

ORDINANCE NO. 200 1/2

AN ORDINANCE AUTHORIZING THE ISSUANCE, SALE,
AND RETIREMENT OF \$30,000.00 OF WATER BONDS
OF THE CITY OF SHERWOOD AND OTHER RELATED
MATTERS.

WHEREAS, At a special election held on the 21 day of
February, 1947, the voters of the City of Sherwood did authorize
the issuance of \$30,000.00 in water bonds, payable first from the net
revenues of the water system and secondarily by general taxation should
the revenues be insufficient, with which to secure funds to improve and
extend the present water system and supply of the city.

NOW, THEREFORE, The City of Sherwood Does Ordain as follows:

Section 1. That in order to borrow the sum of \$30,000.00 to
provide funds with which to improve and extend the present water supply
and system of the City of Sherwood, there is hereby authorized to be
issued water bonds of the City of Sherwood, Washington County, Oregon,
in the aggregate amount of \$30,000.00.

Section 2. Said bonds shall be designated "Water Bonds, Series
1947" and shall be payable first from the net revenues of the water system
as herein defined, and, if these shall be insufficient, then by general
taxation. The bonds shall be dated March 1, 1947, shall be in denomina-
tions of \$500.00 each, shall be numbered consecutively from 1 to 60,
inclusive, and shall mature serially in amounts and years as follows, to-wit:

| <u>Numbers</u> | <u>Amount</u> | <u>Date of Maturity</u> |
|----------------|---------------|-------------------------|
| 1 and 2 | \$1000.00 | March 1, 1948 |
| 3 and 4 | 1000.00 | March 1, 1949 |
| 5 and 6 | 1000.00 | March 1, 1950 |
| 7 and 8 | 1000.00 | March 1, 1951 |
| 9 and 10 | 1000.00 | March 1, 1952 |
| 11 and 12 | 1000.00 | March 1, 1953 |
| 13 and 14 | 1000.00 | March 1, 1954 |
| 15 to 17 | 1500.00 | March 1, 1955 |
| 18 to 20 | 1500.00 | March 1, 1956 |
| 21 to 23 | 1500.00 | March 1, 1957 |
| 24 to 26 | 1500.00 | March 1, 1958 |
| 27 to 29 | 1500.00 | March 1, 1959 |
| 30 to 32 | 1500.00 | March 1, 1960 |
| 33 to 35 | 1500.00 | March 1, 1961 |

200 1/2

| <u>Numbers</u> | <u>Amount</u> | <u>Date of Maturity</u> |
|----------------|---------------|-------------------------|
| 36 to 39 | \$2000.00 | March 1, 1962 |
| 40 to 43 | 2000.00 | March 1, 1963 |
| 44 to 47 | 2000.00 | March 1, 1964 |
| 48 to 51 | 2000.00 | March 1, 1965 |
| 52 to 55 | 2000.00 | March 1, 1966 |
| 56 to 60 | 2500.00 | March 1, 1967 |

All bonds of this issue numbered 18 and above shall be callable at the option of the City on any interest paying date on or after the 1st day of March, 1955. Notice of intention to call shall be published in one issue of a newspaper printed in Washington County, Oregon, at least 30 days prior to the date at which the bond is to be called.

Said bonds shall bear interest at not to exceed 3% per annum and at the rate or rates to be hereafter fixed or determined as herein provided, with interest payable in semi-annual installments on March 1 and September 1 of each year until maturity, and shall be payable both as to principal and interest at the office of the Treasurer of the City of Sherwood, Sherwood, Oregon, in lawful money of the United States of America. Said bonds shall state on their face the purpose for which they are issued and that they are issued by virtue of this ordinance, the charter provisions of the City of Sherwood, and the Constitution and Laws of the State of Oregon.

Section 3. All of the bonds of this issue are hereby authorized to be advertised and sold as soon as conveniently possible after the taking effect of this ordinance in the manner provided by law.

Section 4. Said bonds shall be advertised to be sold and shall be sold to the bidder offering to purchase the same at par and bearing the lowest rate of interest for the entire issue, and premiums shall only be considered for the purpose of arriving at the lowest net cost to the City of Sherwood. The amount of interest that the various bonds of this issue shall bear shall be fixed and determined at the time of the sale thereof by action of the City Council of the City of Sherwood.

Section 5. The City of Sherwood hereby covenants and agrees with

each successive holder of said bonds and of said coupons that said City of Sherwood shall and will adopt and establish a schedule of water rates which will produce sufficient net revenues from the water system to pay the interest on and maturing principal of all of the outstanding bonds of this issue, the net revenues being the gross revenues resulting from the rates and charges made for water used after paying the costs of maintenance and operation and a reasonable charge for depreciation and the making of necessary betterments and extensions. The City further covenants that in the event the net revenues from the water system shall at any time be insufficient to pay the interest on and the maturing principal of these bonds that then the City of Sherwood will levy an ad valorem tax on all of the taxable property within the City in such an amount as will produce sufficient money from taxation to pay the amount of such deficit, and the City will continue to so levy such taxes so long as any deficit exists and until said bonds, principal and interest are paid in full.

Section 6. That said bonds and the coupons thereto attached shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF OREGON
COUNTY OF WASHINGTON
CITY OF SHERWOOD

WATER BOND, SERIES 1947

No. _____

\$500.00

The City of Sherwood, a Municipal Corporation of the State of Oregon, for value received, promises to pay to the bearer on the 1st day of March, 19 ____, the sum of

FIVE HUNDRED DOLLARS

and to pay interest thereon at the rate of _____ per cent per annum, payable on March 1 and September 1 of each year until maturity upon surrender of the annexed interest coupons as they severally become due; both principal and interest of this bond are payable in lawful money of the United States of America at the office of the City Treasurer in Sherwood, Oregon.

