

## ADDITIONAL PROVISIONS

This Bond is one of an authorized series of Water Revenue Bonds, Series 1988, of the City of Sweet Home, Oregon (the "City") aggregating \$120,000 in principal amount, issued to provide funds to finance, in part, the expansion of the City's existing water supply system. This Bond is authorized and issued by virtue of Oregon Revised Statutes 288.805 to 288.945, inclusive, and Ordinance No. 980 adopted by the Council of the City on Sept. 27, 1988 (the "Ordinance").

The City has irrevocably pledged, on a parity with any Additional Bonds that may be issued hereafter in accordance with the provisions of the Ordinance, the water system Net Revenues as defined in the Ordinance and certain Special Accounts. Such Net Revenues shall be deposited to an Interest Account and Principal Account created by the City. In addition, a sum equal to the maximum annual debt service on the Bonds shall be deposited into a Debt Service Reserve Account maintained by the City to secure the payment of the principal of and interest on the Bonds. The City may issue Additional Bonds on a parity of security with the bonds and payable from the water supply system Net Revenues providing the conditions specified in the Ordinance are first met. The City has covenanted to maintain at all times rates and charges for water supply system services within the City sufficient in amount to pay the maturing principal of and interest on the Bonds.

This Bond is transferable by the registered owner hereof in person or by the owner's attorney duly authorized in writing at the principal corporate trust office of the Bond Registrar in Portland, Oregon, but only in the manner and subject to the limitations provided in the authorizing ordinance, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds of authorized denominations of the same maturity and for the same aggregate principal amount will be issued to the transferee.

The Bonds are issued in fully registered form and in the denomination of \$5,000 each or any integral multiple thereof. This Bond may be exchanged at the principal corporate trust office of the Bond Registrar for a like aggregate principal amount of Bonds of the same maturity of other authorized denominations, upon the terms set forth in the Ordinance.

The City and the Bond Registrar may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of the principal hereof and interest due hereon and for all other purposes and neither the City nor the Bond Registrar shall be affected by any notice to the contrary.