

RESOLUTION NO. 631

RESOLUTION OF THE CITY OF WILSONVILLE, CLACKAMAS AND WASHINGTON COUNTIES, STATE OF OREGON AUTHORIZING THE ISSUANCE OF BONDS FOR THE PURPOSE OF FINANCING THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF LIBRARY FACILITIES AND THE ACQUISITION OF LAND FOR PARK PURPOSES.

WHEREAS, this Council submitted to the legal voters of the City of Wilsonville, Clackamas and Washington Counties, State of Oregon (the "City"), the question of contracting a general obligation bonded indebtedness in the sum of \$2,250,000 to finance the acquisition, construction and equipping of library facilities and the acquisition of land for park purposes; and

WHEREAS, the election was duly and legally held on the 30th day of June, 1987, and this Council has canvassed the result thereof and has declared that issuance of bonds in such sum has been approved by a majority of the qualified voters of the City voting at the election, now therefore

The City of Wilsonville, Oregon, resolves as follows:

Section 1. Issue. For the above purposes, the City shall issue its General Obligation Library and Parks Bonds, Series 1987, in the amount of Two Million Two Hundred Fifty Thousand Dollars (\$2,250,000), to be dated September 1, 1987, to be in denominations of Five Thousand Dollars (\$5,000) or integral multiples thereof, to bear interest payable on January 1, and July 1 of each year until maturity or prior redemption, commencing July 1, 1988, and to mature serially on January 1, of each year as follows:

<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
1989	\$ 55,000	1996	\$145,000
1990	\$105,000	1997	\$155,000
1991	\$110,000	1998	\$165,000
1992	\$115,000	1999	\$175,000
1993	\$120,000	2000	\$190,000
1994	\$130,000	2001	\$200,000
1995	\$135,000	2002	\$215,000
		2003	\$235,000

Section 2. Optional Redemption. The City reserves the right to redeem all or any portion of the Bonds maturing after January 1, 1996, in inverse order of maturity and by lot within a maturity on January 1, 1996, and on any interest payment date thereafter, at par plus accrued interest to the date fixed for redemption.

Section 3. Extraordinary Redemption. The bonds are subject to extraordinary redemption at par plus accrued interest, on January 1, 1990, solely from, and to the extent of, any proceeds of the bonds which remain unexpended on that date to the extent that federal law requires such redemption to preserve the tax-exempt status of the bonds.

Section 4. Notice of Redemption. Unless waived by any holder of Bonds to be redeemed, official notice of any such redemption shall be given by the City's paying agent and registrar (the "Registrar") on behalf of the City by mailing a copy of an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Registrar.

All official notices of redemption shall be dated and shall state:

- A. the redemption date,
- B. the redemption price,
- C. if less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,
- D. that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and
- E. the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office of the Registrar.

Prior to any redemption date, the City shall deposit with the Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in

accordance with said notice, such Bonds shall be paid by the Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal. All Bonds which have been redeemed shall be cancelled and destroyed by the Registrar and shall not be reissued.

In addition to the foregoing notice, further notice shall be given by the Registrar as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

- A. Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (i) the CUSIP numbers of all Bonds being redeemed; (ii) the date of issue of the Bonds as originally issued; (iii) the rate of interest borne by each bond being redeemed; (iv) the maturity date of each bond being redeemed; and (v) any other descriptive information needed to identify accurately the Bonds being redeemed.
- B. Each further notice of redemption shall be sent at least 35 days before the redemption date by registered or certified mail or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds (such depositories now being Depository Trust Company of New York, New York, Midwest Securities Trust Company of Chicago, Illinois, Pacific Securities Depository Trust Company of San Francisco, California and Philadelphia Depository Trust Company of Philadelphia, Pennsylvania) and to one or more national information services that disseminate notices of redemption of obligations such as the bonds (such as Financial Information, Inc.'s Financial Daily Called Bond Service; Interactive Data Corporation's Bond Service; Kenny Information Service's Called Bond Service; Moody's Municipal and Government; and Standard and Poor's Called Bond Record.
- C. Each such further notice shall be published one time in The Bond Buyer of New York, New York or, if such publication is impractical or unlikely to reach a substantial number of the holders of the bonds, in some other financial newspaper or journal which regularly carries notices of redemption of other obligations

similar to the Bonds, such publication to be made at least 30 days prior to the date fixed for redemption.

