

ORDINANCE NO. 33

AN ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF EXTENSIONS AND IMPROVEMENTS TO THE WATER SUPPLY SYSTEM OF THE TOWNSHIP OF CHIKAMING: AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF REVENUE BONDS OF EQUAL STANDING WITH THE REVENUE BONDS NOW OUTSTANDING FOR THE PURPOSE OF PAYING THE COST OF SAID EXTENSIONS AND IMPROVEMENTS UNDER THE PROVISIONS OF ACT 94, PUBLIC ACTS OF MICHIGAN, 1933, AS AMENDED, AND ORDINANCE NO. 13, AS AMENDED OF THE TOWNSHIP OF CHIKAMING.

WHEREAS, the Township of Chikaming, by Ordinance No. 13, as amended has heretofore issued Water Supply System No. 1 Revenue Bonds in the aggregate principal amount of Seven Hundred Seventy Five Thousand (\$775,000.00) Dollars, which bonds are dated as of September 1, 1965 and mature serially on July 1st of each year to the year 2002, the aggregate principal amount of said bonds now outstanding being Six Hundred Forty Five Thousand (\$645,000.00) Dollars; and

WHEREAS, it is the determination of the Township Board of the Township of Chikaming that it is necessary to acquire and construct extensions and improvements to the Water Supply System of the Township for the public health and welfare of the Township, which additions and improvements are generally described as acquisition and installation of additional water mains, valves, services, encasement, and metering pit together with necessary appurtenances and attachments reasonably related thereto; and

WHEREAS, the estimated cost of acquiring and constructing said additions and improvements, including contingencies, legal and financing expenses as determined by R. W. Petrie and Associates, Inc., consulting engineers of Benton Harbor, Michigan, is One Hundred Ten Thousand (\$110,000.00) Dollars; and

WHEREAS, the conditions and requirements set forth in Section 19 of Ordinance No. 13 as amended for the issuance of such additional bonds have been established by the financial records and audits of the Water Supply System; and

WHEREAS, all things necessary to the authorization and issuance of said bonds under the Constitution and laws of the State of Michigan and Ordinance No. 13 as amended have been done, and the Township Board is now empowered and desires to authorize the issuance of said bonds;

THE TOWNSHIP OF CHIKAMING ORDAINS:

Definitions

Section 1. Whenever used in this Ordinance in the preamble hereto, or, in the bonds to be issued hereunder, except when other wise indicated by the

(a) The term "Township" shall be construed to mean the Township of Chikaming.

(b) The term "Project" shall be construed to mean the extensions and improvements to the Water Supply System to be made pursuant to this Ordinance and as more particularly described in the preamble hereto.

(c) The term "acquire" or any variation thereof shall be construed to include acquisition by purchase, construction or by any other method.

(d) The term "System" shall be construed to mean the complete Water Supply System of the Township of Chikaming as defined in Ordinance No. 13, as amended.

(e) The term "revenues" and "net revenues" shall be construed as defined in Section 3 of Act 94, Public Acts of Michigan, 1933, as amended.

(f) The term "Board" shall be construed to mean the Township Board of the Township of Chikaming, the legislative and governing body of said Township.

(g) The term "Ordinance No. 13", shall be construed to mean the Ordinance and any amendments or supplements thereto adopted by the Board, under the terms of which the outstanding Water Supply System No. 1 Revenue Bonds, dated as of September 1, 1965, were issued.

(h) The term "outstanding bonds" shall be construed to mean the outstanding Water Supply System No. 1 Revenue Bonds of the Township dated September 1, 1965, as more particularly described in the preamble hereto.

Necessity of Project

Section 2. It is hereby determined and declared to be necessary for

the public health and welfare of the Township to acquire the Project as generally described in the preamble hereto.

Estimated Cost and Life of Project

Section 3. The estimated cost of acquiring the Project, including contingencies, engineering, legal and financing expenses, which estimate has been prepared by the consulting engineers, and is in the amount of One Hundred Ten Thousand (\$110,000.00) Dollars, is hereby approved and the Board does hereby estimate the period of usefulness of said Project to be at least fifty (50) years.

