

RESOLUTION NO. 53 - 22

**AN RESOLUTION RELEASING THE LETTERS OF CREDIT FOR
MANOR HILL II SUBDIVISION**

WHEREAS, the Village of Chatham (“Village”) is an Illinois Municipal Corporation existing and operating under the Illinois Municipal Code and the laws of the State of Illinois; and,

WHEREAS, the Village previously required multiple letters of credit for the Manor Hill II subdivision; and,

WHEREAS, Manor Hill II is currently being purchased by TSRR, LLC, and, as a part of that transaction, the seller has requested that its letter of credit be released provided TSRR, LLC obtains a letter of credit in accordance with the Villages terms contained in the correspondence attached hereto as **Exhibit A**; and,

WHEREAS, Illinois National Bank issued an Irrevocable Letter of Credit in the amount of \$94,915.69 for the addition of a turn lane in favor of the Village as approved in Village Ordinance 05-17; and,

WHEREAS, Illini Bank (subsequently acquired by United Community Bank) issued an Irrevocable Letter of Credit numbered 541 in the amount of \$127,100 in favor of the Village as attached hereto as **Exhibit B**; and,

WHEREAS, a release in the letters of credit has been requested based the sale of the subdivision; and,

WHEREAS, the corporate authorities of the Village of Chatham believe it is in the best interests of the Village to release the letter of credit provided it obtains a letter of credit from TSRR, LLC.

NOW THEREFORE, BE IT RESOLVED by the President and Board of Trustees of the Village of Chatham, Sangamon County, Illinois, as follows:

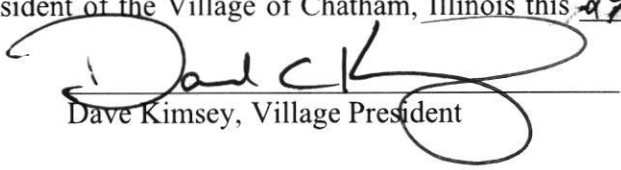
Section 1. Recitals. The foregoing recitals shall be and are hereby incorporated into and made a part of this Resolution as if fully set forth in this Section 1.

Section 2. Release of Letter of Credit. Irrevocable Letter of Credit numbered 541 from Illini Bank and the Illinois National Bank Letter of Credit issued for the addition of a turn lane along Gordon Drive an approved in Village Ordinance 05-17 are hereby released in full. The Village President or his designee is authorized to execute any documents to effectuate the release contemplated by this Resolution.

Section 3. Effective Date. This Resolution shall be in full force and effect from and after its passage and approval.

	AYE	NAY	ABSTAIN	ABSENT
KRISTEN CHIARO	✓			
MEREDITH FERGUSON	✓			
JOHN FLETCHER				✓
BRETT GERGER				✓
TIM NICE	✓			
CARL TRY	✓			
DAVE KIMSEY				
TOTAL	4	-	-	2

APPROVED by the President of the Village of Chatham, Illinois this 23 day of Aug-24, 2022.


 Dave Kimsey, Village President

Attest:

 Dan Holden, Village Clerk

EXHIBIT A
Correspondence

Village President
Dave Kimsey

Village Clerk
Dan Holden

VILLAGE OF
CHATHAM
Family. Community. Prosperity.

Village Trustees
Kristen Chiaro
Meredith Ferguson
John Fletcher
Brett Gerger
Timothy Nice
Carl Try

August 10, 2022

TSRR, LLC

Re: Letter of Credit for Manor Hill II

To whom it may concern:

I am writing regarding the sale and purchase of the Manor Hill II Phase 2 subdivision. The current owner has outstanding letters of credit for this, including Manor Hill I subdivision as follows:

Ordinance 05-17: For the addition of a turn lane along Gordon Drive, \$94,915.69 by Illinois National Bank, and

Resolution 34-08: For uncompleted sidewalk, \$127,100.00 by Illini Bank

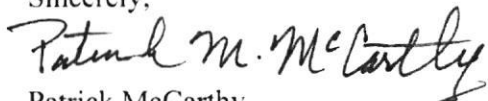
These letters of credit are for the purpose of ensuring the completion of the turn lane along Gordon Drive and for all sidewalk within Manor Hill I. As of the date of this letter, the turn lane has not been completed and all but 300 linear feet of sidewalk has been completed. Therefore, the Gordon Drive turn lane remains at \$94,915.69 and the sidewalk letter of credit can be reduced to \$9,600.00 for a total current obligation of \$104,515.69.

