

RESOLUTION NO. 2083

A RESOLUTION OF THE CITY OF WILSONVILLE, OREGON, AUTHORIZING THE ISSUANCE OF A FULL FAITH AND CREDIT WATER REFUNDING FINANCING AGREEMENT TO REFINANCE AN OREGON BOND BANK LOAN.

WHEREAS, the City of Wilsonville (the "City") is authorized by ORS 271.390 and 288.592 to enter into financing agreements to refinance real or personal property that the City Council determines is needed;

WHEREAS, on October 11, 2000, the City obtained a loan in the amount of \$10,000,000 through the Oregon Economic and Community Development Department's Oregon Bond Bank Program, Loan #B01001 (the "OECDD Loan") to finance a portion of the Willamette Water Treatment Plant;

WHEREAS, the OECDD Loan is secured by the a pledge of the City's full faith and credit and the revenues of the City's water system;

WHEREAS, the OECDD Loan is subject to optional prepayment on December 1, 2008 at a premium; and,

WHEREAS, the City may be able to achieve debt service savings by refunding all or a portion of the OECDD Loan; and,

WHEREAS, the refunding may be structured to only require the pledge of the City's full faith and credit and release the lien on the revenues of the City's water system,

NOW THEREFORE, THE CITY OF WILSONVILLE HEREBY RESOLVES AS FOLLOWS:

Section 1. Financing Agreement Authorized.

The City hereby authorizes the refunding of all or any portion of the OECDD Loan to achieve debt service savings and determines that the projects financed with the OECDD Loan are needed.

Section 2. The Financing Agreement.

2.1 Sale Authorized. Pursuant to the authority of ORS 271.390 and 288.592, the City is hereby authorized to execute a financing agreement (the "Financing Agreement") to refund all or any portion of the OECDD Loan. The aggregate principal amount of the Financing Agreement shall not exceed the amount that the Finance Director, or the Finance Director's designee (each of whom is described in this resolution as an "Authorized Officer") determines is necessary to accomplish the refunding and pay costs of the refunding.

2.2 Security. The Authorized Officer may pledge the City's full faith and credit and taxing power within the limitations of Section 11 and 11b of Article XI of the Oregon Constitution to the payment of the Financing Agreement, and the Financing Agreement may be payable from any and all of the City's legally available funds.

2.3 Delegation. The Authorized Officer may, on behalf of the City and without further action by the Council:

- (1) Establish the final principal amounts, maturity schedules, interest rates, sale prices, redemption terms, payment terms and dates, and other terms of the Financing Agreement,
- (2) Select one or more purchasers and negotiate the sale of the Financing Agreement with those purchasers;
- (3) Negotiate, execute and deliver a Financing Agreement, purchase agreement, and other contracts specifying the terms under which the Financing Agreement is issued and making covenants for the benefit of owners of the Financing Agreement;
- (4) Execute a note representing the City's obligations under the Financing Agreement;

- (5) Enter into covenants to maintain the excludability of interest on the Financing Agreement from gross income under the Internal Revenue Code of 1986, as amended (the "Code");
- (6) Designate the Financing Agreement as a "qualified tax-exempt obligation" pursuant to Section 265(b)(3) of the Code;
- (7) Determine how to apply the proceeds of the Financing Agreement;
- (8) Call, defease, and redeem the OECDD Loan, execute an escrow deposit agreement, and take any other actions and enter into related agreements to defease, call and redeem the OECDD Loan;
- (9) Appoint an escrow agent, verification agent, financial advisor, structuring agent and any other professionals the Authorized Officer determines is needed or will be advantageous to the City; and
- (10) Execute any documents and take any other action in connection with the Financing Agreement which the Authorized Officer finds will be advantageous to the City.

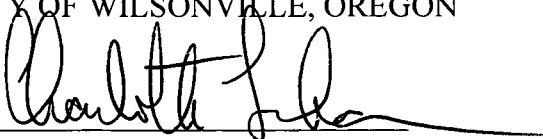
2.4 Tax-Exempt Status.

- (1) The City covenants for the benefit of the owner of the Financing Agreement to comply with all provisions of the Code which are required for Financing Agreement interest to be excluded from gross income for federal taxation purposes. The City makes the following specific covenants with respect to the Code:
 - (A) The City will not take any action or omit any action if it would cause the Financing Agreement to become an "arbitrage bond" under Section 148 of the Code.
 - (B) The City shall operate the facilities refinanced with the Financing Agreement so that the Financing Agreement does not become a private activity bond within the meaning of Section 141 of the Code.

(C) The City shall pay, when due, all rebates and penalties with respect to the Financing Agreement which are required by Section 148(f) of the Code.

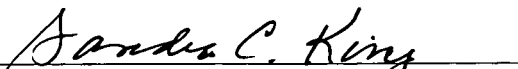
ADOPTED by the Wilsonville City Council at a regular meeting thereof this 5th day of November, 2007, and filed with the Wilsonville City Recorder this date.

CITY OF WILSONVILLE, OREGON



CHARLOTTE LEHAN, MAYOR

ATTEST:



Sandra C. King, MMC, City Recorder

SUMMARY OF VOTES:

Mayor Lehan	Yes
Councilor Knapp	Yes
Councilor Ripple	Yes
Councilor Kirk	Yes
Councilor Núñez	Yes