Bonds Authorized

Section 4. To pay the cost of acquiring the Project and to pay engineering, financial, legal and other expenses and contingencies incidental thereto, it is hereby determined that there be borrowed upon the credit of the income and revenues of the System, the additional sum of One Hundred Ten Thousand (\$110,000.00) Dollars, and that revenue bonds be issued therefor, under the provisions of Act 94, Public Acts of Michigan, 1933, as amended, said bonds having equal standing and priority and being equally secured with the outstanding bonds.

Except as changed by the provisions of this Ordinance, all the provisions of Ordinance No. 13 shall apply to the bonds issued pursuant to this Ordinance, the same as though each of said provisions were repeated in this Ordinance in detail, the purpose of this Ordinance being to authorize the issuance of additional revenue bonds to finance the cost of acquiring extensions and improvements to the System, additional bonds of equal standing with the outstanding bonds for such purpose being authorized by the provisions of Section 19 of Ordinance No. 13, upon the conditions therein stated, which conditions have been fully met.

Detail of Bonds

Section 5. Said additional issue of bonds shall be designated WATER SUPPLY SYSTEM NO. 1 REVENUE BONDS, SERIES II, and shall be, not general obligations of the Township, but revenue bonds, payable solely out of the net revenues of the System, and shall consist of twenty-two (22) bonds of the denomination of \$5,000.00 each, dated as of October 1, 1977, numbered in direct order of maturity from 1 upwards, and payable serially May 1st of each year as follows:

\$ 5,000.00	1977 to 1983, inclusive;
\$ 10,000.00	1984;
\$ 5,000.00	1985 and 1986;
\$ 10,000.00	1987 to 1992 inclusive.

Said bonds shall bear interest at a rate or rates to be determined on public sale thereof but in any event not exceeding seven and one-half per cent (7-1/2%) per annum, payable on May 1, 1978, and semi-annually thereafter on the first day of November and May of each year, both principal and interest to be payable in lawful money of the United States of America at Fidelity Bank & Trust Co., Minneapolis, Minnesota.

The Bonds maturing are subject to redemption at the option of the Township in the manner and at times shown in the bond form hereinafter set forth.

Said bonds shall be signed by the Supervisor and countersigned by the Township Clerk and shall have interest coupons attached bearing the facsimile signatures of said Supervisor and Township Clerk, and said officials, by the execution of said bonds, shall adopt as and for their own proper signatures their respective facsimile signatures on said coupons. Said bonds shall be delivered to the purchaser by the Township Treasurer upon payment of the purchase price.

Bond Reserve Fund

Section 6. The Reserve Account in the Bond and Interest Redemption Fund, as established by Ordinance No. 13 shall be further increased by an additional Ten Thousand (\$10,000.00) Dollars, so that said Bond Reserve Account shall total Sixty Thousand (\$60,000.00) Dollars. To provide said additional funds for the Reserve Account there shall be deposited into said account in equal quarterly installments after meeting all prior requirements established by Ordinance No. 13, the sum of at least One Thousand (\$1,000.00) Dollars during each operating year beginning January 1, 1978. All of the provisions relative to use of said Reserve Account, its maintenance and other details relative thereto shall remain as specifically set forth in Ordinance No. 13.

Bond Proceeds

Section 7. There is hereby established in Bank of Three Oaks, Three Oaks, Michigan, a bank insured by the Federal Deposit Insurance Corporation, a separate depository account to be designated "Water Supply System No. 1 Series II Construction Fund." the moneys from time to time on deposit to be used solely to pay the cost of the Project and the incidental costs set forth in Section 4 of this Ordinance. The proceeds of sale of said bonds shall be allocated and used as follows:

First, any premium or accrued interest shall be deposited into the Bond and Interest Redemption Fund established by Ordinance No. 13 and Second, the balance of proceeds of sale shall be deposited in the Water Supply System No. 1 Series II Construction Fund. Any unexpended balance of the proceeds of sale of the bonds remaining may, in the discretion of the Commission and to the extent of fifteen per cent (15%) of the amount of said issue, be used for further improvements and extensions to the System: Provided, That, at the time of such expenditure, such use be approved by the Municipal Finance Commission. Any remaining

Balance after such expenditure, or in the event no such expenditure is made, the entire unexpended balance shall be paid into the Bond and Interest Redemption Fund and used for the redemption of callable bonds. The proceeds of sale of said bonds may be invested in whole or in part in the manner provided by Act 94, Public Acts of Michigan, 1933, as amended.

