

ORDINANCE # 09-08

AN ORDINANCE AMENDING ORDINANCE #07-63

WHEREAS, the Village of Chatham, 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; and

WHEREAS, the President and Board of Trustees of the Issuer (the "Corporate Authorities") adopted Ordinance #07-63 on October 23, 2007 ("Certificate Ordinance"); and

WHEREAS, the Issuer thereafter issued its \$2,500,000 Debt Certificate (Waterworks System), Series 2007 (the "Debt Certificate") to Bank & Trust Company, Litchfield, Illinois (the "Purchaser"); and

WHEREAS, the Debt Certificate bears interest at a rate equal to 3.75% per annum and matures on April 1, 2009; and

WHEREAS, the Corporate Authorities and the Purchaser desire to reduce the interest rate of the Debt Certificate to 3.00% per annum and extend the maturity date to April 1, 2010.

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

1. *Incorporation of Definitions.* All definitions contained in the Certificate Ordinance shall have the same meaning in this ordinance except as modified herein.
2. *Amendment of Interest Rate.* All references to the interest rate in the Debt Certificate and the Certificate Ordinance are amended from 3.75% to 3.00% effective April 1, 2009.
3. *Amendment of Maturity Date.* All references to the Maturity Date in the Debt Certificate and the Certificate Ordinance are amended from April 1, 2009 to April 1, 2010.
4. *Amendment of Ordinance Definition.* All references in the Debt Certificate and the Certificate Ordinance to the "Ordinance" are amended to mean the Certificate Ordinance as amended by this Ordinance.
5. *Amendment of Form of Debt Certificate.* The form of the Debt Certificate contained in Section 11 of the Certificate Ordinance is deleted and there is substituted in lieu thereof the form of the Debt Certificate attached hereto as Exhibit A.
6. *Issuance of Modified Debt Certificate.* The President and other officers of the Issuer are authorized and directed to exchange with the Purchaser the Debt Certificate as modified by this Ordinance for the original Debt Certificate issued to the Purchaser.

7. Designation as Qualified Tax-Exempt Obligation. The Corporate Authorities hereby designate the Debt Certificate as amended herein a "qualified tax-exempt obligation".

8. 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 Debt Certificate to not 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 Debt Certificate; (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 Debt Certificate; (5) to file Form 8038-G with the Internal Revenue Service and such other 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.

9. Ratification. Except as modified herein, Ordinance #07-63 is ratified and approved.

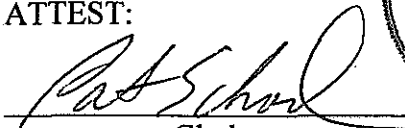
10. Repealer. This Ordinance shall be effective upon adoption. All ordinances, resolutions or orders, or parts thereof, in conflict with the provisions of this Ordinance are to the extent of such conflict hereby repealed.

PASSED by the Board of Trustees on March 10, 2009.

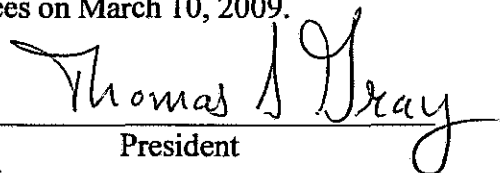
APPROVED: March 10, 2009.

RECORDED in the Records of the Board of Trustees on March 10, 2009.

(SEAL)
ATTEST:


Clerk




President

AYES: 6 HERR, SCHATTEMAN, BOYLE, REYNOLDS,
M^oGRATH, KAUNAGH

NAYS: 0

ABSENT: 0

EXHIBIT A

**UNITED STATES OF AMERICA
STATE OF ILLINOIS**

**THE VILLAGE OF CHATHAM,
SANGAMON COUNTY
DEBT CERTIFICATE (WATERWORKS SYSTEM)
SERIES 2007**

REGISTERED NO. R-2

REGISTERED \$2,500,000

MATURITY DATE:
April 1, 2010

DATED DATE:
October 30, 2007

Registered Owner: BANK & TRUST COMPANY

Principal Amount: TWO MILLION FIVE HUNDRED THOUSAND DOLLARS

KNOW ALL PERSONS BY THESE PRESENTS that the Village of Chatham, Sangamon County, Illinois (the "Issuer") hereby acknowledges itself to owe and for value received promises to pay from the source and as hereinafter provided to the Registered Owner identified above, or registered assigns, the Principal Amount identified above and to pay interest on such Principal Amount from the later of the Dated Date of this Certificate identified above or from the most recent interest payment date to which interest has been paid or duly provided for, at a rate of interest equal to 3.75% per annum, adjusted to 3.00% per annum on April 1, 2009, all as determined in accordance with the provisions of the hereinafter described Ordinance authorizing the issuance of this Certificate, such interest to be payable on April 1, 2010.

The principal and interest of this Certificate are payable to the Registered Owner hereof as shown on the registration books of the Issuer maintained by Bank & Trust Company, Litchfield, Illinois, as paying agent and registrar (the "Certificate Registrar") at the close of business on the applicable Record Date (the "Record Date"). The Record Date shall be the 15th day of the month preceding any interest or principal payment date. Principal and interest shall be paid by check or draft of the Issuer, payable upon presentation in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Certificate Registrar, or as otherwise agreed by the Issuer and the Certificate Registrar.

