VILLAGE OF CHATHAM
SANGAMON COUNTY

ORDINANCE NO. 97-66

AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF $1,200,000 GENERAL OBLIGATION BONDS (ALTERNATE REVENUE SOURCE), SERIES 1997, OF THE VILLAGE OF CHATHAM, SANGAMON COUNTY, ILLINOIS, FOR THE PURPOSE OF DEFRAYING THE COSTS OF CERTAIN STREET, SIDEWALK, DRAINAGE AND UTILITY IMPROVEMENTS OF SAID VILLAGE OF CHATHAM, AUTHORIZING THE PUBLICATION OF THIS ORDINANCE, PRESCRIBING ALL THE DETAILS OF SAID BONDS, AND PROVIDING FOR AN ALTERNATE REVENUE SOURCE TO PAY THE PRINCIPAL OF AND INTEREST ON SAID BONDS.

Adopted by the President and Board of Trustees of the Village of Chatham, Sangamon County, Illinois on November 25, 1997

Published in pamphlet form by the authority of the President and Board of Trustees of the Village of Chatham, Sangamon County, Illinois this November 26, 1997.

ORDINANCE No. 97-66

AN ORDINANCE authorizing and providing for the issuance of $1,200,000 General Obligation Bonds (Alternate Revenue Source), Series 1997, of the Village of Chatham, Sangamon County, Illinois, for the purpose of defraying the costs of certain street, sidewalk, drainage and utility improvements of said Village of Chatham, authorizing the publication of this Ordinance, prescribing all the details of said bonds, and providing for an alternate revenue source to pay the principal of and interest on said bonds.

PREAMBLES

WHEREAS, the Village of Chatham, in Sangamon County, Illinois (the "Issuer"), is duly established and operates under and in accordance with the provisions of the Illinois Municipal Code, 65 ILCS 5/1-1-1 *et seq*., as supplemented and amended (the "Act"); and

WHEREAS, pursuant to Ordinance No. 92-47, the Issuer has heretofore designated a portion of the Village of Chatham, Illinois as a "redevelopment project area" known as the Chatham Downtown TIF District Redevelopment Project Area (the "Project Area") in accord with the provisions of the Tax Increment Allocation Redevelopment Act of the State of Illinois, as supplemented and amended 65 ILCS 11-74.4-1 *et seq.* (the "TIF 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 construct improvements within the Project Area consisting of the following:

> the acquisition of right of way and the addition and improvement of certain streets, sidewalks, drainage and utilities, consisting of approximately 1,650 lineal feet of new streets with sidewalks, drainage and utilities, and the reconstruction of the streets with sidewalk and drainage on three sides of the Village Square and 1½ additional blocks

including all necessary connections, appurtenances, material, labor and equipment incident thereto, 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 Greene & Bradford, Inc., Springfield, 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 estimated cost of the Project is anticipated not to exceed the estimate therefor, $1,350,000; and

WHEREAS, the Issuer has insufficient funds on hand and lawfully available to pay costs of the Project, and accordingly such costs must be met from proceeds derived from the sale of the Issuer's General Obligation Bonds (Alternate Revenue Source), Series 1997 (the "Bonds) in an amount not to exceed $1,200,000 issued as alternate bonds as authorized by Section 15 of the Local Government Debt Reform Act, 30 ILCS 350/1 *et seq.* (the "Reform Act"), but nevertheless expected to be paid from the hereinafter defined Pledged Revenues and issued pursuant to the Act, the TIF Act, the Local Government Debt Reform Act, 30 ILCS 350/1 *et seq.* and other applicable law (the "Applicable Acts"); and

WHEREAS, to such end the Corporate Authorities adopted Ordinance No. 97-62 on October 14, 1997 (the "Authorizing Ordinance"), authorizing the issuance of tax increment finance revenue bonds for the Project (the "Revenue Bonds"), as provided in the TIF Act and the Reform Act, in an amount not to exceed $1,200,000 and also authorizing the issuance of the Bonds as provided in the Reform Act in an amount not to exceed $1,200,000 for the Project; and

WHEREAS, the Authorizing Ordinance, together with notices of intent to issue the Revenue Bonds and the Bonds, were published on October 17, 1997 in the *State Journal-Register*, being a newspaper published in and of general circulation in the Issuer, and an affidavit evidencing the publication of the Authorizing Ordinance and said notices of intent have heretofore been presented to the Corporate Authorities and made a part of the permanent records of the Corporate Authorities; and

WHEREAS, more than 30 days have passed since the date the Authorizing Ordinance was published in the *State Journal-Register* and no petitions have been filed with the Issuer requesting the questions of proceeding with the Project and issuance of the Revenue Bonds and the Bonds therefor be submitted to the legal voters of the Issuer; and

WHEREAS, a public hearing was duly held and adjourned in accordance with the Bond Issue Notification Act. 30 ILCS 352/1 *et seq.* on November 11, 1997, more than 7 days preceding the adoption of this Ordinance, notice of such hearing having been published in the *Chatham Clarion* on October 30, 1997, a date not less than 7 days nor more than 21 days before the date of such hearing; and

WHEREAS, the Issuer proposes to pay costs of the Project by issuing the Bonds as authorized by Section 15 of the Local Government Debt Reform Act, but nevertheless expected to be paid from incremental property tax revenues of the Project Area in accordance with the TIF Act and the Issuer's receipts from those taxes imposed by the State of Illinois pursuant to the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act and the Retailers' Occupation Tax Act, each as supplemented or amended, or substitute taxes therefor as provided by the State of Illinois in the future (the "Pledged Revenues"); and

WHEREAS, it is necessary for the Corporate Authorities to determine that the Pledged Revenues are sufficient to provide for or pay in each year to final maturity of the Bonds all of the following: (1) costs of operation and maintenance required under the TIF Act related to the Project Area, but not including depreciation, (2) debt service on all outstanding revenue bonds payable from Pledged Revenues, (3) all amounts required to meet any fund or account requirements with respect to such outstanding revenue bonds payable from Pledged Revenues, (4) other contractual or tort liabilities obligations, if any, payable from Pledged Revenues, and (5) in each year, an amount not less than 1.25 times debt service of all (i) alternate bonds payable from Pledged Revenues previously issued and outstanding and (ii) the Bonds (items (1) through (5) hereinafter being called the "Reform Act Costs"); and

WHEREAS, the Issuer's last audit was prepared by the Issuer's auditors, Sikich Gardner & Co, LLP, Springfield, Illinois for the fiscal year ending April 30, 1997 (the "Audit"); and

WHEREAS, the Audit has been presented to the Corporate Authorities and is now on file with the Clerk of the Issuer; and

WHEREAS, the Corporate Authorities accept the Audit and expressly determine that the Pledged Revenues as shown in the Audit consisting of $56,350.00 in incremental property tax revenues of the Project Area in accordance with the TIF Act and other Pledged Revenues of $358,588.00 are presently sufficient, and such future Pledged Revenues will be sufficient, to provide or pay all of the Reform Act Costs in each year to final maturity of the Bonds; and

WHEREAS, the Corporate Authorities find that the conditions of §15 of the Reform Act have been met, that determination of the Corporate Authorities of the sufficiency of the Pledged Revenues is supported by reference to the Audit and that the Bonds may be validly issued; and

WHEREAS, the Issuer now desires to adopt this additional ordinance supplementing Ordinance No. 97-62 to authorize the issue of Bonds in the amount of $1,200,000; 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:

TABLE OF CONTENTS

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

Section 1. Definitions

Certain words and terms used in this Ordinance shall have the meanings given them above in the preambles hereto and the meanings given them in this Section 1, unless the context or use clearly indicates another or different meaning is intended. Certain definitions are as follows:

(1) "Applicable Acts" means, collectively, the Local Government Debt Reform Act, as supplemented and amended, 30 ILCS 350/1 *et seq.*, the Illinois Municipal Code, as supplemented and amended, 65 ILCS 5/1-1-1 *et seq.*, including, without limitation, the TIF Act, the Municipal Bond Reform Act at Article 8, Division 4.1 of the Act, and the Omnibus Bond Acts, 5 ILCS 70/8.

