

ORDINANCE NO. 1

AN ORDINANCE PROVIDING FOR THE ISSUANCE OF ONE HUNDRED SIXTY THOUSAND DOLLARS (\$160,000) WATERWORKS REVENUE BONDS OF THE LAKESIDE WATER DISTRICT, JACKSON AND WILLIAMSON COUNTIES, ILLINOIS, FOR THE PURPOSE OF ACQUIRING AND CONSTRUCTING WATERWORKS PROPERTIES FOR SAID DISTRICT, PAYABLE SOLELY FROM THE REVENUES OF THE PROPERTIES; PRESCRIBING THE FORM AND DETAILS OF SAID BONDS; PROVIDING FOR THE COLLECTION OF REVENUES FROM SAID PROPERTIES SUFFICIENT FOR THE PURPOSE OF PAYING THE COST OF THE OPERATION AND MAINTENANCE THEREOF, PROVIDING AN ADEQUATE DEPRECIATION FUND THEREFOR, AND PROVIDING FOR THE PAYMENT OF SAID BONDS, BOTH AS TO PRINCIPAL AND INTEREST; AND FURTHER PROVIDING FOR THE SEGREGATION AND DISTRIBUTION OF SAID REVENUES.

WHEREAS, it appears to the Board of Trustees of the Lakeside Water District, Jackson and Williamson Counties, Illinois, that waterworks properties should be acquired and constructed for the District; and

WHEREAS, heretofore plans and specifications for the properties to be constructed have been prepared by competent engineers and have been approved by the Board of Trustees; and

WHEREAS, the Board of Trustees finds that the cost of such properties will be at least One Hundred Sixty Thousand Dollars (\$160,000) and that this cost must be met through the issuance of bonds of the District payable solely from the revenues to be derived from the operation of the waterworks properties under an Act entitled "An Act to provide for the creation of public water districts, to prescribe the powers and duties of such districts, and to authorize the issuance of revenue bonds by such districts";

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE LAKESIDE WATER DISTRICT, JACKSON AND WILLIAMSON COUNTIES, ILLINOIS, AS FOLLOWS:

SECTION 1. It is hereby declared that plans and specifications for the construction work to be done by the District have been prepared and are now on file and open to the inspection of the general public, and that a general description of the improvements and extensions as set out in said plans and specifications is as follows:

A complete waterworks distribution system consisting of approximately 38,000 feet of 3" and 4" and 6" cast iron or asbestos-cement distribution mains, and a transmission main of approximately 13,000 feet of 6" cast iron or asbestos-cement pipe connecting the distribution system with the waterworks system of the City of Carbondale, the source of water supply, and approximately 4,000 feet of copper service lines, together with meters and fire hydrants and appurtenances required to convey water ultimately to all prospective consumers within the District.

SECTION 2. That the Board of Trustees has heretofore and now again approves said plans and specifications.

SECTION 3. That the Board of Trustees hereby declares that the cost of acquiring and constructing the waterworks properties for the District will be at least One Hundred Sixty Thousand Dollars (\$160,000), including engineering, legal and all other expenses, and that this cost must be met from the proceeds of waterworks revenue bonds.

SECTION 4. That the Board of Trustees hereby declares that the period of usefulness of the waterworks properties is forty (40) years from the date of this ordinance.

SECTION 5. That the waterworks properties, as hereinabove generally described, shall be acquired and constructed.

SECTION 6. That for the purpose of paying the cost of acquiring and constructing the waterworks properties for said District, there shall be and are hereby authorized and directed to be issued Waterworks Revenue Bonds of the Lakeside Water District, Jackson and Williamson Counties, Illinois, in the aggregate amount of One Hundred Sixty Thousand Dollars (\$160,000).