The Village is willing to accept a new letter of credit from the proposed new owner TSRR LLC. The Village has agreed to allow the new owner to perform roadway patching repairs to Hurstbourne Lane totaling at least \$94,915.69 in lieu of constructing a turn lane on Gordon Drive and insuring the completion of the remainder of sidewalk in the amount of \$9,600.00.

As a part of your purchase and this offer, you will need to obtain a letter of credit in the amount of \$104,515.69 to replace the letters of credit for Manor Hill I by the current owner. The Village will agree to accept this new letter of credit and release the current letters of credit as a part of your closing, provided the amounts are the same and provided further that the Board votes to approve the contents of this letter.

Please feel free to contact me with any questions.

Sincerely,



Patrick McCarthy
Village Manager

Incorporated March 24, 1874

116 E Mulberry, Chatham, Illinois 62629 Phone (217) 483-2451 Fax (217) 483-3574

EXHIBIT B
Irrevocable Letter of Credit

IRREVOCABLE LETTER OF CREDIT #541

October 27, 2016

Village of Chatham
Attn: Village Engineer
116 East Mulberry
Chatham, IL 62629

RE: Manor Hill II Subdivision
Chatham, IL

To Whom It May Concern:

We hereby establish our IRREVOCABLE LETTER OF CREDIT NUMBER 541 in your favor for the account of Charles E. Robbins Marital Trust A and Maurice D. Tippett / Manor Hill II Subdivision for the amount of \$127,100.00 available by your drafts at sight, drawn on the ILLINI BANK, Springfield, Illinois accompanied by:

- (a) Copy of final inspection letter from the Municipality to Developer detailing sidewalk work to be completed including cost estimate.
- (b) Statement signed by the Engineer of Village of Chatham, Illinois certifying that the public improvements for which this Letter of Credit is security have not been completed as required by Chapter 153 of the code of the Village of Chatham, and releasing ILLINI BANK of liability under this Letter of Credit to the extent of each draw.

This Letter of Credit #541 will be effective once original Letter of Credit #505 is returned to Illini Bank.

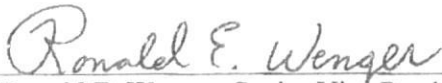
Except as otherwise expressly stated herein, this credit is subject to the Uniform Commercial Code as adopted in the State of Illinois.

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Village of Chatham
Attn: Village Engineer
October 27, 2016

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 October 27, 2017. All parties hereto agree that the outstanding obligation hereunder may be released only upon written authorization of the Engineer of 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 sixty (60) days 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 at the end of said 60 day period, provided however, that nothing contained herein shall be construed to limit the right of Village of Chatham to make drafts against this letter until its initial expiry date or any date to which said letter is automatically extended as described above.

ILLINI BANK

BY: 
Ronald E. Wenger, Senior Vice President

ATTEST: 
Greg Birky, President

IRREVOCABLE LETTER OF CREDIT

EXHIBIT A

Borrower: TSRR LLC; Terry Brown Excavating, Inc.; Sara D Brown; and Terry B Brown
3697 Moose Cry Rd
Auburn, IL 62615

Lender: Carrollton Bank
Springfield Office
2135 Wabash Ave
Springfield, IL 62704-5344
(217) 793-8696

Beneficiary: Village of Chatham
116 E Mulberry St
Chatham, IL 62629-1358

NO.: 490241

EXPIRATION DATE. This letter of credit shall expire upon the close of business on 02-19-2023 and all drafts and accompanying statements or documents must be presented to Lender on or before that time (the "Expiration Date").

AMOUNT OF CREDIT. Lender hereby establishes at the request and for the account of Borrower, an Irrevocable Letter of Credit in favor of Beneficiary for a sum of One Hundred Four Thousand Five Hundred Fifteen & 69/100 Dollars (\$104,515.69) (the "Letter of Credit"). These funds shall be made available to Beneficiary upon Lender's receipt from Beneficiary of sight drafts drawn on Lender at Lender's address indicated above (or other such address that Lender may provide Beneficiary in writing) during regular business hours and accompanied by the signed written statements or documents indicated below.

WARNING TO BENEFICIARY: PLEASE EXAMINE THIS LETTER OF CREDIT AT ONCE. IF YOU FEEL UNABLE TO MEET ANY OF ITS REQUIREMENTS, EITHER SINGLY OR TOGETHER, YOU SHOULD CONTACT BORROWER IMMEDIATELY TO SEE IF THE LETTER OF CREDIT CAN BE AMENDED. OTHERWISE, YOU WILL RISK LOSING PAYMENT UNDER THIS LETTER OF CREDIT FOR FAILURE TO COMPLY STRICTLY WITH ITS TERMS AS WRITTEN.