(2) "Bond" or "Bonds" means the Issuer's General Obligation Bonds (Alternate Revenue Source), Series 1997, authorized to be issued by this Ordinance, including bonds issued in exchange for or upon transfer or replacement of bonds previously issued under this Ordinance.

(3) "Bond Register" means the books of the Issuer kept by the Bond Registrar to evidence the registration and transfer of the Bonds.

(4) "Bond Registrar" means FFG Trust, Inc., Springfield, Illinois, or a successor thereto or designated as Bond Registrar hereunder.

(5) "Code" means the Internal Revenue Code of 1986, as amended, and includes related and applicable regulations promulgated by the Treasury Department.

(6) "Construction Fund" means the fund by said name created and established in Section 18 of this Ordinance.

(7) "Corporate Authorities" means the President and the Board of Trustees of the Issuer.

(8) "Fiscal Year" means the twelve-month period constituting the Issuer's fiscal year, not inconsistent with applicable law.

(9) "Issuer" means the Village of Chatham, in Sangamon County, Illinois.

(10) "Ordinance" means Ordinance No. 97-62 passed by the Issuer on the October 14, 1997, as supplemented by this Ordinance and subsequent supplements.

(11) "Outstanding Bonds" means the Bonds and Parity Bonds which are outstanding and unpaid; provided, however, such term shall not include the Bonds or Parity Bonds: (i) which have matured and for which moneys are on deposit with proper paying agents, or are otherwise properly available, sufficient to pay all principal and interest thereof, or (ii) the provision for payment of which has been made by the Issuer by the deposit in an irrevocable trust or escrow of funds or direct, full faith and credit obligations of the United States of America, the principal and interest of which will be sufficient to pay at maturity or as called for redemption

all the principal of and applicable premium on such Bonds, and will not result in the loss of the exclusion from gross income of the interest thereon under Section 103 of the Code.

(12) "Parity Bonds" means bonds or any other obligations to be issued subsequent in time to the Bonds and which will share ratably and equally in the Pledged Revenues with the Bonds.

(13) "Paying Agent" means FFG Trust, Inc., Springfield, Illinois, or any successor thereto or designated as Paying Agent hereunder.

(14) "Pledged Revenues" means (i) the Revenues and (ii) that portion of the following revenues necessary to supplement the Revenues so that there are sufficient moneys to pay principal, interest and premium on the Bonds on any principal or interest payment date: the Issuer's receipts from those taxes imposed by the State of Illinois pursuant to the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act and the Retailers' Occupation Tax Act, each as supplemented or amended, or substitute taxes therefor as provided by the State of Illinois in the future.

(15) "Pledged Taxes" means the ad valorem taxes levied against all of the taxable property in the Issuer without limitation as to rate or amount pledged hereunder by the Issuer as security for all the Bonds.

(16) "Purchase Agreement" means the Local Governmental Securities Purchase Agreement to be entered into by and between the Issuer and the Purchaser in connection with the Bonds.

(17) "Purchaser" means Illinois Rural Bond Bank, with its principal office in Springfield, Illinois, the purchaser in connection with the Bonds.

(18) "Revenues" means the ad valorem taxes, if any, arising from the taxes levied upon taxable real property in the Project Area by any and all taxing districts or municipal corporations having the power to tax real property in the Project Area, which taxes are attributable to the increase in the then current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the Project Area over and above the total Initial Equalized Assessed Value of each such piece of property, all as determined by the County Clerk of The County of Sangamon, Illinois, in accord with the TIF Act.

(19) "Initial Equalized Assessed Value" means the equalized assessed value of taxable real property as last equalized or assessed by the Department of Revenue of the State of Illinois for State and County taxes for the year 1992, all as determined by the County Clerk of The County of Sangamon, Illinois, in accordance with the Act.

(20) "Special Tax Allocation Fund" means the fund by said name created and established in Section 13 of this Ordinance.

(21) "Tax Exempt" means, with respect to the Bonds, the status of interest paid and received thereon as not includible in the gross income of the owners thereof under the Code for federal income tax purposes.

Section 2. Authority and Purpose

This Ordinance is adopted pursuant to the Constitution and applicable laws of the State of Illinois, including the Act, for the purpose of financing all or a part of the acquisition, construction and installation of the Project to be made or undertaken by the Issuer.

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

Section 3. Determination To Issue Bonds

It is necessary and in the best interests of the Issuer to provide for the Project for the public health, safety, and welfare and to issue the Bonds for the purpose of paying the costs of the Project. The Corporate Authorities find that all conditions precedent to the issuance of alternate bonds under the Reform Act payable from Pledged Revenues have been met or have occurred and that the Bonds may be validly issued.

Section 4. Determination of Useful Life

The Corporate Authorities do hereby determine the period of usefulness of the Project to be forty (40) years from the date of the Bonds.

Section 5. Authorization and Terms of Bonds

To meet part of the estimated cost of paying the costs of the Project, there is hereby appropriated the sum of $1,200,000, 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 $1,200,000 and shall each be designated "General Obligation Bonds (Alternate Revenue Source), Series 1997".

The Bonds shall be dated December 1, 1997 and shall also bear the date of authentication thereof. The Bonds shall be in fully registered form, shall be in denominations of $5,000 and authorized integral multiples thereof, and shall be numbered consecutively in such reasonable fashion as may be established by the Bond Registrar, and shall bear interest payable August 1, 1998 and semiannually thereafter on February 1 and August 1 of each year. The Bonds shall mature serially on February 1 in any or all of the years 1999 through and including 2015 and shall bear interest at rates per annum not in excess of 8.75%:

Although the Bonds are authorized in the principal amount and at the rate set forth above, the Bonds are nevertheless hereby authorized to issued in such lesser amount and bear interest at such lower rate or rates as determined by the President and the Village Clerk. Subject to the limitations contained in this Ordinance, authority is delegated to the President and the Village Clerk, acting jointly, to determine the final principal amount of Bonds to be issued and the maturities thereof, the rate of interest of the Bonds of each maturity, and all other details of the Bonds not specified or determined in this Ordinance. The sale of the Bonds and the determination of the details of the Bonds shall be evidenced by a bond order for the Bonds (the "Bond Order"), which shall be executed by the President and the Village Clerk and filed in the office of the Village Clerk and the Sangamon County Clerk prior to the issuance of the Bonds.

Each Bond shall bear interest from its date, or from the most recent interest payment date to which interest has been paid or duly provided for, 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. The rate of interest for each maturity of the Bonds shall be determined by a subsequently adopted amendment to this Ordinance. 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 corporate trust office of the financial institution designated in this ordinance, acting as the Paying Agent for the Bonds (including any 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 the Bond Registrar on behalf of the Issuer for such purpose (including any successors, the "Bond Registrar"), at the principal office of the Bond Registrar as of the close of business on the fifteenth (15th) 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. 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. Notwithstanding the foregoing, during any period that the Purchaser, or FFG Trust, Inc., Springfield, Illinois as trustee for the Purchaser, is the registered owner of all or any part of the Bonds outstanding, immediately available funds for each payment of the principal of, premium, if any, and interest on the Bonds shall be available at the principal corporate trust office of such Paying Agent not later than five (5) days prior to each such principal, premium, if any, and interest payment date.