This Certificate is one of a series (the "Certificates") issued by the Issuer. The Certificates will be issued as one Certificate in the full principal amount. The Certificates are issued for the purpose of providing funds to pay the cost of the Project and Related Expenses for improving the Issuer's waterworks and sewerage system (the "System"), all as described and defined in Ordinance No. 07-63 duly passed by the President and Board of Trustees of the

Issuer on October 23, 2007 as amended by Ordinance No. 07-08 passed March 10, 2009 (collectively, the "Ordinance") authorizing the Certificates, pursuant to and in all respects in compliance with the applicable provisions of the Municipal Code of the State of Illinois, as supplemented and amended, and in particular as supplemented by the Local Government Debt Reform Act of the State of Illinois, as amended, and the other Omnibus Bond Acts of the State of Illinois ("Applicable Law") and in all respects as by law required. The Certificates issued by the Issuer in connection with the Project have been issued in evidence of the indebtedness incurred pursuant to a certain Installment Purchase Agreement (the "Agreement"), dated as of October 30, 2007, entered into by and between the Issuer and the Treasurer, as Seller-Nominee, to which reference is hereby expressly made for further definitions and terms and to all the provisions of which the holder by the acceptance of this certificate assents.

The Certificates are subject to redemption prior to maturity at the option of the Issuer, in whole or in part, on any date, at the redemption price of par, plus accrued interest to the redemption date.

Notice of any such redemption shall be sent by registered or certified mail not less than five (5) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Certificate to be redeemed at the address shown on the registration books of the Issuer maintained by the Certificate Registrar or at such other address as is furnished in writing by such registered owner to the Certificate Registrar. When so called for redemption, this Certificate will cease to bear interest on the specified redemption date, provided funds for redemption are on deposit at the place of payment at that time, and shall not be deemed to be outstanding.

This Certificate is subject to provisions relating to registration, transfer, and exchange; and such other terms and provisions relating to security and payment as are set forth in the Ordinance; to which reference is hereby expressly made; and to all the terms of which the registered owner hereof is hereby notified and shall be subject.

The Issuer and the Certificate Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and neither the Issuer nor the Certificate Registrar shall be affected by any notice to the contrary.

It is hereby certified and recited that all conditions, acts, and things required by the Constitution and Laws of the State of Illinois to exist or to be done precedent to and in the issuance of this Certificate, including Applicable Law as defined herein, have existed and have been properly done, happened, and been performed in regular and due form and time as required by law; that the obligation to make payments due hereon are a lawful direct general obligation of the Issuer payable from the general funds of the Issuer, revenues of the System, and such other sources of payment as are otherwise lawfully available; that the total amount due under the Agreement, represented by the Certificates, together with all other indebtedness of the Issuer, is within all statutory and constitutional debt limitations; and that the Issuer shall budget and appropriate funds annually and in a timely manner so as to provide for the making of all payments hereon when due. THE OWNER OF THIS CERTIFICATE

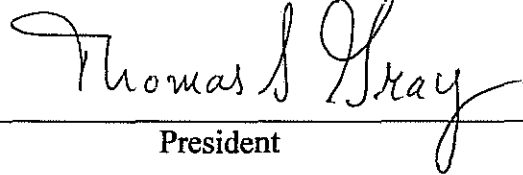
ACKNOWLEDGES THAT THERE IS NO STATUTORY AUTHORITY FOR THE LEVY OF A SEPARATE TAX OR THE LEVY OF A SPECIAL TAX UNLIMITED AS TO RATE OR AMOUNT TO PAY ANY OF THE AMOUNTS DUE HEREUNDER.

The Issuer has designated the Certificates "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

This Certificate shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Certificate Registrar.

IN WITNESS WHEREOF, the Village of Chatham, Sangamon County, Illinois has caused this Certificate to be executed by the manual or duly authorized facsimile signatures of the President and the Clerk of the Issuer, all as of the Dated Date identified above.

THE VILLAGE OF CHATHAM,
SANGAMON COUNTY, ILLINOIS



President

SEAL
ATTEST:



Clerk

CERTIFICATE OF AUTHENTICATION

This Certificate is one of the Certificates described in the within-mentioned Ordinance and is one of the Debt Certificates (Waterworks System), Series 2007 of the Village of Chatham, Sangamon County, Illinois.

Date: April 1, 2009

By: _____
Authorized Officer

Certificate Registrar
and Paying Agent:

Bank & Trust Company
Litchfield, Illinois

ASSIGNMENT

For value received the undersigned sells, assigns and transfers unto _____

[Name, Address and Social Security Number or FEIN of Assignee]

the within Certificate and hereby irrevocably constitutes and appoints _____
_____ attorney to transfer the within Certificate 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 Certificate in every particular, without alteration or enlargement or any change whatever.

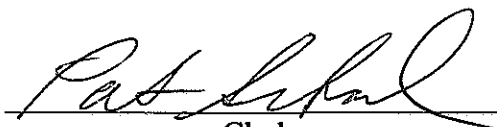
CERTIFICATE

I, Patrick S. Schad, Clerk of the Village of Chatham, Sangamon County, Illinois (the "Issuer"), hereby certify that the foregoing Ordinance No. 07-08 entitled:

AN ORDINANCE AMENDING ORDINANCE #07-63

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 Board of Trustees of the Issuer at a meeting thereof which was duly called and held on March 10, 2009, and at which a quorum was present and acting throughout, and that said copy has been compared by me with the original Ordinance signed by the President of the Issuer and recorded in the records of the Issuer and that it is a correct transcript thereof and of the whole of said Ordinance, and that said 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 this April 1, 2009.


Clerk

(SEAL)

