

RESOLUTION *No. 27*

A RESOLUTION OF THE CITY OF DOVER, OF BONNER COUNTY, IDAHO, APPROVING, PURSUANT TO SECTION 50-901A, IDAHO CODE, A SUMMARY OF ORDINANCE NO. 55 FOR PUBLICATION; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

**CITY OF DOVER
Bonner County, Idaho**

PARITY LIEN SEWER REVENUE BOND, SERIES 1999

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DOVER, IDAHO, as follows:

WHEREAS, the City of Dover, of Bonner County Idaho, (the "City"), is a municipal corporation operating and existing under and pursuant to the provisions of the Constitution and laws of the State of Idaho, and as such is authorized and empowered to create local improvement districts and to construct improvements pursuant to Idaho Code, Title 50, Chapter 17; and

WHEREAS, on December 9, 1999, the City Council adopted Ordinance No. 55, authorizing the issuance and sale of its Parity Lien Sewer Revenue Bond for the construction and installation of certain improvements and betterments to the City's sewage collection and treatment system; and

WHEREAS, the City is authorized, pursuant to Section 50-901A, Idaho Code, to publish, in lieu of the entire Ordinance, a summary thereof.

NOW, THEREFORE, IT IS HEREBY FURTHER RESOLVED as follows:

Section 1: That the Summary of Ordinance No. 55, which Ordinance was adopted by the City Council on December 9, 1999, a copy of which Summary is annexed hereto and marked as Exhibit "A" and is incorporated herein by reference, is approved.

Section 2: This Resolution shall take effect and be in force from and after its passage and approval.

PASSED at a regular meeting of the City Council of the City of Dover, held on the 9th day of December, 1999.

CITY OF DOVER, Bonner County, Idaho

Paul Randy "Crisles"

Mayor

ATTEST:

Ruth Guthrie

City Clerk

(SEAL)

I, the undersigned, City Clerk of the City of Dover, of Bonner County, Idaho hereby certify that the foregoing Resolution is a full, true, and correct copy of a Resolution duly adopted at a regular meeting of the City Council, duly and regularly held at the regular meeting place thereof on December 9, 1999, of which meeting all members of said Council had due notice and at which a majority thereof were present; and that at said meeting said Resolution was adopted by the following vote:

AYES, and in favor thereof, Councilmembers:

{ MARGARET BECKER
NEAL HEWITT
GENEVIEVE THURLOW

NAYS, Councilmembers:

ABSENT, Councilmembers:

BRAD LITTLEFIELD

ABSTAIN, Councilmembers:

I further certify that I have carefully compared the same with the original Resolution on file and of record in my office; that said Resolution is a full, true, and correct copy of the original Resolution adopted at said meeting; and that said Resolution has not been amended, modified, or rescinded since the date of its adoption, and is now in full force and effect.

IN WITNESS WHEREOF, I have set my hand and affixed the official seal of the City on December 9, 1999.



City Clerk

(SEAL)

SUMMARY OF
ORDINANCE NO. 55

AN ORDINANCE OF THE CITY OF DOVER, OF BONNER COUNTY, IDAHO, SPECIFYING AND ADOPTING A PLAN FOR THE ACQUISITION, CONSTRUCTION AND INSTALLATION OF IMPROVEMENTS AND BETTERMENTS TO THE SEWER SYSTEM OF SAID CITY; DECLARING THE ESTIMATED COST OF SAID IMPROVEMENTS; AUTHORIZING THE ISSUANCE AND SALE OF ITS PARITY LIEN SEWER REVENUE BOND, SERIES 1999, IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$450,000; PROVIDING FOR THE REGISTRATION OF SUCH BOND; PROVIDING FOR THE COLLECTION, HANDLING AND DISPOSITION OF REVENUE; SPECIFYING THE DATE, FORM, MATURITY, AND COVENANTS OF SAID BOND; ESTABLISHING AND ADOPTING VARIOUS FUNDS AND ACCOUNTS; PROVIDING FOR THE ISSUANCE OF ADDITIONAL BONDS; APPROVING THE SALE AND DELIVERY OF THE BOND TO THE UNITED STATES OF AMERICA; PROVIDING CERTAIN COVENANTS WITH RESPECT TO FEDERAL TAX LAW; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

