

ORDINANCE NO. 66-2

An Ordinance Providing For the Issuance of Refunding Revenue Bonds Designated as Electric Revenue Bonds, Series of 1966 of the Village of Chatham, Sangamon County, Illinois, in the Principal amount of \$60,000 for the purpose of the Rehabilitation, Extension and Alteration of the Electric Utility System of said Village of Chatham.

WHEREAS, the Village of Chatham, Sangamon County, Illinois, has for many years owned and operated a municipal electric utility system which is now inadequate for the needs of said Village and its residents, and the Village Board of said Village after a detailed study has approved the engineering report and supporting data of Warren & Van Pragg, Inc., of Decatur, Illinois, Consulting Engineers for said Village, recommending that said Village acquire, construct and install improvements and extensions to said system, including changes and alterations to the existing primary feeders and the conversion of said primary feeders from a 2400 Volt Delta connection to a 2400/4160 Volt Wye connection feeder and additions and replacements of existing certain transformers, poles, cross arms, guies, and other appurtenances and said Village Board has determined that the acquisition, construction and installation of such improvements and extensions is feasible and in the public interest and necessary for the health, safety, sanitation and general welfare of said Village and its residents; and

WHEREAS, said Village will need to issue its bonds under the authority of Division 119 of Article 11 of the Illinois Municipal Code, approved May 29, 1961, and all other laws amendatory thereof and supplementary thereto, to pay all costs thereof; and the income and revenues derived and to be derived from the operation of said system are determined to be adequate for the payment of the Electric Revenue Bonds so proposed to be issued under this Ordinance.

NOW, THEREFORE, Be It Ordained by the Village Board of the Village of Chatham, Sangamon County, Illinois, as follows:

Section 1. Definitions. For the purpose of this Ordinance, the following words, terms and phrases shall have the following meanings:

(A) The Village of Chatham is hereinafter designated the "Village."

(B) The governing body of said Village is hereinafter designated the "Village Board."

(C) The words "Electric System" and "System" shall include all of the properties and facilities of the complete electric light system and distribution system of said Village as now existing, and, as they may hereafter be improved or extended, and all improvements, additions and extensions thereto or replacements thereof hereafter constructed or acquired by purchase, contract, or otherwise, whether lying within or without the boundaries of said Village; and all contracts, rights agreements, leases and franchises of every nature owned or to be owned by said Village and used or useful or held for use in the operation of the System or any part or portion thereof.

(D) The word "Revenues" shall mean and include all income, moneys and receipts to be received directly or indirectly from the continued use and operation of the System, including, without limiting the generality of the foregoing, interest received on, and profits realized from the sale of investments made with the moneys of the System.

(E) The phrase "Current Expenses" shall mean all costs reasonably incurred in connection with the continued operation, use and maintenance of the System and the purchase of electric power; including repairs and renewals (other than capital improvements) necessary to keep the System in efficient and economical operating condition, the payments of premiums for insurance hereinafter required to be carried on the System, the fees of the paying agent of the Bonds, the expenses incurred for the annual audit hereinafter required to be made, and generally all expenses (exclusive of depreciation) which under good accounting practice are properly chargeable to, and are reasonable and necessary to, the

efficient operation and maintenance of the System.

(F) The term "Net Revenues" shall mean that portion of the Revenues remaining after providing sufficient funds for the Current Expenses of the System as defined in Section I (E) hereof.

(G) The word "Bonds" and the phrase "Series of 1966 Bonds" shall mean each of the \$60,000 principal amount of Bonds authorized to be issued under the terms of this Ordinance.

(H) The word "Ordinance" shall mean and include this Ordinance adopted by the Village Board of the Village of Chatham, Sangamon County, Illinois, on the 19th day of May, 1966.

(I) The phrase "Consulting Engineers" shall mean and include Warren & Van Pragg, Inc.

Section 2. Authorization of Electric System Improvements.

That it is determined necessary and in the public interest to acquire, construct and install needed improvements and extensions to the System, as hereinabove described in the preambles hereto and as referred to in said engineering report and supporting data of said Consulting Engineers, at a cost estimate of approximately \$100,000, and it is determined further that the period of usefulness of said System will be thirty (30) years from the date of completion of said improvements and extensions.

Section 3. Authority and Mode of Payment of System Improvements.

