

AMENDED
ORDINANCE AUTHORIZING LOAN AGREEMENT

AN ORDINANCE authorizing the CITY OF NOKOMIS OF MONTGOMERY COUNTY, ILLINOIS to borrow funds from the Public Water Supply Revolving Loan Fund.

WHEREAS the CITY OF NOKOMIS, Montgomery County, Illinois the ("City"), operates its waterworks and sewerage system (the "System") and in accordance with the provisions of the Illinois Municipal Code (65 ILCS 5/11-129-1 et seq.) and the Local Government Debt Reform Act, (30 ILCS 3501/1 et seq., and Illinois Municipal Code and (65 ILCS 5/8-4-1 et seq.) (collectively "The Act".)

WHEREAS the City Council of the CITY (the "Corporate Authorities") have determined that it is advisable, necessary and in the best interests of public health, safety and welfare to improve the System, including the following:

Construction of new water treatment plant, sanitary sewer with pump station and force main, and new water supply well, together with any land or rights in land and all electrical, mechanical or other services necessary, useful or advisable to such construction and installation (the "Project"), all in accordance with the plans and specifications therefore prepared by consulting engineers to the CITY; and

WHEREAS, it has been determined that it is necessary to construct and improve the new facilities in order to alleviate an emergency condition in said City; and

WHEREAS, the estimated cost of constructing and installing the Project, including engineering, legal, financial, and other related expenses, is \$1,913,100.00, and there are insufficient funds on hand and lawfully available to pay such costs; and

WHEREAS, the costs are expected to be paid for with a loan to the CITY from the Public Water Supply Revolving Loan Fund through the ILLINOIS ENVIRONMENTAL PROTECTION AGENCY (IEPA), said loan to be repaid solely from the income and revenue derived from the operation of such water supply properties, and such loan is authorized to be accepted at this time pursuant to the Act; and

WHEREAS pursuant to and in accordance with the provisions of the Act, the CITY is authorized to borrow funds from the Public Water Supply Revolving Loan Fund in the aggregate principal amount of \$1,823,100.00 for the purpose of providing funds to pay the costs of the Project; and

WHEREAS, the loan to the CITY shall be made pursuant to a Loan Agreement, including certain terms and conditions, between the CITY

and the IEPA;

NOW THEREFORE Be It Ordained by the MAYOR AND CITY COUNCIL OF THE CITY OF NOKOMIS OF MONTGOMERY COUNTY, ILLINOIS, as follows:

SECTION 1. INCORPORATION OF PREAMBLES

The Corporate Authorities hereby find that the recitals contained in the preambles to this ordinance are true and correct and do incorporate them into this ordinance by this reference.

SECTION 2. DETERMINATION TO BORROW FUNDS

It is necessary and in the best interests of the CITY to construct the Project for the public health, safety and welfare, in accordance with the plans and specifications, as described, that the System continue to be operated in accordance with the provisions of the Illinois Environmental Protection Act, (415 ILCS 5/1 et. seq.) and that for the purpose of constructing the Project, it is hereby authorized that funds be borrowed by the CITY in an aggregate principal amount not to exceed \$1,823,100.00.

SECTION 3. PUBLICATION

This Ordinance, together with a notice in the statutory form, shall be published once within ten days after passage in the Free Press Progress, a newspaper published and of general circulation in the City of Nokomis, and if no petition, signed by electors numbering 10% or more of the registered voters in the City of Nokomis and asking that the question of improving the System as provided in this Ordinance and entering into the Loan Agreement therefore be submitted to the electors of the City of Nokomis, is filed with the City of Nokomis Clerk within 30 days after the date of publication of this Ordinance and notice, then this Ordinance shall be in full force and effect. A petition form shall be provided by the City of Nokomis Clerk to any individual requesting one.

SECTION 4. ADDITIONAL ORDINANCES

If no petition meeting the requirements of the Act and other applicable law is filed during the 30-day petition period, then the Corporate Authorities may adopt additional^{this} ordinances, or proceedings supplementing or amending this Ordinance providing for entering into the Loan Agreement with the Illinois Environmental Protection Agency, prescribing all the details of the Loan Agreement, and providing for the collection, segregation and distribution of the Dedicated Revenues, so long as the maximum amount of the Loan Agreement as set forth in this Ordinance is not exceeded and there is no material change in the Project or purposes described herein. Any additional Ordinances or proceedings shall in all instances become effective in accordance with the Act or other applicable law. The City may adopt additional ordinances or proceedings supplementing or amending this Ordinance providing for

the entering into the Loan Agreement with the IEPA, prescribing all the details of said Loan Agreement, and providing for the collection, segregation and distribution of the dedicated revenues, so long as the maximum amount of said Loan Agreement as set forth in this Ordinance is not exceeded and there is no material change in the Project or purposes described herein. Any additional Ordinances or proceedings shall in all instances become effective in accordance with the Act and other applicable law. This Ordinance, together with such additional ordinances or proceedings, shall constitute complete authority for the entering into of said Loan Agreement under applicable law.

