

Ordinance No. 01- 65

**AN ORDINANCE APPROVING A LOAN TRANSACTION WITH UNITED
COMMUNITY BANK**

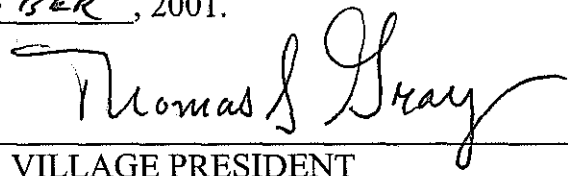
*BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE
VILLAGE OF CHATHAM, SANGAMON COUNTY, ILLINOIS, AS FOLLOWS:*

SECTION 1: The Village shall borrow the sum of \$300,000 from United Community Bank pursuant to a note, loan agreement and associated loan documents in substantially the form attached hereto as Exhibit A, except that in accordance with Section 8-1-3.1 of the Illinois Municipal Code, the term of the loan shall not exceed one calendar year. Such note, loan agreement and associated loan documents are hereby approved, subject to the one-year term limitation..

SECTION 2: The Village President and other officers designated therein are hereby authorized to execute the note, loan agreement and associated loan documents, subject to the one year term limitation, and thereafter, the proper officers and employees of the Village are authorized and directed to carry out the loan transaction according to its terms.

SECTION 3: This Ordinance is effective immediately

PASSED this 23 day of OCTOBER, 2001.



VILLAGE PRESIDENT

ATTEST:



Patschard

Village Clerk

AYES:	<u>6</u>
NAYS:	<u>0</u>
PASSED:	<u>10-23-01</u>
APPROVED:	<u>10-23-01</u>
ABSENT:	<u>0</u>

ORDINANCE CERTIFICATE

STATE OF ILLINOIS)
) SS.
COUNTY OF SANGAMON)


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

I do further certify that the ordinance attached hereto is a full, true, and exact copy of Ordinance No. 01-65, adopted by the President and Board of Trustees of said Village on the 23 day of OCTOBER, 2001, said Ordinance being entitled:

**AN ORDINANCE APPROVING A LOAN TRANSACTION WITH UNITED
COMMUNITY BANK**

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

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said Village this 23 day of OCTOBER, 2001.



Village Clerk

VILLAGE OF CHATHAM 116 EAST MULBERRY CHATHAM, IL 62629	UNITED COMMUNITY BANK 301 N. MAIN CHATHAM, IL 62629	Loan Number _____ Date <u>OCTOBER 22, 2001</u> Maturity Date <u>NOV. 21, 2002</u> Loan Amount \$ <u>300,000.00</u> Renewal Of _____
BORROWER'S NAME AND ADDRESS <small>"I" includes each borrower above, joint and severally.</small>	LENDER'S NAME AND ADDRESS <small>"You" means the lender, its successors and assigns.</small>	

For value received, I promise to pay to you, or your order, at your address listed above the PRINCIPAL sum of THREE HUNDRED THOUSAND AND NO/100 * * * * * Dollars \$ 300,000.00

Single Advance: I will receive all of this principal sum on _____. No additional advances are contemplated under this note.
 Multiple Advance: The principal sum shown above is the maximum amount of principal I can borrow under this note. On OCTOBER 22, 2001 I will receive the amount of \$ _____ and future principal advances are contemplated.
 Conditions: The conditions for future advances are PER CUSTOMERS REQUEST AND AT BANKS DISCRETION

Open End Credit: You and I agree that I may borrow up to the maximum amount of principal more than one time. This feature is subject to all other conditions and expires on NOVEMBER 21, 2002.

Closed End Credit: You and I agree that I may borrow up to the maximum only one time (and subject to all other conditions).
 INTEREST: I agree to pay interest on the outstanding principal balance from OCTOBER 22, 2001 at the rate of 3.500 % per year until FIRST CHANGE DATE.