- D. Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Section 5. Security. The full faith and credit of the City are pledged to the successive owners of each of the bonds for the punctual payment of such obligations, when due. The City shall levy annually, as provided by law, a direct ad valorem tax upon all of the taxable property within the City in sufficient amount, after taking into consideration discounts taken and delinquencies that may occur in the payment of such taxes and other monies available for the payment of debt service on the bonds, to pay the bonds promptly as they mature, and that the City covenants with the owners of its bonds to levy such a tax annually during each year that any of the bonds, or bonds issued to refund them, are outstanding.

Section 6. Form of Registered Bonds. The City may issue the bonds as one or more typewritten, temporary bonds which shall be exchangeable for definitive bonds when definitive bonds are available. The bonds shall be in substantially the following form:

No. R- _____ \$ _____

UNITED STATES OF AMERICA
STATE OF OREGON
CITY OF WILSONVILLE
CLACKAMAS AND WASHINGTON COUNTIES, OREGON
GENERAL OBLIGATION LIBRARY AND PARKS BOND, SERIES 1987

DATED INTEREST % PER ANNUM MATURITY DATE CUSIP

THE CITY OF WILSONVILLE, in Clackamas and Washington Counties, State of Oregon (the "City"), for value received acknowledges itself indebted and hereby promises to pay to _____, or registered assigns, the principal amount of _____ Dollars (\$ _____) on the above maturity date together with interest thereon from the date hereof at the rate per annum indicated above. Interest is payable semiannually on the first day of July and the first day of January in each year until maturity or prior redemption, commencing July 1, 1988. Interest upon this bond is payable through the principal corporate trust office of the City's paying agent and registrar (the "Registrar")

by check or draft; checks or drafts will be mailed on the interest payment date (or the next business day if the interest payment date is not a business day) to the name and address of the registered owner as they appear on the bond register as of the fifteenth day of the month prior to the interest payment date. Bond principal is payable upon presentation and surrender of this bond to the Registrar.

ADDITIONAL PROVISIONS OF THIS BOND APPEAR ON THE REVERSE SIDE; THESE PROVISIONS HAVE THE SAME EFFECT AS IF THEY WERE PRINTED HEREIN.

IT IS HEREBY CERTIFIED, RECITED, AND DECLARED that all conditions, acts, and things required to exist, to happen, and to be performed precedent to and in the issuance of this bond have existed, have happened, and have been performed in due time, form, and manner as required by the Constitution and Statutes of the State of Oregon and the Charter of the City; that the issue of which this bond is a part, and all other obligations of such City, are within every debt limitation and other limit prescribed by such Constitution, Statutes and Charter; and that the City Council has provided for the levying annually of a direct ad valorem tax upon all the property within the City so taxable for its purposes in an amount sufficient, with other available funds, to pay the interest on and the principal of the bonds of such issue as such obligations become due and payable.

IN WITNESS WHEREOF, the City Council of the City of Wilsonville, Clackamas and Washington Counties, Oregon, has caused this bond to be signed by facsimile signature of its Mayor and attested by facsimile signature of its Recorder, and has caused its seal to be affixed hereto or printed hereon as of the date indicated above.

Mayor, City of Wilsonville, Oregon

(SEAL)

Recorder, City of Wilsonville, Oregon

THIS BOND SHALL NOT BE VALID UNLESS
PROPERLY AUTHENTICATED BY THE REGISTRAR
IN THE SPACE INDICATED BELOW.

DATED:

CERTIFICATE OF AUTHENTICATION

This is one of the City's General
Obligation Library and Parks Bonds,

Series 1987, issued pursuant to the Resolution described herein.

(Name of Registrar)

By

Authorized Officer

Note to Printer: The following language should be printed on the reverse of the bond:

This bond is one of the General Obligation Library and Parks Bonds, Series 1987, of the City, and is issued by the City for the purpose of acquisition, construction and equipping of library facilities and the acquisition of land for park purposes in full and strict accordance and compliance with all of the provisions of the Constitution and Statutes of the State of Oregon and the Charter of the City.

The City reserves the right to redeem all or any portion of the Bonds maturing after January 1, 1996, in inverse order of maturity and by lot within a maturity on January 1, 1996, and on any interest payment date thereafter, at par plus accrued interest to the date fixed for redemption.

The bonds are subject to extraordinary redemption at par plus accrued interest, on January 1, 1990, solely from, and to the extent of, any proceeds of the bonds which remain unexpended on that date to the extent that federal law requires such redemption to preserve the tax-exempt status of the bonds.

