

RESOLUTION NO. 2001-5

A RESOLUTION AUTHORIZING WATER SYSTEM REVENUE BONDS

The Board of Commissioners of the LaPine Water District, Deschutes County, Oregon, finds:

- A. It is financially feasible and in the best interests of the District to authorize the issuance of water system revenue bonds to finance a community water system and related improvements (the "Project").
- B. The District is authorized to finance the Project by issuing revenue bonds pursuant to Oregon's Uniform Revenue Bond Act (ORS 288.805 to 288.945 or the "Act"), which are payable from all or any portion of the District's water system revenues (the "Revenues").
- C. It is desirable to obtain \$3,800,000 of bonding authority to pay Project costs.
- D. The District will cause a plan to be prepared showing that the District's estimated net Revenues will be sufficient to pay the revenue bonds authorized by this resolution.

NOW, THEREFORE, the Board of Commissioners of the LaPine Water District resolves:

Section 1. Revenue Bonds Authorized. The District hereby authorizes the issuance of not more than Three Million Eight Hundred Thousand Dollars (\$3,800,000) in aggregate principal amount of revenue bonds to finance the Project, which shall be payable from the Revenues. Prior to selling the bonds the Board of Commissioners shall establish by resolution:

- (A) Whether the bonds will be sold at public, competitive bid sale or private, negotiated sale;
- (B) The maximum discount to be allowed upon sale of the bonds;
- (C) The schedule for bond principal repayment;
- (D) The terms under which additional bonds may be issued;
- (E) The terms by which bonds may be redeemed prior to maturity;
- (F) The amount of any reserves to be established for the bonds and the manner in which the reserves will be funded;
- (G) The covenants which the District will make with bondowners regarding operation of the Project;

- (H) Whether all or only a portion of the Revenues will be pledged to payment of the bonds;
- (I) Whether the pledged revenues will be held by a trustee, and if they are so held, the trustee's duties;
- (J) Whether mortgages or security interests should be granted in property financed by the bonds; and
- (K) Any other terms, conditions or covenants regarding the bonds, the Project or the revenues which are necessary or desirable to sell the bonds.

Section 2. Notice; Procedure.

- (A) No bonds may be sold, and no purchase agreement for the bonds may be executed, until at least sixty (60) days after publication of the Notice of Revenue Bond Authorization, in substantially the form which is attached to this resolution as Exhibit "A" (the "Notice"). The Notice shall specify the last date on which petitions may be submitted, and shall be published in at least one newspaper of general circulation in the District in the same manner as are other public notices of the District.
- (B) If petitions for an election, containing valid signatures of not less than five percent (5%) of the District's electors, are received by the date indicated in the Notice: the question of issuing the bonds shall be placed on the ballot at the next legally available election date; and, no bonds may be sold under this resolution until the question of issuing those bonds is approved by a majority of the electors of the District who vote on that question.
- (C) The bonds shall be issued and sold in accordance with the Act.

Section 2. Bonds Payable Solely from Revenues. The bonds shall not be general obligations of the District. The bonds shall be payable solely from the Revenues which the District pledges to payment of the bonds pursuant to ORS 288.825(1) and the resolution to be adopted by the District pursuant to Section 1(A) of this resolution. The District shall not be authorized to levy taxes to pay the bonds.

Adopted on this _____ Day of October, 2001.

President, La Pine Water District Board of Commissioners

Attested:

Secretary

Notice of Revenue Bond Authorization

NOTICE IS HEREBY GIVEN that the Board of Commissioners of the LaPine Water District, Deschutes County, Oregon (the "District"), adopted Resolution No.2001-5 on December 4, 2001, authorizing the issuance of revenue bonds which are payable from revenues of the District's water system (the "Revenues"). The bonds will be issued to finance a community water system and related improvements (the "Project").

The Board of Commissioners may establish by subsequent resolution all terms, conditions and covenants regarding the bonds and the Revenues which are necessary or desirable to effect the sale of the bonds.

The bonds will be issued in an estimated aggregate principal amount of not more than Three Million Eight Hundred Thousand Dollars (\$3,800,000); bond principal and interest will be payable from the Revenues which the District pledges to pay the bonds. The bonds will not be general obligations of the District, and the District will not be authorized to levy taxes to pay the bonds.

If written petitions requesting an election on the issuance of the bonds, signed by not less than five percent (5%) of the District's electors, are filed at the District's office on or before [insert date which is 60 days after the notice is published], the question of issuing the bonds shall be placed on the ballot at the next legally available election date.

The District's office is located at 16405 First Street, Suite 2, LaPine, Oregon 97739.

The resolution authorizing the bonds is available for inspection at the District's office.

The bonds will be issued and sold under the Uniform Revenue Bond Act (ORS 288.805 to 288.945); this Notice is published pursuant to ORS 288.815(6).

BY ORDER OF THE BOARD OF
COMMISSIONERS OF THE LAPINE WATER
DISTRICT, DESCHUTES COUNTY, OREGON