Variable Rate: This rate may then change as stated below.
 Index Rate: The future rate will be 2.000% UNDER the following index rate: 13 WEEK TREASURY BILL RATE AS PUBLISHED IN THE WALL STREET JOURNAL

No Index: The future rate will not be subject to any internal or external index. It will be entirely in your control.
 Frequency and Timing: The rate on this note may change as often as MONTHLY. A change in the interest rate will take effect ON THE SAME DAY.
 Limitations: During the term of this loan, the applicable annual interest rate will not be more than _____ % or less than _____ %. The rate may not change more than _____ % each _____.

Effect of Variable Rate: A change in the interest rate will have the following effect on the payments:
 The amount of each scheduled payment will change. The amount of the final payment will change.

ACCRUAL METHOD: Interest will be calculated on a ACTUAL/365 basis.

POST MATURITY RATE: I agree to pay interest on the unpaid balance of this note owing after maturity, and until paid in full, as stated below:
 on the same fixed or variable rate basis in effect before maturity (as indicated above).
 at a rate equal to 2% ABOVE STATED INTEREST RATE

LATE CHARGE: If a payment is made more than _____ days after it is due, I agree to pay a late charge of _____.

ADDITIONAL CHARGES: In addition to interest, I agree to pay the following charges which are are not included in the principal amount above: _____

PAYMENTS: I agree to pay this note as follows:

Interest: I agree to pay accrued interest ON DEMAND, BUT IF NO DEMAND IS MADE THEN ON THE 21ST DAY OF EACH MONTH BEGINNING NOVEMBER 21, 2001

Principal: I agree to pay the principal ON DEMAND, BUT IF NO DEMAND IS MADE THEN ON NOVEMBER 21, 2002

Installments: I agree to pay this note in _____ payments. The first payment will be in the amount of \$ _____ and will be due _____. A payment of \$ _____ will be due _____ thereafter. The final payment of the entire unpaid balance of principal and interest will be due _____.

ADDITIONAL TERMS:

SECURITY: This note is separately secured by (describe separate document by type and date): _____
(This section is for your internal use. Failure to list a separate security document does not mean the agreement will not secure this note.)

Signature for Lender

X
JIM LAUWERENS

PURPOSE: The purpose of this loan is BUSINESS: BUSINESS
LINE OF CREDIT

CONFESSION OF JUDGMENT: I agree to the terms of the "Confession of Judgment" paragraph on page 2.

SIGNATURES: I AGREE TO THE TERMS OF THIS NOTE (INCLUDING THOSE ON PAGE 2). I have received a copy on today's date.

VILLAGE OF CHATHAM

BY:
TOM GRAY, VILLAGE PRESIDENT

DEFINITIONS: As used on page 1, "I" means the terms that apply to this loan, "me" or "my" means each Borrower who signs this note and each other person or legal entity (including guarantors, endorser, and sureties) who agrees to pay this note (together referred to as "us"). "You" or "your" means the Lender and its successors and assigns.

APPLICABLE LAW: The law of the state of Illinois will govern this note. Any term of this note which is contrary to applicable law will not be effective, unless the law permits you and me to agree to such a variation. If any provision of this agreement cannot be enforced according to its terms, this fact will not affect the enforceability of the remainder of this agreement. No modification of this agreement may be made without your express written consent. Time is of the essence in this agreement.

PAYMENTS: Each payment I make on this note will first reduce the amount I owe you for charges which are neither interest nor principal. The remainder of each payment will then reduce accrued unpaid interest, and then unpaid principal. If you and I agree to a different application of payments, we will describe our agreement on this note. I may prepay a part of, or the entire balance of this loan without penalty, unless you specify to the contrary on this note. Any partial prepayment will not excuse or reduce any later scheduled payment until this note is paid in full (unless, when I make the prepayment, you and I agree in writing to the contrary).