Notice of any call or redemption, unless waived, shall be mailed not less than thirty days and not more than sixty days prior to such call to the registered owners of the Bonds, and otherwise given as required by law and the authorizing bond resolution; however, any failure to give notice shall not invalidate the redemption of the bonds. All bonds called for redemption shall cease to bear interest from the date designated in the notice.

The bonds are issuable in the form of registered bonds without coupons in the denominations of \$5,000 or any integral multiple thereof. Bonds may be exchanged for bonds of the same aggregate principal amount, but different authorized denominations.

Any transfer of this bond must be registered, as provided in the resolution of the City authorizing the issuance of its General Obligation Library and Parks Bonds, Series 1987 (the "Resolution"), upon the bond register kept for that purpose at the office of the Registrar. The City and the Registrar may

treat the person in whose name this bond is registered as its absolute owner for all purposes, as provided in the Resolution.

The bondowner may exchange or transfer any bond only by surrendering it, together with a written instrument of exchange or transfer which is satisfactory to the Registrar and duly executed by the registered owner or his duly authorized attorney, at the office of the Registrar in the manner and subject to the conditions set forth in the Resolution.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____

Please insert social security or other identifying number of assignee

the within bond and does hereby irrevocably constitute and appoint _____ as attorney to transfer this bond on the books kept for registration thereof with the full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed

(Bank, Trust Company or
Brokerage Firm)

Authorized Officer

The following abbreviations, when used in the inscription on the face of the within bond, shall be construed as though they were written out in full according to applicable laws or regulations.

submits the following to the Registrar:

1. written instructions for exchange or transfer satisfactory to the Registrar, signed by the bondowner or his attorney in fact and guaranteed or witnessed in a manner satisfactory to the Registrar; and
 2. the bonds to be exchanged or transferred.
- F. The Registrar shall not be required to exchange or transfer any bonds submitted to it during any period beginning with a Record Date and ending on the next following payment date; however, such bonds shall be exchanged or transferred promptly following that payment date.
- G. The Registrar shall note the date of authentication on each bond. The date of authentication shall be the date on which the bondowner's name is listed on the bond register.
- H. For purposes of this section, bonds shall be considered submitted to the Registrar on the date the Registrar actually receives the materials described in subsection E. of this section.
- I. The City may alter these provisions regarding registration and transfer by mailing notification of the altered provisions to all bondowners. The altered provisions shall take effect on the date stated in the notice, which shall not be earlier than 45 days after notice is mailed.

Section 8. Maintenance of Tax-Exempt Status. The City covenants for the benefit of the owners of the bonds to comply with all provisions of the Internal Revenue Code of 1986 (the "Code") which are required for bond interest to be exempt from federal income taxation (except for taxes on corporations), unless the City obtains an opinion of nationally recognized bond counsel that such compliance is not required in order for the interest paid on the bonds to be so exempt. The City makes the following specific covenants with respect to the Code:

- A. The City shall not take any action or omit any action, if it would cause the bonds to become "arbitrage bonds" under Section 148 of the Code.
- B. The City shall operate the facilities financed with the Bonds so that the Bonds are not "private activity bonds" within the meaning of Section 141 of the Code.

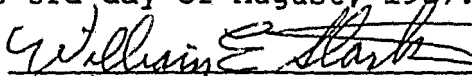
- C. The City shall comply with all applicable reporting requirements.
- D. The excess of the aggregate amount earned on all investments of proceeds over the amount which would have been earned if the investments had been invested at a rate equal to the yield on the Bonds shall be placed in a special account, and held and rebated to the United States at least once every five years.

The covenants contained in this section and any covenants in the closing documents for the bonds shall constitute contracts with the owners of the bonds, and shall be enforceable by them.

Section 8. Designation of Bonds as Qualified Tax-Exempt Obligations. The City designates the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code. The City covenants not to so designate tax-exempt obligations in the current calendar year in an aggregate amount of more than \$10,000,000. The City does not reasonably expect to issue more than \$10,000,000 of tax-exempt obligations during the current calendar year.

Section 9. Sale of Bonds. The Recorder shall cause to be published in The Canby Herald, Canby, Oregon, and in the Daily Journal of Commerce Portland Business Today, Portland, Oregon, notices of sale of the bonds in the form substantially as shown on Exhibit A attached hereto and by this reference incorporated herein, or summaries, as provided by law. The bonds shall be sold upon the terms provided in the attached Exhibit A. The bonds shall be sold on the date and at the time and place stated in Exhibit A, unless the Mayor or Recorder establishes a different date, time, or place.

