

RESOLUTION No. 1399

A RESOLUTION AUTHORIZING ADDITIONAL INTERIM FINANCING FOR THE CANYON CREEK NORTH LOCAL IMPROVEMENT DISTRICT IN THE AMOUNT OF \$1,800,000

WHEREAS, the City Council has approved the creation of Local Improvement District No. 12-95-ST. (Canyon Creek North) by Resolution 1230 which is dated November 20, 1995, and has authorized the City to enter into a line of credit for that project in a principal amount of no more than \$4,100,000 by Resolution No. 1238 which is dated December 18, 1995; and

WHEREAS, the estimated cost of the Canyon Creek North LID improvements has increased and the City Council now finds it desirable to authorize the City to obtain an additional line of credit which permits the City to obtain up to \$1,800,000 of interim financing for the Canyon Creek North LID improvements;

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

Section 1. Authorization and Limitation.

The City is hereby authorized to obtain an additional line of credit to provide interim financing for the costs of LID No. 12-95-ST. (Canyon Creek North) (the "Project") and to pay all costs of issuance thereto, pursuant to ORS 223.235 and subject to the following limitations:

- 1.1. the principal amount payable by the City under the additional line of credit shall not exceed One Million Eight Hundred Thousand Dollars (\$1,800,000);
- 1.2. the stated interest rate payable by the City under the additional line of credit (assuming no default) shall not exceed 6 percent per annum (if the line of credit bears interest at a fixed rate) or the reference rate of the provider of the additional line of credit (if the additional line of credit bears interest at a variable rate);
- 1.3. all principal and interest payable in connection with any draw under the additional line of credit which is used to pay for Project costs shall be due not

later than one year after the date on which the City estimates it will issue bonds to finance the Project.

Section 2. Security.

The City pledges the assessments levied for the Project, the proceeds of any foreclosures relating to the Project, its taxing power within the limitations of Article XI of the Oregon Constitution applicable under current law, its full faith and credit, and the proceeds of any bonds or other permanent financing for the Projects to pay amounts due to the provider of the additional line of credit. The additional line of credit and related documents shall constitute a "limited tax bond" to the extent permitted by Oregon law.

Section 3. Bank Purchase

The City reasonably anticipates that it will not issue more than \$10,000,000 of tax-exempt obligations during calendar year 1997 (excluding refundings). Pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), the City hereby designates the additional line of credit as a "qualified tax-exempt obligation."

Section 4. Tax-exempt Status.

The City covenants not to take any action or omit any action if the taking or omission would cause interest paid on the additional line of credit to be included in gross income of its owners under the Code.

Section 5. Delegation

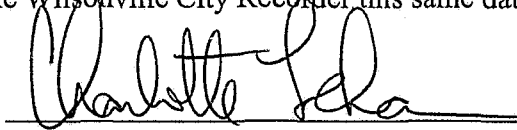
The City Manager or the City Finance Director (the "City Official") may, on behalf of the City:

5.1. negotiate all terms of, and execute and deliver the additional line of credit agreement and all related documents (such as a note) which the provider of the additional line of credit requires to extend credit to the City, subject only to the limitations in Section 1, above, and in ORS 223.235;

5.2. make draws under the additional line of credit to pay for costs of the Projects and to refinance any draws; and

5.3. Enter into covenants on behalf of the City to protect the tax-exempt status of the additional line of credit, execute any certificates and take any acts which the City Official reasonably determines are desirable to obtain interim financing for the Project in accordance with this resolution.

ADOPTED by the City Council of the City of Wilsonville at a regular meeting thereof this 16th day of June, 1997, and filed with the Wilsonville City Recorder this same date.



CHARLOTTE LEHAN, Mayor

ATTEST:


Sandra C. King, City Recorder

SUMMARY OF VOTES:

Mayor Lehan	Yes
Councilor MacDonald	Yes
Councilor Helser	Yes
Councilor Luper	Yes
Councilor Barton	Yes