INTEREST: Interest accrues on the principal remaining unpaid from time to time, until paid in full. If I receive the principal in more than one advance, each advance will start to earn interest only when I receive the advance. The interest rate in effect on this note at any given time will apply to the entire principal advanced at that time. Notwithstanding anything to the contrary, I do not agree to pay and you do not intend to charge any rate of interest that is higher than the maximum rate of interest you could charge under applicable law for the extension of credit that is agreed to here (either before or after maturity). If any notice of interest accrual is sent and is in error, we mutually agree to correct it, and if you actually collect more interest than allowed by law and this agreement, you agree to refund it to me.

INDEX RATE: The index will serve only as a device for setting the rate on this note. You do not guarantee by selecting this index, or the margin, that the rate on this note will be the same rate you charge on any other loans or class of loans to me or other borrowers.

ACCRUAL METHOD: The amount of interest that I will pay on this loan will be calculated using the interest rate and accrual method stated on page 1 of this note. For the purpose of interest calculation, the accrual method will determine the number of days in a "year." If no accrual method is stated, then you may use any reasonable accrual method for calculating interest.

POST MATURITY RATE: For purposes of deciding when the "Post Maturity Rate" (shown on page 1) applies, the term "maturity" means the date of the last scheduled payment indicated on page 1 of this note or the date you accelerate payment on the note, whichever is earlier.

SINGLE ADVANCE LOANS: If this is a single advance loan, you and I expect that you will make only one advance of principal. However, you may add other amounts to the principal if you make any payments described in the "PAYMENTS BY LENDER" paragraph below.

MULTIPLE ADVANCE LOANS: If this is a multiple advance loan, you and I expect that you will make more than one advance of principal. If this is closed end credit, repaying a part of the principal will not entitle me to additional credit.

PAYMENTS BY LENDER: If you are authorized to pay, on my behalf, charges I am obligated to pay (such as property insurance premiums), then you may treat those payments made by you as advances and add them to the unpaid principal under this note, or you may demand immediate payment of the charges.

SET-OFF: I agree that you may set off any amount due and payable under this note against any right I have to receive money from you.

- *Right to receive money from you" means:
 - (1) any deposit account balance I have with you;
 - (2) any money owed to me on an item presented to you or in your possession for collection or exchange; and
 - (3) any repurchase agreement or other nondeposit obligation.

"Any amount due and payable under this note" means the total amount of which you are entitled to demand payment under the terms of this note at the time you set off. This total includes any balance the due date for which you properly accelerate under this note.

If my right to receive money from you is also owned by someone who has not agreed to pay this note, your right of set-off will apply to my interest in the obligation and to any other amounts I could withdraw on my sole request or endorsement. Your right of set-off does not apply to an account or other obligation where my rights are only as a representative. It also does not apply to any Individual Retirement Account or other tax-deferred retirement account.

You will not be liable for the dishonor of any check when the dishonor occurs because you set off this debt against any of my accounts, I agree to hold you harmless from any such claims arising as a result of your exercise of your right of set-off.

REAL ESTATE OR RESIDENCE SECURITY: If this note is secured by real estate or a residence that is personal property, the existence of a default and your remedies for such a default will be determined by applicable law, by the terms of any separate instrument creating the security interest and, to the extent not prohibited by law and not contrary to the terms of the separate security instrument, by the "Default" and "Remedies" paragraphs herein.

DEFAULT: I will be in default if any one or more of the following occur: (1) I fail to make a payment on time or in the amount due; (2) I fail to keep the property insured, if required; (3) I fail to pay, or keep any promise, on any debt or agreement I have with you; (4) any other creditor of mine attempts to collect any debt I owe him through court proceedings; (5) I die, am declared incompetent, make an assignment for the benefit of creditors, or become insolvent (either because my liabilities exceed my assets or I am unable to pay my debts as they become due); (6) I make any written statement or provide any financial information that is untrue or inaccurate at the time it was provided; (7) I do or fail to do something which causes you to believe that you will have difficulty collecting the amount I owe you; (8) any collateral securing this note is used in a manner or for a purpose which threatens confiscation by a legal authority; (9) I change my name or assume an additional name without first notifying you before making such a change; (10) I fail to plant, cultivate and harvest crops in due season if I am a producer of crops; (11) any loan proceeds are used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity, as further explained in 7 C.F.R. Part 1940, Subpart G, Exhibit M.

