

ORDINANCE AUTHORIZING SALE OF
PROMISSORY NOTES FOR INTERIM FINANCING

ORDINANCE NO. 109

AN ORDINANCE PROVIDING FOR THE ISSUANCE OF PROMISSORY NOTES OF THE CITY OF LAKESIDE, OREGON, IN THE AGGREGATE PRINCIPAL SUM OF ONE HUNDRED FIFTEEN THOUSAND DOLLARS (\$115,000) FOR THE PURPOSE OF PROVIDING INTERIM FINANCING FOR THE COSTS OF EXTENSION AND CONSTRUCTION OF A SEWER SYSTEM WITHIN THE CITY OF LAKESIDE, OREGON, AND AUTHORIZING AND DIRECTING THE CITY RECORDER TO ADVERTISE FOR WRITTEN BIDS ON SUCH NOTES, AND DECLARING AN EMERGENCY.

WHEREAS, the City Council of the City of Lakeside, Oregon (the "City"), having been authorized to issue Revenue Installment Sewer Bonds in an amount not to exceed the sum of ONE HUNDRED FIFTEEN THOUSAND DOLLARS (\$115,000), payable from the net revenues of the sewer system of the City for the purpose of providing funds to be used for the extension and construction of a sewer system within the City, and the Farmers Home Administration, an agency of the Federal Government, has agreed in writing to purchase such Bonds from currently available funds at a maximum interest rate of six and five-eighths percent (6 5/8%) per annum. The Bonds to be delivered and dated on or about July 31, 1987; and,

WHEREAS, the amount of the proposed total Promissory Notes to be issued for interim financing will not exceed the estimated unpaid cost of the proposed construction for which the above-mentioned Bonds have been authorized and there have not been any unissued bonds previously authorized for such sewer extension and construction; now, therefore,

THE CITY OF LAKESIDE ORDAINS AS FOLLOWS:

Section 1. Issuance of Notes. Acting pursuant to the provisions of ORS Chapter 287.522 to 287.526, inclusive, the City of Lakeside shall issue and sell Promissory Notes in the aggregate principal sum of ONE HUNDRED FIFTEEN THOUSAND DOLLARS (\$115,000) for the purpose of providing interim financing for the costs of the extension and construction of the sewer system within the City, including the acquisition of such easements and property rights, the costs of construction, engineering expense, legal fees and other related costs. The Notes shall be payable from the proceeds of the Revenue Sewer Bonds previously authorized by the City and from sewer system reserve funds.

The Notes shall be in the form approved by the City Attorney and Bond Counsel, shall be in the amounts and dated within 30 days of January 5, 1987, and shall bear interest at the lowest interest rate bid. The Notes shall be sold in bearer form, or at the

request of the purchaser in registered form, and shall be in the denomination of \$5,000 or any integral multiple thereof. Principal and interest are payable on July 31, 1987 being the date estimated by the City Council as the completion date of the improvements to the sewer system.

The Farmers Home Administration has agreed to purchase an issue of Revenue Sewer Bonds of the City in the aggregate principal amount of not less than ONE HUNDRED FIFTEEN THOUSAND DOLLARS (\$115,000), the proceeds of which will be used to pay and retire the Notes.

The Notes will be sold for not less than par value to the bidder offering the lowest effective interest rate to the City. The net effective interest rate on the Notes shall not exceed 10%. The bid must contain a statement of the net effective interest rate and the net interest cost. The Notes will be issued pursuant to the applicable provisions of Oregon Revised Statutes, Chapter 287.522 to 287.526, inclusive. Both principal and interest are payable at the Office of the City Recorder, Lakeside, Oregon. The Notes are not callable prior to maturity and will be delivered to the successful bidder or its designated agent in Portland, Oregon, or in Lakeside, Oregon, as soon after the sale as practical. The Notes shall be sold at public competitive sale and the City will make the award of the Promissory Notes at 7:30 p.m., November 20, 1986. The approving legal opinion of Rankin, McMurry, VavRosky & Doherty, Bond Counsel for the City, will be supplied to the successful bidder, together with the opinion of counsel as to the tax surplus of the Notes. The Notes will be signed with the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the City Recorder, with the corporate seal of the City affixed, or printed. The principal amount of the Notes and the accrued interest thereon shall be payable in full not later than the due date thereof, from and at the time of receipt of the proceeds of the sale of the Revenue Sewer Bonds and from the funds provided from sewer revenues, for the payment of principal and interest accruing thereon. Interest shall be payable at maturity of the Notes.

Section 2. Notice of Sale. The City Recorder is hereby authorized and directed to advertise the Promissory Notes for public sale on written bids and to bear interest at the interest rate bid, but in no event to bear interest at a maximum effective rate of interest in excess of 10% per annum. The sale to be held November 20, 1986, at 7:30 p.m.; and the notice thereof shall specify that the City reserves the right to reject any or all bids for the Notes. A certified or cashier's check of or on a bank doing business in the State of Oregon payable to the order of the City in the amount of two percent (2%) of the par value of the Notes offered for sale is to accompany the bid. The City Recorder shall cause the Notice of Sale to be published at least ten (10) days prior to the date of the bid opening, in one issue of The World and in the Daily Journal of Commerce, newspapers of general

Circulation printed and published within Coos County and Multnomah County, respectively.

