bonds any accrued interest received upon the issuance of the Bonds shall be deposited in the Debt Service Fund of 2001 and applied to pay interest on the Bonds.

Section 11. Bond Proceeds Fund. All of the proceeds of the sale of the Bonds (exclusive of accrued interest as provided above in Section 10) shall be deposited in the "**Bond Proceeds Fund of 2001**", which is hereby established as a special fund of the Issuer. Moneys in the Bond Proceeds Fund of 2001 shall be used for the purposes specified in Section 1 of this ordinance, including for the payment of costs of issuance of the Bonds, but may thereafter be reappropriated and used for other lawful purposes of the Issuer. Before any such reappropriation shall be made, there shall be filed with the Village Clerk an opinion of Evans, Froehlich, Beth & Chamley, Champaign, Illinois, or other nationally recognized bond counsel ("**Bond Counsel**") to the effect that such reappropriation will not adversely affect the tax-exempt status of the Bonds under Section 103 of the Internal Revenue Code of 1986, as amended.

Section 12. Arbitrage Rebate. The Issuer does not reasonably expect to issue more than \$5,000,000 of tax-exempt obligations in the calendar year of the issuance of the Bonds within the meaning of the small issuer exception under Section 148(f)(4)(D) of the Internal Revenue Code of 1986, as amended. 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.

Section 13. Investment Regulations. No investment shall be made of any moneys in the Debt Service Fund of 2001 or the Bond Proceeds Fund of 2001 except in accordance with the tax covenants and other covenants set forth in Section 14 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 Village President or Village Treasurer and agents designated by such officers 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 14. Non-Arbitrage and Tax-Exemption. One purpose of this Section 14 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 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:

(1) The Bonds are being issued to pay the Project costs described in Section 1 above, 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.

(2) The Issuer has on hand no funds which could legally and practically be used for the purposes hereof 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 such purposes, 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 14, "**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 its issue price, 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).

(3) All principal proceeds of the Bonds will be deposited in the Bond Proceeds Fund of 2001 for the purposes described in Section 1 above, and any accrued interest and premium received on the delivery of the Bonds will be deposited in the Debt Service Fund of 2001 and used to pay the first interest due on the Bonds. Earnings on investment of moneys in any fund or account will be credited to that fund or account. Costs for the purposes described in Section 1 above, including issuance costs of the Bonds, will be paid from the Bond Proceeds Fund of 2001, and no other moneys are expected to be deposited therein. Interest on and principal of the Bonds will be paid from the Debt Service Fund of 2001. 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.

(4) The Debt Service Fund of 2001 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 Fund of 2001 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 Fund of 2001 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 Fund of 2001 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 Fund of 2001, or (ii) in the aggregate, one-twelfth (1/12th) of the annual debt service on the Bonds.

(5) Other than the Debt Service Fund of 2001, no funds or accounts 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.

(6) (a) All amounts on deposit in the Bond Proceeds Fund of 2001 or the Debt Service Fund of 2001 and all Proceeds, no matter in what funds or accounts deposited ("**Gross Proceeds**"), to the extent not exempted in (b) 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 (6) above, shall be invested at market prices and at a Yield not in excess of the Yield on the Bonds, except for 1/8% for the Bond Proceeds Fund of 2001.

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

(i) 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**");

(ii) amounts deposited in the Debt Service Fund of 2001 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; and

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

(7) Subject to (17) below, once moneys are subject to the Yield limits of (7)(a) above, such moneys remain Yield restricted until they cease to be Gross Proceeds.

(8) 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 (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 of issuance of the Bonds, including the Bonds, is not reasonably expected to exceed \$5,000,000 under such Section 148(f)(4)(D).

(9) 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.

(10) 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 activity 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 activity by any person other than a state or local governmental unit.

(11) 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.

(12) No user of the Project other than a state or local government unit will use the 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 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.

(13) Beginning on the 15th day prior to the Bond sale date, the Issuer will not have sold or delivered, and will not sell or deliver (nor will it deliver within 15 days after the date of issue 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.

(14) No portion of facilities in respect of the Bonds is expected to be sold or otherwise disposed of prior to the last maturity of the Bonds.

(15) 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 the Regulations.

(16) The Yield restrictions contained in (7) above or any other restriction or covenant contained herein may be violated or changed if the Issuer receives an opinion of Bond Counsel to the effect that such violation or change will not adversely affect the tax-exempt status of interest on the Bonds to which it is otherwise entitled.