Said bonds shall be dated March 1, 1965;

Shall be numbered from One to One Hundred Sixty (160), both inclusive;

Shall bear interest from the date thereof at the rate of four and one half per centum (4- $\frac{1}{2}$ %) per annum, payable semi-annually on September 1 and March 1 in each year, beginning on September 1, 1965, until the principal of said bonds, respectively, shall have been fully paid, with interest to accrue on and prior to maturity to be evidenced by appropriate coupons to be attached to each of said bonds;

Shall be payable in lawful money of the United States of America at the American National Bank and Trust Company of Chicago, in the City of Chicago, State of Illinois;

Shall be in the denomination of One Thousand Dollars (\$1,000) each,

Shall be numbered and shall mature as follows:

<u>Bond Numbers</u>	<u>Amount</u>	<u>Maturity September 1</u>
1	\$1,000	1969
2	1,000	1970
3	1,000	1971
4	1,000	1972
5 and 6	2,000	1973
7 and 8	2,000	1974
9 and 10	2,000	1975
11 and 12	2,000	1976
13 and 14	2,000	1977
15 and 16	2,000	1978
17 and 18	2,000	1979
19 and 20	2,000	1980
21 and 22	2,000	1981
23 and 24	2,000	1982
25 and 26	2,000	1983
27 to 29	3,000	1984
30 to 32	3,000	1985
33 to 35	3,000	1986
36 to 38	3,000	1987
39 to 41	3,000	1988
42 to 44	3,000	1989
45 to 47	3,000	1990
48 to 50	3,000	1991
51 to 54	4,000	1992
55 to 58	4,000	1993
59 to 62	4,000	1994
63 to 66	4,000	1995
67 to 70	4,000	1996
71 to 75	5,000	1997
76 to 80	5,000	1998
81 to 85	5,000	1999
86 to 90	5,000	2000
91 to 95	5,000	2001
96 to 100	5,000	2002
101 to 160	60,000	2003

The right is reserved unto said District to call in, pay and redeem bonds numbered Thirty Three (33) to One Hundred (100), inclusive, on September 1, 1985, and bonds numbered One Hundred One (101) to One Hundred Sixty (160), inclusive, on September 1, 1975, or, in each case, on any interest payment date thereafter, in the inverse order of their numbers, at par and accrued interest plus a premium equal to one year's interest on the bonds called. Notice of the call of any bond shall be published at least once in a newspaper of general circulation in the City of Chicago, State of Illinois, at least thirty days before the date fixed for its payment. Interest shall cease on any bond so called from and after the date fixed for its payment provided funds are then available for its payment.

SECTION 7. Said bonds shall be executed by the manual signature of the Chairman of the Board of Trustees of said District, and shall be attested by the signature of the Secretary of said Board, with the seal of said District impressed thereon, and the interest coupons to be attached thereto shall be executed by the facsimile signatures of said officials, who, by the execution of said bonds, shall be held to have adopted such facsimile signatures as their own proper signatures.

SECTION 8. That said bonds and the coupons to be attached thereto shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTIES OF JACKSON AND WILLIAMSON
LAKESIDE WATER DISTRICT
4- $\frac{1}{2}$ %
WATERWORKS REVENUE BOND

NO. _____ \$1,000.00

The Lakeside Water District, Jackson and Williamson Counties, Illinois, for value received, hereby promises to pay to bearer or, if this bond be registered, as hereinafter provided, to the registered holder hereof, solely from the revenues of the waterworks properties of said District, and not otherwise, the sum of

ONE THOUSAND DOLLARS

(\$1,000.00) on the first day of September, 19___, with interest thereon from the date hereof at the rate of four and one half per centum (4- $\frac{1}{2}$ %) per annum, payable semi-annually on September 1 and March 1 in each year, beginning September 1, 1965, until the principal of this bond shall have been fully paid. Interest to and including maturity shall be payable upon presentation and surrender of the annexed interest coupons as they severally become due.

Both principal of and interest on this bond are payable in lawful money of the United States of America at the American National Bank and Trust Company of Chicago, in the City of Chicago, State of Illinois.