CITY OF DOVER
Bonner County, Idaho

PARITY LIEN SEWER REVENUE BOND, SERIES 1999
Principal Amount Not to Exceed \$450,000

A summary of the principal provisions of Ordinance No. 55 of the City of Dover, of Bonner County, Idaho, adopted on December 9, 1999, is as follows. Capitalized terms used in this summary shall have the meaning given them in Ordinance No. 55.

Section 1: Defines various words and phrases used in the Ordinance and the Bond.

Section 2: Finds and determines that the public interest, welfare, convenience and necessity require the construction and installation of the improvements to the sewer system of the City.

Section 3: Describes the project and identifies the costs of the project as approximately \$900,000, with \$450,000 to be paid from proceeds of the Bond.

Section 4: Describes the Bond to be issued, in the principal amount of \$450,000, as bearing interest at the rate of 4.375% per annum, payable in annual payments of \$27,225 for a period of thirty (30) years. Authorizes the sale of the Bond to the United States Department of Agriculture – Rural Development.

Section 5: Sets forth the manner of execution and delivery of the Bond.

Section 6: Provides a method of payment of the principal and interest on the Bond.

Section 7: Appoints the City Treasurer as Bond Registrar, transfer agent and authenticating and paying agent for the Bond, and sets forth the responsibilities therein.

Section 8: Sets forth requirements for redeeming the Bond prior to maturity, with proper notice, and reserves the right to purchase the Bonds on the open market. Provides that so long as the Bond is held by the United States, it will not be subject to defeasance.

Section 9: Provides that the City has established and may revise rates and charges for sewer service and facilities of the System, and that said charges shall be uniform as to all persons or properties which are of the same class.

Section 10: Pledges Net Revenue of the System for the payment of the Bond as a prior first charge and lien thereon equal to the lien of the Outstanding Bond and any Additional Bonds.

Section 11: Refers to a Construction Fund previously created into which the Bond proceeds shall be deposited to pay the cost and expense of improvements to the System.

Section 12: Refers to the Sewer Revenue Fund previously created into which all of the Revenue of the System shall be deposited, and sets forth an order of priority of use of moneys in said Fund.

Section 13: Creates a Bond Fund to pay the principal of and interest on the Bond.

Section 14: Creates a Reserve Fund to guaranty payment of the Bond, and specifies deposits therein and use of funds on hand.

Section 15: Sets forth an order of priority of use of surplus funds.

Section 16: Provides that additional bonds, on a parity with the Bond, may be issued under certain terms and conditions.

Section 17: Provides that surplus funds may be invested as permitted by law.

Section 18: Sets forth certain covenants regarding the System.

Section 19: Defines various events of default.

Section 20: Provides for remedies for events of default.

Section 21: Sets forth various duties upon default.

Section 22: Provides that the Ordinance is a contract between the City and the Bond purchaser.

Section 23: Sets forth a method of amending the Ordinance.

Section 24: Provides for replacement of a lost, stolen, mutilated or destroyed Bond.

Section 25: Provides for the transfer or exchange of the Bond.

Section 26: States that the City is exempt from any arbitrage rebate requirement.

Section 27: Sets forth various tax covenants.

Section 28: Limits private person use of the System.

Section 29: Limits private loans.

Section 30: Designates the Bond as a Qualified Tax-Exempt Obligation under the provisions of the Code.

Section 31: Prohibits any action that would cause the Bond to be "federally guaranteed."

Section 32: Provides that the City shall comply with the provisions of this Ordinance without a written opinion that compliance is not required.