That for the purpose of providing funds to pay for the cost of acquiring, constructing and installing improvements and extension to said systems as hereinabove described, together with the payment of proper and incidental expenses in connection therewith, the said Village Board of the Village of Chatham has provided for the use and setting aside an expenditure of approximately \$40,000 of surplus funds now on hand of the electric utilities system of the Village of Chatham, Sangamon County, Illinois and the balance of \$60,000, for the completion of the payment of said improvement and extensions to be provided for by the issuance and sale of \$60,000 electric revenue bonds, Series 1966 as

provided for hereinafter in accordance with the terms of this Ordinance.

Section 4. Authorization of Bonds. That for the purpose of providing funds to pay the cost of acquiring, constructing and installing said improvements and extensions to said System, as hereinabove described, together with the payment of all proper and incidental expenses in connection therewith, there is hereby created an issue of Bonds of said Village aggregating the principal amount of \$60,000 as provided by Division 119 of Article 11 of the Illinois Municipal Code, approved May 29, 1961, and all other laws thereunto enabling. Said Bonds are hereby authorized and shall be designated "Electric Revenue Bonds, Series of 1966", in the form of negotiable coupon Bonds, dated June 10, 1966, numbered from one (1) and upwards in consecutive order ending with number ten (10), of \$6,000 denomination, and shall be expressed to mature serially on June, 10th in each of the years and in amounts as follows (subject to the right of redemption prior to maturity as hereinafter expressed):

\$ 6,000 - 1967	\$ 6,000 - 1972
\$ 6,000 - 1968	\$ 6,000 - 1973
\$ 6,000 - 1969	\$ 6,000 - 1974
\$ 6,000 - 1970	\$ 6,000 - 1975
\$ 6,000 - 1971	\$ 6,000 - 1976

All Bonds maturing on June 10 in each of the years 1967 through 1976 shall be redeemable prior to their maturity at the option of the Village in whole or in part from any funds which may be available for that purpose on any interest payment date on or after June 10, 1967, in inverse numerical order, at the price of par, together with the unpaid interest accrued thereon to the date fixed for prior redemption.

Section 5. Notice of Redemption. Written notice of redemption of any or all of said redeemable Bonds shall be given by the Village and shall specify the number or numbers of the Bond or Bonds called

for prior redemption, the terms and date and place of redemption (which shall be the paying agent of said Bonds). Notice in writing shall be at least thirty (30) days preceding such redemption date, and when any such Bonds shall have been called for prior redemption and payment made or provided for in accordance with the terms of this Ordinance, interest thereon shall cease from and after the redemption date so specified.

Section 6. Registration of Bonds. That each of said Bonds and the coupons attached thereto shall be payable to bearer, provided, however, that such Bonds must be subject to registration as to principal only at any time prior to maturity in the name of the holder thereof on the books of the City Treasurer, herein designated Registrar, of said Bonds, such registration to be noted on the reverse side of the Bonds by said Registrar and thereafter the principal of such Bonds shall be payable only to the registered holder, his legal representatives or assigns. Such registered Bonds shall be transferred to another registered holder or back to bearer only upon presentation to the Registrar with a legal assignment duly acknowledged or approved. Registration of any such Bonds shall not affect the negotiability of the coupons thereto attached, but such coupons shall be transferable by delivery merely.

Section 7. Rate of Interest and Place of Payment. That said Bonds shall bear interest from date thereof until paid at the rates of Four and one-half per cent (4 1/2%) per annum for the Bonds maturing 1967 through 1976; and shall be payable as to both principal and interest in lawful money of the United States of America at the Chatham Community Bank, Chatham, Illinois. Interest falling due on said Bonds on and prior to their maturity shall be represented by single interest coupons to be attached to said Bonds, and such interest shall be payable semiannually on the Tenth day of June and December in each year until paid, commencing December 10, 1966.

Section 8. Execution of Bonds. The said Bonds shall be signed by the Mayor, attested by the Village Clerk and sealed under the corporate seal of said Village, and the interest coupons attached to said Bonds may be executed by the facsimile signatures of said Mayor and said Village Clerk, who by the execution of said Bonds shall adopt as and for their own proper signatures their respective facsimile signatures appearing on said coupons or said coupons may be executed by the signatures of said Mayor and Village Clerk.

