

CITY OF LAKESIDE

ORDINANCE NO. 42

AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF PROMISSORY NOTES OF THE CITY OF LAKESIDE, OREGON, IN THE AGGREGATE PRINCIPAL SUM OF \$1,470,000 FOR THE INTERIM FINANCING OF THE CONTRCUION OF A SEWAGE TREATMENT SYSTEM FOR THE CITY OF LAKESIDE, AND DECLARING AN EMERGENCY.

WHEREAS, on the 11th day of May, 1976 the legal voters of the City of Lakeside, Coos County, Oregon, adopted a proposal authorizing the issuance and sale of \$1,470,000 in General Obligation Bonds for the construction of a sewage treatment system for the City of Lakeside; and thereafter the Council of the City of Lakeside by Ordinance No. 32 authorized the issuance and sale of said Bonds and after said Bonds were advertised no bids were received; and the Farmers Home Administration, an agency of the Federal Government, has agreed in writing to purchase said Bonds from currently available funds at an interest rate of five percent per annum, with said Bonds to be delivered and dated on or about February 1, 1981; 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 said Bonds have been authorized, and there have not been any unissued Bonds previously authorized for such utility construction; now, therefore,

THE CITY OF LAKESIDE ORDAINS AS FOLLOWS:

Section 1. Acting pursuant to the Provisions of O.R.S. 287.522 to 287.528, the City of Lakeside shall issue and sell Promissory Notes in the aggregate principal sum of One Million Four Hundred Seventy Thousand Dollars (\$1,470,000) for the purpose of providing interim financing for the cost of the implementation and construction of a sewage treatment system for the City of Lakeside, including the acquisition of easements and property rights, the cost of construction, engineering expense, legal fees, the repayment of a loan from the Department of Environmental Quality of the State of Oregon, and other related costs.

Said Notes shall be in usual form, shall be negotiable, shall be in the amounts and dated within thirty days of the dates set forth in this section and shall bear interest at the rate bid, both principal and interest payable on or before the due date as follows:

| <u>Date of Issue</u> | <u>Amount</u> | <u>Due Date</u> |
|----------------------|---------------|-----------------|
| August 10, 1979 | \$440,000 | March 1, 1981 |
| September 5, 1979 | 480,000 | March 1, 1981 |
| October 5, 1979 | 100,000 | March 1, 1981 |
| November 5, 1979 | 90,000 | March 1, 1981 |
| December 5, 1979 | 90,000 | March 1, 1981 |
| January 5, 1980 | 90,000 | March 1, 1981 |
| February 5, 1980 | 90,000 | March 1, 1981 |
| March 5, 1980 | 90,000 | March 1, 1981 |

The City reserves the right to reject any and all bids for the Notes.

The Farmers Home Administration has agreed to purchase an issue of General Obligation Bonds of the City of Lakeside in the aggregate principal amount of One Million Four Hundred Seventy Thousand Dollars (\$1,470,000), the proceeds of which will be used to retire the Notes.

Section 2. The Notes will be sold for not less than their par value to the bidder offering the lowest effective interest rate to the City. The bid must contain a statement of the net interest cost. The Notes will be issued pursuant to the applicable provisions of Oregon Revised Statutes Sections 287.522 to 287.528. Both principal and interest are payable at the office of the Treasurer of the City of Lakeside, Oregon. The Notes will be redeemable at the option of the City at any time prior to maturity and will be delivered to the successful bidder or his designated agent as soon after the sale as practicable. The City will make the award of the Promissory Notes at a special Council meeting to be held at 7:30 P.M. on the 2nd day of August, 1979. The approving legal opinion of Messrs. Rankin, McMurry, Osburn, Gallagher and VavRosky, Attorneys at Law, Portland, Oregon, will be supplied the successful bidder, together with the opinion of the said Counsel as to the tax status of the Notes. Both principal and interest shall be payable in lawful money of the United States of America at the office of the Treasurer of the City of Lakeside, Coos County, Oregon, and the Notes will be signed by the Mayor and Treasurer

of the City with its corporate seal affixed. The principal and interest of the Notes shall be payable in full not later than the due date thereof, but only from and at the time of the receipt of the proceeds of the sale of the General Obligation Bonds to the Farmers Home Administration as provided herein. The maturity of said Notes hereinabove specified, is the date estimated by the City as the completion of the project for which the bonds above mentioned and said interim financing has been secured.

Section 3. As provided in Oregon Revised Statutes Sections 287.522 to 287.528, the City Treasurer is hereby authorized and directed to advertise the Promissory Notes for public sale on written bids at a price not less than par value and to bear interest at the interest rate bid, but in no event to bear interest at a net effective rate in excess of that authorized and limited by O.R.S. 288.510, the sale to be held on the 2nd day of August, 1979, 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 of Lakeside in the amount of two percent (2%) of the par value of the Notes offered for sale is to accompany the bid. The City Treasurer 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, a newspaper of general circulation printed and published within Coos County, Oregon.

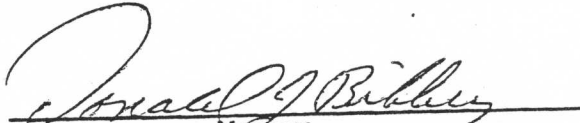
Section 4. Protection and Disposition of Funds. The City Treasurer shall be the custodian of the proceeds of all Notes sold hereunder and such proceeds shall be deposited in a bank which is a member of the Federal Deposit Insurance Corporation; provided, that if any or all of the Promissory Notes is purchased by any bank in the State of Oregon, the City Treasurer may cause the funds to be deposited in said bank to the extent that it is insured by the Federal Deposit Insurance Corporation. The City Treasurer is directed to establish the following account into which the Note proceeds shall be deposited for so long as the said Notes remain outstanding and unpaid, which account shall be continued and maintained for said purpose, except as otherwise herein provided, for so long as the said Notes remain unpaid:

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 Treasurer of the City of Lakeside as authorized by the City Council from time to time, countersigned by the Mayor or other authorized City official,

and only for the purposes for which the note was 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 said notes have been paid from the proceeds of the sale of the said General Obligation Bonds, then the said balance shall be applied to the payment of Bonds in the manner prescribed by the Ordinance authorizing the Bonds.

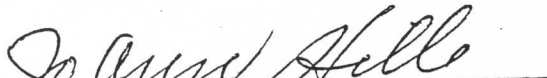
Section 5. The Council of the City of Lakeside hereby finds that bids have been let for the construction of the sewage treatment facilities and it is necessary in the interest of the public health, safety and welfare that the interim financing of such construction be provided without delay; and, therefore, an emergency is hereby declared to exist and this Ordinance shall become effective upon its enactment by the Council.

Passed and enacted by the Council of the City of Lakeside this 19th day of July, 1979.



Mayor

ATTEST:



Recorder