Section 6. Redemption.

Bonds maturing on and after February 1, 2008 shall be subject to redemption prior to maturity on February 1, 2007, and on any interest payment date thereafter, as a whole or in part, in the inverse order of maturity, on the applicable redemption date and at the applicable redemption price (expressed as a percentage of the principal amount to be so redeemed) set forth below, plus accrued interest to the date fixed for redemption:

Redemption Dates	Redemption Prices
February 1, 2007 and thereafter	100%

In the event of the redemption of less than all the Bonds of like maturity, the aggregate principal amount thereof to be redeemed shall be $5,000 or an integral multiple thereof and the Bond Registrar shall assign to each Bond of such maturity a distinctive number for each $5,000 principal amount of such Bond and shall select by lot from the numbers so assigned as many numbers as, at $5,000 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 $5,000 for each number assigned to it and so selected.

Notice of the redemption of Bonds shall be given at least forty-five (45) days prior to the date fixed for redemption to the registered owners of Bonds to be redeemed at their last addresses appearing on such registration books. Moneys sufficient to pay the redemption price of any Bonds called for redemption prior to maturity shall be deposited with the Paying Agent prior to notice of redemption having been given.

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 on deposit with the Paying Agent for such payment on such date, and if notice of redemption shall have been mailed as aforesaid (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. If there shall be drawn for redemption less than all of a Bond, the Issuer shall execute and the Bond Registrar shall authenticate and deliver, upon the surrender of such Bond, without charge to the registered owner thereof, for the unredeemed balance of the Bond so surrendered, Bonds of like maturity and of the denomination of $5,000 or any authorized integral multiple thereof.

All notices of redemption shall include at least the information as follows:

(1) the redemption date;

(2) the redemption price;

(3) if less than all of the Bonds of a given maturity are to be redeemed, the identification and, in the case of partial redemption of the Bonds, the respective principal amounts to the Bonds to be redeemed;

(4) a statement that on the redemption date the redemption price will become due and payable upon such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from such date; and

(5) 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 Bond Registrar.

The Bond Registrar shall not be required to transfer or exchange any Bond after notice of the redemption of all or a portion thereof has been mailed. The Bond Registrar shall not be required to transfer or exchange any Bond during a period of fifteen (15) days next preceding the mailing of a notice of redemption which would designate for redemption all or a portion of such Bond.

Section 7. Purchase Agreement

The Purchase Agreement by and between the Issuer and the Purchaser, in substantially the form thereof presented before this meeting of the Corporate Authorities shall be and is hereby approved. In connection with the sale of the Bonds, the President is authorized and directed to execute and deliver a Purchase Agreement in substantially the form of the Purchase Agreement presented at this meeting, together with such changes and completions as may be approved by the President, subject to the limitations of this Ordinance. The execution of the Purchase Agreement shall constitute conclusive evidence of the approval of such changes and completions. All things done by the Issuer's President, Village Clerk, Treasurer and Village Attorney in connection with the issuance and sale of the Bonds shall be and are hereby ratified, confirmed and approved. The President, Village Clerk, Treasurer, Village Attorney 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 proper execution, delivery and performance of the Purchase Agreement and related instruments and certificates by the Issuer and the purchase by and delivery of the Bonds to or at the direction of the Purchaser.

Section 8. Execution and Authentication

Each Bond shall be executed in the name of the Issuer by the manual or authorized facsimile signature of its President and the corporate seal of the Issuer, or a facsimile thereof, shall be thereunto affixed, impressed or otherwise reproduced or placed 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 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 for any purpose until 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 9 Transfer, Exchange and Registration

The Bonds shall be negotiable, subject to the provisions for registration of transfer contained herein. Each Bond shall be transferable only upon the registration books maintained by the Bond Registrar on behalf of the Issuer for that purpose at the principal office of the Bond Registrar by the registered owner thereof in person or by such registered owner's attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Bond Registrar and duly executed by the registered owner or such registered owner's duly authorized attorney. Upon the surrender for transfer of any such Bond, the Issuer shall execute and the Bond Registrar shall authenticate and deliver a new Bond or Bonds registered in the name of the transferee of the same aggregate principal amount, maturity and interest rate as the surrendered Bond. Bonds, upon surrender thereof at the principal office of the Bond Registrar, duly executed by the registered owner or such registered owner's attorney duly authorized in writing, may be exchanged for an equal aggregate principal amount of Bonds of the same maturity and interest rate and of the denomination of $5,000 or any authorized integral multiple thereof, less previous retirements.

For every such exchange or registration of transfer of Bonds, the Issuer or the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. No other charge shall be made for the privilege of making such transfer or exchange. The provisions of the Illinois Bond Replacement Act shall govern the replacement of lost, destroyed or defaced Bonds.

The Issuer, the Paying Agent and the Bond Registrar may deem and treat the person in whose name any Bond shall be registered upon the registration books as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of, premium, if any, or interest thereon and for all other purposes whatsoever, and all such payments so made to any such registered owner or upon such registered owner's order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Issuer nor the Paying Agent or the Bond Registrar shall be affected by any notice to the contrary.

Section 10. Bond Registrar and Paying Agent

The Bond Registrar with respect to this Ordinance and the Bonds shall be FFG Trust, Inc., Springfield, Illinois. The Paying Agent with respect to this Ordinance and the Bonds shall be FFG Trust, Inc., Springfield, Illinois. 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 such 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 each of 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 Bond 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 the registered owners of the Bonds 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 canceled and/or destroyed; and

(e) 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.

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, 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 (such resignation to not be effective until a successor has accepted such role) 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 Paying Agent, 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 shall be a bank, trust company or other qualified professional with respect to such matters, maintaining its principal office in the State of Illinois.

Section 11. 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 printed. 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 shall be in substantially the form, as follows:

(Form of Bond)

UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF SANGAMON
VILLAGE OF CHATHAM
GENERAL OBLIGATION BOND
(ALTERNATE REVENUE SOURCE)
SERIES 1997

REGISTERED NO. ___________ REGISTERED $ ______

INTEREST RATE:	MATURITY DATE:	DATED DATE:
	February 1, _____	December 1, 1997

Registered Owner:

Principal Amount: Dollars

KNOW ALL PERSONS BY THESE PRESENTS that the Village of Chatham, a unit of local government situated in the County of Sangamon, in the State of Illinois (the "Issuer"), 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 Dated Date hereof, or from 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 lawfully money of the United States of America semiannually on February 1 and August 1 in each year, commencing August 1, 1998, until the Principal Amount hereof shall have been paid, by check or draft mailed to the Registered Owner of record hereof as of the fifteenth (15th) day of the calendar month next preceding such interest payment date, at the address of such Registered Owner appearing on the registration books maintained for such purpose at FFG Trust, Inc., Springfield, Illinois, as Bond Registrar (including its successors, the "Bond 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 the principal corporate trust office of FFG Trust, Inc., Springfield, Illinois, as Paying Agent (including its successors, the "Paying Agent"). Notwithstanding the foregoing, during any period that the Purchaser, or FFG Trust, Inc., Springfield, Illinois as trustee for the Purchaser, is the registered owner of all or any part of the Bonds outstanding, immediately available funds for each payment of the principal of, premium, if any, and interest on the Bonds shall be available at the principal corporate trust office of such Paying Agent not later than five (5) days prior to each such principal, premium, if any, and interest payment date.

