



CITY OF
REXBURG
America's Family Community

ORDINANCE NO. 550

AN ORDINANCE PROVIDING FOR AND AUTHORIZING THE ISSUANCE OF NEGOTIABLE, COUPON, GENERAL OBLIGATION WATER BONDS OF THE CITY OF REXBURG, IDAHO, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$500,000.00 FOR THE PURPOSE OF DEFRAYING IN PART THE COST OF ENLARGING, EXTENDING, ALTERING AND IMPROVING THE MUNICIPAL WATER SYSTEM; PROVIDING FOR THE LEVY OF AN ANNUAL TAX SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON SAID BONDS; PRESCRIBING OTHER DETAILS IN CONNECTION WITH SAID BONDS AND SAID TAXES; RATIFYING ACTION TAKEN TOWARD ACCOMPLISHING SAID PURPOSES AND ISSUING SAID BONDS THEREFOR; AND PROVIDING THE EFFECTIVE DATE HEREOF

WHEREAS, the City of Rexburg (herein "City") in the County of Madison and State of Idaho, is a municipal corporation duly organized and existing as a City under the general laws of the State of Idaho; and

WHEREAS, the City Council (herein "Council") has determined and does hereby determine that the interest of the community and the public, interest and necessity require the immediate improvement, betterment, alteration, enlargement and extension of the City's water system by the construction, purchase and other acquisition of wells, reservoirs, storage facilities, pumping stations, transmission and interconnecting pipelines, mains, conduits and aqueducts; and all appurtenances and machinery necessary, useful or convenient, for obtaining, storing, treating, purifying or transporting water for domestic uses or purposes (herein the "Project") ;and '

WHEREAS', at a special municipal bond election held by the City (hearing the "election"), on Tuesday, the 6th day of November, 1973, there was committed registered qualified electors of the City the following question:

GENERAL OBLIGATION WATER BOND QUESTION SUBMITTED

Shall the City of Rexburg, Idaho, be authorized to issue and sell its negotiable, coupon, general obligation water bonds in the aggregate principal amount of \$500,000, or so much thereof as may be necessary, for the purpose of defraying in part the cost of enlarging, extending, altering and improving the municipal water system, such bonds to mature serially commencing two years and ending 20 years from the date of the bonds, and to bear interest at a rate or rates not to exceed 7% per annum, as more fully provided in ordinance No. 54I, passed and signed on the 28th day of September, 1973 the principal of and the interest on the bonds to be payable solely from general ad valorem taxes? and

WHEREAS, said question upon the issuance of the general obligation water bonds therein designated carried by more than a two-thirds vote of the registered qualified electors in the City voting thereon at said election; and

WHEREAS, the result of said election has heretofore been duly canvassed and declared; and

WHEREAS, the City has not heretofore authorized to be issued any of the general obligation water bonds so authorized at the election; and

WHEREAS, the Council on behalf and in the name of the City now desires to issue the bonds so authorized at the election (herein sometimes collectively designated as the bonds"): and

WHEREAS, the life of all of the improvements to be acquired with the proceeds of the bonds herein authorized to be issued will be at least twenty (20) years from the date which the bonds bear; and

WHEREAS, the Council is accordingly authorized to issue the general obligation water bonds of the City herein authorized for the purpose and in the amount provided in the proposition authorizing their issuance and adopted By the qualified electors of the City; and

WHEREAS, pursuant to a resolution duly passed and adopted by the Council on the 17th day of April, 1974, the City's negotiable, coupon, General Obligation Water Bonds, Series January I, 1974, in the aggregate principal amount of \$500,000.00 were publicly offered for sale pursuant to the laws of the State; and

WHEREAS, pursuant to said notice sealed bids for the purchase of the bonds were received and publicly opened on the 15th day of May, 1974, at the hour of 7:30 p.m.; and

WHEREAS, at the meeting of the Council held on the 15th day of May, 1974, commencing at the hour of 7:30 p.m., the bonds were sold at a price equal to their principal amount, accrued interest to the date of their delivery and a premium of 249. 60 at the rates hereinafter designated to Seattle Northwest Securities, Seattle, Washington (herein the "Purchaser"), constituting the bidder making the best bid for the bonds; and

WHEREAS, the City Council, including the Mayor, has determined and does hereby determine that it is necessary and for the best interest of the City and the inhabitants thereof that the bonds be so issued.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF REXBURG, IDAHO:

SECTION I: All action heretofore taken (not inconsistent with the provisions this ordinance) by the Council and the officers of the City, directed toward"

a. The project;

b. The issuance of general obligation water bonds therefore; be, and the same hereby is, ratified, approved and confirmed, including without limiting the generality of the foregoing, the acceptance of the proposal for the purchase of the bonds herein authorized submitted by the Purchases.