The right is reserved unto said District to call in, pay and redeem bonds numbered Thirty Three (33) to One Hundred (100) inclusive, on September 1, 1985, and bonds numbered One Hundred One (101) to One Hundred Sixty (160), inclusive, on September 1, 1975, or, in each case, on any interest payment date thereafter, in the inverse order of their numbers, at par and accrued interest plus a premium equal to one year's interest on the bonds called. Notice of the call of any bond shall be published at least once in a newspaper of general circulation in the City of Chicago, State of Illinois, at least thirty days before the date fixed for its payment. Interest shall cease on any bond so called from and after the date fixed for its payment provided funds are then available for its payment.

This bond is one of an authorized issue of one hundred sixty (160) bonds, numbered from One (1) to One Hundred Sixty (160), both inclusive, all of like date,

tenor and effect, except as to date of maturity and provision for redemption prior to maturity, aggregating the sum of One Hundred Sixty Thousand Dollars (\$160,000), issued by Lakeside Water District, Jackson and Williamson Counties, Illinois, for the purpose of paying the cost of acquiring and constructing waterworks properties for said District under authority of "An Act to provide for the creation of public water districts, to prescribe the powers and duties of such districts, and to authorize the issuance of revenue bonds by such districts," and pursuant to an ordinance of said District duly adopted on the _____ day of _____, 1965, reference to which is hereby made with the same force and effect as if said ordinance were set out in full herein.

This bond and the issue of which it is one are payable solely from the revenues derived from the operation of said waterworks properties and not otherwise, and do not constitute an indebtedness of said District within any constitutional or statutory limit.

Under said Act and the ordinance adopted pursuant thereto, the revenues from the operation of the waterworks properties shall be set aside as collected and deposited in a separate fund, designated the "WATER FUND" of said District, and a sufficient amount thereof shall be used solely in paying the cost of maintenance and operation of the waterworks properties, in providing an adequate depreciation fund, and in paying the principal of and the interest on the bonds of said District, payable from the revenues of said properties.

The Lakeside Water District covenants that it will perform all duties required by law and by the ordinance which authorized the issue of which this bond is one; that it will continuously operate said waterworks properties and that it will fix and maintain rates for the services thereof and will collect and account for revenues therefrom sufficient at all times to pay promptly the cost of maintenance and operation of said properties, to provide an adequate depreciation fund and to pay the principal of and the interest on this bond and all the bonds of this issue.

It is hereby certified, recited and represented that all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the issuance of this bond and of the issue of which it is one, in order to make the same valid and binding obligations of said District, do exist, have happened and have been performed in regular and due time, form and manner, as required by law; that this bond and the issue of which it is one, together with all other indebtedness of said District, does not exceed any limit prescribed by law; for the prompt payment of this bond and of the interest to accrue thereon and for the faithful

performance in apt time and manner of every official act necessary therefor, the full faith and the exercise of all lawful powers of the District are hereby pledged.

This bond may be registered as to principal in the name of the holder on the books of said District in the office of the District Treasurer, such registration to be evidenced by notation of said Treasurer on the back hereof, after which no transfer hereof shall be valid unless made on said books and similarly noted hereon, but it may be discharged from registration by being transferred to bearer, after which it shall be transferable by delivery, but it may again be registered as before. The registration of this bond shall not affect the negotiability of the coupons hereto attached, which shall continue negotiable by delivery merely, notwithstanding the registration hereof.

IN WITNESS WHEREOF, the Lakeside Water District, Jackson and Williamson Counties, Illinois, has caused this bond to be signed by the Chairman of its Board of Trustees, and attested by the Secretary of said Board under the seal of said District, and the coupons hereto attached to be signed by the facsimile signatures of said Chairman and said Secretary, who, by the execution of this bond, shall be held to have adopted such facsimile signatures as their own signatures, and this bond to be dated March 1, 1965.