Rates

Section 8. The rates to be charged for the service facilities and commodities of the System shall be those presently in effect in the Township.

Bond Form

Section 9. The bonds and coupons shall be in substantially the following form:

UNITED STATES OF AMERICA

STATE OF MICHIGAN

COUNTY OF BERRIEN

TOWNSHIP OF CHIKAMING

WATER SUPPLY SYSTEM NO. 1 REVENUE BOND SERIES II

No. _____

\$5,000.00

KNOW ALL MEN BY THESE PRESENTS that the TOWNSHIP OF CHIKAMING, County of Berrien State of Michigan, for value received hereby promises to pay to the Bearer hereof, but only out of the revenues of the Water Supply System of the Township of Chikaming, including all appurtenances, extensions and improvements thereto (hereinafter called "System"), the sum of

FIVE THOUSAND DOLLARS

on the first day of May, A. D. , 19____, with interest thereon from the date hereof until paid at the rate of _____ per cent (%) per annum, payable on May 1, 1978, and semi-annually thereafter on the first day of November and May of each year, upon presentation and surrender of the proper interest coupons hereto annexed 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 _____, _____, Michigan, and for the prompt payment thereof, the gross revenues of said Water Supply System, after provision has been made for reasonable and necessary expenses of operation, administration and maintenance, are hereby irrevocably pledged and a statutory first lien on said revenues is hereby recognized and created.

This bond is one of a series of twenty-two (22) bonds of even date and like tenor, except as to rate of interest and age of maturity, aggregating the principal sum of \$110,000.00, numbered consecutively in direct order of maturity from 1 upwards, issued pursuant to Ordinance No. 13, as amended, and Ordinance No. _____, duly adopted by the Township Board on _____, 1977, and under and in full compliance with the Constitution and Statutes of the State of Michigan, including specifically Act 94, Public Acts of Michigan, 1933, as amended, for the purpose of paying the cost of constructing extensions and improvements to the Water Supply System.

Bonds maturing in the years 1978 to 1986, inclusive, are not subject to redemption prior to maturity. Bonds maturing in the years 1987 to 1992, are subject to redemption at the option of the Township in inverse numerical order on any interest payment date on or after May 1, 1986, at par and accrued interest, plus a premium expressed as a percentage of par value on each bond redeemed prior to maturity as follows:

- 3% of the par value of each bond redeemed prior to May 1, 1988;
- 2% of the par value of each bond redeemed on or after May 1, 1988,
but prior to May 1, 1990;
- 1% of the par value of each bond redeemed on or after May 1, 1990,
but prior to maturity.

Notice of redemption shall be given to the holders of the bonds to be redeemed by publication of such notice not less than thirty (30) days prior to the date fixed for redemption, at least once in a newspaper or publication circulated in the State of Michigan which carries, as part of its regular service, notices of sale of municipal bonds. No further interest payable on bonds called for redemption shall accrue after the date fixed for redemption, whether presented for redemption or not, provided the Township has money available for such redemption with the paying agent.

For a complete statement of the revenues from which and the conditions under which this bond is payable, a statement of the conditions under which additional bonds of equal standing may hereafter be issued, and the general covenants and provisions pursuant to which this bond is issued, reference is made to the above described Ordinances. The bonds of this issue are of equal standing and are equally secured with Water Supply System No. 1 Revenue Bonds, dated September 1, 1965, of which \$645,000.00 remain outstanding as of the date of authorization of this bond.

This bond is a self-liquidating bond and is not a general obligation of the Township of Chikaming and does not constitute an indebtedness of the Township of Chikaming within any constitutional or statutory limitations, but is payable, both as to principal and interest, solely from the revenues of the System. The principal and interest on this bond are secured by the statutory lien hereinbefore mentioned.