(17) 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.

(18) 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 arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and of the 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 whatever federal tax law is adopted in the future which applies to the Bonds and affects the tax-exempt status of the Bonds.

The Corporate Authorities hereby authorize the officials of the Issuer responsible for issuing the Bonds, the same being the Village President, Village Clerk and Village Treasurer of the Issuer, to make such further covenants and certifications as may be necessary to assure that the use thereof will not cause the Bonds to be arbitrage bonds and to assure that the interest in 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 truthful, 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 15. 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 such Section 265(b)(3). 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 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 aggregate principal amount of tax-exempt obligations in such calendar year. For purposes of this Section 15, 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). The Issuer has no subordinate entities.

Section 16. Ordinance to Constitute a Contract\Severability. 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 Act 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. 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.

Section 17. Conflict and 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 18. Effective Date. This ordinance shall become effective 10 days after its adoption and publication in pamphlet form, and prior to the issuance of the Bonds, this ordinance shall be filed with the County Clerk of Sangamon County, Illinois.

[The remainder of this page is intentionally left blank.]

Upon motion by Trustee DIERKING, seconded by Trustee HERR, adopted this 27th day of November, 2001, by roll call vote, as follows:

Ayes (names): HERR, DIERKING, McADAMS

BOYLE, MCCARTHY, McGRATH

Nays (names): NONE

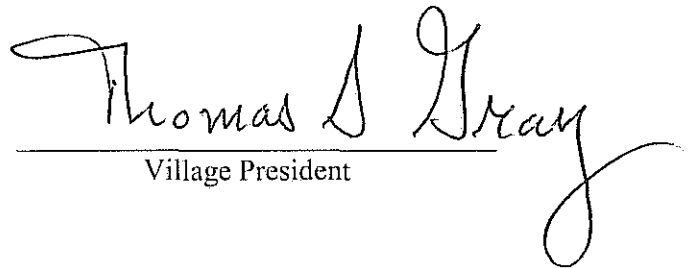
Absent (names): NONE

APPROVED: November 27, 2001

(SEAL)

Attest:


Village Clerk


Village President

STATE OF ILLINOIS)
)
COUNTY OF SANGAMON) SS.

CERTIFICATION OF ORDINANCE

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

I do further certify that the foregoing is a full, true and complete excerpt from the proceedings of the meeting of the Corporate Authorities held on the 27th day of November, 2001, insofar as the same relates to the adoption of an ordinance numbered and entitled:

ORDINANCE NO. 01-74

AN ORDINANCE AUTHORIZING THE ISSUANCE OF \$390,000 GENERAL OBLIGATION BONDS (LIMITED TAX), SERIES 2001, OF THE VILLAGE OF CHATHAM, SANGAMON COUNTY, ILLINOIS, AND PROVIDING THE DETAILS OF SUCH BONDS AND FOR THE LEVY OF DIRECT ANNUAL TAXES TO PAY SUCH BONDS, AND RELATED MATTERS,

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

I do further certify that the deliberations of the Corporate Authorities on the adoption of such ordinance were conducted openly, that the vote on the adoption of such ordinance was taken openly and was preceded by a public recital 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 meetings laws of the State of Illinois, as amended, and with the provisions of the Illinois Municipal Code of the State of Illinois, as amended, and that the Corporate Authorities have complied with such laws and code and with all of the procedural rules of the Corporate Authorities in adopting such ordinance.

IN WITNESS WHEREOF, I hereunto affix my official signature, this 27 day of NOVEMBER 2001.




Village Clerk

LAW OFFICES OF
EVANS, FROEHLICH, BETH & CHAMLEY

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

44 MAIN STREET, THIRD FLOOR
CHAMPAIGN, ILLINOIS 61820

JAMES W. EVANS
KURT P. FROEHLICH
KENNETH N. BETH
JOSEPH P. CHAMLEY

TELEPHONE (217) 359-6494
FACSIMILE (217) 359-6468

November 27, 2001

Sherry Dierking
Village Treasurer
116 E. Mulberry Street
Chatham, Illinois 62629-1358
c/o E-mail: jbutler@chathamil.net

John M. Myers, Esq.
Rabin, Myers & Hanken, P.C.
1300 S. Eighth Street
Springfield, Illinois 62703
E-mail: jmyers@springfieldlaw.com

