

AN ORDINANCE PROVIDING FOR THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE CITY OF STAYTON, OREGON IN THE PRINCIPAL SUM OF \$875,000.00 FOR THE PURPOSE OF EXPANDING THE MUNICIPAL WATER SYSTEM; PROVIDING FOR THE PAYMENT OF SAID BONDS; PRESCRIBING THE FORM OF SAID BONDS; AND DECLARING AN EMERGENCY.

The City of Stayton do ordain as follows:

SECTION I

Pursuant to Chapter XII, Section 2, of the Charter of the City of Stayton, legally adopted by the voters of said City at a special election held on the 7th day of July, 1970, said City shall issue and sell its general obligation water system bonds in the principal sum of \$875,000.00 for the purposes specified in said Charter Section.

SECTION II

Said water system bonds shall be in coupon form, shall be dated with the date of delivery thereof, shall be in denominations of \$5,000.00 each, shall bear interest at the rate or rates designated in the accepted bid for the bonds, but not exceeding a net effective rate of seven percent (7%) per annum, with interest, payable semi-annually on December 1 and June 1 of each year during the life of the bonds; shall be numbered consecutively from 1 to 175, inclusive, and shall mature in regular numerical order as follows:

BOND NOS. INCLUSIVE	MATURITY DATES	AMOUNT
1 - 6	December 1, 1971	\$30,000.00
7 - 13	December 1, 1972	35,000.00
14 - 21	December 1, 1973	40,000.00
22 - 30	December 1, 1974	45,000.00
31 - 39	December 1, 1975	45,000.00
40 - 49	December 1, 1976	50,000.00
50 - 59	December 1, 1977	50,000.00
60 - 70	December 1, 1978	55,000.00
71 - 82	December 1, 1979	60,000.00
83 - 95	December 1, 1980	65,000.00
96 - 109	December 1, 1981	70,000.00
110 - 124	December 1, 1982	75,000.00
125 - 140	December 1, 1983	80,000.00
141 - 157	December 1, 1984	85,000.00
158 - 175	December 1, 1985	90,000.00

with the right reserved to the City of Stayton, however, at its option, to redeem in inverse numerical order at par and accrued interest on December 1, 1980, and on any interest day thereafter, any or all of the bonds of said issue maturing on and after December 1, 1980.

SECTION III

In accordance with Section 4 of said Charter provision, such portion of the water system user charges as collected within and without the City remaining after deducting the expenses of maintenance and operation of such water system facilities and extensions and betterments thereto, to the extent as may be necessary for the annual payments for the retirement of the bonded indebtedness, hereby is pledged to the payment of the principal of, and the interest upon, the said bonds. The Council of said City shall, each year, include in the general tax levy of the City a special levy sufficient with such water system funds and other monies available therefore, to pay promptly when due, principal and interest upon said bonds. The bonds shall contain a covenant that the City shall maintain a minimum monthly water user charge not less than \$3.00 per month per user, and that it will pledge its net water revenues and levy ad valorem taxes to pay the principal of, and interest upon the water system bonds as herein provided. The funds derived from said net water revenues and the required ad valorem taxes shall be carried by the Recorder of the City in a separate account to be designated "Water Bond Fund," and shall be expended only for the payment of the principal and interest on the said water system bonds until the same have been fully paid and redeemed or until due provision for the payment for the redemption thereof has been made.

SECTION IV

Said bonds shall be the general obligation of the City of Stayton and both the principal and interest upon such bonds shall

be paid at the office of the treasurer of said City. Said bonds shall be signed by the Mayor and be countersigned by the Recorder of said City, and the interest coupons attached to said bonds shall bear the facsimile signatures of the said Mayor and Recorder. A copy of the written opinion of bond attorneys approving the legality of the bonds, certified as such under the facsimile signature of the Recorder, shall be printed on the reverse side of each bond.

The bonds hereby authorized and the coupons attached thereto shall be substantially in the following form:

No.

\$5,000.00

United States of America

State of Oregon

County of Marion

City of Stayton, Oregon, Water System Bonds

The City of Statyon, Oregon, for value received, hereby acknowledges itself indebted and promises to pay to the bearer the sum of

FIVE THOUSAND DOLLARS

on the 1st day of _____, 19____, with interest thereon at the rate of _____ percent per annum, payable on the 1st days of December and June of each year, to the bearer of the respective coupons therefore hereto attached, upon presentation and surrender thereof as they severally and respectively mature. Both the principal hereof and the interest hereon are payable in lawful money of the United States of America at the office of the Recorder of the City of Stayton, Oregon.

