

Ordinance 09- 66

**AN ORDINANCE APPROVING A LOAN TRANSACTION WITH ILLINOIS NATIONAL BANK**

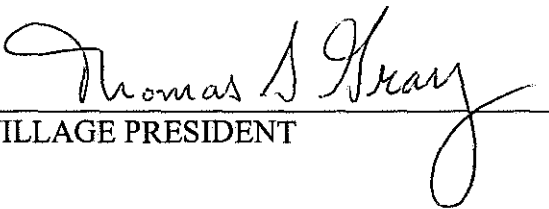
*BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF CHATHAM, SANGAMON COUNTY, ILLINOIS AS FOLLOWS:*

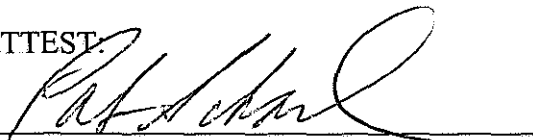
**SECTION 1:** The Village shall borrow an additional sum up to \$300,000 from Illinois National Bank at an interest rate of 2.75%. The loan shall be paid in full by April 1, 2010.

**SECTION 2:** The Village President is hereby authorized to execute the loan agreement and associated loan documents subject to the term limitation above and thereafter, the proper officers and employees of the Village are authorized and directed to carry out the loan transaction according to its terms.

**SECTION 3:** This Ordinance is effective upon its passage by a 2/3 vote of the corporate authorities, in accordance with Section 11-76-6 of the Illinois Municipal Code.

PASSED this 10<sup>th</sup> day of November, 2009.

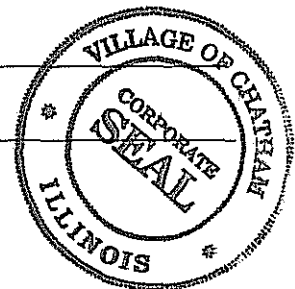
  
VILLAGE PRESIDENT

ATTEST:  
  
VILLAGE CLERK

AYES: 5 HERR, BOYCK, REYNOLDS, KAVANAGH, GRAY

NAYES: 1 MAU

PASSED: 11-10-09  
APPROVED: 11-10-09  
ABSENT: LECHATTEMAN



STATE OF ILLINOIS )

)SS

COUNTY OF SANGAMON )


I, the undersigned, do hereby certify that I am the duly qualified and acting Village Clerk of the Village of Chatham, Sangamon County, Illinois.

I do hereby certify that the ordinance attached hereto is a full, true, and exact copy of Ordinance No. 09-66 adopted by the President and the Board of Trustees of said Village on the 10<sup>th</sup> day of November, 2009 said Ordinance being entitled:

**AN ORDINANCE APPROVING A LOAN TRANSACTION WITH ILLINOIS NATIONAL BANK**

I do further certify that prior to making of this certificate, the said Ordinance was spread at length upon the permanent records of said Village, where it now appears and remains.

ON WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said Village this 10<sup>th</sup> day of November, 2009.

  
Village Clerk



**RABIN, MYERS, SCHUERING & HANKEN, P.C.**  
ATTORNEYS AND COUNSELORS AT LAW

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1300 SOUTH EIGHTH STREET  
SPRINGFIELD, IL 62703

PHONE: 217.544.5000  
FAX: 217.544.5017

MARK RABIN  
JOHN M. MYERS  
DANIEL P. SCHUERING  
W. SCOTT HANKEN

November 11, 2009

Mr. John Maxfield  
Illinois National Bank  
322 E. Capitol Avenue  
Springfield, IL 62701

Re: \$550,000 loan to Village of Chatham

Dear Mr. Maxfield:

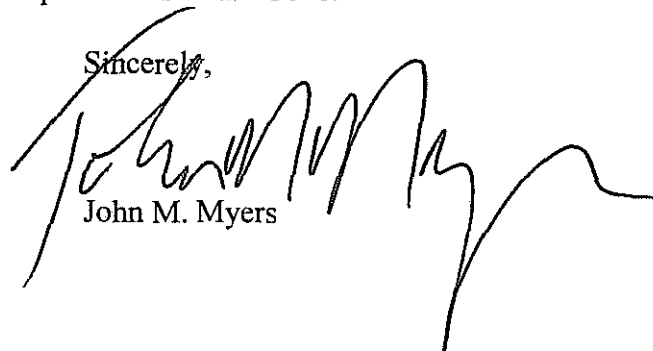
I hereby certify that I have examined a certified copy of Ordinance No. 09-66 of the Village of Chatham, Sangamon County, Illinois (the "Village") dated November 10, 2009, which authorized the Village to borrow an additional \$300,000, for a total of \$550,000, and execute a loan agreement and associated loan documents by and between Illinois National Bank and the Village, the proceeds of which are to be used for a water plant project.

I further certify that I have examined a draft of the proposed loan documents, including a promissory note dated November 9, 2009 for \$550,000 maturing on April 1, 2010. That note constitutes "a renewal of, extension of, refinancing of, modification of and substitution for promissory note dated August 14, 2009 in the original principal amount of \$250,000." In my opinion, the November 9, 2009 note will be valid and legally binding upon the Village when executed.

I am of the opinion that the Ordinance No. 09-66 was validly adopted, and that the Village of Chatham has lawful authority to execute the note and loan documents under the laws of the State of Illinois now in force.

It is also my opinion that, subject to the condition that the Village comply with certain covenants made to satisfy pertinent requirements of the Internal Revenue Code of 1986 (the "Code"), under present law, the interest portion of the payments under the note is not includible in the gross income of Illinois National Bank for federal income tax purposes, and that the loan is a "bank qualified" loan under the current provisions of the Code.

Sincerely,



John M. Myers

JMM:dnc

cc: Sherry Dierking