However, notwithstanding the above, the CITY may not adopt additional ordinances or amendments which provide for any substantive or material change in the scope and intent of this Ordinance, including but not limited to interest rate, preference or priority of any other ordinance with this Ordinance, parity of any other ordinance with this Ordinance, or otherwise alter or impair the obligation of the CITY to pay the principal and interest due to the Public Water Supply Revolving Loan Fund without the written consent of the IEPA.

SECTION 5. LOAN NOT INDEBTEDNESS OF CITY

Repayment of the loan to the IEPA by the CITY pursuant to this Ordinance is to be solely from the income and revenue derived from the operation of such water supply properties and the loan does not constitute an indebtedness of the CITY within the meaning of any constitutional or statutory limitation.

SECTION 6. RESERVE ACCOUNT

A reserve account shall be established by the City designated as the "Waterworks Reserve Account". There shall be deposited in said account an amount equal to one half of one annual payment required to be made by the City on the loan pursuant to the terms of the loan agreement. Said account may be funded by the City by making 12 monthly installments over a year.

SECTION 7. ACCEPTANCE OF LOAN AGREEMENT

THE MAYOR hereby authorizes acceptance of the offer of a loan through the Public Water Supply Revolving Fund, including all terms and conditions of the Loan Agreement as well as all special conditions contained therein and made a part thereof by reference. THE MAYOR further agrees that the loan funds awarded shall be used solely for the purposes of the project as approved by the IEPA in accordance with the terms and conditions of the Loan Agreement.

SECTION 8. AUTHORIZATION OF MAYOR TO EXECUTE THE LOAN AGREEMENT

The MAYOR and City Clerk are hereby authorized and directed to

execute the Loan Agreement with the IEPA.

SECTION 9. SEVERABILITY

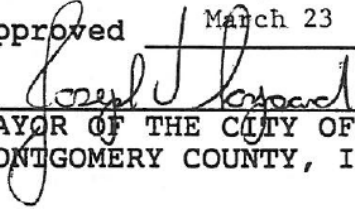
If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance.

SECTION 10. REPEALER

All ordinances, resolutions or orders, or parts thereof, which conflict with the provisions of this ordinances are to the extent of such conflict hereby repealed.

PASSED BY THE CITY COUNCIL OF THE CITY OF NOKOMIS
on March 23, 1998.

Approved March 23, 1998.


MAYOR OF THE CITY OF NOKOMIS,
MONTGOMERY COUNTY, ILLINOIS

ATTEST:


City Clerk

AYES: 4

NAYS: 0

ABSENT: 1

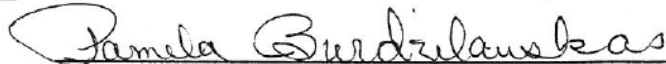
STATE OF ILLINOIS)
)
COUNTY OF MONTGOMERY)
)
CITY OF NOKOMIS)

I, Pamela Burdzilauskas, City Clerk of the City of Nokomis, Illinois, do hereby certify that the above and foregoing Ordinance entitled:

Amended Ordinance Authorizing Loan Agreement

was duly passed by the City Council of said City on the 23rd day of March 1998, and was afterwards on the same day and date duly approved by the Mayor of said City.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Corporate Seal of the said City of Nokomis, Illinois, this the 23rd day of March, 1998.



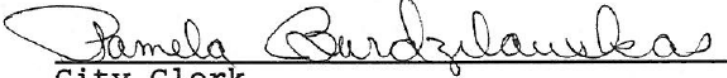
Pamela Burdzilauskas, City Clerk
of the City of Nokomis, Illinois.

(Corporate Seal)

NOTICE OF INTENT TO BORROW FUNDS
AND RIGHT TO FILE PETITION

Notice is hereby given that, pursuant to Ordinance Number 843, adopted on March 23, 19 98, the City of Nokomis, Montgomery County, Illinois (the "City"), intends to enter into a Loan Agreement with the Illinois Environmental Protection Agency in an aggregate principal amount not to exceed \$ 1,823,100.00 and bearing annual interest at an amount not to exceed the maximum rate authorized by law at the time of execution of the Loan Agreement, for the purpose of paying the costs of certain improvements to the public water supply system of the City. A complete copy of the Ordinance accompanies this Notice.

Notice is hereby further given that if a petition signed by 170 or more electors of the City (being equal to 10% of the registered voters in the City, requesting that the question of improving the water supply system and entering into the Loan Agreement therefore is submitted to the City Clerk within 30 days after the publication of this Notice, the question of improving the public water supply system of the City as provided in the Ordinance and Loan Agreement shall be submitted to the electors of the City at the next appropriate consolidated election date to be held on November 3, 19 98. A petition form is available from the office of the City Clerk.



City Clerk,
City of Nokomis, Montgomery County,
Illinois