DRAFT TERMS AND CONDITIONS. Lender shall honor drafts submitted by Beneficiary under the following terms and conditions:

Upon Lender's honor of such drafts, Lender shall be fully discharged of Lender's obligations under this Letter of Credit and shall not be obligated to make any further payments under this Letter of Credit once the full amount of credit available under this Letter of Credit has been drawn.

Beneficiary shall have no recourse against Lender for any amount paid under this Letter of Credit once Lender has honored any draft or other document which complies strictly with this Letter of Credit, and which on its face appears otherwise in order but which is signed, issued, or presented by a party or under the name of a party purporting to act for Beneficiary, purporting to claim through Beneficiary, or posing as Beneficiary without Beneficiary's authorization. By paying an amount demanded in accordance with this Letter of Credit, Lender makes no representation as to the correctness of the amount demanded and Lender shall not be liable to Beneficiary, or any other person, for any amount paid or disbursed for any reason whatsoever, including, without limitation, any nonapplication or misapplication by Beneficiary of the proceeds of such payment. By presenting upon Lender or a confirming bank, Beneficiary certifies that Beneficiary has not and will not present upon the other, unless and until Beneficiary meets with dishonor. Beneficiary promises to return to Lender any funds received by Beneficiary in excess of the Letter of Credit's maximum drawing amount.

USE RESTRICTIONS. All drafts must be marked "DRAWN UNDER Carrollton Bank IRREVOCABLE LETTER OF CREDIT NO. 490241 DATED 08-19-2022," and the amount of each draft shall be marked on the draft. Only Beneficiary may complete a draft and accompanying statements or documents required by this Letter of Credit and make a draw under this Letter of Credit. This original Letter of Credit must accompany any draft drawn hereunder.

Partial draws are permitted under this Letter of Credit. Lender's honor of a partial draw shall correspondingly reduce the amount of credit available under this Letter of Credit. Following a partial draw, Lender shall return this original Letter of Credit to Beneficiary with the partial draw noted hereon; in the alternative, and in its sole discretion, Lender may issue a substitute Letter of Credit to Beneficiary in the amount shown above, less any partial draw(s).

PERMITTED TRANSFEREES. The right to draw under this Letter of Credit shall be nontransferable, except for:

- A. A transfer (in its entirety, but not in part) by direct operation of law to the administrator, executor, bankruptcy trustee, receiver, liquidator, successor, or other representative at law of the original Beneficiary; and
- B. The first immediate transfer (in its entirety, but not in part) by such legal representative to a third party after express approval of a governmental body (judicial, administrative, or executive).

TRANSFEREES REQUIRED DOCUMENTS. When the presenter is a permitted transferee (i) by operation of law or (ii) a third party receiving transfer from a legal representative, as described above, the documents required for a draw shall include a certified copy of the one or more documents which show the presenter's authority to claim through or to act with authority for the original Beneficiary.

COMPLIANCE BURDEN. Lender is not responsible for any impossibility or other difficulty in achieving strict compliance with the requirements of this Letter of Credit precisely as written. Beneficiary understands and acknowledges: (i) that unless and until the present wording of this Letter of Credit is amended with Lender's prior written consent, the burden of complying strictly with such wording remains solely upon Beneficiary, and (ii) that Lender is relying upon the lack of such amendment as constituting Beneficiary's initial and continued approval of such wording.

NON-SEVERABILITY. If any aspect of this Letter of Credit is ever declared unenforceable for any reason by any court or governmental body having jurisdiction, Lender's entire engagement under this Letter of Credit shall be deemed null and void ab initio, and both Lender and Beneficiary shall be restored to the position each would have occupied with all rights available as though this Letter of Credit had never occurred. This non-severability provision shall override all other provisions in this Letter of Credit, no matter where such provision appears within this Letter of Credit.

GOVERNING LAW. This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Illinois without regard to its conflicts of law provisions, and except to the extent such laws are inconsistent with the 2007 Revision of the Uniform Customs and Practice for Documentary Credits of the International Chamber of Commerce, ICC Publication No. 600. This Agreement has been accepted by Lender in the State of Illinois.

EXPIRATION. Lender hereby agrees with Beneficiary that drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored if presented to Lender on or before the Expiration Date unless otherwise provided for above.

IRREVOCABLE LETTER OF CREDIT
(Continued)

Loan No: 490241

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Dated: August 19, 2022

LENDER:

CARROLLTON BANK

By: 
Kevin Margeson, Assistant Vice President

ENDORSEMENT OF DRAFTS DRAWN:

Date	Negotiated By	Amount In Words	Amount In Figures
_____	_____	_____	_____