This Bond is one of a series of Bonds issued in aggregate principal amount of \$1,200,000, which are all of like tenor, except as to maturity, interest rate and right of redemption. The Bonds are authorized and issued under and pursuant to the Constitution and laws of the State of Illinois, including the Illinois Municipal Code, 65 ILCS 5/1-1-1 *et seq.* and Division 129 of Article 11 thereof, the Local Government Debt Reform Act, 30 ILCS 350/1 *et seq.* and the Omnibus Bond Acts, 5 ILCS 70/8 (collectively the "Applicable Acts"), and pursuant to and in accordance with Ordinance No. 97-62 adopted by the Board of Trustees of the Issuer on October 14, 1997 as supplemented by Ordinances No. 97-66, and No. 97-68 adopted by the Board of Trustees of the Issuer on October 14, 1997, November 25, 1997 and December 16, 1997 respectively (collectively, the "Ordinance"), to which reference is hereby expressly made for all definitions and terms and to all the provisions of which the holder by acceptance of this Bond assents.

The Bonds have been issued for the purpose of paying the costs of a Project, as defined in the Ordinance, relating to construction of tax increment financing infrastructure improvements within the Project Area as defined in the Ordinance, payable from Pledged Revenues as defined in the Ordinance and from ad valorem taxes levied against all of the taxable property in the Issuer without limitation as to rate or amount (the "Pledged Taxes"), all in accordance with the provisions of the Applicable Acts.

This Bond shall not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, unless the Pledged Taxes shall have been extended pursuant to the general obligation, full faith and credit promise supporting the Bonds, in which case the amount of the Bonds, as applicable then Outstanding shall be included in the computation of indebtedness of the Issuer for purposes of all statutory provisions or limitations until such time as an audit of the Issuer shall show that the Bonds shall have been paid from Pledged Revenues for a complete Fiscal Year.

Under the Applicable Acts and the Ordinance, the Pledged Revenues are to be deposited into the Special Tax Allocation Fund which shall be used only and is hereby pledged for paying tax increment financing costs, paying the principal of and interest on all Bonds of the Issuer that are payable by their terms only from the Pledged Revenues, providing an adequate depreciation fund, and in making all payments required to maintain the accounts established under the terms of the Ordinance. Parity Bonds may be issued pursuant to the terms of the Ordinance.

Outstanding Bonds issued and authenticated pursuant to the Ordinance are co-equal as to the lien on the Pledged Revenues for their payment and share ratably, without any preference, priority, or distinction, the one over the other, as to the source or method of payment and security of any Outstanding Bonds.

Bonds maturing on and after February 1, 2008, shall be subject to redemption prior to maturity on February 1, 2007, and any interest payment date thereafter, as a whole or in part, in the inverse order of maturity, on the applicable redemption date and at the applicable redemption price (expressed as a percentage of the principal amount to be so redeemed) set forth below, plus accrued interest to the date fixed for redemption:

Redemption Dates	Redemption Prices
February 1, 2007 and thereafter	100%

In the event of the redemption of less than all the Bonds of like maturity, the aggregate principal amount thereof to be redeemed shall be $5,000 or an integral multiple thereof and the Bond Registrar shall assign to each Bond of such maturity a distinctive number for each $5,000 principal amount of such Bond and shall select by lot from the numbers so assigned as many numbers as, at $5,000 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 $5,000 for each number assigned to it and so selected.

Notice of the redemption of Bonds shall be given by certified or registered mail at least forty-five (45) days prior to the date fixed for such redemption to the registered owners of Bonds to be redeemed at their last addresses appearing on such registration books. 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 date, and if notice of redemption shall have been mailed as aforesaid and, notwithstanding any defect therein or the lack of actual receipt thereof by any registered owner, then interest on such Bonds or portions thereof shall cease to accrue and become payable from and after the redemption date. If there shall be drawn for redemption less than all of a Bond, the Issuer shall execute and the Bond Registrar shall authenticate and deliver, upon the surrender of such Bond, without charge to the registered owner thereof, for the unredeemed balance of the Bond so surrendered, Bonds of like maturity and of the denomination of $5,000 or any authorized integral multiple thereof.

All notices of redemption shall include at least the information as follows: (1) the redemption date; (2) the redemption price; (3) if less than all of the Bonds of a given maturity are to be redeemed, the identification and, in the case of partial redemption of the Bonds, the respective principal amounts to the Bonds to be redeemed; (4) 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 such date; and (5) 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 Bond Registrar.

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 Bond Registrar together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Registered Owner or by such a Registered Owner's duly authorized attorney, and thereupon a new registered Bond or Bonds, in the authorized denominations of $5,000 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 Bond Registrar shall not be required to exchange or transfer any Bond during the period from the fifteenth (15th) day of the month next preceding 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 Bond 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 Paying Agent and the Bond Registrar 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 Paying Agent or the Bond Registrar shall be affected by any notice to the contrary.

No recourse shall be had for the payment of any Bonds against the 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 Bond 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 "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; 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; that provision has been made for the pledge and collection of the Pledged Revenues and the levy and collection of the Pledged Taxes, and the segregation of the Pledged Revenues and Pledged Taxes to pay the interest hereon as it falls due and also to pay and discharge the principal hereof at maturity; and that the Issuer hereby covenants and agrees that it will properly account for the Pledged Revenues and Pledged Taxes and will comply with all the covenants of and maintain the funds and accounts as provided by the Ordinance. For the prompt payment of this Bond, both principal and interest at maturity, the full faith, credit and resources of the Issuer are hereby irrevocably pledged.

IN WITNESS WHEREOF, the Village of Chatham, in Sangamon County, Illinois, has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of its President, and its corporate seal, or a facsimile thereof, to be 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,
Sangamon County, Illinois

(SEAL)

Linda Kester

President

Attest:

Village Clerk, Village of Chatham,
Sangamon County, Illinois

CERTIFICATE OF AUTHENTICATION

This Bond is one of the General Obligation Bonds (Alternate Revenue Source), Series 1997, described in the within mentioned Ordinance.

Date: __________ By: __________________________

Authorized Officer

Bond Registrar and Paying Agent: FFG Trust, Inc., Springfield, Illinois

ASSIGNMENT

For value received the undersigned sells, assigns and transfers unto

____

[Name, Address and Social Security Number or FEIN 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 12. Alternate Bonds; General Obligations

The Bonds are and constitute alternate bonds under the Reform Act, anticipated to be payable from Pledged Revenues. Under and pursuant to Section 15 of the Reform Act, 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 within the Issuer's corporate limits, for the payment of Bonds and the interest thereon, without limitation as to rate or amount.

The Issuer pledges Pledged Revenues to the payment of the Bonds. The Bonds shall be payable from Pledged Revenues and shall not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory limitation, unless the Pledged Taxes shall have been extended pursuant to the general obligation, full faith and credit promise supporting the Bonds, as set forth in Section 12 hereof, in which case the amount of the Bonds then outstanding shall be included in the computation of indebtedness of the Issuer for purposes of all statutory provisions or limitations until such time as an audit of the Issuer shall show that the Bonds have been paid from Pledged Revenues for a complete Fiscal Year, in accordance with the Applicable Acts.

Section 13. Creation of Special Tax Allocation Fund and Accounts Thereof

All of the Pledged Revenues shall be pledged for the payment of the Bonds. Pledged Revenues shall be set aside as collected and be deposited into a separate fund and in an account in such bank designated by the Corporate Authorities, which fund is hereby created and is designated as the "Special Tax Allocation Fund" of the Issuer, which shall constitute a trust fund pledged for the sole purpose of carrying out the covenants, terms, and conditions of this Ordinance. The Special Tax Allocation Fund shall be operated on a Fiscal Year basis. Pledged Revenues as deposited shall be used only in paying tax increment financing costs, providing an adequate depreciation fund, paying the principal of and interest on bonds of the Issuer which by their terms are payable solely from the Pledged Revenues, and providing for the establishment of and expenditure from the respective accounts as hereinafter described. Any payments into the Special Tax Allocation Fund by the Issuer from the Issuer's receipts from those taxes imposed by the State of Illinois pursuant to the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act and the Retailers' Occupation Tax Act, each as supplemented or amended, or substitute taxes therefor as provided by the State of Illinois in the future, shall be reimbursed to the Issuer from funds deposited into the Surplus Account.