Section 33: Ratifies all actions taken by the City, its officers and employees with respect to the improvements and the Bond.

Section 34: Declares that any provision of the Ordinance found to be null and void may be severed from the remaining portion of the Ordinance and not affect the balance thereof.

Section 35: Repeals any ordinance, resolution or part thereof in conflict herewith to the extent of such conflict.

Section 36: Provides that the Ordinance shall take effect immediately upon passage and one publication of this summary in the official newspaper of the City, pursuant to Section 50-1727, Idaho Code.

Exhibit "A": Sets forth a form of the Bond to be issued.

A full text of Ordinance No. 55 is available at the office of the City Clerk of the City of Dover and will be provided to any citizen upon personal request during normal business hours.

APPROVED this 9th day of December, 1999.

CITY OF DOVER, Bonner County, Idaho



Mayor

ATTEST:



City Clerk

(SEAL)

CERTIFICATION OF BOND COUNSEL

I, the undersigned, Bond Counsel for, and legal advisor to, the City of Dover, Idaho, hereby certify that I have read the attached Summary of Ordinance No. _____ of the City, and that the same is true and complete and provides adequate notice to the public of the contents of said Ordinance.

DATED as of this 9th day of December, 1999.

Michael C. Ormsby

**SUMMARY OF
ORDINANCE NO. 55**

AN ORDINANCE OF THE CITY OF DOVER, OF BONNER COUNTY, IDAHO, SPECIFYING AND ADOPTING A PLAN FOR THE ACQUISITION, CONSTRUCTION AND INSTALLATION OF IMPROVEMENTS AND BETTERMENTS TO THE SEWER SYSTEM OF SAID CITY; DECLARING THE ESTIMATED COST OF SAID IMPROVEMENTS; AUTHORIZING THE ISSUANCE AND SALE OF ITS PARITY LIEN SEWER REVENUE BOND, SERIES 1999, IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$450,000; PROVIDING FOR THE REGISTRATION OF SUCH BOND; PROVIDING FOR THE COLLECTION, HANDLING AND DISPOSITION OF REVENUE; SPECIFYING THE DATE, FORM, MATURITY, AND COVENANTS OF SAID BOND; ESTABLISHING AND ADOPTING VARIOUS FUNDS AND ACCOUNTS; PROVIDING FOR THE ISSUANCE OF ADDITIONAL BONDS; APPROVING THE SALE AND DELIVERY OF THE BOND TO THE UNITED STATES OF AMERICA; PROVIDING CERTAIN COVENANTS WITH RESPECT TO FEDERAL TAX LAW; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

**CITY OF DOVER
Bonner County, Idaho**

**PARITY LIEN SEWER REVENUE BOND, SERIES 1999
Principal Amount Not to Exceed \$450,000**

A summary of the principal provisions of Ordinance No. 55 of the City of Dover, of Bonner County, Idaho, adopted on December 9, 1999, is as follows. Capitalized terms used in this summary shall have the meaning given them in Ordinance No. 55.

Section 1: Defines various words and phrases used in the Ordinance and the Bond.

Section 2: Finds and determines that the public interest, welfare, convenience and necessity require the construction and installation of the improvements to the sewer system of the City.

Section 3: Describes the project and identifies the costs of the project as approximately \$900,000, with \$450,000 to be paid from proceeds of the Bond.

Section 4: Describes the Bond to be issued, in the principal amount of \$450,000, as bearing interest at the rate of 4.375% per annum, payable in annual payments of \$27,225 for a period of thirty (30) years. Authorizes the sale of the Bond to the United States Department of Agriculture – Rural Development.

Section 5: Sets forth the manner of execution and delivery of the Bond.

Section 6: Provides a method of payment of the principal and interest on the Bond.

Section 7: Appoints the City Treasurer as Bond Registrar, transfer agent and authenticating and paying agent for the Bond, and sets forth the responsibilities therein.

