

**VILLAGE OF CHATHAM
SANGAMON COUNTY**

ORDINANCE NO. 97-67

**AN ORDINANCE PLEDGING CERTAIN REVENUES TO OR ON BEHALF OF
THE ILLINOIS RURAL BOND BANK TO SECURE THE PAYMENT OF
CERTAIN LOCAL GOVERNMENTAL SECURITIES**

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. 97-67

AN ORDINANCE pledging certain revenues to or on behalf of the Illinois Rural Bond Bank to secure the payment of certain Local Governmental Securities.

WHEREAS, the Village of Chatham in Sangamon County, Illinois, a governmental unit duly organized and validly existing under the Constitution and the laws of the State of Illinois (the "Unit"), is issuing its bonds in the aggregate principal amount of \$1,200,000 and designated General Obligation Bonds (Alternate Revenue Source), Series 1997 (the "Securities") for lawful public purposes under any provision of the Constitution or the laws of the State of Illinois, all pursuant to Ordinance No. 97-66 duly adopted by the President and Board of Trustees of the Unit (the "Governing Body") on November 25, 1997, as from time to time supplemented and amended (as supplemented and amended, the "Bond Ordinance"); and

WHEREAS, the Unit intends to sell the Securities to the Illinois Rural Bond Bank, a public body corporate and politic and an instrumentality of the State of Illinois duly organized and validly existing under the laws of the State of Illinois (the "Issuer"), in connection with its rural bond bank program (the "Program"), pursuant to 30 ILCS 360/1-1 *et seq.*, as supplemented and amended (the "Act"); and

WHEREAS, the Unit may be entitled to receive certain funds in certain amounts from the Department of Revenue, State Treasurer and the State Comptroller of the State of Illinois (the "State Distributor"), pursuant to Sections 8-11-1, 8-11-5 and 8-11-6 of the "Illinois Municipal Code," Section 2 or Section 12 of "An Act in relation to State revenue sharing with local governmental entities," Section 6z-17 and Section 6z-18 of "An Act in relation to State finance" or such other authority as shall be applicable and any successor statute to any of the above, which funds may be from time to time in the custody of the State Distributor and which funds may from time to time be available in different amounts or which funds may hereafter from time to time be available (the "Intercept Revenues"); and

WHEREAS, pursuant to the Act and pursuant to Section 13 of the Local Government Debt Reform Act, the Unit has the power and authority to pledge the Intercept Revenues to the Issuer or any entity acting on behalf of the Issuer, including without limitation FFG Trust, Inc., Springfield, Illinois, as Trustee (the "Trustee"), to the extent that such Intercept Revenues are necessary to provide revenues to pay the principal of, premium, if any, and interest on, and other fees related to, the Securities;

NOW, THEREFORE, Be It Ordained by the President and Board of Trustees of the Village of Chatham, Illinois, as follows:

Section 1. The Unit hereby pledges the Intercept Revenues to the Trustee on behalf of the Issuer to secure the payment of the principal of, premium, if any, and interest on, and other fees related to, the Securities, and this Ordinance shall constitute a direction to the Comptroller of the State of Illinois and the Treasurer of the State of Illinois to pay to the Trustee on behalf of the Issuer from and to the extent that the State Distributor shall at the time be the custodian of any available Intercept Revenues which are due and payable to the Unit the amounts necessary to pay any principal of, premium, if any, and interest on, and other fees related to, the Securities which is due and unpaid and in default, and this Ordinance shall constitute a further direction to the State Comptroller to cause orders to be drawn and to the State Treasurer to make payment thereof to the extent any Intercept Revenues are legally available, pursuant to, in accordance with, and within ten (10) days of receipt of, a demand from the Trustee in substantially the same form as Exhibit A attached to and made a part of this Ordinance.

Section 2. The Unit hereby covenants and agrees that except as provided in the Bond Ordinance, it has not pledged, encumbered or otherwise granted a lien, security interest or charge on the Intercept Revenues prior to the pledge granted by this Ordinance, and will not, without the prior written consent of the Issuer, pledge, encumber or otherwise grant a lien, security interest or charge on the Intercept Revenues prior to or on a parity with the pledge granted by this Ordinance.

Section 3. The Unit hereby covenants and agrees that, to the extent permitted by law, it will not reduce the current rate of any tax which provides a source of Intercept Revenues or grant exemptions from such tax (other than current exemptions), without the prior written consent of the Issuer (unless the Unit is required to reduce such rates or grant such exemptions by law).

Section 4. The provisions of this Ordinance shall constitute a contract between the Unit and the Issuer, and after the issuance of the Securities, no modification, alteration, amendment, supplement, repeal or revocation of the provisions of this Ordinance shall be made in any manner, except with the prior written consent of the Issuer, until such time as the principal of, premium, if any, and interest on the Securities shall have been paid in full.

Section 5. The Unit hereby acknowledges that the Issuer has the right to assign and pledge its right, title and interest in and to this Ordinance to the Trustee, and will assign and pledge its right, title and interest in and to this Ordinance to the Trustee.