LAKESIDE WATER DISTRICT,
JACKSON AND WILLIAMSON
COUNTIES, ILLINOIS

BY: _____
Chairman, Board of Trustees

Attest:

Secretary, Board of Trustees

(FORM OF COUPON FOR BONDS NUMBERED 1 TO 32)

NO. _____ \$ _____

On the first day of _____, 19____, the Lakeside Water District, Jackson and Williamson Counties, Illinois, will pay to bearer, solely from the revenues of its waterworks properties and not otherwise, the amount shown on this coupon, in lawful money of the United States of America at the American National Bank and Trust Company of Chicago, in the City of Chicago, State of Illinois, being interest then due on its Waterworks Revenue Bond, dated March 1, 1965 and numbered _____.

LAKESIDE WATER DISTRICT,
JACKSON AND WILLIAMSON
COUNTIES, ILLINOIS

By _____
Chairman, Board of Trustees

Attest:

Secretary, Board of Trustees

(FORM OF COUPON FOR BONDS NUMBERED 33 TO 160)

No. _____ \$ _____

On the first day of _____, 19____, unless the bond to which this coupon pertains shall then be callable, shall previously have been called for payment and provision therefor duly made, the Lakeside Water District, Jackson and Williamson Counties, Illinois, will pay to bearer, solely from the revenues of its waterworks properties and not otherwise, the amount shown on this coupon, in lawful money of the United States of America at the American National Bank and Trust Company of Chicago, in the City of Chicago, State of Illinois, being interest then due on its Waterworks Revenue Bond, dated March 1, 1965, and numbered _____.

LAKESIDE WATER DISTRICT,
JACKSON AND WILLIAMSON
COUNTIES, ILLINOIS

By _____
Chairman, Board of Trustees

Attest:

Secretary, Board of Trustees

(FORM OF REGISTRATION CERTIFICATE)

No writing below except by the Treasurer of the Lakeside Water District.

DATE OF REGISTRATION	IN WHOSE NAME REGISTERED	SIGNATURE OF DISTRICT TREASURER
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

SECTION 9. That the bonds authorized hereby, and the interest thereon, shall be payable equally and ratably, solely from the revenues derived from the operation of the waterworks properties of said District, including any improvements and extensions thereto, and shall not constitute an indebtedness or obligation payable from taxes or an indebtedness of said District within the meaning of any constitutional or statutory limitation.

SECTION 10. That from and after the delivery of any bonds issued under the provisions of this ordinance, the waterworks properties together with all future extensions and improvements shall be operated on the basis of a fiscal year beginning on May 1 of each year and ending on April 30 of the ensuing year, and all revenues derived from the operation of the waterworks properties, including all future extensions and improvements, shall be deposited in a separate fund to be designated as the "WATER FUND" and a sufficient amount thereof shall be used only (1) to pay the cost of maintenance and operation of the system, (2) to pay the principal of and the interest on all revenue bonds of said District which may be payable solely from the revenues of said properties, and (3) to provide an adequate depreciation fund; and such fund shall at all times be sufficient for the said purposes.

SECTION 11. That sums in the Water Fund shall be set aside for, allocated to, and deposited in the following separate accounts, which are hereby created in said fund, by the financial officer of the District, without further direction of or action by the Chairman of Board of Trustees of the District, in each and every month as long as any of the bonds authorized hereby or the coupons pertaining thereto remain outstanding and unpaid, as follows:

(1) Into the WATERWORKS OPERATION AND MAINTENANCE ACCOUNT there shall be deposited all receipts and revenues received, and all disbursements for the operation and maintenance of the waterworks properties shall be made from this account.

(2) Into the WATERWORKS DEPRECIATION, EXTENSION AND CONTINGENCY ACCOUNT there shall be deposited each month the sum of One Hundred Dollars (\$100) as long as any of the bonds authorized hereby remain outstanding. Sums in this account shall be used only for such replacements as may be necessary from time to time for the continued effective and efficient operation of the waterworks properties of said District, for future improvements and extensions to the system and for emergency expenses of operation. Sums in this account shall be used to pay interest on bonds if necessary to prevent a default.