David F. Phillips
Speer Financial, Inc.
One North LaSalle Street, Suite 4100
Chicago, Illinois 60602
E-mail: dphillips@speerfinancial.com

Dedra DeLaney
BNY Midwest Trust Company
2 North LaSalle Street, Suite 1020
Chicago, Illinois 60602
E-mail: ddelaney@bankofny.com

Robert P. Vail
Bernardi Securities, Inc.
105 W. Adams, Suite 1900
Chicago, Illinois 60603
E-mail: rvail@bernardisecurities.com

Re: **\$390,000 General Obligation Bonds (Limited Tax), Series 2001, of the Village of Chatham, Sangamon County, Illinois**

Ladies and Gentlemen:

With this for adoption tonight please find the bond ordinance. Sherry or John, tomorrow please fax me the pamphlet cover page, page 1 and page 25 from the ordinance. Please make sure the pamphlet publication is made as of today. Execution documents will go out later this week or early next week for a December 11 closing.

Please call me with any questions or comments.

Very truly yours,


KURT P. FROEHLICH, Ltd.

Enclosure

KPF/rd

Date: November 27, 2001

To: Village of Chatham Board Members
Del McCord, Director of Public Utilities

From: Sherry Dierking 

Re: 2001 GO Bond

Attached is a copy of the ordinance relating to the GO Bond Issue scheduled for passage this evening. Mr. Dave Phillips from Speer Financial will be in attendance at the Board Meeting this evening for discussion regarding this bond issue.

November 27, 2001

Village of Chatham
Sangamon County, Illinois

Dear President and Village Trustees:

We offer to purchase \$390,000 Village of Chatham, Sangamon County, Illinois, General Obligation Limited Bonds, Series 2001 (the "Bonds"), to be dated December 1, 2001 with a first interest payment due June 30, 2002, for the sum of \$385,320.00 plus accrued interest to the date of delivery of the Bonds to us. The Bonds are to bear interest at the following rates per annum:

\$ 197,000 due 12/30/2010 @ 4.30% TERM BOND (1)
\$ 193,000 due 12/30/2016 @ 5.00% TERM BOND (2)

(1) Term Bond due in 2010 is subject to mandatory redemption as follows:

\$9,000 due 12/30/2002	\$24,000 due 12/30/2007
20,000 due 12/30/2003	25,000 due 12/30/2008
21,000 due 12/30/2004	26,000 due 12/30/2009
22,000 due 12/30/2005	27,000 due 12/30/2010 (Final Maturity)
23,000 due 12/30/2006	

(2) Term Bond due in 2016 is subject to mandatory redemption as follows:

\$28,000 due 12/30/2011	\$33,000 due 12/30/2014
30,000 due 12/30/2012	35,000 due 12/30/2015
31,000 due 12/30/2013	36,000 due 12/30/2016 (Final Maturity)

The Bonds due December 30, 2002 - 2010, are not callable. Bonds due December 2011 - 2016, are callable on any date in whole or in part on or after December 30, 2010.

These Bonds are to be delivered to Bernardi Securities, Inc. in integral multiples of \$5,000 and will be fully registered as to principal and interest. The Bonds will be delivered without cost to Bernardi Securities, Inc. within 45 days of this contract. Said Bonds are to be accompanied by an approving legal opinion of Evans, Froehlich, Beth & Chamley, Champaign, Illinois, Bond Counsel, and a certificate evidencing that no litigation is pending against the Village which will affect the validity of these Bonds. The Bonds have been designated as "qualified tax-exempt obligations" for the purpose and within the meaning of Section 265 (b)(3) of the Internal Revenue Code of 1986, as amended. All costs of issuance are to be paid by the Village.

The Village covenants and agrees to enter into a written agreement or contract, constituting an undertaking (the "Undertaking") to provide ongoing disclosure about the Village, for the benefit of the registered owners or beneficial owners of the Bonds on or before the date of delivery of the Bonds as required under Section (b)(5) of Rule 15c2-12, as amended (the "Rule"), adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The Undertaking shall be as described in the Official Statement, with such changes as may be agreed in writing by the Underwriter.