REMEDIES: If I am in default on this note you have, but are not limited to, the following remedies:

- (1) You may demand immediate payment of all I owe you under this note (principal, accrued unpaid interest and other accrued charges).
- (2) You may set off this debt against any right I have to the payment of money from you, subject to the terms of the "Set-Off" paragraph herein.
- (3) You may demand security, additional security, or additional parties to be obligated to pay this note as a condition for not using any other remedy.
- (4) You may refuse to make advances to me or allow purchases on credit by me.
- (5) You may use any remedy you have under state or federal law.

By selecting any one or more of these remedies you do not give up your right to later use any other remedy. By waiving your right to declare an event to be a default, you do not waive your right to later consider the event as a default if it continues or happens again.

CONFESSION OF JUDGMENT: In addition to your remedies listed herein, I authorize any attorney to appear in any court of record having jurisdiction over this matter and to confess judgment, without process, against me, in favor of you, for any unpaid principal, accrued interest and accrued charges due on this agreement, together with collection costs including reasonable attorney's fees.

COLLECTION COSTS AND ATTORNEY'S FEES: I agree to pay all costs of collection, replevin or any other or similar type of cost if I am in default. In addition, if you hire an attorney to collect this note, I also agree to pay any fee you incur with such attorney plus court costs (except where prohibited by law). To the extent permitted by the United States Bankruptcy Code, I also agree to pay the reasonable attorney's fees and costs you incur to collect this debt as awarded by any court exercising jurisdiction under the Bankruptcy Code.

WAIVER: I give up my rights to require you to do certain things. I will not require you to:

- (1) demand payment of amounts due (presentment);
- (2) obtain official certification of nonpayment (protest); or
- (3) give notice that amounts due have not been paid (notice of dishonor).

I waive any defenses I have based on suretyship or impairment of collateral.

OBLIGATIONS INDEPENDENT: I understand that I must pay this note even if someone else has also agreed to pay it (by, for example, signing this form or a separate guarantor or endorsement). You may sue me alone, or anyone else who is obligated on this note, or any number of us together, to collect this note. You may do so without any notice that it has not been paid (notice of dishonor). You may without notice release any party to this agreement without releasing any other party. If you give up any of your rights, with or without notice, it will not affect my duty to pay this note. Any extension of new credit to any of us, or renewal of this note by all or less than all of us will not release me from my duty to pay it. (Of course, you are entitled to only one payment in full.) I agree that you may at your option extend this note or the debt represented by this note, or any portion of the note or debt, from time to time without limit or notice and for any term without affecting my liability for payment of the note. I will not assign my obligation under this agreement without your prior written approval.

CREDIT INFORMATION: I agree and authorize you to obtain credit information about me from time to time (for example, by requesting a credit report) and to report to others your credit experience with me (such as a credit reporting agency). I agree to provide you, upon request, any financial statement or information you may deem necessary. I warrant that the financial statements and information I provide to you are or will be accurate, correct and complete.

NOTICE: Unless otherwise required by law, any notice to me shall be given by delivering it or by mailing it by first class mail addressed to me at my last known address. My current address is on page 1. I agree to inform you in writing of any change in my address. I will give any notice to you by mailing it first class to your address stated on page 1 of this agreement, or to any other address that you have designated.