SECTION II: For the purpose of providing funds for the Project, there shall be issued by the City, on its behalf, and upon the credit thereof, the City of Rexburg, Idaho, General Obligation Water Bonds, Series January 1, 1974, in the principal amount of \$500,000.00, consisting of 100 bonds in the denomination of \$5,000.00 each, numbered 1 through 100.

SECTION III: The bonds shall be dated as of the first day of January, 1974, numbered consecutively in regular numerical order from one upwards, payable to bearer, and bear interest at the rates hereinafter designated payable on the first day of July, 1974, and semiannually thereafter on the first days of January and July in each year, both principal and interest being payable in lawful money of the United States of America, without deduction for exchange or collection charges, at the First Security Bank of Idaho, N. A., in Rexburg, Idaho (the "Paying Agent"). If any bond shall not be paid upon presentation at its Maturity, it shall continue to draw interest at its coupon rate until the principal thereof is paid in full.

SECTION IV: The bonds shall bear interest from, the date thereof until their respective maturities at the respective rates hereinafter designated, evidenced by only one set of coupons attached to the bonds, and shall be numbered, bear interest, and mature serially in regular numerical order on the first day of January in each of the designated amounts and years, as follows:

General Obligation Water Bonds

| <u>Bond Numbers</u> <u>(All inclusive):</u> | <u>Interest Rate</u> <u>(Per Annum):</u> | <u>Principal</u> <u>Maturing:</u> | <u>Years</u> <u>Maturing:</u> |
|--|---|--------------------------------------|----------------------------------|
| 1 | 7.00% | \$ 5,000.00 | 1976 |
| 2 | 7.00% | 5,000.00 | 1977 |
| 3 | 7.00% | 5,000.00 | 1978 |
| 4 | 7.00% | 5,000.00 | 1979 |
| 5 | 7.00% | 5,000.00 | 1980 |
| 6 | 7.00% | 5,000.00 | 1981 |
| 7 | 7.00% | 5,000.00 | 1982 |
| 8 | 7.00% | 5,000.00 | 1883 |
| 9 - 14 | 7.00% | 30,000.00 | 1984 |
| 15 - 21 | 6.50% | 35,000.00 | 1985 |
| 22 - 28 | 5.90% | 35,000.00 | 1986 |
| 29 - 34 | 6.00% | 35,000.00 | 1987 |
| 36 - 43 | 6.00% | 40,000.00 | 1988 |
| 44 - 51 | 6.00% | 40,000.00 | 1989 |
| 52 - 60 | 6. 10% | 45,000.00 | 1990 |
| 61 - 69 | 6. 10% | 45,000.00 | 1991 |
| 70 - 79 | 6. 10% | 50,000.00 | 1992 |
| 80 - 89 | 6. 10% | 50,000.00 | 1993 |
| 90 - 100 | 6. 10% | 55,000.00 | 1994 |

SECTION V: Bonds numbered from I through 51 maturing on and before the first day of January, 1989, shall not be subject to prior redemption. Bonds numbered from 52 through 100 maturing on and after the first day of January, 1990, shall be subject to redemption prior to their respective maturities, at the City's option, in whole or in part, in inverse numerical order, on the first day of January, 1989, or on any interest payment date thereafter, for the principal amount of each bond 50 redeemed, accrued interest thereon to the redemption date, and a premium of three per centum (3%) of the principal amount of each bond so redeemed.

SECTION VI: Notice of redemption shall be given by the Treasurer of the City in its name:

(a) By publication of such notice at least once, not less than thirty (30) days prior to the redemption date in a newspaper of general circulation in the City of Rexburg, Idaho, and

(b) By Sending a copy of such notice by registered, first-class, postage prepaid mail, at least thirty (30) days prior to the redemption date to:

(1) The Purchaser;

(2) First Security Bank of Idaho, N. A., Rexburg, Idaho.

Such notice shall specify the number or numbers of the bond or bonds to be so redeemed and the date fixed for redemption, and shall further state that on such redemption date there will become due and payable upon each bond so to be redeemed, at the First Security Bank of Idaho, N. A., in Rexburg, Idaho, the principal amount thereof, accrued interest to the redemption date, and the stipulated premium, and that from and after such date interest will cease to accrue. Notice having been given in the manner hereinbefore provided, the bond or bonds so called for redemption shall become due and payable on the redemption date so designated; and upon presentation thereof at the above-designated Paying Agent, together with all appurtenant coupons maturing subsequent to the redemption date, the City will pay the bond or bonds so called for redemption.