Upon the sale of the Bonds, the Village will publish a Final Official Statement in substantially the same form as the Near-Final/Preliminary Official Statement with insertion of no more than the following information: the offering price(s), interest rate(s), aggregate principal amount, principal amount per maturity, delivery date, and identifying Bernardi Securities, Inc. as the successful purchaser. The Final Official Statement shall be supplied to Bernardi Securities, Inc. in sufficient time to accompany any confirmation that request payment from any customer, but in no event later than seven (7) business days after the sale date. The Village agrees to deliver the Final Official Statements in sufficient quantities as requested by Bernardi Securities, Inc. Bernardi Securities, Inc. agrees to supply the Village within 24 hours after the award of the Bonds, all necessary pricing information necessary to complete the Final Official Statement used in connection with the sale of the Bonds.

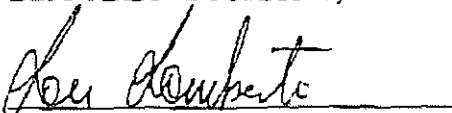
The Village agrees to notify Bernardi Securities, Inc. of any material developments impacting the Village or the Bonds of which the Village becomes aware of after the delivery of the Bonds.

For Information Purposes Only

Gross Interest Cost From December 1, 2001	\$ 170,164.75
Plus: Discount	\$ 4,680.00
Net Interest Cost	\$ 174,844.75
Net Interest Rate	<u>4.9149%</u>

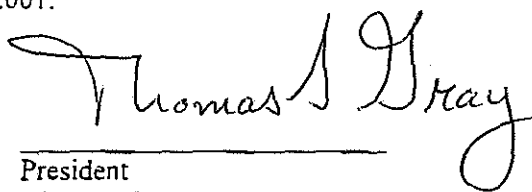
This bid is for immediate acceptance.

BERNARDI SECURITIES, INC.


Lou Lamberti
First Vice President


The above proposal accepted by the action of the President and the Village Trustees of the Village of Chatham, Sangamon County, Illinois this date of November 27, 2001.

(Seal)



President
Village of Chatham
Sangamon County, Illinois





Attest
Village of Chatham
Sangamon County, Illinois

SPEER FINANCIAL, INC.

PUBLIC FINANCE CONSULTANTS SINCE 1954

SUITE 4100 • ONE NORTH LASALLE STREET • CHICAGO, ILLINOIS 60602 • (312) 346-3700 • FAX (312) 346-8833

Final Term Sheet

VILLAGE OF CHATHAM

Sangamon County, Illinois

\$390,000 General Obligation Bonds (Limited Tax), Series 2001

(Page 1 of 4)

Pricing Date: Monday, November 26, 2001.
Award Date: Tuesday, November 27, 2001.
Dated Date: December 1, 2001.
Method of Sale: Negotiated.
Purchaser: Bernardi Securities, Chicago, Illinois.
Date of Closing: December 11, 2001.
First Interest Payment Date: June 30, 2002, and semiannually through maturity.
Principal Maturity Dates: December 30, 2002 through December 30, 2016.

Maturities and Interest Rates:

\$197,000	Term Bonds due December 30, 2010; Yield	4.300%
\$193,000	Term Bonds due December 30, 2016; Yield	5.000%

For further details see "MANDATORY REDEMPTION" herein.

Good Faith Deposit: A good faith deposit will NOT be required.

Legal Opinion: Evans Froehlich Beth & Chamley, Attorneys, Champaign, Illinois, will provide an opinion as to the legality and tax exemption of the Bonds. Interest on the Bonds is not exempt from present State of Illinois income taxes.

Bank Qualification: The Bonds will be designated as "qualified tax-exempt obligations."

Registrar/Paying Agent: Bank of New York, Midwest Trust, Chicago, Illinois.

Registered or Book-Entry: The Bonds will be registered or, at the option of the purchaser, The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The ownership of one fully registered Bond for each maturity will be registered in the name of Cede & Co., as nominee for DTC and no physical delivery of Bonds will be made to purchasers.

Purchase Price: A price of par plus a premium, if any, and accrued interest.

Purpose: To fund capital projects and to pay costs of issuance.

Final Term Sheet

VILLAGE OF CHATHAM

Sangamon County, Illinois

\$390,000 General Obligation Bonds (Limited Tax), Series 2001

(Page 2 of 4)

Security:

The Bonds are limited Bonds and are issued pursuant to the Illinois Municipal Code of the State of Illinois, as supplemented and amended (the "Act"), and particularly as supplemented by the Local Government Debt Reform Act of the State of Illinois, as amended (the "Debt Reform Act"). Although the obligation of the City to pay the Bonds is a general obligation under the Act and all taxable property of the City is subject to the levy of taxes to pay the Bonds without limitation as to rate, the amount of said taxes that will be extended to pay the Bonds is limited by the Property Tax Extension Limitation Law of the State of Illinois, as amended (the "Tax Extension Limitation Law").