Section 9. Form of Bond. That the form of said Bonds shall be substantially as follows with appropriate omissions and insertions to give effect to differences of number, maturity dates, rates of interest, terms of prior redemption and recitals:

(Form of Bond)

UNITED STATES OF AMERICA

STATE OF ILLINOIS

COUNTY OF SANGAMON

VILLAGE OF CHATHAM

ELECTRIC REVENUE BOND, SERIES OF 1966

Number

\$ 6,000

KNOW ALL MEN BY THESE PRESENTS that the Village of Chatham, County of Sangamon and State of Illinois, for value received hereby promises to pay to bearer, or to the registered holder hereof if this Bond be registered as to principal as hereinafter provided, sold from the revenues pledged for that purpose as hereinafter specified, the sum of Six Thousand Dollars (\$6,000) on June 10, 19__ (unless this Bond is sooner redeemed in accordance with the terms of prior redemption hereinafter specified), and to pay interest on said sum from the date hereof at the rate of Four and one-half per cent (4 1/2%) per annum, payable semiannually on the 10th day of June and December of each year, commencing December 10, 1966, until the principal hereof shall have been paid. Interest accruing on this Bond on and prior to the

maturity date hereof shall be payable upon presentation and surrender of the interest coupons hereto attached as they subsequently become due, but no interest shall accrue on this Bond after the maturity hereof unless this Bond be presented for payment at maturity and be not then paid.

Both the principal hereof and interest hereon are payable in lawful money of the United States of America at the Chatham Community Bank, Chatham, Illinois.

This Bond is one of a total authorized issue of \$60,000 aggregate principal amount authorized, executed, issued, negotiated and delivered as one bond issue designated "Electric Revenue Bonds, Series of 1966," to provide funds for payment of the estimated cost of improvements and extensions to the electric light plant and system now owned and operated by said Village, all as provided by the Constitution and laws of the State of Illinois, including Division 119 of Article 11 of the Illinois Municipal Code, approved May 29, 1961, and all other laws amendatory thereof or supplementary thereto, all as more fully described in that certain Ordinance No. 66-2 adopted by the Village Board of the Village of Chatham on the 19th day of May, 1966.

This Bond and all other Bonds of said total authorized issue of \$60,000 aggregate principal amount are payable solely as to principal and interest from the revenues derived from the operation of the electric light plant and system now owned and operated by said Village, and are coequal as to the pledge of and lien on said revenues securing the payment thereof, 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 said Bonds. This Bond and the Series of which it is one, do not constitute an indebtedness of said Village of Chatham within the meaning of any Constitutional or statutory limitation, and the taxing powers and general credit of said Village are not pledged to the

payment of the principal hereof or the interest hereon.

The Bonds maturing on June 10 in each of the years 1967 through 1976 shall be redeemable prior to their maturity at the option of said Village in whole or in part from any funds which may be available for that purpose on any interest payment date on or after June 10, 1967, in inverse numerical order, at the price of par, together with the unpaid interest accrued thereon to the date fixed for prior redemption.

Notice of redemption of any or all of said Bonds shall specify the number or numbers of the Bond or Bonds called for prior redemption, the terms and date and place of redemption (which shall be the place of payment), shall be in writing to the registered Bond Holder, agent, trust or legal representative of the Bond Holder, and shall be filed at the place of payment of the principal of and interest on such Bonds. The written notice shall be at least thirty (30) days preceding such redemption date, and when any such Bonds shall have been called for prior redemption and payment made or provided for in accordance with the terms of said Ordinance, interest thereon shall cease from and after the redemption date so specified.

This Bond may be registered as to principal in the name of the holder, agent, trust or legal representative on the books of the Registrar, such registration to be noted on the back hereof and thereafter the principal hereof shall be payable only to said registered holder, his legal representatives or assigns. After such registration, no transfer hereof shall be valid unless made on said books by the registered holder in person or by attorney duly authorized in writing and similarly noted hereon, but this Bond may be transferred in like manner to bearer and thereupon transferability by delivery shall be restored and it may again from time to time be registered or transferred to bearer as before. Such registration, however, shall not restrict the negotiability

of the coupons hereto appertaining which shall be transferable by delivery merely and payable to the bearer thereof.