The bonds of the issue of which this bond forms a part maturing on and after December 1, 1980, may be redeemed by the City of Stayton,

at par value and accrued interest on December 1, 1980, and on any interest day thereafter, in inverse numerical order or in the entire amount of the issue outstanding, pursuant to notice of intention to exercise said option, specifying the numbers of the bonds called for payment and the call date thereof, published at least thirty days prior to the redemption date specified in said notice in one issue of a newspaper printed and published in Marion County, Oregon. From the date of redemption designated in any such notice interest on the bonds called for redemption shall cease.

This bond is one of one of a like date and tenor except as to maturity, and is issued as part of a total issue of \$875,000.00 to provide funds to construct, install and improve the water supply system and appurtenances thereof within and without the City of Stayton by the purchase, construction, installation of such pumps, filters, supply facilities, transmission facilities and such other structures or facilities as shall be expedient or necessary, and to secure real estate, right of way, easements, water and transmission rights reasonable and necessary therefore.

This bond is a general obligation of the City of Stayton, Oregon, payable both as to principal and interest from the net revenues of the water system, from unlimited ad valorem taxes upon all of the property within the City so taxable for its purposes, and from any other funds available for such payments.

It is hereby certified that the City of Stayton is a municipal corporation duly organized, existing and operating as a City under and by the virtue of the Constitution and laws of the State of Oregon; that all conditions, acts and things required to exist and to be performed prior to and in the issuance of this bond have existed, happened and been performed in due time, form and manner as required by the Constitution and statutes of the State of Oregon and by the Charter and ordinances of the City of Stayton; and that the issue of which this bond is a part and all of the obligations of

the City are within every debt limitation and other limits prescribed by said Constitution, statutes, Charter and ordinances.

For the punctual payment of the principal of this bond and the interest thereon as aforesaid, the full faith and credit of the City of Stayton, Oregon, are hereby irrevocably pledged.

IN WITNESS WHEREOF, the City of Stayton, Oregon, has caused this bond to be signed by its Mayor and countersigned by its Recorder under its Corporate seal, and has caused the annexed interest coupons to be executed with the facsimile signatures of its said officers all as of the first day of _____, 1970.

M A Y O R

COUNTERSIGNED:

Recorder of the City of Stayton, Oregon

BOND COUPON

No. _____ \$ _____

On the 1st day of June, 19____, the City of Stayton, in Marion County, Oregon, will pay to the bearer

in lawful money of the United States of America, at the office of the Recorder of said City, for six months interest then due on its Water System bond dated _____, 19____, bearing No. _____.

M A Y O R

COUNTERSIGNED:

Recorder of the City of Stayton, Oregon

SECTION V

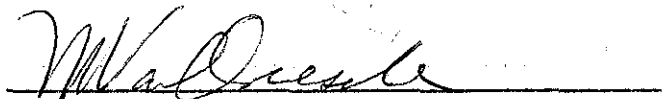
As provided on ORS 287.002, the Recorder is hereby authorized and directed to advertise the said water system bonds for public sale upon written bid at a price not less than par value and the full amount of accrued interest on said bonds, and at a net effective interest rate of not more than seven percent (7%) per annum, the said sale to be held on such date as the Common Council shall so direct and the notice thereof to specify that the City reserves the right to reject any and all bids for the bonds. Should the bids received for the bonds not be acceptable to the Council, the Council may re-advertise the bonds for sale at such price and at such effective interest rate as the Council shall deem advisable.

SECTION VI

Whereas it is deemed necessary for the immediate preservation of the peace, health and safety of the citizens of the City of Stayton that this ordinance become effective at the earliest possible date, an emergency is hereby declared to exist and this ordinance shall be in full force and effect from and after its passage and approval by the Mayor.

PASSED AND UNANIMOUSLY ADOPTED by the Council this 5TH day of October, 1970.

APPROVED by the Mayor this 5TH day of October, 1970.



M A Y O R

ATTEST:


City Recorder