(3) After the deposit required by paragraph (2) hereof has been made, all sums remaining in the Waterworks Operation and Maintenance Account shall on the last business day of each month be remitted to American National Bank and Trust Company of Chicago, to be deposited in the LAKESIDE WATER DISTRICT BOND INTEREST AND REDEMPTION ACCOUNT.

Sums in this account shall first be used in the payment of the principal of and the interest on the bonds authorized hereby as the same shall come due.

All remaining sums in said account shall be held therein and shall be disbursed only for the prior redemption of bonds authorized hereby.

Whenever there shall be on deposit in said account an excess over Ten Thousand Dollars (\$10,000), plus the amount of principal due on the next maturity date, plus the amount of interest due on the next interest payment date, and such excess shall be sufficient to retire one or more bonds, then it shall be the mandatory duty of the Board of Trustees to call in and pay such an amount of bonds as will exhaust such excess, as nearly as possible; provided, however, that no payment of bonds prior to maturity shall be permitted to reduce the balance in this account below \$10,000.

SECTION 12. That if the revenues derived from the operation of the waterworks properties should be insufficient at any time to make the payments or deposits required by Section 11 of this Ordinance, the deficiency shall be made good by additional payments to be made out of the first available revenues of said system received during any succeeding month or months. Whenever and as long as sums actually on deposit in the bond interest and redemption account shall equal the principal amount of all outstanding bonds, plus the amount of all interest due thereon until the respective maturity dates of all such bonds, then no further deposits need be made into said account.

SECTION 13. That prior to the allocation of the revenues of the waterworks properties to the several accounts provided by Section 11 hereof, such revenues shall be deposited as received with a bank to be designated by the Board of Trustees. Such bank shall be a member of the Federal Deposit Insurance Corporation. After the allocations and deposits required by Section 11 have been made, sums in the Waterworks Operation and Maintenance Account and in the Waterworks Depreciation, Extension and Contingency Account may continue to be deposited with such bank designated by the Board. All sums in the Bond Interest and Redemption Account shall be deposited with and held as depository by the American National Bank and Trust Company of Chicago, Chicago, Illinois, the paying agent designated for the bonds authorized hereby. The financial officer of the District shall forthwith upon the last business day of each month (as provided by Section 11) remit to said depository all sums required by Section 11 to be deposited and held in said last mentioned account.

The said depository is hereby authorized and directed to pay from the funds on deposit with it all bonds and coupons authorized hereby as they may be presented to it for payment as they come due or as they may have been called for payment prior to maturity. The said depository is further authorized and directed to pay, upon a proper warrant, check or order of the District, the purchase price of securities purchased by the District for the bond interest and redemption account.

SECTION 14. That sums held in the waterworks depreciation account, and in the bond interest and redemption account, may be held by the District as a cash deposit, or subject to the provisions of the law applicable at the time, (now Chapter 102, Sections 29 through 33, Illinois Revised Statutes), may be invested in bonds or other obligations of the United States Government, or unconditionally guaranteed by the United States Government.

SECTION 15. That the Lakeside Water District covenants and agrees with the successive holders of the bonds herein authorized to be issued that it will perform all duties required by law with respect to the operation and maintenance of said waterworks properties, including all improvements and extensions thereto, and with respect to the fixing, maintaining and collecting of the rates, fees and charges for the services and facilities thereof, and the establishment of the accounts herein authorized and created, and all other matters and things required by law and by this ordinance, and that it will do or cause to be done, in apt time and season, each and every official act necessary for the payment of the principal of and the interest on the bonds herein authorized to be issued, as the same shall mature and accrue. Said District further covenants with the successive holders of said bonds as follows:

(a) That it will construct the waterworks properties contemplated by this ordinance, and that as long as any of the bonds or interest coupons authorized by this ordinance are outstanding and unpaid, it will operate and maintain said properties in an efficient manner and at a reasonable cost and will preserve said properties in good repair and condition, and to that end will maintain its corporate existence.