DATE OF TRANSACTION	PRINCIPAL ADVANCE	BORROWER'S INITIALS (not required)	PRINCIPAL PAYMENTS	PRINCIPAL BALANCE	INTEREST RATE	INTEREST PAYMENTS	INTEREST PAID THROUGH:
/ /	\$		\$	\$	%	\$	/ /
/ /	\$		\$	\$	%	\$	/ /
/ /	\$		\$	\$	%	\$	/ /
/ /	\$		\$	\$	%	\$	/ /
/ /	\$		\$	\$	%	\$	/ /
/ /	\$		\$	\$	%	\$	/ /
/ /	\$		\$	\$	%	\$	/ /
/ /	\$		\$	\$	%	\$	/ /
/ /	\$		\$	\$	%	\$	/ /
/ /	\$		\$	\$	%	\$	/ /
/ /	\$		\$	\$	%	\$	/ /

VILLAGE OF CHATHAM 116 EAST MULBERRY CHATHAM, IL 62629	UNITED COMMUNITY BANK 301 N. MAIN CHATHAM, IL 62629	Line of Credit No. _____ Date <u>OCTOBER 22, 2001</u> Max. Credit Amt. <u>\$300,000.00</u> Loan Ref. No. _____
BORROWER'S NAME AND ADDRESS "I" includes each borrower above, jointly and severally.	LENDER'S NAME AND ADDRESS "You" means the lender, its successors and assigns.	

You have extended to me a line of credit in the AMOUNT of THREE HUNDRED THOUSAND AND NO/100 \$ 300,000.00.
 You will make loans to me from time to time until 2:00 P.m. on NOVEMBER 21, 2002. Although the line of credit expires on that date, I will remain obligated to perform all my duties under this agreement so long as I owe you any money advanced according to the terms of this agreement, as evidenced by any note or notes I have signed promising to repay these amounts.
 This line of credit is an agreement between you and me. It is not intended that any third party receive any benefit from this agreement, whether by direct payment, reliance for future payment or in any other manner. This agreement is not a letter of credit.

1. AMOUNT: This line of credit is:
- OBLIGATORY: You may not refuse to make a loan to me under this line of credit unless one of the following occurs:
 - a. I have borrowed the maximum amount available to me;
 - b. This line of credit has expired;
 - c. I have defaulted on the note (or notes) which show my indebtedness under this line of credit;
 - d. I have violated any term of this line of credit or any note or other agreement entered into in connection with this line of credit;
 - e. _____
 - DISCRETIONARY: You may refuse to make a loan to me under this line of credit once the aggregate outstanding advances equal or exceed \$ _____

Subject to the obligatory or discretionary limitations above, this line of credit is:

- OPEN-END (Business or Agricultural only): I may borrow up to the maximum amount of principal more than one time.
- CLOSED-END: I may borrow up to the maximum only one time.

2. PROMISSORY NOTE: I will repay any advances made according to this line of credit agreement as set out in the promissory note, I signed on OCTOBER 22, 2001, or any note(s) I sign at a later time which represent advances under this agreement. The note(s) set(s) out the terms relating to maturity, interest rate, repayment and advances. If indicated on the promissory note, the advances will be made as follows: PER CUSTOMER REQUEST AND AT BANKS DISCRETION

3. RELATED DOCUMENTS: I have signed the following documents in connection with this line of credit and note(s) entered into in accordance with this line of credit:
- security agreement dated _____
 - mortgage dated _____
 - guaranty dated _____

4. REMEDIES: If I am in default on the note(s) you may:
- a. take any action as provided in the related documents;
 - b. without notice to me, terminate this line of credit.
- By selecting any of these remedies you do not give up your right to later use any other remedy. By deciding not to use any remedy should I default, you do not waive your right to later consider the event a default, if it happens again.
5. COSTS AND FEES: If you hire an attorney to enforce this agreement I will pay your reasonable attorney's fees, where permitted by law. I will also pay your court costs and costs of collection, where permitted by law.
6. COVENANTS: For as long as this line of credit is in effect or I owe you money for advances made in accordance with the line of credit, I will do the following:
- a. maintain books and records of my operations relating to the need for this line of credit;
 - b. permit you or any of your representatives to inspect and/or copy these records;
 - c. provide to you any documentation requested by you which support the reason for making any advance under this line of credit;
 - d. permit you to make any advance payable to the seller (or seller and me) of any items being purchased with that advance;
 - e. _____