ADOPTED by the unanimous vote of the Council, with a quorum in attendance, this 3rd day of August, 1987, and filed with the City Recorder this 3rd day of August, 1987.



William E. Stark, Mayor

ATTEST:



Vera A. Rojas, Recorder

EXHIBIT A

OFFICIAL NOTICE OF BOND SALE

\$2,250,000
CITY OF WILSONVILLE
CLACKAMAS AND WASHINGTON COUNTIES

STATE OF OREGON
GENERAL OBLIGATION LIBRARY AND PARKS BONDS, SERIES 1987

NOTICE IS HEREBY GIVEN that sealed bids will be received on behalf of the City of Wilsonville, Clackamas and Washington Counties, Oregon (the "City"), until 9 o'clock a.m. (Pacific Time) on August 20, 1987, at the offices of Lindsay, Hart, Neil & Weigler, Lawyers, Suite 1800, 222 S. W. Columbia Street, Portland, Oregon 97201-6618, at which time they will be publicly opened and announced.

The bids shall be considered and acted upon by the City within four hours.

ISSUE: The issue shall be in the aggregate principal amount of TWO MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS (\$2,250,000) consisting of registered bonds in denominations of FIVE THOUSAND DOLLARS (\$5,000) or integral multiples thereof, all dated September 1, 1987.

INTEREST RATE: The maximum interest rate shall not exceed a net effective rate of ten percent (10%) per annum. Interest is payable semiannually on July 1 and January 1 of each year until maturity or prior redemption, commencing July 1, 1988. Bidders must specify the interest rate or rates which the bonds hereby offered for sale shall bear. The bids shall comply with the following conditions: (1) Each interest rate specified in any bid must be a multiple of 1/8th or 1/20th of one percent (1%); (2) No bond shall bear more than one rate of interest; (3) each bond shall bear interest from its date to its stated maturity date at the interest rate specified in the bid; (4) All bonds maturing at any one time shall bear the same rate of interest; (5) No rate of interest may exceed ten percent (10%); and (6) The interest rate bid for any maturity shall not be less than the interest rate bid for any earlier maturity.

MATURITIES: The bonds shall mature serially on the first day of January of each year as follows:

<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
1989	\$ 55,000	1996	\$145,000
1990	\$105,000	1997	\$155,000
1991	\$110,000	1998	\$165,000
1992	\$115,000	1999	\$175,000
1993	\$120,000	2000	\$190,000
1994	\$130,000	2001	\$200,000
1995	\$135,000	2002	\$215,000
		2003	\$235,000

REGISTRATION: The bonds will be issued in fully registered form, and may be exchanged at the expense of issuer for similar bonds of different authorized denominations. Bonds may not be converted to bearer form.

OPTIONAL REDEMPTION: The City reserves the right to redeem all or any portion of the bonds maturing after January 1, 1996, in inverse order of maturity and by lot within a maturity on January 1, 1996, and on any interest payment date thereafter, at par plus accrued interest to the date fixed for redemption.

EXTRAORDINARY REDEMPTION. The bonds are subject to extraordinary redemption at par plus accrued interest, on January 1, 1990, solely from, and to the extent of, any proceeds of the bonds which remain unexpended on that date to the extent that federal law requires such redemption to preserve the tax-exempt status of the bonds.

Notice of any call or redemption, unless waived, shall be mailed not less than thirty days and not more than sixty days prior to such call to the registered owners of the Bonds, and otherwise given as required by law and the authorizing bond resolution; however, any failure to give notice shall not invalidate the redemption of the bonds. All bonds called for redemption shall cease to bear interest from the date designated in the notice.

PAYMENT: Principal and interest are payable, either at maturity or upon earlier redemption, by check through the principal corporate trust office of the registrar and paying agent of the City, which will be a bank doing business in Portland, Oregon.

PURPOSE: The bonds are being issued to finance the acquisition, construction and equipping of library facilities and the acquisition of land for park purposes. The bonds were authorized at a special election held within the City on June 30, 1987.

SECURITY: The bonds are general obligations of the City. The City has covenanted to levy an ad valorem tax annually which, with other available funds, will be sufficient to pay bond principal and interest as they come due.