(b) That as long as any of said bonds or the interest coupons pertaining thereto remain outstanding and unpaid, the District shall fix and maintain rates and make and collect charges for the use and service of the waterworks properties, sufficient to pay the cost of maintenance and operation thereof; to provide sums equal to at least 125% of the annual principal of and interest on all revenue bonds or other obligations issued by said District chargeable to the revenues of said system; to provide the sums required to maintain the accounts created by Section 11 hereof, and to provide ample funds to meet all requirements of this ordinance. Such rates shall from time to time be revised so as fully to meet the requirements of this ordinance. No free use of the properties shall be permitted, nor shall any discounts be allowed from the schedule of rates currently in effect.

(c) That as long as any of said bonds or interest coupons shall remain outstanding and unpaid, the said District shall carry and maintain all-risk insurance, including public liability insurance, upon all of the waterworks properties which may be of an insurable nature; such insurance to be of the type and kind and for such amount or amounts as carried and maintained by other municipalities or private companies rendering services of a similar character in similar communities. The proceeds of all such insurance, except public liability insurance, shall be used only for the maintenance and restoration of said waterworks properties, or for the payment of the principal of and interest on the bonds authorized by this ordinance.

(d) That said District shall set up and maintain a proper system of accounts and records separate from all other accounts and records showing the amount of revenue received from its waterworks properties and the application of such revenues and all financial transactions in connection therewith. Said accounts shall at least once a year be properly audited by an independent certified public accountant. A copy of each such audit shall be furnished, without further request, to Midwest Securities Co., Chicago, within sixty (60) days after the close of the fiscal year, and, upon request, to any bondholder. The annual audit of the waterworks properties shall include:

(1) A statement of the gross revenues received, of the operating expenditures, of the net operating profit, of the amount of any capital expenditures in connection with the waterworks properties for the fiscal year;

(2) A statement of the amount on hand at the end of such fiscal year in each of the accounts created by Section 11 of this ordinance;

(3) A statement of the number of customers served by the waterworks properties at the beginning and ending of the fiscal year;

(e) That any holder or the original purchaser of said bonds shall be permitted, at all reasonable times, to inspect said waterworks properties and all records and data relating thereto, and shall be furnished all data and information relating to said waterworks properties which may reasonably be requested.

(f) That as long as any of said bonds or the coupons pertaining thereto shall remain outstanding and unpaid, the said District shall not sell, mortgage, pledge or otherwise encumber or permit any lien to attach to, or in any manner dispose of any revenue producing waterworks properties, or any part thereof, unless the bonds authorized hereby shall have been paid in full, both as to principal and interest, or unless adequate provision shall have been made which shall assure the full payment of said bonds and the interest thereon to maturity in full, according to their terms. The provisions of this paragraph shall not, however, prohibit the sale or other disposal of properties which in the judgment of the Board of Trustees are no longer useful for the purpose of the District, provided a reasonable price is obtained therefor.

(g) That the Board of Trustees shall not grant to any person, firm or corporation, public or private, any right or privilege to supply water to any consumers of water within the District and shall use its best efforts and authority to prevent and prohibit any such supplying of water within the corporate limits of the District.

(h) That as long as any of said bonds or the coupons pertaining thereto shall remain outstanding and unpaid, there shall be no fees or compensation paid to the members of the Board of Trustees of the District for serving on said Board of Trustees, excepting only for reimbursement of reasonable expenses incurred on behalf of the District.

(i) That the Board of Trustees shall require that accounts be rendered to it monthly as of the close of each month, showing the receipts and revenues, disbursements and other transactions in connection with its waterworks properties, and the number of customers served by the waterworks properties. Copies of such statement shall be mailed each month to Midwest Securities Co., Chicago, without further request.