This Bond and all other Bonds of the Series of which it is one shall have all of the qualities of negotiable instruments and during such time this Bond is payable to bearer the same and each of the coupons hereto appertaining may be negotiated by delivery by any person having possession thereof, howsoever such possession may have been acquired, and any holder who shall have taken this Bond while so payable to bearer or any of said coupons from any person for value and without notice shall thereby acquire absolute title to this Bond or to such coupons, as the case may be, free of any defenses enforceable against any prior holder and free from all equities and claims of ownership of any such prior holder, and said Village of Chatham and any paying agent hereof may deem and treat the bearer of this Bond, or if registered, the person in whose name it is registered, and the holder of any interest coupons appertaining hereto, as the absolute owner hereof and thereof for all purposes.

Said Village of Chatham hereby covenants with the holder of this Bond that it will keep and perform all the covenants and agreements in said Ordinance adopted by the Village Board of said Village of Chatham authorizing the issue hereof and the Series of which it is one and hereby irrevocably further covenants to maintain and collect rates, fees and charges for all services supplied by its electric light plant and system, sufficient to pay the cost of the operation and maintenance of said system and to pay the principal of and interest upon all Bonds of the Series of which this Bond is one, until all of such Bonds have been paid in full, both as to principal and interest, and to maintain the Electric Fund and the several accounts created under said Ordinance authorizing this Bond.

Said Village reserves the right to issue additional Bonds

payable from the revenues of said system on a complete parity with this Bond and the Series of Bonds of which it is one, in accordance with and subject to the covenants, limitations, conditions and restrictions contained in said Ordinance authorizing this Bond and to which said Ordinance reference is hereby made for more complete and full particulars concerning the provisions for the security and payment of the Bonds authorized thereunder and all additional Bonds on a parity therewith, and said Village further reserves the right to transfer funds from the Surplus Account for Village purposes as contained in said Ordinance authorizing this Bond to which Ordinance reference is hereby made for more complete and full particulars as to such transfers.

It is hereby further certified and recited that all acts, conditions and things required to exist, to happen and be performed precedent to and in the issuance of this Bond and the Series of Bonds of which it is one, have existed, have happened and have been performed in due form, time and manner as required by law.

IN WITNESS WHEREOF, said Village of Chatham by its Village Board has caused this Bond to be signed by its Mayor, its corporate seal to be hereto affixed, attested by the Village Clerk and the coupons hereto attached to be signed by the signatures of said Mayor and Village Clerk, or facsimile signatures of the said Mayor and Village Clerk, which officials by the execution of this Bond do adopt as and for their own proper signatures their respective facsimile signatures appearing on said coupons, and this Bond to be dated the 10th day of June, 1966.

VILLAGE OF CHATHAM

By _____
Mayor

Attest:

Village Clerk

(Form of Coupon)

Number

\$

On the 10th day of _____, 19____, the Village of Chatham, County of Sangamon, Illinois (unless the within mentioned Bond has theretofore been called for payment as therein provided and payment made or provided for), will pay to bearer solely from the revenues referred to in the said Bond to which this coupon is attached

Dollars(\$ _____) in lawful money of the United States of America at Chatham Community Bank, Chatham, Illinois, being six months interest then due on its Electric Revenue Bond, Series of 1966, dated June 10, 1966 and numbered

Mayor

City Clerk

(Form for Registration of Principal)

NOTICE: No writing below except by the Registrar

Date of Registration

Name and Address of Registered Owner

Signature of Registrar

Section 10. Pledge of Revenues. That the Net Revenues are hereby pledged to the payment of the principal of and the interest on the Bonds and the Parity Bonds, and the Bonds and Parity Bonds shall be secured by a prior and paramount pledge of and lien on the Net Revenues.

All of the Bonds and Parity Bonds shall be equally and ratably secured by said pledge and lien without priority or preference one over the other by reason of Series designation, date of issue, purpose of issue, number, maturity, terms of redemption prior to maturity, date of sale or delivery, or otherwise.

Section 11. Electric Fund and Accounts. That for the purpose of this Ordinance, the First Fiscal Year shall commence upon the initial delivery of any of the Bonds or Parity Bonds and, so long as any of the Bonds or Parity Bonds remain outstanding, all of the Revenues shall from day to day as collected be deposited by the Village in a fund separate and apart from all other Village funds, which is hereby created and designated the "Electric Fund of the Village of Chatham"(sometimes hereinafter referred to as the "Electric Fund"), and all moneys and investments therein shall be used solely for maintaining the following Accounts, which are hereby created, into which there shall be credited as of the first business day of each month all moneys held in said Electric Fund, in accordance with the following priority:

(A) Operation and Maintenance Account. There shall be first credited to the Operation and Maintenance Account from month to month as needed during each Fiscal Year, the amounts needed to pay Current Expenses in each Fiscal Year. The Superintendent of the System may accumulate as an expense of operation and maintenance equitable allowances for accruals and accumulations of accruals of amounts to cover the periodic payments of Current Expenses, including such items as insurance premiums.