BOND INSURANCE: Application will be made for qualification of the bonds for debt service insurance. If the bonds qualify for municipal bond insurance, any purchase of such policy shall be at the sole option and expense of the bidder. Failure of the bonds to be so insured or of any such policy to be issued shall not in any manner relieve the successful bidder of his contractual obligations arising from the acceptance of his proposal for the purchase of the bonds.

LEGAL OPINION: The approving opinion of Lindsay, Hart, Neil & Weigler, Lawyers, of Portland, Oregon, will be provided at no cost to the purchaser, and will be printed on the bonds at the expense of the City.

TAX EXEMPT STATUS: In the opinion of bond counsel, assuming compliance by the City with its covenants relating to the tax-exempt status of the bonds, interest on the bonds is exempt from taxation by the United States under present federal income tax laws (except for certain taxes on corporations) and from personal income taxation by the State of Oregon under present state law.

The City has the legal authority to comply with its covenants. The Bonds are not "private activity bonds" under Section 141 of the Internal Revenue Code of 1986 (the "Code").

BANK PURCHASE: The City has designated the bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

BEST BID: The bonds will be awarded to the responsible bidder whose proposal will result in the lowest true interest cost to the City. True interest cost will be determined by doubling the semiannual interest rate necessary to discount the debt service to September 1, 1987 and the price bid for the bonds. Each bidder is requested to supply the total interest cost and the true interest cost that the City will pay upon the issue if the bid is accepted. The purchaser must pay accrued interest, computed on a 360-day basis, from the date of the bonds to the date of delivery. The cost of printing the bonds will be paid by the City.

REOFFERING PRICE: The successful bidder must certify the initial reoffering price for each maturity of the bonds to the City's financial advisor not less than thirty minutes after the bids are opened and the apparent low bidder is announced and certify the same not less than three business days prior to

closing. This certification shall constitute the agreement of the bidder to offer all bonds in each maturity for sale at a price no greater than the certified reoffering price until at least ten percent of the principal amount of each maturity is sold at a price less than or equal to the certified reoffering price. Failure to honor this agreement may result in cancellation of the sale and forfeiture of the bidder's good faith deposit.

DELIVERY: Delivery of the bonds will be made without cost to the successful bidder at such bank in the City of Portland, Oregon, as the successful bidder shall name. Payment for the bonds must be made in Federal funds. Delivery of the bonds will be made within thirty days.

FORM OF BID: All bids must be for not less than all the bonds hereby offered for sale, and for not less than ninety-seven percent (97%) of the par value thereof and accrued interest to the date of delivery if the bid specifies that insurance will be obtained or ninety-eight and one-half percent (98.5%) if the bid makes no reference to and insurance will not be obtained for the issue. Each bid together with bidder's check as herein specified must be enclosed in a sealed envelope addressed to the City and designated "Proposal for Bonds."

BID CHECK: All bids must be unconditional and accompanied by a certified or cashier's check on a bank doing business in the State of Oregon for Forty-Five Thousand Dollars (\$45,000) payable to the order of the City to secure the City from any loss resulting from the failure of the bidder to comply with the terms of its bid. Checks will be forfeited to the City as liquidated damages in case the bidder to whom the bonds are awarded withdraws its bid or fails to complete its purchase in accordance with the terms thereof. No interest shall be allowed on the deposit but the check of the successful bidder will be retained as part payment of the bonds or for liquidated damages as described above. Checks of the unsuccessful bidders will be returned by the City promptly.

RIGHT OF REJECTION: The City reserves the right to reject any or all bids, and to waive any irregularities.

OFFICIAL STATEMENT: The City has prepared an official statement relating to the bonds, a copy of which will be furnished upon request to its financial consultant, The Oregon Bank, 1001 S.W. 5th Avenue, Portland, Oregon, 97204.

POTENTIAL BID: The financial consultant may submit a bid or participate in a bidding syndicate.

CUSIP: CUSIP numbers will be imprinted upon all bonds of this issue at the City's expense. Failure to print, or

improperly imprinted numbers will not constitute basis for the purchaser to refuse to accept delivery.

NO LITIGATION: At the time of payment for the delivery of said bonds, the City will furnish the successful bidder a certificate that there is no litigation pending affecting the validity of the bonds.

FURTHER INFORMATION: Additional information regarding the City and this sale may be obtained from Pete Wall, City Manager, P.O. Box 220, Wilsonville, Oregon, 97070, telephone (503) 682-1011.

Vera A. Rojas, Recorder
City of Wilsonville, Oregon