All bonds of this issue numbered 18 and above are callable serially in the order of their maturity on any interest paying date from and after March 1, 1955, upon giving notice of the City's intention in one issue of a newspaper printed in Washington County, Oregon, thirty days prior to the date of the intended call.

This bond is issued by the City of Sherwood to provide funds for the purpose of improving and extending the present water system and supply of the City, under authority of a special election by the people and pursuant to the provisions of the Charter of the City of Sherwood, Ordinance No. 200, and pursuant to the Constitution and Laws of the State of Oregon.

This bond is payable as to both principal and interest first from the net revenues to be derived from the operation and use of the water system, such net revenues being the gross revenues of the water system after paying the cost of maintenance and operation and making a reasonable reserve for depreciation and necessary betterments and extensions of the water system, and all such revenues are pledged to the payment of this bond and the interest thereon; and, should these revenues be insufficient, then the full faith and credit is pledged to the payment hereof.

This bond is subject to the condition, and every holder hereof by accepting the same agrees with the obligor and every subsequent holder hereof, that (a) the delivery of this bond to any transferee shall vest title in this bond and the interest represented thereby in such transferee to the same extent for all purposes as would the delivery under like circumstances of any negotiable instrument payable to bearer; (b) the obligor and any agent of the obligor may treat the bearer of this bond as the absolute owner hereof for all purposes and shall not be affected by any notice to the contrary; (c) the principal of and the interest on this bond will be paid and this bond and each of the coupons appertaining thereto shall be transferable free from and without regard to any equity between the obligor and the original or any intermediate holder hereof or any set-offs or cross claims; and (d) the surrender to the obligor or any agent of the obligor of this bond and each of the coupons shall be a good discharge to the obligor for the same.

It is hereby certified and recited that all the conditions, acts, and things required by the Constitution and Laws of the State of Oregon and the Charter of the City of Sherwood to exist, to have happened, and to have been performed precedent to and in the issuance of this bond, do exist, have happened, and have been performed.

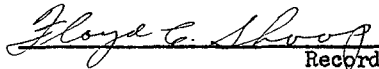
IN WITNESS WHEREOF, The City of Sherwood has caused this bond to be signed in its name by the Mayor, to be sealed with its corporate seal, countersigned by the Recorder, and the coupons thereto annexed to be signed by the facsimile signatures of the Mayor and Recorder and this bond to be dated as of the 1st day of March, 1947.



Mayor

(SEAL)

Countersigned:



Recorder

(FORM OF COUPON)

No. _____ The City of Sherwood, a Municipal Corporation of the State of Oregon will pay to the bearer on the 1st day of September, 19____, (or

the 1st day of March, 19____) at the office of the Treasurer of the City of Sherwood in Sherwood, Oregon, \$_____ in lawful money of the United States of America, said sum being six months interest then due on its Water Bond, Series 1947, dated March 1, 1947, and bearing No. _____.

Mayor

Recorder

Section 7. That said bonds shall be signed by the Mayor, sealed with the corporate seal, countersigned by the Recorder, and the interest coupons thereto annexed shall be signed by the facsimile signatures of said Mayor and Recorder.

Section 8. The Recorder of the City of Sherwood is hereby authorized and directed to keep a record of all of said bonds of this issue in a register provided therefor.

Section 9. That the proceeds of these bonds when sold shall be applied in the following manner: (a) To pay the cost of improving and extending the water supply system of the City of Sherwood; and (b) the balance of said fund, if any there be, shall be placed in a special fund to be used for the retirement of and the payment of the interest on the bonds of this issue and for no other purpose.

Section 10. The City of Sherwood shall maintain the water system in good condition and operate the same in an efficient manner. So long as any of the bonds are outstanding, the City shall maintain insurance on the water system of the kind and in the amount which is usually carried by private companies or other municipalities engaged in a similar type of business.

Section 11. The City shall keep proper books of the records and accounts (separate from all other records and accounts) in which complete and correct entries shall be made of all the transactions relating to the water system. The City shall furnish to the original purchaser and to any holder or holders of any of the bonds, at the written request of such holder

or holders, not later than thirty (30) days after the close of each six months' fiscal period, complete operating and income statements of the water system in reasonable detail covering such six months' period and, not more than sixty (60) days after the close of each fiscal year, complete financial statements of the water system in reasonable detail covering such fiscal year, certified by the city auditor.

Section 12. None of the facilities afforded by the City's water system shall be furnished free. In the event that the City of Sherwood or any department, agency, or instrumentality thereof shall avail itself of the facilities afforded by the water system, a reasonable charge for the services shall be made against the city, department, agency, or instrumentality, and shall be paid as the services accrue. The revenue so received shall be deemed to be revenue derived from the operation of the water system and shall be used and accounted for in the same manner as any other revenues derived therefrom.

Section 13. The Mayor and the Recorder of the City of Sherwood are hereby authorized and directed to do all acts and things necessary for the delivery and sale of all the bonds herein authorized to be sold to the successful and highest bidder at the sale herein authorized to be held.

Passed by the Council this 28 day of Feb., 1947.

Approved by the Mayor this 28 day of Feb., 1947.

C. H. Sanders
Mayor

ATTEST: Floyd C. Shoop
Recorder