SECTION VII: The bonds hereby authorized shall be fully negotiable and shall have all the qualities of negotiable paper, and the holder or holders thereof shall possess all rights enjoyed by the holders of negotiable instruments under the provisions of the Uniform Commercial Code--Investment Securities. The bonds shall constitute the general obligations of the City and the full faith and credit of and all taxable property within the City shall I be, and hereby are, pledged for the payment thereof. The bonds shall be equitably and retably secured without priority by reason of number, date of maturity, date of sale, of execution, or of delivery.

SECTION VIII: Prior to the execution of any bond, pursuant to the Uniform Facsimile Signature of Public Officials Act, also cited as Sections 59-1018 through 59-1023, Idaho Code, as amended, the Mayor, the Treasurer, and the Clerk shall each forthwith file with the Secretary of State his manual signature certified by him under oath.

SECTION IX: The bonds shall be payable to bearer and shall be executed and signed in the name of and on behalf of the City with the facsimile signature of the Mayor of the City, shall be manually subscribed and countersigned by its Treasurer, and shall be signed, executed and attested with a facsimile signature of its Clerk under a facsimile of the official seal of the City. The interest accruing to maturity on the bonds shall be evidenced by coupons attached thereto, and the coupons shall be consecutively numbered from one upwards, commencing with the coupon first maturing, and all such interest coupons shall state on the face thereof the amount thereof, the name of the City, the indentifying series, issue and number of the bond to which it is attached, and each such coupon shall provide for the payment of the interest accruing semiannually and at the same place of payment as fixed in such bond, and shall be signed by the Treasurer by his facsimile signature which officer by the execution of the bonds and a signature certification pertaining thereto shall adopt as and for his signature the facsimile thereof appearing on the coupons. The registration certificate endorsed on each bond shall be executed with the facsimile signatures if the Clerk and the Treasurer. The bonds and coupons bearing the signatures of the officers in office at the time of the signing thereof shall be the valid and binding obligations of the City, notwithstanding that before the delivery thereof and payment therefore, Mayor all of the persons whose signatures appears thereon shall have ceased to fill their respective offices: The Mayor, Treasurer and Clerk, at the time of the execution of the bonds and a signature certificate appertaining thereto, may adopt as and for his or her own facsimile signature of his or her predecessor in office in the event that such facsimile signature appears upon any of the bonds or coupons appertaining to the bonds.

SECTION X: Before any bonds are delivered, they shall be registered by the Clerk and the Treasurer in permanent public record books kept in their offices for that purpose, in full compliance with Sections 57-213 and 57-219, Idaho Code, as amended. The register shall show the number of each bond, its date and amount, rate of interest, date and amount of sale, when and where payable, and the names and addresses of the purchasers, and the number and denomination of the coupons attached to the bond. After the bonds have been duly executed and sold and after such registration by the Clerk and the Treasurer, the Treasurer shall cause the bonds to be delivered to the Purchaser thereof, upon payment being made therefore on the terms of the sale of the bonds.

SECTION XI: The bonds, the coupons thereto attached, the registration certificate and the form of legal opinion certificate shall be in substantially the following form:

(Form of Bond)

UNITED STATES OF AMERICA

STATE OF IDAHO

COUNTY OF MADISON

CITY OF REXBURG
GENERAL OBLIGATION
WATER BOND
SERIES JANUARY 1, 1974

No. _____

\$5,000.00

The City of Rexburg (herein the "City), in the County of Madison and State of Idaho, acknowledges itself indebted, and hereby promises to pay to the bearer hereof, the sum of

FIVE THOUSAND DOLLARS

on the first day of January, 19___, with the interest hereon from date until maturity at the rate of

___ per centum (___%)

per annum, payable on the first day of July, 1974, and semiannually thereafter on the first days of January and July in each year, both principal and interest being payable in lawful money of the United States of America, without deduction for exchange or collection charges, at the First Security Bank of Idaho, N. A., in Rexburg, Idaho, upon presentation and surrender of the annexed coupons

and of this bond as they severally become due. If, upon presentation at maturity, payment of this bond is not made as herein provided, interest here on shall continue at the rate herein specified until the principal hereof is paid in full.