Section 14. Flow of Funds

There shall be and there are hereby created separate accounts in the Special Tax Allocation Fund to be known as the "Tax Increment Financing Account," the "Bond and Interest Account", the "Depreciation, Improvement and Extension Account" and the "Surplus Account," to which there shall be credited on or before the first day of each month by the financial officer of the Issuer, without any further official action or direction, in the order in which said accounts are hereinafter mentioned, all moneys held in the Special Tax Allocation Fund, in accordance with the following provisions.

(a) Tax Increment Financing Account:

There shall be credited to the Tax Increment Financing Account an amount sufficient, when added to the amount then on deposit in said Account, to establish a balance to an amount not less than the amount necessary to pay tax increment financing costs required for establishing and maintaining the Project Area.

(b) Bond and Interest Account:

There next shall be credited to the Bond and Interest Account and held, in cash and investments, a fractional amount of the interest becoming due on the next succeeding interest payment date on all Outstanding Bonds and also a fractional amount of the principal becoming due or subject to mandatory redemption of the next succeeding principal maturity or mandatory redemption date of all of the Outstanding Bonds until there shall have been accumulated and held, in cash and investments, in the Bond and Interest Account on or before the first day of the month preceding such maturity date of interest or maturity or mandatory redemption date of principal, an amount sufficient to pay such principal or interest, or both.

In computing the fractional amount to be so set aside each month in the Bond and Interest Account, the fraction shall be so computed that a sufficient amount will be set aside in said Account and will be available for the prompt payment of such principal of and interest on all Outstanding Bonds and shall be not less than one-sixth of the interest becoming due on the next succeeding interest payment date and not less than one-twelfth of the principal becoming due or subject to mandatory redemption on the next succeeding principal payment or mandatory redemption date on all Outstanding Bonds until there is sufficient money in said Account to pay such principal or interest, or both.

Credits to the Bond and Interest Account may be suspended in any Fiscal Year at such time as there shall be a sufficient sum, held in cash and investments, in said Account to meet principal and interest requirements in said Account for the balance of such Fiscal Year, but such credits shall again be resumed at the beginning of the next Fiscal Year.

At the time of issuing the Bonds, the Issuer shall deposit into the Bond and Interest Account a sum equal to the amount of the debt service due on the Bonds during the calendar year 1998.

All moneys in said Account shall be used only for the purpose of paying interest on and principal of Outstanding Bonds.

(c) Depreciation, Improvement and Extension Account:

Beginning the month after the delivery of any of the Bonds, there shall be credited to the Depreciation, Improvement and Extension Account and held, in cash and investments, the sum of $2,000 each month or such greater amount as the Corporate Authorities shall determine until the amount on deposit in such Account equals 10% of the par amount of the Bonds. If the amount on deposit to the credit of said Account exceeds

10% of the par amount of the Bonds, the Issuer shall credit such excess to the Surplus Account.

Amounts to the credit of said Depreciation, Improvement and Extension Account shall be used for (i) the payment of the cost of extraordinary maintenance, necessary repairs and replacements, or contingencies, the payment for which no other funds are available, in order to maintain the Project Area; (ii) for the purpose of acquiring or constructing repairs, replacements, renewals, and improvements to the Project Area; and (iii) the payment of principal of or interest on any Outstanding Bonds at any time when there are no other funds available for that purpose in order to prevent a default and shall be transferred to the Bond and Interest Account for such purpose.

Whenever an amount is withdrawn from such Account, the amount so transferred shall be added to the amount to be next paid and thereafter credited to said Depreciation, Improvement and Extension Account until full reimbursement to said Account has been made.

(d) Surplus Account:

All moneys remaining in the Special Tax Allocation Fund, after crediting the required amounts to the respective accounts hereinabove provided for, and after making up any deficiency in the accounts described in subsections (a) to (c), inclusive, shall be credited each month to the Surplus Account. Moneys on deposit in the Surplus Account shall be used for one or more of the following purposes, without any priority among them:

(i) for the purpose of paying any Project Costs;

(ii) for the purpose of redeeming Outstanding Bonds;

(iii) for the purpose of purchasing Outstanding Bonds at a price not in excess of par and accrued interest and applicable redemption premium to the date of purchase;

(iv) for the purpose of refunding, advance refunding or pre-paying any Outstanding Bonds;

(v) for the purpose of establishing such additional reserves as may be deemed necessary by the Corporate Authorities;

(vi) for the purpose of paying for other redevelopment costs and projects within the Project Area; or

(vii) for the purpose of distributing funds to the taxing districts or municipal corporations having power to tax real property located in the Project Area, in accordance with the Act.

(e) Investment of Moneys in Accounts:

Moneys to the credit of the Special Tax Allocation Fund prior to the monthly accounting and to the credit of the Tax Increment Financing Account may be invested pursuant to any authorization granted to municipal corporations by Illinois statute or court decision.

Moneys to the credit of the Tax Increment Financing Account, Bond and Interest Account, Depreciation, Improvement and Extension Account and Surplus Account may be invested from time to time by the Treasurer of the Issuer in (i) interest bearing bonds, notes, or other direct full faith and credit obligations of the United States of America, (ii) obligations unconditionally guaranteed as to both principal and interest by the United States of America, or (iii) certificates of deposit or time deposits of any bank, as defined by the Illinois Banking Act, provided such bank is insured by the Federal Deposit Insurance Corporation or a successor corporation to the Federal Deposit Insurance Corporation, and provided further that the principal of such deposits in excess of the insured amount is secured by a pledge of obligations as described in clauses (i) and (ii) above in the full principal amount of such excess. Such investments may be sold from time to time by the Treasurer of the Issuer as funds may be needed for the purpose for which said respective accounts have been created. To the extent moneys in said Accounts as described in this paragraph are held uninvested and on deposit in demand accounts, such amounts shall be added to the amount invested pursuant to clause (iii) above and the sum so derived subject to the limitations as set forth therein.

Investments in the Accounts shall mature or be subject to redemption at the option of the holder thereof prior to the time when needed.

All interest on any funds so invested shall be credited to the Special Tax Allocation Fund and is hereby deemed and allocated as expended with the next expenditure(s) of money from the Special Tax Allocation Fund.

Moneys in any of said accounts shall be invested by the Treasurer, if necessary, in investments restricted as to yield, which investments may be in United States Treasury Obligations -- State and Local Government Series, if available, and to such end the Treasurer shall refer to any investment restrictions covenanted by the Issuer or any officer thereof as part of the transcript of proceedings for the issuance of the Bonds, and to appropriate opinions of counsel.

(f) Excess over Requirements:

Any amounts to the credit of the Accounts in excess of the then current requirement therefor may be transferred by the Corporate Authorities to such other Account or Accounts of the Special Tax Allocation Fund as they may in their sole discretion designate.

Section 15. Levy and Extension of Taxes; Abatement

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 within the Issuer's corporate limits in each year while any of the Bonds shall be outstanding, a direct annual tax in each of the years 1997 to 2013, inclusive, sufficient for that purpose, in addition to all other taxes, and in the amounts for each year, as follows:

For Each Year	A Tax Sufficient to Produce the Sum of:
1997	$175,000 for interest and principal
1998	$175,000 for interest and principal
1999	$175,000 for interest and principal
2000	$175,000 for interest and principal
2001	$175,000 for interest and principal
2002	$175,000 for interest and principal
2003	$175,000 for interest and principal
2004	$175,000 for interest and principal
2005	$175,000 for interest and principal
2006	$175,000 for interest and principal
2007	$175,000 for interest and principal
2008	$175,000 for interest and principal
2009	$175,000 for interest and principal
2010	$175,000 for interest and principal
2011	$175,000 for interest and principal
2012	$175,000 for interest and principal
2013	$175,000 for interest and principal

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.