Section 8: Sets forth requirements for redeeming the Bond prior to maturity, with proper notice, and reserves the right to purchase the Bonds on the open market. Provides that so long as the Bond is held by the United States, it will not be subject to defeasance.

Section 9: Provides that the City has established and may revise rates and charges for sewer service and facilities of the System, and that said charges shall be uniform as to all persons or properties which are of the same class.

Section 10: Pledges Net Revenue of the System for the payment of the Bond as a prior first charge and lien thereon equal to the lien of the Outstanding Bond and any Additional Bonds.

Section 11: Refers to a Construction Fund previously created into which the Bond proceeds shall be deposited to pay the cost and expense of improvements to the System.

Section 12: Refers to the Sewer Revenue Fund previously created into which all of the Revenue of the System shall be deposited, and sets forth an order of priority of use of moneys in said Fund.

Section 13: Creates a Bond Fund to pay the principal of and interest on the Bond.

Section 14: Creates a Reserve Fund to guaranty payment of the Bond, and specifies deposits therein and use of funds on hand.

Section 15: Sets forth an order of priority of use of surplus funds.

Section 16: Provides that additional bonds, on a parity with the Bond, may be issued under certain terms and conditions.

Section 17: Provides that surplus funds may be invested as permitted by law.

Section 18: Sets forth certain covenants regarding the System.

Section 19: Defines various events of default.

Section 20: Provides for remedies for events of default.

Section 21: Sets forth various duties upon default.

Section 22: Provides that the Ordinance is a contract between the City and the Bond purchaser.

Section 23: Sets forth a method of amending the Ordinance.

Section 24: Provides for replacement of a lost, stolen, mutilated or destroyed Bond.

Section 25: Provides for the transfer of exchange of the Bond.

Section 26: States that the City is exempt from any arbitrage rebate requirement.

Section 27: Sets forth various tax covenants.

Section 28: Limits private person use of the System.

Section 29: Limits private loans.

Section 30: Designates the Bond as a Qualified Tax-Exempt Obligation under the provisions of the Code.

Section 31: Prohibits any action that would cause the Bond to be “federally guaranteed.”

Section 32: Provides that the City shall comply with the provisions of this Ordinance without a written opinion that compliance is not required.

Section 33: Ratifies all actions taken by the City, its officers and employees with respect to the improvements and the Bond.

Section 34: Declares that any provision of the Ordinance found to be null and void may be severed from the remaining portion of the Ordinance and not affect the balance thereof.

Section 35: Repeals any ordinance, resolution or part thereof in conflict herewith to the extent of such conflict.

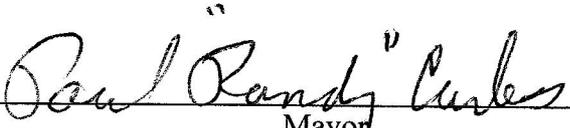
Section 36: Provides that the Ordinance shall take effect immediately upon passage and one publication of this summary in the official newspaper of the City, pursuant to Section 50-1727, Idaho Code.

Exhibit "A": Sets forth a form of the Bond to be issued.

A full text of Ordinance No. 55 is available at the office of the City Clerk of the City of Dover and will be provided to any citizen upon personal request during normal business hours.

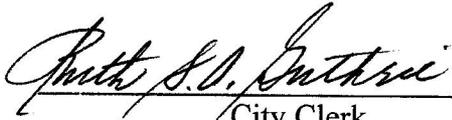
APPROVED this 9th day of December, 1999.

CITY OF DOVER, Bonner County, Idaho



Mayor

ATTEST:



City Clerk

(SEAL)

CERTIFICATION OF BOND COUNSEL

I, the undersigned, Bond Counsel for, and legal advisor to, the City of Dover, Idaho, hereby certify that I have read the attached Summary of Ordinance No. 55 of the City, and that the same is true and complete and provides adequate notice to the public of the contents of said Ordinance.

DATED as of this 9th day of December, 1999.



Michael C. Ormsby