

Resolution No. 10-11

**A RESOLUTION APPROVING SUBSTITUTE SECURITY
PERTAINING TO FOXX CREEK SUBDIVISION, PLATS 1-8**

WHEREAS, the construction of subdivision improvements for Foxx Creek Subdivision, Plats 1-8, is currently secured by a letter of credit issued by Marine Bank, which has been released except for the amount of \$272,050.00;

WHEREAS, the developer of Foxx Creek Subdivision, Plats 1-8 has requested the substitution of a new letter of credit for the existing letter of credit securing the construction of infrastructure for Foxx Creek Subdivision, Plats 1-8;

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

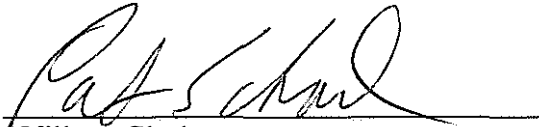
SECTION 1: Letter of credit No. 11003665-42400-01, issued by Marine Bank on January 10, 2011, a copy of which is attached as Exhibit A, is hereby accepted as security with respect to construction of infrastructure for Foxx Creek Subdivision, Plats 1-8; and the prior letter of credit securing same is hereby released. The Village Attorney shall exchange the prior letter of credit for Letter of Credit No. 11003665-42400-01.

SECTION 2: This Resolution is effective immediately.

PASSED this 22 day of MAR, 2011.


Village President

ATTEST:


Village Clerk



AYES: 5 HERRMAN BOYLE KAVANAGH SCHATTEMAN
NAYS: 0

PASSED: 3-22-11
APPROVED: 3-22-11

ABSENT: 1 REYNOLDS

IRREVOCABLE STANDBY LETTER OF CREDIT

ORIGINAL DATE OF ISSUE: January 10, 2011

EXPIRATION DATE: January 9, 2012

LETTER OF CREDIT NO.: 11003665-42400-01

AMOUNT: TWO HUNDRED SEVENTY-SEVEN THOUSAND FIFTY AND NO/100THS DOLLARS (U.S. \$277,050.00)

BENEFICIARY: Village of Chatham
116 East Mulberry
Chatham, Illinois 62629

ACCOUNT PARTY: RLP Development Company, Inc.
514 East Vandalia Street
Edwardsville, Illinois 62025

Marine Bank ("Bank") hereby opens an irrevocable letter of credit (the "Letter of Credit") in favor of Village of Chatham (the "Beneficiary") in the maximum amount of TWO HUNDRED SEVENTY-SEVEN THOUSAND FIFTY AND NO/100THS DOLLARS (U.S. \$277,050.00) (the "Maximum Amount"), subject to the following terms and conditions:

1. **DRAFTS:** Funds under this Letter of Credit, up to the Maximum Amount, are only available to Beneficiary against Beneficiary's sight draft(s) drawn on Bank on or before the close of business on January 9, 2012, and such drafts must state: "Drawn under Irrevocable Letter of Credit, Number 11003665-42400-01 dated January 10, 2011, of Marine Bank." Drafts must be accompanied by:

- a. Copy of letter from village to RLP Development Company, Inc. designated by the Village as a final inspection letter and detailing work to be completed including cost estimates.
- b. Statement signed by the Village Engineer of the Village of Chatham, Chatham, Illinois as follows: "The public improvements for which this credit is security have not been completed as required by the code of the Village of Chatham, and Marine Bank is hereby released of liability under this credit to the extent of each draw under the credit."

2. **PURPOSE:** The development of Plats 1, 2, 3, 4, 6, 7 and 8 in the Foxx Creek Subdivision.

3. **CONTINGENT VESTING:** This Letter of Credit does not vest until the Beneficiary

executes the Acknowledgment of Termination of all Prior Letters of Credit set forth at the end of this Letter of Credit and returns an executed copy to Marine Bank.

4. PARTIAL DRAWING: Partial drawings are permitted under this Letter of Credit. The original Letter of Credit must be presented to the Bank for endorsement with respect to any payment or cancellation.

5. ACCOUNT PARTY: This Letter of Credit is available and all drafts must be drawn on Bank for the account of RLP Development Company, Inc., account number 11003665-42400-01. The Account Party will pay a service fee of 1% of the Maximum Amount.

6. OBLIGATION OF ISSUED: Bank agrees with the drawers, endorsers and good faith holders to duly honor drafts drawn and negotiated in compliance with the terms of this Letter of Credit upon presentation to Marine Bank, 3050 Wabash Avenue, Springfield, Illinois 62704.

7. MODIFICATION: This Letter of Credit sets forth in full the terms of our undertaking and this undertaking shall not, in any way, be modified, amended or amplified by reference to any document, instrument or agreement referred to herein or in which this Letter of Credit is referred to or to which this Letter of Credit relates, unless in writing and signed by authorized signatories of the Bank.

We hereby engage with you that your demand for payment accompanied by documents drawn under in compliance with the terms of this credit will be duly honored upon presentation as specified. Except as far as otherwise expressly stated herein, this Letter of Credit is subject to Article 5 of Uniform Commercial Code, as set forth in 810 ILCS 5/1-101 *et seq.*

We hereby agree with the drawers, endorsers, and bona fide holders of drafts drawn under and in compliance with the terms of this debt, that such drafts will be duly honored on due presentation to the drawee on or before January 9, 2012. All parties hereto agree that the outstanding obligation hereunder may be released only upon the written authorization of the Village Engineer and said Village of Chatham. This letter of credit shall be automatically extended for additional periods of one year from the expiration date or each future expiration date unless at least sixty days (60) prior to such date, the Bank shall notify you in writing, by registered mail at the above address, that we elect not to renew this letter of credit for such additional period. If we shall make such election, the Village Engineer of the Village of Chatham shall release Marine Bank of all further obligation under this letter of credit at the end of said sixty-day period, provided, however, that nothing contained herein shall be construed to limit the right of the Village of Chatham to make drafts against this letter until its initial expiration date or any date to which said letter is automatically extended as described above.

MARINE BANK

By: Roger W. Chandler
Its: President

Attest: Howard M. Neuger
Its: Executive Vice President & General Counsel

RESOLUTION CERTIFICATE

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 further certify that the Resolution attached hereto is a full, true, and exact copy of Resolution No. 10-11, adopted by the President and Board of Trustees of said Village on the 22 day of MAR, 2011, said Resolution being entitled:

**A RESOLUTION APPROVING SUBSTITUTE SECURITY
PERTAINING TO FOXX CREEK SUBDIVISION, PLATS 1-8**

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

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said Village this 22 day of MAR, 2011.





Village Clerk