Section 6. The President of the Unit and the Village Clerk of the Unit are hereby authorized to file this Ordinance with the State Treasurer, the State Comptroller and the Department of Revenue, the Department of Transportation or the State Superintendent of Education, as the case may be. The President of the Unit, the Village Clerk of the Unit, and all other officers, employees and agents of the Unit are hereby authorized, empowered and directed to execute and deliver any and all such documents and to do any

and all such things as may be necessary to carry out and comply with and further the purposes and intent of this Ordinance, including the preambles to this Ordinance.

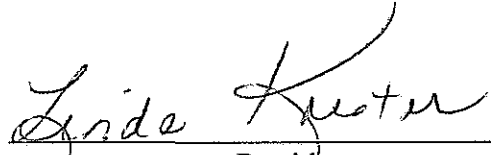
Section 7. The provisions of this Ordinance are hereby declared to be separable, and if any section, phrase or provision hereof shall, for any reason, be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases or provisions of this Ordinance.

Section 8. All ordinances, resolutions and orders, or parts thereof, in conflict with the provisions hereof are, to the extent of such conflict, hereby superseded.

Section 9. This Ordinance shall be in force and effect upon its passage, approval and publication, as provided by law.

PASSED by the Board of Trustees on November 25, 1997.

APPROVED: November 25, 1997.



President

AYES: Frank, Gray, Miller, Oblinger, Balwa, Williamson

NAYS: _____

ABSENT: _____

PUBLISHED in pamphlet form on November 26, 1997.

RECORDED and filed in the office of the Village Clerk on November 26, 1997.

ATTEST:



Village Clerk

(SEAL)

EXHIBIT A

Treasurer of the State of Illinois
Room 219
State House
Springfield, Illinois 62706

Comptroller of the State of Illinois
Room 201
State House
Springfield, Illinois 62706

Gentlemen:

The undersigned is hereby making demand upon you for the payment of certain available funds which are or may hereafter be in the custody of the Treasurer, the Comptroller, the Department of Revenue, the Department of Transportation or the State Superintendent of Education of the State of Illinois and which are due and payable to the Village of Chatham, in Sangamon County, Illinois (the "Unit"), pursuant to the provisions of 30 ILCS 360/1-1 *et seq.*, as supplemented and amended (the "Act"), Section 13 of the Local Government Debt Reform Act and an ordinance duly adopted by the President and Board of Trustees of the Unit and attached hereto as Exhibit 1 (the "Intercept Proceedings"). In connection with said demand, the undersigned hereby certifies as follows:

1. That the undersigned is authorized to make this demand.
2. That the Illinois Rural Bond Bank, a public body corporate and politic and an instrumentality of the State of Illinois duly organized and validly existing under the laws of the State of Illinois (the "Issuer"), or its nominee (the "Trustee"), is the owner of General Obligation Bonds (Alternate Revenue Source), Series 1997, of the Unit, originally issued in the aggregate amount of \$1,200,000 (the "Securities"), which Securities were purchased by the Issuer pursuant to its powers and authority under the Act.
3. That the Securities are now outstanding in the aggregate principal amount of \$ _____.
4. That the Unit is entitled to receive certain funds in the custody of the Treasurer, the Comptroller, the Department of Revenue, the Department of Transportation or the State Superintendent of Education of the State of Illinois, as the case may be, to the extent that such funds are from time to time available to the Unit, pursuant to (Cite appropriate sections) (the "Intercept Revenues").
5. That the Unit has pledged the Intercept Revenues to the Trustee on behalf of the Issuer, pursuant to the Intercept Proceedings, to secure the payment of the principal

of, premium, if any, and interest on, and other fees related to, the Securities to the extent that any Intercept Revenues are available to the Unit.

6. That the Unit is in default in the payment of the principal of, premium, if, interest, and/or other fees now due and unpaid on the Securities in the following amounts:

- (a) Principal \$ _____
- (b) Premium \$ _____
- (c) Interest \$ _____
- (d) Other Fees \$ _____

In accordance with Paragraph 3-25 of the Act, you are hereby requested to do the following:

1. Withhold the payment of the Intercept Revenues which may be available, due or payable to the Unit until the amount of such principal of, premium, if any, and/or interest on the Securities so due and unpaid has been paid to the Trustee on behalf of the Issuer, as certified by the undersigned to you in writing, or you have been advised by the undersigned in writing that arrangements satisfactory to the undersigned have been made for such payment.

2. Within ten (10) days of the date hereof and from time to time thereafter, you shall pay over a period of time to the Trustee on behalf of the Issuer such Intercept Revenues as are legally available for the payment of such principal of, premium, if any, and/or interest on the Securities so due and unpaid until such principal, premium, if any, and/or interest is paid, as certified by the undersigned to you in writing, unless the undersigned otherwise advises you.

Respectfully submitted,

FFG TRUST, INC.,
Springfield, Illinois, as Trustee

By: _____
Its _____

cc: (Name of Recording Officer of the Unit)
(Name and Address of the Unit)
(Department of Revenue)
(Department of Transportation)
(State Superintendent of Education)