The bonds of the series of which this bond is one (herein the "bond") maturing on and before the first day of January, 1989, are not subject to prior redemption. The bonds maturing on and after the first day of January, 1990, are subject to prior redemption. The bonds maturing on and after the first day of January, 1990, are subject to redemption: prior to their respective maturities, in whole or in part, in inverse numerical order, at the option of the City, on the first day of January, 1989, or on any interest payment date thereafter, for the principal amount of each bond so redeemed, accrued interest there on to the redemption date, and a premium of three per centum (3%) or the principal amount of each bond so redeemed. Redemption shall be made upon not less than thirty days' prior published and mailed notice in the manner and upon the conditions provided in the ordinance authorizing the issuance of the bonds.

This bond is issued by the City, upon its behalf and upon the credit thereof, for the purpose of providing funds to defray in part the cost of enlarging, extending, altering and improving the municipal water system under the authority of and in full conformity with the Constitution and statues of the State of Idaho, and, in particular, with the provisions of chapter 2 of title 57, Idaho Code, and all laws amendatory thereof or supplemental thereto, and pursuant to an ordinance of the City duly adopted and published, and made a law of the City prior to the issuance of this bond. It is hereby certified and warranted that the issuance of this bond has been authorized by a vote of more than two-thirds of the electors qualified to vote on the question at a special election held in the City on the 6th day of November, 1973.

It is hereby certified and recited that the full faith and credit of and all taxable property within the City are and shall continue to be pledged for and until the full payment of the principal of and interest on this bond; that all the requirements of law have been fully complied with by the proper officers of the City in the issuance of this bond; that the total indebtedness of the City, including that of this bond, does not exceed any limit of indebtedness prescribed by the Constitution or laws of the State of Idaho; and that provision has been made for the levy and collection of annual taxes sufficient to pay the interest on and the principal of this bond when the same become due.

IN WITNESS WHEREOF, the City of Rexburg, in the County of Madison and State of Idaho, has caused this bond to be executed and signed in the name and on behalf of the City with the facsimile signature of the Mayor of the City, to be countersigned and manually subscribed by the Treasurer thereof, and to be attested with the facsimile signature of the City Clerk; has caused the facsimile of the seal of the City to be affixed hereon; and has caused the coupons attached to this bond to be signed with the facsimile signature of the City Treasurer, all as of the first day of January, 1974.

CITY OF REXBURG

by (For Facsimile Signature)
Mayor

Countersigned;

(For Manual Signature)
City Treasurer

(FACSIMILE SEAL)

Attest:

(For Facsimile Signature)
(City Clerk)

(Form of Coupon)

Coupon

No. _____

\$ _____

January

On the first day of July, 19 __, the City of Rexburg, in the County of Madison and State of Idaho, upon the surrender of this coupon, unless prior to the maturity of this coupon, the bond to which this coupon is attached, if callable, has been called for prior redemption, will pay the bearer the amount herein stated in lawful money of the united States of America, without deduction for exchange or collection charges, at the First Security Bank of Idaho, N. A.; Rexburg, Idaho, being interested then due on its General Obligation Water Bond, Series January 1,1974, and bearing

Bond

No. _____

(For Facsimile Signature)
City Treasurer

(Form of Registration Certificate)

I, the undersigned, the duly chosen, qualified and acting City Clerk—Treasurer of the City of Rexburg, in the County of Madison and State of Idaho, do hereby certify that the within bond has been duly registered in permanent public record books kept in my office for said purpose, in full compliance with the Constitution and laws of the State of Idaho, showing the number, date and denomination of the bond, the rate of interest thereon, and the date of maturity and place of payment, the number and denominations of the attached coupons, the names and addresses of the purchasers, and the Date and amount of sale.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the City of Rexburg, County of Madison, State of Idaho, as of the first day of January, 1974.

(For Facsimile Signature)
City Clerk--Treasurer

(SEA L)

(Form of Legal Opinion Certificate)

STATE OF IDAHO)
COUNTY OF MADISON) SS.
CITY OF REXBURG)

LEGAL OPINION
CERTIFICATE

The undersigned Clerk of the City of Rexburg in The, County of Madison and State of Idaho, does hereby certify that the following approving legal opinion of Messrs. Dawson, Nagel, Sherman & Howard, Attorneys at Law, Denver, Colorado, to-wit:

(Attorneys' opinion was inserted in submargins, including complimentary closing and "/s/ Dawson, Nagel, Sherman & Howard.")
is a true, perfect and complete copy of a manually executed and dated copy thereof on file in the records of the City in my office; that a manually executed and dated copy of the opinion was forwarded to a representative of purchasers for retention in its records; that the opinion was dated and issued as of the date of the delivery of and payment for the bonds of the series of which this bond is one.

IN WITNESS WHEREOF, I have caused to be hereunto set a facsimile of my signature and affixed a facsimile of the seal of the City.