SECTION 16. That from and after the issuance of the bonds authorized hereby, no further bonds shall be issued or obligations incurred by said District,

which are in whole or in part payable from or chargeable to the revenues derived or to be derived from the operation of said waterworks properties (except obligations incurred in the operation and maintenance thereof), except upon compliance with the conditions set out in paragraphs I, II, III, IV, V or VI.

I.

Additional bonds payable from the revenues of the waterworks properties of the District may be issued, on a parity with the bonds authorized hereby and having equal benefit in the funds created by and in the covenants contained in this ordinance, upon compliance with the following conditions:

First, that the District, at the time of the delivery of any such additional bonds, shall have made all allocations and deposits into the accounts required by Section 11 hereof.

Second, that there shall be presented to the Board of Trustees, prior to the passage of the ordinance authorizing such bonds, a certificate executed by a competent engineer of favorable reputation, to the effect that the revenues to be derived from the improvements or extensions to be constructed, or the saving that will accrue because of the construction of improvements will equal or exceed 150% of the average annual debt service necessitated by the issuance of such additional bonds or obligations.

Third, that the revenues derived from the operation of the waterworks properties for the then next preceding fiscal year shall be equal to the sum of the following:

- (a) The expenses of operation and maintenance of the waterworks properties incurred during such fiscal year;
- (b) The sum of \$1,200 as an allowance for depreciation;
- (c) 125% of the highest amount which shall thereafter come due in any one fiscal year prior to the fiscal year which will begin on May 1, 2003, as principal of and interest on all bonds then outstanding and the bonds then to be issued.

II.

Unless such additional bonds are in all respects junior and subordinate to the bonds authorized hereby and subject and subordinate to the provisions of Section 11 hereof, requiring certain payments to be made into the accounts therein established, provided, however, that interest may be paid on such junior and subordinate bonds prior to the payment required to be made into the Waterworks Depreciation Account.

III.

Additional bonds payable from the revenues of the waterworks properties of the District may be issued, on a parity with the bonds authorized hereby and having equal benefit in the accounts created by Section 11 hereof and in the covenants contained in this ordinance, upon compliance with the following covenants; provided, however, that no such bonds ranking on a parity with the bonds authorized hereby shall be issued under the provisions of this Paragraph III without the written consent of the original purchasers of the bonds authorized hereby:

(a) That prior to the passage of any ordinance authorizing such additional bonds, the District shall obtain from new and additional customers to be served by the waterworks properties of the District, executed contracts whereby such customers shall agree to receive the services of the waterworks properties at the rates then in force for a period of not less than one year; such contracts to be accompanied by the deposit with the District of not less than \$300.00 each, as a connection charge.

(b) That the additional revenues which will be obtained from such customers (based on the minimum rates for water service) shall be sufficient so that, when added to the actual revenues derived from the operation of the waterworks properties for the then next preceding fiscal year shall meet the requirements of sub-paragraphs (a), (b) and (c) of paragraph Third of subsection I of this section.

(c) That there shall be presented to the Board of Trustees prior to the passage of any ordinance authorizing such additional bonds a certificate executed by a public accountant, certifying that the conditions of this sub-section have been met.

IV.

The restrictions upon the issuance of additional bonds set out in this section shall not apply in the following circumstances and in such circumstances only:

(a) That the waterworks properties of the District should hereafter be destroyed or damaged to such an extent that substantially it cannot be operated;

(b) That all funds received from insurance or otherwise available shall be insufficient to pay the cost of the restoration of said waterworks properties to such a condition that it can again be operated. The cost of such restoration shall be determined by the estimate of a reputable and competent engineer or engineering firm or corporation selected by the District, with the approval of the holders of 75% of the outstanding bonds. This estimate shall be based upon plans and specifications for the restoration of the waterworks prepared for that purpose;

(c) That the holders of at least 75% of the principal amount of the bonds authorized by this ordinance then outstanding shall give written consent to the issuance of additional bonds on a parity with the bonds authorized hereby and shall file such written consents with the Secretary of the Board of Trustees of the District. Such consents shall be acknowledged before a notary public and shall state the precise amount of additional bonds which may be issued.