7. NOTICES: All notices or other correspondence with me should be sent to my address stated above. The notice or correspondence shall be effective when deposited in the mail, first class, or delivered to me in person.
8. MISCELLANEOUS: This line of credit may not be changed except by a written agreement signed by you and me. The law of the state in which you are located will govern this agreement. Any term of this agreement which is contrary to applicable law will not be effective, unless the law permits you and me to agree to such a variation.

FOR THE LENDER: JIM LADWERENS VILLAGE OF CHATHAM

BY: TOM GRAY, VILLAGE PRESIDENT

Title VICE PRESIDENT

RESOLUTION OF LODGE, ASSOCIATION OR OTHER SIMILAR ORGANIZATION

UNITED COMMUNITY BANK
301 N. MAIN
CHATHAM, IL 62629

By: VILLAGE OF CHATHAM
116 EAST MULBERRY
CHATHAM, IL 62629

Referred to in this document as "Financial Institution"

Referred to in this document as "Association"

I, _____, certify that I am Secretary (clerk) of the above named association organized under the laws of ILLINOIS, Federal Employer I.D. Number _____, and that the resolutions on this document are a correct copy of the resolutions adopted at a meeting of the Association duly and properly called and held on _____ (date). These resolutions appear in the minutes of this meeting and have not been rescinded or modified.

AGENTS Any agent listed below, subject to any written limitations, is authorized to exercise the powers granted as indicated below:

Table with 3 columns: Name and Title or Position, Signature, Facsimile Signature (if used). Rows include TOM GRAY, VILLAGE PRESIDENT; PAT SCHAD, VILLAGE CLERK; SHERRY K. DEIRKING, TREASURER.

POWERS GRANTED (Attach one or more Agents to each power by placing the letter corresponding to their name in the area before each power. Following each power indicate the number of Agent signatures required to exercise the power.)

Table with 2 columns: Indicate A, B, C, D, E, and/or F; Description of Power; Indicate number of signatures required. Powers include: (1) Exercise all of the powers listed in this resolution, (2) Open any deposit or share account(s) in the name of the Association, (3) Endorse checks and orders for the payment of money or otherwise withdraw or transfer funds on deposit with this Financial Institution, (4) Borrow money on behalf and in the name of the Association, sign, execute and deliver promissory notes or other evidences of indebtedness, (5) Endorse, assign, transfer, mortgage or pledge bills receivable, warehouse receipts, bills of lading, stocks, bonds, real estate or other property now owned or hereafter owned or acquired by the Association as security for sums borrowed, and to discount the same, unconditionally guarantee payment of all bills received, negotiated or discounted and to waive demand, presentment, protest, notice of protest and notice of non-payment, (6) Enter into a written lease for the purpose of renting, maintaining, accessing and terminating a Safe Deposit Box in this Financial Institution, (7) Other.

LIMITATIONS ON POWERS The following are the Association's express limitations on the powers granted under this resolution.

EFFECT ON PREVIOUS RESOLUTIONS This resolution supersedes resolution dated _____. If not completed, all resolutions remain in effect.

CERTIFICATION OF AUTHORITY

I further certify that the Association has, and at the time of adoption of this resolution had, full power and lawful authority to adopt the foregoing resolutions and to confer the powers granted to the persons named who have full power and lawful authority to exercise the same. (Apply seal below where appropriate.)