As soon as this ordinance becomes effective, 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 the County of Sangamon, Illinois, who is hereby directed to ascertain the rate percent required to produce the aggregate tax hereinabove provided to be levied in the years 1997 to 2013, 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.

In the event the Bonds are issued in such amount or at such rates that result in annual tax levies less than as set forth above, the reduced tax levies shall be contained in the Bond Order which filed with the County Clerk of the County of Sangamon, Illinois together with a certificate abating the tax levies set forth above.

The Issuer covenants and agrees with the registered owners of the Bonds that so long as any of the Bonds remain outstanding, unless or to the extent Pledged Revenues or other duly appropriated moneys shall be then irrevocably on deposit in the Bond and Interest Account, 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 Pledged Revenues or Pledged 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 Bond and Interest Account to pay the principal of and interest on the Bonds.

As provided in the Applicable Acts, whenever the Pledged Revenues shall have been determined by the Corporate Authorities to provide an amount not less than an amount equal to debt service on the Bonds, the Corporate Authorities or such officers of the Issuer acting with proper authority shall direct the abatement of the Pledged Taxes for the Bonds, and proper notification of such abatement shall be filed with the County Clerk of Sangamon County in a timely manner to effect such abatement.

Section 16. General Covenants

The Issuer covenants and agrees with the holders and registered owners of the Outstanding Bonds, so long as there are any Outstanding Bonds (as defined herein), as follows:

(a) The Issuer will promptly and diligently construct the Project and will maintain the Project in good repair and working order, will operate the same efficiently and faithfully and will punctually perform all duties with respect thereto required by the Constitution and laws of the State of Illinois.

(b) The Issuer will establish and maintain at all times reasonable taxes, fees, charges and will provide for the collection thereof and the segregation and application of the Pledged Revenues in the manner provided by this Ordinance, to provide an adequate depreciation fund, to pay the principal of and interest on all revenue bonds of the Issuer which by their terms are payable from the Pledged Revenues, and to provide for the creation and maintenance of the respective accounts as provided in Section 13 of this Ordinance. In accordance with Section 15 of the Reform Act, the Issuer covenants to collect and apply Pledged Revenues to the payment of the Bonds. In addition, the Issuer covenants to establish and maintain at all times that any of the Bonds are outstanding, Pledged Revenues sufficient to generate in each fiscal year Pledged Revenues to provide for all Reform Act Costs, and in any event, to provide not less than an additional .25 times debt service of the Bonds as computed in accordance with Section 15 of the Reform Act.

The determination of the sufficiency of the Pledged Revenues shall be supported by reference to the most recent audit of the Issuer, and the reference to and acceptance of such audit by the Corporate Authorities shall be conclusive evidence that the conditions of Section 15 of the Reform Act have been met.

Whenever money in the Depreciation Improvement and Extension Account is used to pay principal of or interest on Outstanding Bonds, the Issuer covenants to promptly have prepared a study for the Project Area by an independent consultant employed for that purpose, and further, to send a copy of such study, when completed, to the original purchaser of the Bonds along with a letter indicating what action the Issuer has taken responsive to such study.

(c) The Issuer will make and keep proper books and accounts (separate and apart from all other records and accounts of said Issuer), in which complete entries shall be made of all transactions relating to the Special Tax Allocation Fund , and hereby covenants that within 120 days following the close of each Fiscal Year, it will cause the books and accounts of the Special Tax Allocation Fund to be audited by independent certified public accountants. Said audit will be available for inspection by the holders of any of the Bonds. Each such audit, in addition to whatever matters may be thought proper by the accountants to be included therein, shall, without limiting the generality of the foregoing, include the following:

(i) A statement in detail of income and expenditures of the Special Tax Allocation Fund for such Fiscal Year and comparable information from the previous Fiscal Year.

(ii) A balance sheet as of the end of such Fiscal Year, including a statement of the amount held in each of the accounts of the Special Tax Allocation Fund and comparable information from the previous Fiscal Year.

(iii)The amount and details of all Outstanding Bonds.

(iv)The accountant's comment regarding the manner in which the Issuer has carried out the requirements of this Ordinance.

It is further covenanted and agreed that a copy of each such audit shall be furnished upon completion to the original purchaser of the Bonds, and a summary thereof shall be furnished to any bondholder upon request.

(d) The Issuer will keep the books and accounts for the Special Tax Allocation Fund in accordance with generally accepted fund reporting practices for municipal enterprise funds; provided, however, that the credits to the Bond and Interest Account shall be in cash and said funds shall be held separate and apart in cash and investments. The other accounts created hereunder shall be held in cash and investments separate and apart from the Bond and Interest Account. Such accounts may be commingled only for investment purposes. For the purpose of determining whether sufficient cash and investments are on deposit in such accounts under the terms and requirements of this Ordinance, investments shall be valued using the cost method of valuation.

(f) The Issuer will not sell, lease, loan, mortgage or in any manner dispose of or encumber the Project (subject to the right of the Issuer to issue Parity Bonds as provided in this Ordinance, to issue Bonds subordinate to Outstanding Bonds, and to dispose of real or personal property which is no longer useful or necessary to the Project), and the Issuer will take no action in relation to the Project Area which would unfavorably affect the security of the Outstanding Bonds or the prompt payment of the principal thereof and interest thereon. Any amounts received from the sale of property of the Project shall be deposited to the credit of the Depreciation, Improvement and Extension Account.

(g) Any holder or registered owner of a Bond or the right to receive interest thereon may proceed by civil action to compel performance of all duties required by law and this Ordinance.

(h) The Issuer will adopt a budget for the Special Tax Allocation Fund prior to the beginning of each Fiscal Year, subject to applicable state law, providing for payment of all sums to be due in the Fiscal Year so as to comply with the terms of this Ordinance. The budget may include in its estimate of income, the use of available surplus moneys or other funds of the Issuer appropriated for the purpose. If during the Fiscal Year there are extraordinary receipts or payments of unusual cost, the Issuer will adopt an amended budget for the remainder of the Fiscal Year, providing for receipts or payments pursuant to this Ordinance.

Section 17. Issuance of Parity Bonds

As long as there are any Outstanding Bonds, no obligations or bonds of any kind shall be issued which are payable from Pledged Revenues except upon compliance with the Reform Act and the following conditions:

(a) The amounts required to be credited monthly to the respective accounts described in subsections (a) through (d), inclusive, of Section 14 of this Ordinance must have been credited in full up to the date of the delivery of such Parity Bonds.

(b) Pledged Revenues for the last completed Fiscal Year prior to the issuance of the Parity Bonds (as shown by the audit of an independent certified public accountant), or the adjusted Pledged Revenues for such year (as defined herein) must provide for the Reform Act Costs computed immediately after the issuance of the proposed Parity Bonds.

(c) Revenues may be adjusted as follows:

(A) In the event there shall have been an increase in the tax rates of the Pledged Revenues from the tax rates in effect for the preceding Fiscal Year, which increase is in effect at the time of the issuance of any such Parity

Bonds, the Pledged Revenues may be adjusted to reflect the Pledged Revenues for the immediately preceding Fiscal Year as they would have been had said then existing rates been in effect during all of said Fiscal Year.