(B) Bond and Interest Account. There shall be next credited to the Bond and Interest Account an amount equal to not less than one-sixth (1/6) of the interest becoming due on said Bonds and Parity Bonds on the next succeeding interest payment date, and an amount

equal to not less than one-twelfth (1/12) of the principal becoming due on the next succeeding principal payment date of said Bonds and Parity Bonds, except that prior to the payment of the first maturing Bonds and Parity Bonds and interest coupons attached thereto, such additional or greater payments shall be made as may be necessary to assure the prompt payment of the first maturing Bonds and Parity Bonds and the interest coupons attached thereto when due. All moneys in said Account shall be used only for the purpose of paying interest on and principal of the Bonds and Parity Bonds, and funds sufficient to pay such interest or principal or both, together with the fees of the paying agent, shall be transmitted to the paying agent not less than fifteen (15) days prior to each current maturity date of either interest or principal, or both.

(C) Bond and Interest Reserve Account. Beginning on the first day of the month in which any of the Bonds shall be delivered, there shall be credited to the Bond and Interest Reserve Account the sum of \$100 each month until said Account contains the minimum sum of \$6,000. The moneys in said Account shall be used only to pay principal of or interest on the Bonds and Parity Bonds when there are insufficient funds available at any time to pay such principal or interest from any other source; provided, if any transfers are so made from said Account, or if at any time the moneys and investments in said Account shall have a value less than the minimum sum of \$6,000 required to be on deposit therein, such deficiency shall be remedied by a resumption of such monthly payments until said Account has been restored to not less than the minimum sum of \$6,000. Whenever there is on deposit in the Bond and Interest Reserve Account not less than the minimum sum of \$6,000, the moneys in said Account, in excess of said minimum sum of \$6,000, including the moneys received by transfer from the Surplus Account as described in Subparagraph (E)(ii)

ADDITIONAL

~~remaining~~ one-fourth (1/4) shall be transferred to

said Replacement and Improvement Account.

(ii) After each of said Accounts contains the minimum amount required to be accumulated therein as specified in Subparagraphs (C) and (D), respectively, of this Section 11, any remaining balance at the end of each Fiscal Year shall be transferred as the Village Board by Motion or Resolution shall designate, (A) For any village purposes designated by the Village Board, (B) to the Replacement and Improvement Account or (C) to the Bond and Interest Reserve Account or (D) for the payment of the principal of or interest on any bonds hereafter issued that are payable from the surplus revenues of the System, junior and subordinate in all respects to the pledge of the Net Revenues for the payment of the Bonds and Parity Bonds and for maintaining the Accounts described in Subparagraphs (A) through (D) of this Section 11.

(F) Cumulative Requirements. If in any month the moneys in the Electric Fund are insufficient to meet the amount of the transfers required to be made in the Operation and Maintenance Account, the Bond and Interest Account, the Bond and Interest Reserve Account and the Replacement and Improvement Account as herein required, any such deficiency shall be made up from the first Revenues thereafter received and available for such transfer under the terms of this Ordinance, and the transfer of any such sum or sums into said Operation and Maintenance Account, Bond and Interest Account, Bond and Interest Reserve Account and Replacement and Improvement Account as may be necessary to make up such deficiency shall be in addition to the then current transfers herein required to be made.

Section 12. Investment of Funds. Moneys in any of the Accounts hereinabove created may by Motion or resolution of the Village Board be invested from time to time in interest bearing bonds

or other direct general obligations of the United States Government maturing not later than twenty (20) days prior to the earliest date on which said Village Board estimates the moneys in said Accounts will be needed, but, in no event, later than two (2) years after the date of such investment of any moneys in the Bond and Interest Reserve Account and Replacement and Improvement Account, or in Certificates of Deposit. Such securities shall be sold from time to time without further authority of the Village Board as may be needed for the purpose for which said Accounts have been created, and all accrued interest on any funds so invested or any profit realized from such investment shall be paid into the Electric Fund. All uninvested money on hand shall be deposited in banks selected as depositaries by the Village Board from time to time, and all such bank accounts shall be separate from all other Village bank accounts and shall be secured in the manner, form and time as by law required for the deposit of public funds.