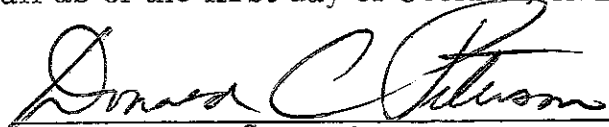
The Township of Chikaming has covenanted and agreed, and does hereby covenant and agree, to maintain at all times while any of said bonds are outstanding, such rates for service furnished by said Water Supply System as shall be sufficient to provide for the payment of expenses of administration and operation and such expenses for maintenance of said System as may be necessary to preserve the same in good repair and working order, to provide for the payment of interest

upon and the principal of all bonds payable therefrom as and when the same become due and payable and for the creation of a reserve therefor, and to provide for such other expenditures and funds for said System as are required by said Ordinance.

This bond and the interest thereon are exempt from any and all taxation whatsoever by the State of Michigan or by any taxing authority within said State.

It is hereby certified and recited that all acts, conditions and things required by law, precedent to and in the issuance of this bond and the series of which this is one have been done and performed in regular and due time and form as required by law.

IN WITNESS WHEREOF, the Township of Chikaming, County of Berrien, State of Michigan, by its Township Board, has caused this bond to be signed in the name of said Township by its Supervisor and countersigned by its Township Clerk and the corporate seal of the Township to be hereunto affixed, and has caused the annexed interest coupons to be signed by the facsimile signature of its Supervisor and Township Clerk, all as of the first day of October, A.D., 1977.



Supervisor

(SEAL)

Countersigned:



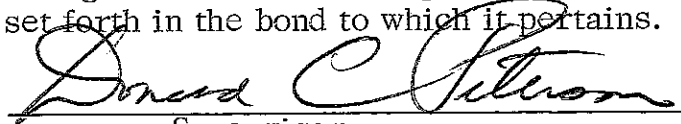
Township Clerk

(Form of Coupon)

No. _____ \$ _____

On the first day of _____, A.D., 19____, the Township of Chikaming, County of Berrien, State of Michigan, will pay to the bearer hereof the sum shown hereon in the manner and out of the revenues described in said bond at _____, Michigan, being the interest due that date on its Water Supply System Revenue Bond, Series II dated October 1, 1977, No. _____.

This coupon is not a general obligation of the Township of Chikaming, but is payable from certain revenues as set forth in the bond to which it pertains.



Supervisor



Township Clerk

Application to Municipal Finance Commission

Section 10. The Township Clerk is hereby authorized and directed to make application to the Municipal Finance Commission on behalf of the Township for permission to issue said bonds and for approval of the form of notice of sale of said bonds, in accordance with the provisions of Act 202, Public Acts of Michigan, 1943, as amended, and Act 94, Public Acts of Michigan, 1933, as amended.

Severability

Section 11. 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.

Repealing Section

Section 12. 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.

Publication and Recording

Section 13. This Ordinance shall be recorded in the minutes of the meeting of the Township Board at which it was adopted immediately after its passage, which record shall be authenticated by the signatures of the Supervisor and Township Clerk of said Township, and shall be published once in the Galien River Gazette a newspaper of general circulation within said Township, promptly after its adoption.

Effective Date

Section 14. This Ordinance shall become effective immediately upon its adoption and publication.

I hereby certify that the attached constitutes a true and complete copy of an Ordinance duly adopted by the Township Board of the Township of Chikaming, County of Berrien, Michigan, at a Special Meeting held on July 18th, 1977.

I hereby certify that the following Members were present at said meeting: Abrahamsen, Peterson, Sperry and Sandtveit and that the following member: Jack Gibson was absent.

I hereby certify that Member Abrahamsen moved for adoption of said Ordinance, and that said motion was supported by Member Sperry.

I further certify that the following Members; Abrahamsen, Peterson, Sperry and Sandtveit voted for adoption of said Ordinance, and that the following Members: None, voted against adoption of said Ordinance.

I further certify that said Ordinance has been recorded in the Ordinance Book and that such recording has been authenticated by the signatures of the Supervisor and Township Clerk.

I hereby certify that the attached is a true and complete copy of an Ordinance adopted by the Township Board of the Township of Chikaming, County of Berrien, Michigan, at a Special meeting held on July 18th, 1977, and that public notice of said meeting was given pursuant to an in full compliance with Public Acts of Michigan, 1976.


Lena Abrahamsen, Township Clerk