[] If checked, the Association is a non profit lodge, association or similar organization.
X _____ (Secretary)
X _____ (Attest by Other Officer)
X _____ (Attest by Other Officer)

RESOLUTIONS

The Association named on this resolution resolves that,

- (1) The Financial Institution is designated as a depository for the funds of the Association and to provide other financial accommodations indicated in this resolution.
- (2) This resolution shall continue to have effect until express written notice of its rescission or modification has been received and recorded by the Financial Institution. Any and all prior resolutions adopted by the Association and certified to the Financial Institution as governing the operation of this association's account(s), are in full force and effect, until the Financial Institution receives and acknowledges an express written notice of its revocation, modification or replacement. Any revocation, modification or replacement of a resolution must be accompanied by documentation, satisfactory to the Financial Institution, establishing the authority for the changes.
- (3) The signature of an Agent on this resolution is conclusive evidence of their authority to act on behalf of the Association. Any Agent, so long as they act in a representative capacity as agents of the Association, is authorized to make any and all other contracts, agreements, stipulations and orders which they may deem advisable for the effective exercise of the powers indicated on page one, from time to time with the Financial Institution, subject to any restrictions on this resolution or otherwise agreed to in writing.
- (4) All transactions, if any, with respect to any deposits, withdrawals, rediscounts and borrowings by or on behalf of the Association with the Financial Institution prior to the adoption of this resolution are hereby ratified, approved and confirmed.
- (5) The Association agrees to the terms and conditions of any account agreement, properly opened by any Agent of the Association. The Association authorizes the Financial Institution, at any time, to charge the Association for all checks, drafts, or other orders, for the payment of money, that are drawn on the Financial Institution, so long as they contain the required number of signatures for this purpose.
- (6) The Association acknowledges and agrees that the Financial Institution may furnish at its discretion automated access devices to Agents of the Association to facilitate those powers authorized by this resolution or other resolutions in effect at the time of issuance. The term "automated access device" includes, but is not limited to, credit cards, automated teller machines (ATM), and debit cards.
- (7) The Association acknowledges and agrees that the Financial Institution may rely on alternative signature and verification codes issued to or obtained from the Agent named on this resolution. The term "alternative signature and verification codes" includes, but is not limited to, facsimile signatures on file with the Financial Institution, personal identification numbers (PIN), and digital signatures. If a facsimile signature specimen has been provided on this resolution, (or that are filed separately by the Association with the Financial Institution from time to time) the Financial Institution is authorized to treat the facsimile signature as the signature of the Agent(s) regardless of by whom or by what means the facsimile signature may have been affixed so long as it resembles the facsimile signature specimen on file. The Association authorizes each Agent to have custody of the Association's private key used to create a digital signature and to request issuance of a certificate listing the corresponding public key. The Financial Institution shall have no responsibility or liability for unauthorized use of alternative signature and verification codes unless otherwise agreed in writing.

FOR FINANCIAL INSTITUTION USE ONLY

Acknowledged and received on 10/22/2001 (date) by _____ (initials) This resolution is superseded by resolution dated _____.

Comments:

UNITED COMMUNITY BANK 301 N. MAIN CHATHAM, IL 62629 LENDLR'S NAME AND ADDRESS	VILLAGE OF CHATHAM 116 EAST MULBERRY CHATHAM, IL 62629 BORROWER'S NAME AND ADDRESS	Loan Number _____ Date <u>OCTOBER 22, 2001</u> Loan Amount \$ <u>300,000.00</u>
--	---	---

ERRORS AND OMISSIONS AGREEMENT

The undersigned borrower(s), in consideration of the closing of a certain loan by UNITED COMMUNITY BANK
 _____ the "Lender" to VILLAGE OF CHATHAM

_____ "Borrower(s)" in the above stated amount, as evidenced by a promissory note and secured by a Deed of Trust or mortgage against real property located at _____
116 EAST MULBERRY, CHATHAM, IL 62629

and dated the date of this Errors and Omissions Agreement, agree(s), if requested by the "Lender" or its agent, to fully cooperate in the correction, if necessary in the reasonable discretion of the "Lender" of any and all loan closing documents so that all documents accurately describe the loan between the undersigned borrower(s) and the "Lender" and thus allow the "Lender" to sell, convey, seek a guaranty or obtain insurance for, or market said loan to any purchaser, including but not limited to any investor or institution, The Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Department of Veterans Affairs, or Municipal Bonding Authority.