(Facsimile Signature)

City Clerk
Rexburg, Idaho

(FACSIMILE SEAL)

SECTION XII: The Mayor, the Clerk, and the Treasurer are authorized and directed to execute the bonds and the certificates thereon; and the recitals therein contained shall be effective as of the first day of January, 1974, as recitals made by and on behalf of the City.

SECTION XIII: The bonds, when duly executed, shall be delivered to a representative of the Purchaser on receipt of the agreed purchase price. The funds realized from the sale of the bonds shall be applied solely to the purpose for which the bonds have been authorized, as stated in the election proposal. The Purchaser shall in no manner be responsible for the application or disposal by the City, or by any of its officers, of any of the funds derived from the sale thereof.

SECTION XIV: The interest falling due on the bonds on the first day of July, 1974, may be paid out the general fund of the City, or from any other funds available for that purpose. For the purpose of reimbursing said general fund, if necessary, and for the purpose of providing for the payment of interest thereafter accruing on the bonds, there shall be and there is hereby levied in each of the years from 1974 through 1994, a continuing direct annual tax on all of the taxable property in the City, sufficient to produce a sum of money to pay the interest on the bonds as and when the same falls due; and provisions to meet the requirement of this section shall in due time, manner and in due time, manner and season, annually hereafter be made, which sum shall be applied to the payment of the interest on said bonds as and when the same becomes due. There shall be and there is hereby also levied in each of the years 1974 through 1994 a continuing direct annual tax on all of the taxable property in the City, sufficient to produce a sum to pay the principal accruing on the bonds as the same becomes due as hereinabove set forth. It is hereby made the duty of the City Council and it is hereby required, annually at the time and in the manner provided by law for levying other taxes, to ratify and carry out the provisions hereof with reference to the levy of taxes, and it is hereby made the duty of the officers of the City to levy, extend and collect such taxes in the manner provided by law for the purpose of creating a fund for the payment of the interest upon and the principal of the bonds promptly as the same respectively become due. Said direct annual taxes levied to pay said principal and interest shall be in addition to any, and all other, taxes levied to affect the purpose of said City. Said taxes, when collected, shall be kept for and applied only to the payment of said interest and principal as hereinbefore specified, but nothing herein contained shall be so construed as to prevent the City from applying any other funds that may be in its Treasury and available for that purpose to the payment of said interest and principal; and the levy or levies herein provided for may thereupon to that extent be diminished.

SECTION XV: It shall be the duty of the Mayor of the City to, and it is hereby covenanted and agreed that the City Council will, annually and at the time in the manner provided by law for the levying of other taxes of the City, ratify and carry out the provisions of this ordinance with reference to the levying of said taxes, and it is hereby required that all officers of the City charged with the extension and collection of taxes, shall extend and collect the taxes for which provision is made in this ordinance. In the event the proceeds of the taxes hereinabove levied or hereafter levied are not available to meet the payment of the interest on or the principal of the bonds, the principal or interest, or both, shall be paid from the general funds of the City, and said general fund shall be reimbursed from the proceeds of said taxes when the same are collected.

SECTION XVI: The City hereby covenants for the benefit of each holder of the bonds that:

(1) Sums credited to the various accounts pertaining to the projects or the shall not be invested in such a manner as to result in the loss of exemption from federal income taxation of interest on any such bond or on any bond subsequently issued by the City;

(2) The City shall make no use of the proceeds of the bonds which will cause them to be "arbitrage bonds" under the U. S. Internal Revenue Code of 1954, as amended (herein the "Tax Code"), and the applicable regulations there under promulgated by the Internal Revenue Service; and the City and its officers, employees and other agents shall take appropriate action so that on the basis of the facts, estimates and circumstances in existence on the date of the issue of the bonds it is reasonable expected that the proceeds of the bonds will be used in a manner that will not cause the bonds to be taxable "arbitrage bonds" under § 103 (d) Tax Code, and the applicable income tax regulations there under.

EXISTING MOBILE HOME PARKS OR TRAILER COURTS AND TRAILER HOUSING; PROVING FOR INSPECTION OF TRAILER COURTS AND HOUSING; PROVIDING FOR EXCEPTIONS AND VARIANCES; PROVIDING FOR THE ENFORCEMENT, SEVERABILITY, CONFLICT WITH OTHER LAWS AND REPEALER; VIOLATION AND PENALTY, DEFINITIONS, AND EFFECTIVE DATE.

PASSED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR this 3rd day of April, 1974.

Afton Anderson, City Clerk

(SEAL)