The Debt Reform Act provides that the Bonds are payable from the debt service extension base of the City (the "Base"), which is an amount equal to that portion of the extension for the City for the 1996 levy year constituting an extension for payment of principal and interest on Bonds issued by the City without referendum, but not including alternate Bonds issued under Section 15 of the Debt Reform Act or refunding obligations issued to refund or to continue to refund obligations of the City initially issued pursuant to referendum. The Tax Extension Limitation Law further provides that the annual amount of taxes to be extended to pay the Bonds and all other limited Bonds hereafter issued by the City shall not exceed the Base less the amount extended to pay certain other non-referendum Bonds hereafter issued by the City and Bonds issued to refund such Bonds.

The Bonds constitute the only series of outstanding obligations of the City which are payable from the Base. The City is authorized to issue from time to time additional limited Bonds payable from the Base and additional Unlimited Tax Bonds, as permitted by law, and to determine the lien priority of payments to be made from the Base to pay the City's limited tax Bonds. The City's Debt Service Extension Base is \$37,403.

Financial Disclosure:

Most recent audit available upon request.

Denomination:

\$1,000 and integral multiples thereof.

Financial Advisor:

Speer Financial, Inc., Chicago, Illinois.

Expenses:

The City will pay for the legal opinion and financial advisor's fee. At closing, the City will deliver one typed bond per maturity. CUSIP numbers are at the cost of the purchaser.

Final Term Sheet

VILLAGE OF CHATHAM

Sangamon County, Illinois

\$390,000 General Obligation Bonds (Limited Tax), Series 2001

(Page 3 of 4)

Optional Redemption:

The Bonds due December 30, 2002-2010, are not callable. Bonds due December 2011-2016, are callable on any date in whole or in part on or after December 30, 2010.

Mandatory Redemption:

The Bonds maturing on December 30, 2010, are subject to mandatory redemption, in part by lot, on December 30, 2009, constituting a sinking fund payment at a redemption price equal to the principal amounts thereof in the following principal amounts on December 30, 2010 in the years set forth below:

<u>Year</u>	<u>Principal Amount</u>
2002.....	\$ 9,000
2003.....	\$ 20,000
2004.....	\$ 21,000
2005.....	\$ 22,000
2006.....	\$ 23,000
2007.....	\$ 24,000
2008.....	\$ 25,000
2009.....	\$ 26,000

The final principal amount of the Bonds maturing on December 30, 2010, is \$27,000.

The Bonds maturing on December 30, 2016, are subject to mandatory redemption, in part by lot, on December 30, 2015, constituting a sinking fund payment at a redemption price equal to the principal amounts thereof in the following principal amounts on December 30, 2016 in the years set forth below:

<u>Year</u>	<u>Principal Amount</u>
2011.....	\$28,000
2012.....	\$30,000
2013.....	\$31,000
2014.....	\$33,000
2015.....	\$35,000

The final principal amount of the Bonds maturing on December 30, 2016, is \$36,000

Credit Rating:

A credit rating will not be requested for the Bonds.

Final Term Sheet

VILLAGE OF CHATHAM

Sangamon County, Illinois

\$390,000 General Obligation Bonds (Limited Tax), Series 2001

(Page 4 of 4)

Secondary Market Disclosure:

The aggregate principal amount of the Bonds is less than \$1,000,000. The information undertaking provisions of SEC Rule 15c2-12(b)(5) are therefore not applicable to this issue. Upon request, the City will provide annual financial statements including the comprehensive annual financial report if one is prepared.

**Illinois Property Tax
Extension Limitation Law:**

The City, as a non-home rule unit of local government located in solely in Sangamon County became subject to the Property Tax Extension Limitation Law (the "Tax Extension Limitation Law") by voters pursuant to a countywide referendum held in 1996. The effect of the Limitation Law is to limit the amount of property taxes that can be extended for a taxing body. In addition, general obligation Bonds, notes and installment contracts payable from ad valorem taxes unlimited as to rate and amount cannot be issued by the affected taxing bodies unless the obligations first are approved at a direct referendum or are for certain refunding purposes. . Public Act 89-385, effective August 18, 1995, permits local governments, including the Village, to issue limited tax bonds in lieu of general obligation bonds that have otherwise been authorized by applicable law. See "Security" herein.