The undersigned borrower(s) further agree(s) to comply with all above noted reasonable requests by the "Lender" within thirty (30) days from the date of the mailing of the correction requests by the "Lender". The undersigned borrower(s) agree(s) to assume all costs including by way of illustration and not limitation, actual expenses, legal fees and marketing losses for failing to reasonably comply with the "Lender" requests within the specified thirty (30) days.

DATED this 22ND day of OCTOBER, 2001
 VILLAGE OF CHATHAM

BY: _____
 (Borrower)
 TOM GRAY, VILLAGE PRESIDENT

 (Borrower)

 (Borrower)

 (Borrower)

Form 8038-G

Information Return for Tax-Exempt Governmental Obligations

Under Internal Revenue Code section 149(e)

See separate instructions.

OMB No. 1545-0720

(Rev. May 1999)

Department of the Treasury Internal Revenue Service

Caution: Use Form 8038-GC if the issue price is under \$100,000.

Part II Reporting Authority. 1 Issuer's name: VILLAGE OF CHATHAM. 2 Issuer's employer identification number: 37-6002010. 3 Number and street: 117 EAST MULBERRY STREET. 4 Report number: 2001-... 5 City, town, or post office, state, and ZIP code: CHATHAM, IL 62628. 6 Date of issue. 7 Name of issue: MASTER LEASE AGREEMENT. 8 CUSIP number: NA. 9 Name and title of officer or legal representative whom the IRS may call for more information. 10 Telephone number of officer or legal representative.

Part III Type of Issue (check applicable box(es) and enter the issue price) See instructions and attach schedule. 11 Education. 12 Health and hospital. 13 Transportation. 14 Public safety. 15 Environment (including sewage bonds) [checked] \$128,262.00. 16 Housing. 17 Utilities. 18 Other. Describe. 19 If obligations are TANs or RANs, check box. If obligations are BANs, check box. 20 If obligations are in the form of a lease or installment sale, check box.

Part IV Description of Obligations. (Complete for the entire issue for which this form is being filed.) Table with columns: (a) Final maturity date, (b) Issue price, (c) Stated redemption price at maturity, (d) Weighted average maturity, (e) Yield. Row 21: NA, \$128,262.00, NA, 3.25 years, 4.61%.

Part V Uses of Proceeds of Bond Issue (including underwriters' discount). 22 Proceeds used for accrued interest: NA. 23 Issue price of entire issue (enter amount from line 21, column (b)): NA. 24 Proceeds used for bond issuance costs (including underwriters' discount): NA. 25 Proceeds used for credit enhancement: NA. 26 Proceeds allocated to reasonably required reserve or replacement fund: NA. 27 Proceeds used to currently refund prior issues: NA. 28 Proceeds used to advance refund prior issues: NA. 29 Total (add lines 24 through 28): NA. 30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here): NA.

Part VI Description of Refunded Bonds (Complete this part only for refunding bonds.) 31 Enter the remaining weighted average maturity of the bonds to be currently refunded: NA years. 32 Enter the remaining weighted average maturity of the bonds to be advance refunded: NA years. 33 Enter the last date on which the refunded bonds will be called: NA. 34 Enter the date(s) the refunded bonds were issued: NA.

Part VII Miscellaneous. 35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5): NA. 36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions): NA. b Enter the final maturity date of the guaranteed investment contract. 37 Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units: NA. b If this issue is a loan made from the proceeds of another tax-exempt issue, check box and enter the name of the issuer and the date of the issue. 38 If the issuer has designated the issue under section 266(b)(3)(B)(iii) (small issuer exception), check box. 39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box. 40 If the issuer has identified a hedge, check box.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Please Sign Here. Signature of issuer's authorized representative, Date, Type of print name and title.