Upon the occurrence of all the circumstances above set out, additional bonds may be issued solely for the purpose of paying the cost of restoring the waterworks to reasonable working order in an amount not greater than the amount stated in the consents filed by the holders of the outstanding bonds.

V.

The restrictions upon the issuance of additional bonds set out in this section shall not apply if it shall become necessary that said District should issue bonds to refund outstanding waterworks revenue bonds and the accrued interest thereon in order to prevent a default therein.

VI.

The restrictions set out in this section shall not apply if the governing authorities of the District shall find it to be desirable to refund a part of its outstanding waterworks revenue bonds, with consent of the holders thereof if they be not then callable, provided that such refunding bonds shall not mature until at least one year after the final maturity date of the waterworks revenue bonds of the District then outstanding and not then refunded.

Refunding bonds issued in compliance with the next two preceding paragraphs shall be on a parity with the bonds authorized hereby and shall be entitled to equal benefits in the funds and covenants set out herein.

SECTION 17. That the provisions of this ordinance shall constitute a contract between the Lakeside Water District and the holders of the bonds herein authorized to be issued, and after the issuance of the bonds no changes, additions or alterations of any kind shall be made hereto.

SECTION 18. That all bonds issued hereunder shall be payable equally and ratably, without regard to the date when said bonds shall actually be delivered, and shall enjoy parity of lien, one with the other, upon the revenues of said waterworks properties.

SECTION 19. That any holder of one or more bonds issued hereunder may, in any civil action, mandamus or other proceeding, enforce and compel performance of all duties required by the Act under which bonds are issued or by this ordinance, including the making and collecting of sufficient rates for that purpose and the application of the income and revenues of the waterworks properties in accordance with this ordinance.

SECTION 20. That when the bonds authorized hereby have been prepared and executed, they shall be lodged with the Treasurer of the District, who shall deliver them to Midwest Securities Co., in Chicago, Illinois, upon payment of the purchase price in accordance with the contract of sale heretofore made by the Board of Trustees, which is hereby ratified and confirmed.

From the proceeds received for said bonds there shall be deposited with the American National Bank and Trust Company of Chicago, to be credited to the LAKESIDE WATER DISTRICT BOND INTEREST AND REDEMPTION ACCOUNT established by Section 11 hereof, the amount received as accrued interest plus an amount equal to one and one-half (1- $\frac{1}{2}$) years interest on all the bonds authorized hereby. The remaining proceeds shall be deposited in an account designated the "WATERWORKS CONSTRUCTION ACCOUNT."

Disbursements from the Waterworks Construction Account shall be made only for the purpose of constructing the waterworks properties contemplated by this ordinance. Such disbursements shall be made only upon presentation to the proper authorities of said District of a certificate executed by the person, firm or corporation charged with the supervision of the construction of such improvements and extensions. Such certificate shall state:

(a) That the purpose for which the payment is to be made is within the scope of the construction contemplated by this ordinance;

(b) That the work done or the materials furnished are in accordance with the contract therefor, (if such work is done or materials furnished under a contract), or that such work or materials are suitable for their purpose, (if such payments are not covered by an express contract);

(c) That the amount of such payment is in accordance with the contract or is a reasonable amount;

provided, however, that nothing herein shall be construed as prohibiting the payment without such certificates of expenses incident to the issuance of the bonds authorized hereby. The provisions of this section are hereby declared to be a part of the contract evidenced by the bonds authorized hereby. Any surplus remaining after the payment of all costs of the construction of said improvements and extensions to the waterworks properties shall be deposited with the American National Bank and Trust Company of Chicago, in the Bond Interest and Redemption Account.

SECTION 21. That 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 other provisions of this ordinance.

Passed this 2nd day of March, 1965, and deposited and filed in the office of this Secretary, this 2nd day of March, 1965.

PRICK GULLIN
Secretary, Board of Trustees