

A RESOLUTION OF THE COMMON COUNCIL)
OF THE CITY OF LEBANON, OREGON)
AUTHORIZING THE ISSUANCE OF WATER)
REVENUE BONDS)

RESOLUTION NO. 8
For 1991

WHEREAS, the City of Lebanon, Oregon (the "Issuer") plans to construct certain additions and improvements to the Issuer's water system (the "Facilities"); and

WHEREAS, the cost of the additions and improvements to the Facilities will not exceed \$5,000,000 and the Issuer intends to issue bonds to finance the cost of the additions and improvements to the Facilities; and

WHEREAS, the Issuer finds it desirable to issue water revenue bonds (the "Bonds") in an amount not to exceed \$5,000,000 to finance the cost of the additions and improvements to the Facilities pursuant to Oregon Revised Statutes 288.805 to 288.945, inclusive, and to pledge for payment of the Bonds the unobligated net revenues of the Issuer's water system, being a revenue producing facility providing services related to the services to be financed by the Bonds;

NOW THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF LEBANON:

Section 1. The Issuer hereby authorizes the issuance of the Bonds in a principal amount not to exceed \$5,000,000 for the purpose of financing the cost of construction of the additions and improvements to the Facilities and paying for engineering fees, attorney fees and other related costs.

Section 2. The Bonds shall not be general obligations of the Issuer or a charge upon the tax revenues of the Issuer. The unobligated net revenues of the Issuer's water system are hereby pledged to the payment of the principal of and interest on the Bonds, after payment of the ordinary operation and maintenance expenses of the water system from the gross revenues thereof. So long as the Bonds are outstanding, the Issuer shall fix rates and collect charges for water services adequate to provide sufficient revenues to pay, in addition to all other expenses and obligated indebtedness, principal of and interest on the Bonds.

Section 3. The Issuer hereby designates the Bonds for purposes of paragraph (3) of Section 265(b) of the Internal Revenue Code of 1986, as amended, (the "Code") as "qualified tax-exempt obligations" and covenants that the Bonds do not constitute private activity bonds as defined in Section 141 of the Code, and that not more than \$10,000,000 aggregate principal amount of obligations, the interest on which is excludable under Section 103(a) of the Code from gross income for federal income tax purposes (excluding, however, private activity bonds other than qualified 501(c)(3) bonds) including the Bonds, have been or shall be issued by the Issuer, including all subordinate entities of the Issuer, if any, during the calendar year 1991.

Section 4. The City Administrator is authorized and directed to publish a Notice of Intent to Issue Bonds and describing the purposes for which the Bonds are to be sold, in the form attached hereto as Exhibit A, in one issue of the Lebanon Express, a newspaper of general circulation within the geographical boundaries of the Issuer. In addition, the City Administrator shall cause the Notice of Intent to Issue Bonds to be given in the same manner as are other public notices of the Issuer. The Bonds may not be sold at public competitive bid, nor shall a purchase agreement be executed for a private negotiated sale, for at least 60 days following publication of the Notice of Intent to Issue Bonds.

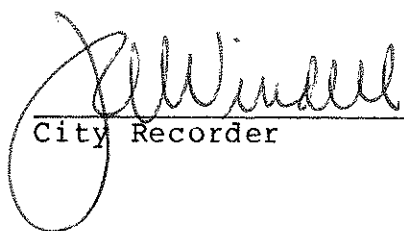
Section 5. Voters residing within the geographical boundaries of the Issuer may file a petition with the Issuer asking to have the question of whether to issue the Bonds referred to a vote. If the Issuer receives petitions containing valid signatures of the Issuer's electors totaling not less than five percent (5%) of the Issuer's electors, the question of issuing the Bonds shall be placed on the ballot at the next legally available election date. In the event the Issuer receives such a petition within 60 days from publication of the Notice of Intent to Issue Bonds, the Bonds shall not be sold until this resolution is approved by a majority of the electors of the Issuer voting on this Resolution.

Passed by the Common Council of the City of Lebanon by a
vote of 6 for and 0 against, and approved by
the Mayor this 27th day of February, 1991.



Mayor

ATTEST:



City Recorder

CITY OF LEBANON, OREGON

NOTICE OF INTENT TO ISSUE
WATER REVENUE BONDS

NOTICE IS HEREBY GIVEN that on February 27, 1991, the Common Council of the City of Lebanon, Oregon (the "City") adopted Resolution No. 8 authorizing the issuance of Water Revenue Bonds (the "Bonds") as authorized by Oregon Revised Statutes 288.805 to 288.945, inclusive, in an amount not to exceed \$5,000,000 for the purpose of financing the cost of certain additions and improvements to the City's water system.

Principal of and interest on the Bonds are expected to be paid solely from the unobligated net revenues of the City's water system and shall not be a general obligation of the City or a charge upon the tax revenues of the City.

Voters residing within the City may file a petition with the City within 60 days from publication of this Notice, asking to have the question of whether to issue the Bonds referred to a vote. If not less than five percent (5%) of the City's registered voters sign petitions, the question of issuing such Bonds shall be placed on the ballot at the next legally available election date. If sufficient petitions are not filed, the City may proceed to issue the Bonds.

Resolution No. 8 is available for inspection at the office of the City Administrator, City Hall, 925 Main Street, Lebanon, Oregon, 97355.

CITY OF LEBANON, OREGON