(B) Any such adjustment shall be evidenced by the certificate of an independent certified public accountant employed for that purpose, which certificate shall be filed with and approved by the Corporate Authorities prior to the issuance of the proposed Parity Bonds.

All Bonds issued under this Section shall mature as to principal on February 1 and as to interest on February 1 and August 1.

Section 18. Use of Proceeds, Construction Fund

The proceeds derived from the sale of the Bonds shall be used as follows:

(a) Accrued interest shall be credited to the Bond and Interest Account.

(b) An amount equal to the expenses of issuing the Bonds shall be deposited into a separate fund, hereby created, designated the "Expense Fund" to be used to pay expenses of issuance. Disbursements from such fund shall be made from time to time upon the direction of the Issuer. Any excess in said fund shall be paid into the Construction Fund hereinafter created in this Section after six months from the date of issuance of the Bonds.

(c) The remaining funds shall be set aside in a separate fund hereby created and designated as the "Construction Fund" which shall be deposited in such bank or banks designated by the Corporate Authorities pursuant to a depository agreement. Such Agreement shall provide that money in said fund shall be withdrawn from time to time as needed for the payment of costs of the Project and paying the fees and expenses incidental thereto and that said money shall be withdrawn from the depository from time to time by the Treasurer of the Issuer only upon submission by him to said depository of the following:

(i) If such withdrawal of funds by the Treasurer is for payment to a supplier, materialman, or contractor for work done in connection with the Project, a statement executed by the engineer in charge of the construction of the Project stating the amount of materials supplied or the nature of the work completed, that such materials have been properly accepted or such work approved by him, the amount due and payable thereon, and the amount remaining to be paid in connection with the Project; and

(ii) A duplicate copy of the order signed by the President and Village Clerk, or such other officer(s) as may from time to time be by law authorized to sign and countersign orders of the Treasurer of the Issuer, stating specifically the purpose for which the order is issued and indicating that the payment for which the order is issued has been approved by the Corporate Authorities.

Within sixty (60) days after full depletion of the Construction Fund or payment of all costs of the Project, as herein referred to, and as heretofore approved by the Corporate Authorities, the Treasurer shall certify to the Corporate Authorities the fact of such depletion or the engineer in responsible charge of the Project shall certify to the Corporate Authorities the fact that the work has been completed according to approved plans and specifications, as applicable, and upon approval of such certification by the Corporate Authorities, funds (if any) remaining in the Construction Fund shall be transmitted by said depository to the Treasurer of the Issuer, and said Treasurer shall credit said funds to the Surplus Account; and the Construction Fund shall be closed.

Funds on deposit in the Construction Fund may be invested by the depository at the direction of the Treasurer in the same manner as provided in Section 14(e) of this Ordinance for money in the Bond and Interest Account.

Section 19. Provisions a Contract

The provisions of this Ordinance shall constitute a contract between the Issuer and the holders and registered owners from time to time of the Outstanding Bonds; and no changes, additions, or alterations of any kind shall be made hereto, except as herein provided, so long as there are any Outstanding Bonds.

Section 20. Non-Arbitrage

The Corporate Authorities represent and certify as follows with respect to the Bonds:

(a) That the Issuer has incurred, or within six (6) months after the delivery of the Bonds expects to incur, substantial binding obligations with respect to the Project, said binding obligations comprising contracts for the acquisition and construction of the Project in the amount greater than the lesser of (i) $100,000 or (ii) 2-1/2% of that portion of the cost of the Project to be financed with the proceeds of the Bonds;

(b) That the Issuer expects that all of the money derived from the sale of the Bonds and deposited in the Construction Fund, which is the fund from which the cost of the Project is to be paid, and all of the investment earnings on said money, will be expended on or before three (3) years following the date of issue of the Bonds;

(c) That work on the Project is expected to proceed with due diligence to completion;

(d) That the Project has not been and is not expected to be sold or otherwise disposed of in whole or in part prior to the last maturity of the Bonds;

(e) That all of the proceeds of sale of and investment earnings on the Bonds are needed for paying the costs of the Project, including expenses incidental thereto and to the issuance of the Bonds;

(f) That the Issuer will receive the agreed upon purchase price plus accrued interest from the sale of the Bonds and that accrued interest received upon the sale of the Bonds will be deposited in the Bond and Interest Account and applied to the first interest due thereon;

(g) Except for the Bond and Interest Account, the Issuer has not created or established and will not create or establish any sinking funds, reserve fund or any other similar fund to provide for the payment of the Bonds. The Bond and Interest Account has been established and will be funded in a manner primarily to achieve proper matching of revenues and debt service, and will be depleted at least annually to an amount not in excess of 1/12 the particular annual debt service on the Bonds. Money deposited in the Bond and Interest Account will be spent within a 13 month period beginning on the date of deposit, and investment earnings in the Bond and Interest Account will be spent or withdrawn from the Bond and Interest Account within a one year period beginning the date of receipt.

(h) The foregoing statements of expectation are based upon the following facts and estimates:

(i) Amounts shown as received will be received pursuant to contract of sale.

(ii) Amounts paid or to be paid into various funds and accounts have been directed to be paid into said funds and accounts by authority hereof or are expected to be so directed to be paid by further proceedings.

(iii) The anticipated dates of the obligation of and expenditure of money in the Construction Fund derived from the sale of Bonds and the amounts to be spent on or before such dates is based upon consultation with the architects, engineers and administrative staff of the Issuer charged with responsible supervision of the Project.

(i) At any time after the third anniversary of the date of issuance of the Bonds, the amount of money then in the Construction Fund shall not be invested at a yield "materially higher" (as defined in the Treasury Regulations hereinafter cited) than the yield on the Bonds.

(j) In valuing the moneys on deposit in the Construction Fund at any time for the purposes of complying with the foregoing paragraph, investments will be taken into account at purchase price with the following exception: if an investment is purchased at a discount or results in interest payments or any annual period in excess of interest payments for any preceding annual period (reflecting the annual reinvestment of accrued interest as principal), the amount of such discount or excess interest (not discounted to present value) shall be added to the purchase price ratably each year over the term of the investment. The yield on investments shall be calculated on the basis of the actual payments received from and the price paid for such investments.

(k) No portion of the proceeds of the Bonds will be used to reimburse the Issuer for expenses incurred prior to the issuance date of the Bonds.

(l) To the best of the knowledge and belief of the Issuer, and of the President and Village Clerk, who are officers charged with the responsibility of issuing the Bonds, there are no facts, estimates or circumstances that would materially change the conclusions and representations set out in this Section, and the expectations set out in this Section are reasonable.

(m) The Issuer has not been notified of any disqualification or proposed disqualification of it by the Commissioner of the Internal Revenue Service as a bond issuer which may certify bond issues under Treas. Reg. §1.148-2.

The Issuer also certifies and further covenants with the purchasers and registered owners of the Bonds from time to time outstanding that moneys on deposit in any fund or account in connection with the Bonds, whether or not such moneys were derived from the proceeds of the sale of the Bonds or from any other source, will not be used in a manner which will cause the Bonds to be "arbitrage bonds" within the meaning of Code Section 148 and any lawful regulations promulgated thereunder, including Treas. Reg. Secs. 1.148-OT *et seq.* as the same presently exist or may from time to time hereafter be amended, supplemented or revised.

The Issuer reserves the right to use or invest moneys in connection with the Bonds in any manner, notwithstanding the covenants herein, provided it shall first have received an opinion from an attorney or a firm of attorneys of nationally recognized standing in matters pertaining to tax-exempt bonds to the effect that use or investment of such moneys as contemplated will not result in loss of the status of interest paid and received on the Bonds as not includible in the gross income of the owners thereof under the Code for federal income tax purposes except to the extent that such interest will be taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations, in computing the environmental tax imposed on certain corporations and in computing the "branch profits tax" imposed on certain foreign corporations (hereinafter such status of interest on the Bonds being referred to as "tax-exempt").