Section 13. General Covenants. That the Village covenants and agrees with the successive holders from time to time of the Bonds and Parity Bonds and the coupons representing interest thereon, that so long as any of the Bonds and Parity Bonds remain outstanding and unpaid as to either principal or interest:

(A) Operation and Maintenance. The Village will maintain the System in good repair and working order and will operate it efficiently and will faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the State of Illinois, and, in order to assure the efficient management and operation of the System and to assure the holders from time to time of the Bonds and Parity Bonds that same will be operated on sound business principles, will employ competent and experienced

management for the System, will use its best efforts to see that the System is at all times operated and maintained in first class repair and condition and in such manner that the operating efficiency thereof shall be of the highest character, and will use its best efforts to see that the cost of such operation and maintenance is at no time in excess of the Revenues reasonably available for the payment thereof.

(B) Rate Covenant. The Village will charge and collect sufficient rates for the services supplied by the System to continually provide and maintain the sums of money required for each of the Accounts described in Section 11, and will not permit free service to be supplied by the System to any person, firm or corporation, public or private, or to any other public agency or instrumentality, and will not grant a franchise or permit the operation of any competing electric light plant and system in said Village.

(C) Records and Audit. The Village will cause to be kept proper books of record and account covering the operation of the System in accordance with standard accounting practices and procedures customarily used for systems of similar nature, and will cause such books to be audited annually by an independent certified public accountant or firm of accountants and, within ninety (90) days after the close of each Fiscal Year, will make available to the original purchasers upon request copies of said report accompanied by a certificate by said accountant or firm of accountants showing in reasonable detail the Revenues and expenditures of the System for such year, the amounts in the hands of its depositaries, a schedule of all insurance in force, and the number of customers of the System at the close of such year. Said audit report shall be available at any reasonable time to the holders of any of the Bonds and Parity Bonds.

(D) Insurance. The Village will take out and maintain or

otherwise provide for insurance on the System of the kinds and in the amounts which are usually carried by private companies operating similar properties. All moneys received for losses under such insurance policies, other than public liability policies, are hereby pledged by the Village as security for all Bonds and Parity Bonds until and unless such proceeds are paid out or obligated making good the loss or damage in respect of which such proceeds are received, either by repairing the property damaged or replacing the property destroyed, and adequate provision for making good such loss and damage made within ninety (90) days from the date of the loss, or, in the event the destroyed property is no longer useful in the operation of the System, the proceeds of the insurance shall be deposited in the Electric Fund.

(E) Budget. That prior to the expiration of any Fiscal Year it will adopt an annual budget for the operation and maintenance of the System for the ensuing Fiscal Year showing the estimated receipts and expenditures of all Revenue to be derived from the operation of the System for said Fiscal Year in accordance with accepted principles of accounting.

(F) Title to System. The Village has good and marketable title to all properties, real, personal and mixed, of the System and will not sell or in any manner encumber or dispose of the System or any substantial part thereof until all of the Bonds and Parity Bonds have been paid in full as to both principal and interest; Provided, that this covenant shall not be construed to prevent the disposal by the Village of property which in its judgment has become inexpedient to use in connection with the System when other property of equal value is substituted therefor.

(G) Construction of Improvements. The Village will commence and complete the acquisition and construction of the improvements

and extensions for which the Bonds are herein authorized with all practical dispatch and will cause all acquisition and construction to be effected in sound and economical manner.

(H) Taxes and Claims. The Village will from time to time duly pay and discharge or cause to be paid and discharged all taxes, assessments and other governmental charges, if any, lawfully imposed upon the System or any part thereof or upon the Revenues, as well as any lawful claims for labor, materials or supplies which if unpaid might by law become a lien or charge upon the System or the Revenue or any part thereof or which might impair the security of the Bonds.

(I) Bondholders Remedies. In the event that said Village defaults in complying with any covenant contained in this Ordinance, any holder of any Bond issued hereunder, or of any coupon representing interest accrued thereon, may, either in law or in equity, by any civil action, mandamus, or other proceeding, compel the officials of said Village to perform all duties required by law and by this Ordinance, including the making and collecting of sufficient electric rates for the services of the System and the application and segregation of all income and revenue therefrom in accordance with the requirements of this Ordinance.