DFP/mj
11/27/01

Village President

Village of Chatham

VILLAGE OF CHATHAM

"FINAL"

\$390,000 GENERAL OBLIGATION BONDS (LIMITED TAX), SERIES 2001 CAPITAL PROJECTS--15 YEARS TO MATURITY

Date of Bonds: 01-Dec-01

Date	Principal	FINAL Interest Rates	Interest	Principal and Interest	Levy Year	FINAL Series 2001 Debt Service	(Over)/Under DSEB of \$37,402.50
30-Jun-02			\$10,520.25	\$10,520.25			
30-Dec-02	9,000	4.300%	9,060.50	18,060.50			
30-Jun-03			8,867.00	8,867.00	2001	37,447.75	(45.25)
30-Dec-03	20,000	4.300%	8,867.00	28,867.00			
30-Jun-04			8,437.00	8,437.00	2002	37,304.00	98.50
30-Dec-04	21,000	4.300%	8,437.00	29,437.00			
30-Jun-05			7,985.50	7,985.50	2003	37,422.50	(20.00)
30-Dec-05	22,000	4.300%	7,985.50	29,985.50			
30-Jun-06			7,512.50	7,512.50	2004	37,498.00	(95.50)
30-Dec-06	23,000	4.300%	7,512.50	30,512.50			
30-Jun-07			7,018.00	7,018.00	2005	37,530.50	(128.00)
30-Dec-07	24,000	4.300%	7,018.00	31,018.00			
30-Jun-08			6,502.00	6,502.00	2006	37,520.00	(117.50)
30-Dec-08	25,000	4.300%	6,502.00	31,502.00			
30-Jun-09			5,964.50	5,964.50	2007	37,466.50	(64.00)
30-Dec-09	26,000	4.300%	5,964.50	31,964.50			
30-Jun-10			5,405.50	5,405.50	2008	37,370.00	32.50
30-Dec-10	27,000	4.300%	5,405.50	32,405.50			
30-Jun-11			4,825.00	4,825.00	2009	37,230.50	172.00
30-Dec-11	28,000	5.000%	4,825.00	32,825.00			
30-Jun-12			4,125.00	4,125.00	2010	36,950.00	452.50
30-Dec-12	30,000	5.000%	4,125.00	34,125.00			
30-Jun-13			3,375.00	3,375.00	2011	37,500.00	(97.50)
30-Dec-13	31,000	5.000%	3,375.00	34,375.00			
30-Jun-14			2,600.00	2,600.00	2012	36,975.00	427.50
30-Dec-14	33,000	5.000%	2,600.00	35,600.00			
30-Jun-15			1,775.00	1,775.00	2013	37,375.00	27.50
30-Dec-15	35,000	5.000%	1,775.00	36,775.00			
30-Jun-16			900.00	900.00	2014	37,675.00	(272.50)
30-Dec-16	36,000	5.000%	900.00	36,900.00			
30-Jun-17					2015	36,900.00	502.50
Total	\$390,000		\$170,164.75	\$560,164.75		\$560,164.75	

Net Interest Rate
Bond Years
Average Life

4.914936%
3,557.417
9.122

Premium
Discount \$4,680.00

SPEER FINANCIAL, INC.

run date: 27-Nov-01
file name: chatham/2001go/15yr

VILLAGE OF CHATHAM

COSTS OF ISSUANCE /ALLOCATION OF PROCEEDS

SANGAMON COUNTY, ILLINOIS

GENERAL OBLIGATION BONDS (LIMITED TAX), SERIES 2001

ISSUE SIZE: \$390,000

Estimated Cost Items	Service Provider	Series 2001	Status
1 Financial Advisor	Speer Financial, Inc.	3,000	Confirmed
2 Bond Counsel	Evans, Froehlich, Beth & Chamley	2,850	Confirmed
3 Term Sheet Preparation/Distribu	Speer Financial, Inc.	250	Confirmed
4 Paying Agent/Registrar	BNY Midwest Trust	350	Confirmed
5 Underwriter Discount	\$12/\$1,000 to Bernardi Securities, Inc.	4,680	Confirmed
6 Local Attorney	Rabin, Meyers & Hanken	0	Estimated
Total Cost of Issuance		11,130	
Capital Projects		378,870	
Total Preceeds		390,000	