Section 21. Arbitrage Rebate Exemption

The Issuer recognizes that the provisions of Section 148 of the Code require a rebate to the United States in certain circumstances. An exemption to rebate requirements appears at Section 148(f)(4)(C) of the Code and applies to this issue. No rebate is required or planned by the Issuer. In support of this conclusion, the Issuer covenants, represents and certifies as follows:

(a) The Issuer is a governmental unit with general taxing powers.

(b) No Bond in this issue is a "private activity bond" as defined in Section 141(a) of the Code.

(c) All the net proceeds of the Bonds are to be used for the local government activities of the Issuer described in this Ordinance (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer).

(d) The aggregate face amount of all tax-exempt bonds (other than "private activity bonds" as defined in the Code) issued by the Issuer (and all subordinate entities thereof) during the calendar year of issuance of the Bonds is not reasonably expected to exceed $5,000,000.

Section 22. Further Tax Covenants

The Issuer agrees to comply with all provisions of the Code which, if not complied with by the Issuer, would cause the Bonds not to be tax-exempt. In furtherance of the foregoing provisions, but without limiting their generality, the Issuer agrees: (1) through its officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (2) to comply with all representations, covenants and assurances contained in certificates or agreements as may be prepared by counsel approving the Bonds; (3) to consult with such counsel and to comply with such advice as may be given; (4) to pay to the United States, if necessary, such sums of money representing required rebates of excess arbitrage profits relating to the Bonds; (5) to file such forms, statements and supporting documents as may be required and in a timely manner; and (6) if deemed necessary or advisable by its officers, to employ and pay fiscal agents, financial advisors, attorneys and other persons to assist the Issuer in such compliance.

Section 23. Designation as Qualified Tax-Exempt Obligations

The Corporate Authorities recognizes that Section 265(b)(3) of the Code provides that a "qualified tax-exempt obligation" as therein defined may be treated by certain financial institutions as if it were acquired on August 7, 1986, for certain purposes. The Corporate Authorities hereby designates each of the Bonds as may be from time to time outstanding for purposes of Section 265(b)(3) of the Code as a "qualified tax-exempt obligation" as provided therein. In support of such designation, the Corporate Authorities covenants, represents and certifies as follows:

(a) none of the Bonds are "private activity bonds" as defined in Section 141(a) of the Code;

(b) including the Bonds, the Issuer (including any entities subordinate thereto) has not issued to date and does not reasonably expect to issue qualified tax-exempt obligations (other than private activity bonds) during the calendar year of issuance of the Bonds in an amount in excess of $10,000,000; and

(c) including the Bonds, not more than $10,000,000 of obligations issued by the Issuer (including any entities subordinate thereto) during the calendar year of issuance of the Bonds have been designated to date or will be designated by the Issuer for purposes of said Section 265(b)(3).

Section 24. Bonds Not Private Activity Bonds

None of the Bonds is a "private activity bond" as defined in Section 141(a) of the Code. In support of such conclusion, the Issuer covenants, represents, and certifies as follows:

(a) none of the proceeds of the Bonds are to be used, directly or indirectly, in any trade or business carried on by any person other than a state or local governmental unit;

(b) no direct or indirect payments of the principal or interest are to be made on any Bond with respect to any private business use by any person other than a state or local governmental unit; and

(c) none of the proceeds of the Bonds are to be used, directly or indirectly, to make or finance loans to persons other than a state or local governmental unit; and

(d) no user of the Project will use the same on any basis other than the same basis as the general public, and no person (as defined in the Code) will be a user of the Project as a result of (i) ownership; (ii) actual or beneficial use pursuant to a lease or a management or incentive payment; or (iii) any other arrangement.

Section 25. Registered Form

The Issuer recognizes that Section 149 of the Code requires the Bonds to be issued and to remain in fully registered form in order to be and remain Tax Exempt. In this connection, the Issuer agrees that it will not take any action to permit the Bonds to be issued in, or converted into, bearer or coupon form.

Section 26. Rights and Duties of Bond Registrar

The Bond Registrar shall maintain a list of the names and addresses of the holders of all Bonds and upon any transfer shall add the name and address of the new Bondholder and eliminate the name and address of the transferor Bondholder. If requested by the Bond Registrar, the President and Village Clerk of the Issuer are authorized to execute the Bond Registrar's standard form of agreement between the Issuer and the Bond Registrar with respect to the obligations and duties of the Bond Registrar hereunder. Subject to modification by the express terms of any such agreement, such duties shall include the following:

(a) to act as Bond Registrar, authenticating agent, paying agent and transfer agent as provided herein;

(b) to maintain a list of registered owners and addresses as set forth herein and to furnish such list to the Issuer upon request, but otherwise to keep such list confidential to the extent permitted by law;

(c) to give notice of redemption of Bonds as provided herein;

(d) to cancel and/or destroy Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer;

(e) to furnish the Issuer at least annually a certificate with respect to Bonds canceled and/or destroyed; 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.

The Village Clerk is hereby directed to file a certified copy of this Ordinance with the Bond Registrar.

Section 27. Discharge and Satisfaction of Bonds

The covenants, liens and pledges entered into, created or imposed pursuant to this Ordinance may be fully discharged and satisfied with respect to the Bonds, or any of them, in any one or more of the following ways:

(a) By paying the Bond when the same shall become due and payable;

(b) By depositing with the Paying Agent designated for the Bonds in the manner provided by this Ordinance and for such purpose, at or before the date of maturity, money in the necessary amount to pay the Bonds; and/or

(c) By depositing in trust with a bank or trust company located in the State of Illinois for such purpose, at or before the date of maturity, direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America, in an amount sufficient, including any income or increment to accrue thereon, but without the necessity of any reinvestment, to pay the Bonds, in accordance with their terms.

Upon such payment or deposit in the amount and manner provided by this Section, such Bonds shall no longer be deemed outstanding for all purposes of this Ordinance and all liability of the Issuer with respect to such Bonds shall cease and be completely discharged, and the holders thereof shall be entitled only to payment out of the money or securities so deposited.

Section 28. Publication

This Ordinance, together with a notice in the statutory form, shall be published in pamphlet form.

Section 29. 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 30. Repealer

All 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 Corporate Authorities on November 25, 1997.

APPROVED: November 25, 1997.

Linda Koester
President

AYES: Franke, Gray, Miller, Oblinger, Balwa, Williamsen

NAYS: ____________________

ABSENT: ____________________

PUBLISHED: November 26, 1997.

RECORDED IN the Records of the Issuer on November 26, 1997.

ATTEST:

Rost A Krueger
Village Clerk

(SEAL)

CERTIFICATE

I, Robert Krueger, Village Clerk of the Village of Chatham, in Sangamon County, Illinois (the "Issuer"), hereby certify that the foregoing Ordinance No. 97-66 entitled "AN ORDINANCE authorizing and providing for the issuance of $1,200,000 General Obligation Bonds (Alternate Revenue Source), Series 1997, of the Village of Chatham, Sangamon County, Illinois, for the purpose of defraying the costs of certain street, sidewalk, drainage and utility improvements of said Village of Chatham, authorizing the publication of this Ordinance, prescribing all the details of said bonds, and providing for an alternate revenue source to pay the principal of and interest on said bonds" 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 Village of Chatham Council of the Village of Chatham, Illinois, at a meeting thereof which was duly called and held in compliance with the Open Meetings Act on November 25, 1997, 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 November 25, 1997 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 this November 26, 1997.

Robert A Krueger

Village Clerk

(SEAL)