Section 3. Protection and Disposition of Funds. The City Recorder shall be the custodian of the proceeds of all Notes sold hereunder and such proceeds shall be deposited in a bank which is a member of the Federal Deposit Insurance Corporation; provided that, if any or all of the Promissory Notes are purchased by any bank in the State of Oregon, the City Recorder may cause the funds to be deposited in said bank to the extent that it is insured by the FDIC. The City Recorder is directed to establish the following account into which the note proceeds and the net revenues from the sewer system shall be deposited for so long as the Notes remain outstanding and unpaid, which account shall be continued and maintained for such purpose, except as otherwise herein provided, for so long as such Notes remain unpaid;

Section 4. Construction Account. The Proceeds of the Notes hereby authorized shall be deposited in the Construction Account. The amounts in the Construction Account exceeding the insurance available from the Federal Deposit Insurance Corporation shall be secured by the depository bank in accordance with State and Federal law. Withdrawals from the Construction Account shall be made only on checks signed by the City Recorder of the City as authorized by the City Council, countersigned by the Mayor or other authorized City Official, and only for the purposes for which the Notes are issued as specified in the estimate of costs. The City's share of any liquidated damages and other moneys paid by defaulting contractors or their sureties shall be deposited in the Construction Account to assure completion of the project. When the construction of the project has been completed, or all construction costs have been paid in full, any balance remaining in the Construction Account shall be used immediately to pay or apply on the payment of any such Notes as may thereafter fall due, or, if such Notes have been paid from the proceeds of the sale of the Revenue Sewer Bonds, then the balance shall be applied to the payment of the Bonds in the manner prescribed in the ordinance authorizing the Bonds.

Section 5. Arbitrage Covenant. The proceeds of the Notes shall be used and invested in such manner that the Notes shall not become "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and the regulations issued thereunder. The City agrees to comply with all applicable provisions of H.R. 3838 as passed by the United States House of Representatives on September 25, 1986 and the United States Senate on September 27, 1986 unless, in the opinion of Bond Counsel, such compliance is not required in order to maintain the exemption of interest on the Notes from Federal income taxation.

Section 6. Designation as "Qualified Tax-Exempt Obligation." If the Notes are acquired by a financial institution defined by Section 902(b)(5) of H.R. 3838 as reported out of the Conference

Committee of the United States House of Representatives and Senate on August 16, 1986 (the "Conference Agreement"), the City hereby designates the Notes as qualified tax-exempt obligations for the purposes of that section. The City does certify that the reasonably anticipated amount of qualified tax-exempt obligations (other than private activity bonds) which will be issued by the City during calendar year 1986, will not exceed \$10,000,000.

Section 7. Official Statement. If required by the note purchaser, the City shall prepare a Preliminary Official Statement for the Notes. When advised by staff that the final Official Statement does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained in the Official Statement not misleading in the light of the circumstances under which they are made, then the Mayor is authorized to certify the accuracy of the Official Statement on behalf of the City.

Section 8. Emergency. WHEREAS, conditions of the City public sewer system need now and in the future the extension of the sewer system, as well as the prospect for proposed financing resources, are such that an early commencement of the project and the financing thereof, is essential to the public health, peace, safety and welfare, therefore, an emergency is hereby declared to exist and this Ordinance shall take effect and shall be in full force and effect after its adoption by the Council and approval by the Mayor.

The foregoing Ordinance was duly passed by the Council and signed by the Mayor this 17th day of OCTOBER, 1986.

The vote was: Ayes: 4 Nays: -0- Absent: 3

ATTEST:

Bruce Stennett
Bruce Stennett
City Recorder

Pat Bernier
Pat Bernier, Mayor



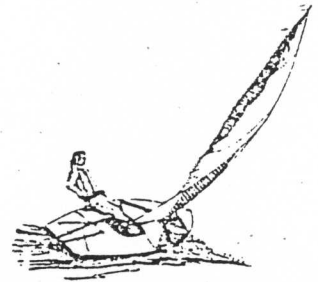
City of Lakeside

120 N. 9th St.

P.O. Box L

LAKESIDE, OREGON 97449

PHONE: (503) 759-3011.



March 6, 1987

Honorable Barbara Roberts
Oregon Secretary of State
State Capitol, Room 136
Salem, OR 97310

Dear Ms. Roberts:

Re: Filing of City of Lakeside Annexation of Contiguous Territory

The City of Lakeside, as part of a sewerage expansion project, has undertaken the annexation of five parcels of land. This annexation is being done with the consent of 100 percent of the property owners.

The City has adopted Ordinance No. 111, AN ORDINANCE AMENDING THE COMPREHENSIVE PLAN OF THE CITY OF LAKESIDE, OREGON, TO EXTEND ITS URBAN GROWTH BOUNDARY: DECLARING THE ANNEXATION OF CERTAIN CONTIGUOUS TERRITORY TO SAID CITY: AND REZONING SUCH TERRITORY. This has all been coordinated with the County of Coos. A copy of the Ordinance is enclosed, to include copies of the Consent to Annexation and legal descriptions of the five properties.

This letter constitutes the filing of the annexation with your office.

Thank you for your attention to this matter.

Sincerely,

Bruce N. Stennett
City Recorder

cc: Mayor
Coos Co. Clerk, Assessor,
and Planning Dept.
Affected utilities and
special districts
City Attorney