Percent of issue assigned to issuance costs

2.8538%

SPEER FINANCIAL, INC.

run date: 27-Nov-01

file name: Chatham/2001go/coi

November 27, 2001

Village of Chatham
Sangamon County, Illinois

Dear President and Village Trustees:

We offer to purchase \$390,000 Village of Chatham, Sangamon County, Illinois, General Obligation Limited Bonds, Series 2001 (the "Bonds"), to be dated December 1, 2001 with a first interest payment due June 30, 2002, for the sum of \$385,320.00 plus accrued interest to the date of delivery of the Bonds to us. The Bonds are to bear interest at the following rates per annum:

\$ 197,000 due 12/30/2010 @ 4.30% TERM BOND (1)
\$ 193,000 due 12/30/2016 @ 5.00% TERM BOND (2)

(1) Term Bond due in 2010 is subject to mandatory redemption as follows:

\$9,000 due 12/30/2002	\$24,000 due 12/30/2007
20,000 due 12/30/2003	25,000 due 12/30/2008
21,000 due 12/30/2004	26,000 due 12/30/2009
22,000 due 12/30/2005	27,000 due 12/30/2010 (Final Maturity)
23,000 due 12/30/2006	

(2) Term Bond due in 2016 is subject to mandatory redemption as follows:

\$28,000 due 12/30/2011	\$33,000 due 12/30/2014
30,000 due 12/30/2012	35,000 due 12/30/2015
31,000 due 12/30/2013	36,000 due 12/30/2016 (Final Maturity)

The Bonds due December 30, 2002 - 2010, are not callable. Bonds due December 2011 - 2016, are callable on any date in whole or in part on or after December 30, 2010.

These Bonds are to be delivered to Bernardi Securities, Inc. in integral multiples of \$5,000 and will be fully registered as to principal and interest. The Bonds will be delivered without cost to Bernardi Securities, Inc. within 45 days of this contract. Said Bonds are to be accompanied by an approving legal opinion of Evans, Froehlich, Beth & Chamley, Champaign, Illinois, Bond Counsel, and a certificate evidencing that no litigation is pending against the Village which will affect the validity of these Bonds. The Bonds have been designated as "qualified tax-exempt obligations" for the purpose and within the meaning of Section 265 (b)(3) of the Internal Revenue Code of 1986, as amended. All costs of issuance are to be paid by the Village.

The Village covenants and agrees to enter into a written agreement or contract, constituting an undertaking (the "Undertaking") to provide ongoing disclosure about the Village, for the benefit of the registered owners or beneficial owners of the Bonds on or before the date of delivery of the Bonds as required under Section (b)(5) of Rule 15c2-12, as amended (the "Rule"), adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The Undertaking shall be as described in the Official Statement, with such changes as may be agreed in writing by the Underwriter.

Upon the sale of the Bonds, the Village will publish a Final Official Statement in substantially the same form as the Near-Final/Preliminary Official Statement with insertion of no more than the following information: the offering price(s), interest rate(s), aggregate principal amount, principal amount per maturity, delivery date, and identifying Bernardi Securities, Inc. as the successful purchaser. The Final Official Statement shall be supplied to Bernardi Securities, Inc. in sufficient time to accompany any confirmation that request payment from any customer, but in no event later than seven (7) business days after the sale date. The Village agrees to deliver the Final Official Statements in sufficient quantities as requested by Bernardi Securities, Inc. Bernardi Securities, Inc. agrees to supply the Village within 24 hours after the award of the Bonds, all necessary pricing information necessary to complete the Final Official Statement used in connection with the sale of the Bonds.


The Village agrees to notify Bernardi Securities, Inc. of any material developments impacting the Village or the Bonds of which the Village becomes aware of after the delivery of the Bonds.

For Information Purposes Only

Gross Interest Cost From December 1, 2001	\$ 170,164.75
Plus: Discount	\$ 4,680.00
Net Interest Cost	\$ 174,844.75
Net Interest Rate	<u>4.9149%</u>

This bid is for immediate acceptance.

BERNARDI SECURITIES, INC.



Lou Lamberti
First Vice President

The above proposal accepted by the action of the President and the Village Trustees of the Village of Chatham, Sangamon County, Illinois this date of November 27, 2001.

(Seal)

President
Village of Chatham
Sangamon County, Illinois

Attest
Village of Chatham
Sangamon County, Illinois