

ORDINANCE NO. 48

AN ORDINANCE of the Village of Chatham, Sangamon County, Illinois, proposing the issuance of General Obligation Bonds (Alternate Revenue Source), Series 2006, of the Issuer in an aggregate principal amount not to exceed \$3,600,000 for the purpose of defraying the cost of improving the electric system of said Issuer.

WHEREAS, the Village of Chatham, Sangamon County, Illinois (the "Issuer"), has heretofore been duly organized and is now operating as a municipality under the provisions of the Illinois Municipal Code, and all laws amendatory thereof and supplementary thereto (the "Act"); and

WHEREAS, the Issuer operates an existing electric system (the "System") in accordance with the provisions of Division 119 of Article 11 of the Act; and

WHEREAS, the President and Board of Trustees of the Issuer (the "Corporate Authorities") have determined that it is advisable, necessary and in the best interests of the public health, safety and welfare to design, acquire, construct and install improvements to the System consisting of the following:

the new Independence Boulevard electric substation including all necessary connections, appurtenances, material, labor and equipment incident thereto,

all in order to meet the present and projected needs of the area served by the System, together with all mechanical, electrical and other services necessary, useful or advisable to such projects, and, incidental to such improvements and expansion, to pay bond discount, bond interest, bond reserve account funding, legal, financing, and administrative expenses (all of which said construction, services, and incidental expenses may be referred to as the "Project"), all in accordance with the preliminary plans and estimate of costs, which have been prepared for the Issuer by PCI Management and Consulting Company, Schaumburg, Illinois, the Issuer's Engineer, and have been approved by the Corporate Authorities and are now on file in the office of the Clerk of the Issuer for public inspection; and

WHEREAS, the total estimated costs of the Project, as defined, are \$3,600,000; and

WHEREAS, there are insufficient funds on hand and lawfully available to pay costs of the Project, and accordingly such costs must be met from up to \$3,600,000 proceeds of bonds; and

WHEREAS, the Issuer proposes to pay costs of the Project by issuing its General Obligation Bonds (Alternate Revenue Source), Series 2006 pursuant to the Act, the Local Government Debt Reform Act and other applicable law (collectively, "Applicable Acts"), in an aggregate principal amount not to exceed \$3,600,000 (the "Bonds") as authorized by Section 15 of the Local Government Debt Reform Act, but nevertheless expected to be paid from revenues of the System; and

WHEREAS, the number of registered voters of the Issuer on the date registration closed before the last regular election determined in accordance with 10 ILCS 5/3-1.3 was 6,433.

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

Section 1. Incorporation of Preambles.

The Corporate Authorities hereby find that the recitals contained in the preambles to this Ordinance are true and correct and do incorporate the recitals contained in the preambles into this Ordinance by this reference.

Section 2. Determination To Issue Bonds.

It is necessary and in the best interests of the Issuer to construct the Project for the public health, safety and welfare, in accordance with the plans and specifications, as described, that the System be operated in accordance with the provisions of the Applicable Acts, and that for the purpose of acquiring and constructing the Project, as aforesaid, there are hereby proposed to be issued and sold the Bonds of the Issuer in an aggregate principal amount not to exceed \$3,600,000.

Section 3. Publication: Alternate Bond.

This Ordinance, including the notice in the statutory form set forth herein in Section 4 (the "Alternate Bond Notice"), shall be published once after passage hereof by the Corporate Authorities in the *Chatham Clarion*, being a newspaper published in the Issuer, and if no petition, signed by 482 legal voters of the Issuer (being equal to the greater of: (i) 7.5% of the registered voters in the Issuer; or (ii) 200 of those registered voters or 15% of those registered voters, whichever is less), and asking that the question of proceeding with the Project, as provided in this Ordinance, and the issuance of the Bonds therefor, be submitted to the legal voters of the Issuer, is filed with the Clerk of the Issuer within thirty (30) days after the date of the publication of this Ordinance and the Alternate Bond Notice, then this Ordinance shall be in full force and effect. A petition form shall be provided by the Clerk of the Issuer to any individual requesting one.

Section 4. Alternate Bond Notice.

The Corporate Authorities hereby determine that the alternate bond notice as follows is in the proper statutory form and is made a part hereof; and notice is hereby given as follows:

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

NOTICE IS HEREBY GIVEN that pursuant to an ordinance (the "Ordinance") duly passed by the President and Board of Trustees (the "Corporate Authorities") of the Village of Chatham, Sangamon County, Illinois (the "Issuer") on September 12, 2006, the Corporate Authorities intend to issue alternate bonds pursuant to Section 15 of the Local Government Debt Reform Act (the "Bonds") of the Issuer in an aggregate principal amount not to exceed \$3,600,000, and bearing interest at a rate per annum not to exceed the maximum rate authorized by law at the time the Bonds are sold, for the purpose of paying the costs of certain improvements to the electric system of the Issuer (the "System"). Principal and interest on the Bonds are to be paid from revenues of the System.