(J) Additional Bonds. The City will issue no other bonds or obligations of any kind or nature payable from or enjoying a lien on the Revenues of the System having a priority over or parity with the Bonds and Parity Bonds; provided, however, that additional bonds may hereafter be issued on a parity with the Bonds and Parity Bonds only under the following conditions:

(1) Additional bonds may be issued at one time, or, from time to time, as shall be found necessary and for the best interests of said Village by its Village Board for the purpose of constructing further improvements, replace-

ments and extensions of the System, but only provided,

(i) that the amounts required to be credited to the respective Accounts referred to in Subparagraphs (A) through (D), inclusive, of Section 11 of this Ordinance shall have been credited to said Accounts for the last completed Fiscal Year next preceding the date of issue of such additional bonds; and

(ii) that the Net Revenues of the System for the last completed Fiscal Year next preceding the date of issue of such additional bonds shall have equalled at least One Hundred Twenty-five Per Cent (125%) of the maximum combined principal and interest requirements for any succeeding Fiscal Year of all Bonds and Parity Bonds then outstanding and on the additional bonds then proposed to be issued, during the life of the then outstanding Bonds,

as evidenced by an audit of an independent certified public accountant, which shall be filed with the Village Clerk upon its approval by the Village Board prior to the authorization of such additional bonds.

(2) Notwithstanding the foregoing provisions, said Village reserves the further right to issue additional bonds to refund any of the Bonds or Parity Bonds, provided that such refunding bonds do not bear a rate of interest greater than, or mature at a date earlier than the maturity of, the Bonds or Parity Bonds so to be refunded thereby.

(3) All additional bonds issued as provided and permitted in this Subsection (J), shall be on an equal basis in all respects, and shall mature as to principal on June 10 and as to interest on December 10 and June 10.

Section 14, Sale of Bonds. That said Bonds shall be sold to the Trust Department of the First National Bank of Springfield, Springfield, Illinois, at a price of par and in accordance with its proposal to pur-

chase said Bonds, which proposal is hereby accepted and approved.

When said Bonds have been duly executed as provided herein, the said Bonds shall then be delivered to the Treasurer of said Village who shall receipt for the payment thereof against delivery to said purchaser at said price of par.

The proceeds received from the sale of said Bonds shall be placed in a separate and special account of said Village in a bank designated by the Village Board to be known and designated as the "1966 Electric Construction Fund Account", to be secured in the manner, form and time as by law required for the deposit of public funds, and all moneys and investments held in said Construction Fund Account shall be used and held for use solely to construct the improvements and extensions to the System, as hereinabove described in this Ordinance.

The money in said Construction Account shall be held and paid out solely for the purposes for which the Bonds are herein authorized and until so paid shall be subject to a lien and charge in favor of the holders of the Bonds outstanding at any time and shall be held for the further security of such Bonds until so paid out. The money in said Account shall be paid out only upon checks and warrants of the Village, and each such payment when made to a contractor pursuant to a construction contract must be approved by the Consulting Engineers supervising the acquisition and construction of the proposed improvements and extensions. Each such approval shall be in the form of a written certificate stating that the payment therein approved is being made to pay for materials and property supplied or work satisfactorily completed in substantial accordance with the plans and specifications for the work involved or for other enumerated expenditures properly incurred in connection with such improvements and extensions. Each such certificate shall be signed by the said Consulting Engineers or their duly accredited representative and shall be filed

with the Village Treasurer. When such work shall have been completed in accordance with such plans and specifications and all amounts due therefor shall have been paid, then said Consulting Engineers shall file with the Village Board a certificate so stating and thereupon the Village Treasurer shall promptly deposit such balance in the Bond and Interest Reserve Account.

Section 15. Severability. That if any section, paragraph, clause or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, clause or provision shall not effect any of the remaining provisions of this Ordinance.

Section 16. Effective Date. This Ordinance shall be in full force and effect upon publication thereof in the Chatham Clarion, being a newspaper of general circulation in the Village of Chatham, in the manner, form and time as required by law.

Passed on May 19, A. D. 1966.

Approved:

Leo G. Gorman
MAYOR

ATTEST:

Rosalind Hatten
VILLAGE CLERK

Published on May 27, A. D. 1966, in the Chatham Clarion.

Rosalind Hatten
VILLAGE CLERK