NOTICE IS HEREBY FURTHER GIVEN that if a petition, signed by 482 legal voters of the Issuer (being equal to the greater of: (i) 7.5% of the registered voters in the Issuer; or (ii) 200 of those registered voters or 15% of those registered voters, whichever is

less), requesting that the question of improving the System and the issuance of the Bonds therefor be submitted to referendum is filed with the Clerk of the Issuer within thirty (30) days after the date of publication of the Ordinance and this Notice, the question of improving the System of the Issuer as provided in the Ordinance and the issuance of the Bonds therefor shall be submitted to the legal voters of the Issuer at the election to be held on April 17, 2007, for the purpose of voting upon such question, unless the legal voters of the Issuer are not scheduled to cast votes for any candidates for nomination for, election to or retention in public office, in which case said question shall be submitted to the legal voters of the Issuer at the next succeeding election at which legal voters of the Issuer are scheduled to cast votes for candidates for nomination for, election to or retention in public office. A form of petition for such purpose is available to any individual requesting one from the office of the Clerk of the Issuer.

Dated: September 12, 2006.

/s/ Patrick F. Schad
Village Clerk, Village of Chatham,
Sangamon County, Illinois

Section 5. Additional Ordinances.

If no petition meeting the requirements of the Applicable Acts is filed during the petition period specified in Section 3, then the Corporate Authorities may adopt additional ordinances or proceedings supplementing or amending this Ordinance providing for the issuance and sale of the Bonds, prescribing all the details of the Bonds, and providing for the collection, segregation and distribution of the revenues of the System, so long as the maximum amount of the Bonds as set forth in this Ordinance is not exceeded and there is no material change in the Project or purposes described herein.

Such additional ordinances or proceedings shall in all instances become effective in accordance with the Applicable Acts. This Ordinance, together with such additional ordinances or proceedings, shall constitute complete authority for the issuance of the Bonds under applicable law.

Section 6. Bond Issue Notification Act Hearing.

A public hearing shall be held before the Corporate Authorities pursuant to The Bond Issue Notification Act, 30 ILCS §352/1 for the Bonds. The time, place and location of the hearing shall be October 10, 2006 at 6:30 p.m. located at the Chatham Municipal Building, 117 East Mulberry, Chatham, Illinois. The Corporate Authorities find and determine that the *Chatham Clarion* is a newspaper published in the Issuer and with a general circulation in the Issuer and direct that notice of the hearing shall be published in compliance with The Bond Issue Notification Act in such newspaper. The notice shall also be given by posting a copy of the notice at the principal office of the Corporate Authorities at least 48 hours before the hearing.

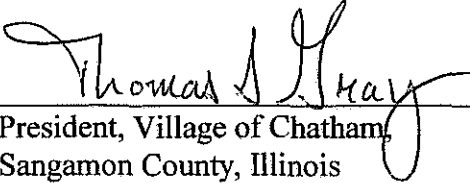
Section 7. Severability.

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

Section 8. Repealer.

All other ordinances, resolutions or orders, or parts thereof, in conflict with the provisions of this Ordinance are to the extent of such conflict hereby repealed.

Passed by the Board of Trustees of the Village of Chatham, Illinois on September 12, 2006.



President, Village of Chatham,
Sangamon County, Illinois

AYES: 4 HERR SCHATTEMAN

BOYLE McGRATH

NAYS: 0

ABSENT: 2 MCCARTHY KAVANAUGH

PUBLISHED in the *Chatham Clarion* on September 12, 2006.

RECORDED in the Issuer's Records on September 12, 2006.

Attest:



Village Clerk
Village of Chatham,
Sangamon County, Illinois

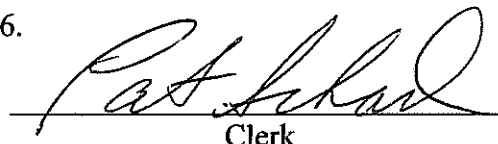
(SEAL)



CERTIFICATE

I, Patrick F. Schad, Village Clerk of the Village of Chatham, Sangamon County, Illinois (the "Issuer"), hereby certify that the foregoing Ordinance No. 06-48, "AN ORDINANCE of the Village of Chatham, Sangamon County, Illinois, proposing the issuance of General Obligation Bonds (Alternate Revenue Source), Series 2006, of the Issuer in an aggregate principal amount not to exceed \$3,600,000 for the purpose of defraying the cost of improving the electric system of said Issuer" is a true copy of an original Ordinance which was duly adopted by the recorded affirmative votes of a majority of the members of the Board of Trustees of the Village of Chatham, Sangamon County, Illinois, at a meeting thereof which was duly called and held in compliance with the Open Meetings Act on September 12, 2006, and at which a quorum was present and acting throughout, and that such copy has been compared by me with the original Ordinance signed by the President of the Issuer on September 12, 2006, and recorded in the Ordinance book of the Issuer and that it is a correct transcript thereof and of the whole of such Ordinance, and that such Ordinance has not been altered, amended, repealed or revoked, but is in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Village of Chatham, Illinois this 9-12, 2006.


Clerk

(SEAL)

