

RESOLUTION NO. 33

A RESOLUTION AUTHORIZING THE ISSUANCE AND NEGOTIATED SALE OF URBAN RENEWAL BONDS, SERIES 1996 IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN \$3,075,000.

WHEREAS, the Urban Renewal Agency of the City of Wilsonville (the "Agency") finds it desirable to issue its additional urban renewal bonds to pay for the costs of urban renewal projects in the Year 2000 Urban Renewal Area; and,

WHEREAS, the Agency finds it desirable to sell such bonds to Bank of America National Trust and Savings Association; and,

WHEREAS, the Agency has issued its Urban Renewal Bonds Series 1994 pursuant to Resolution No. 18; and,

WHEREAS, the balance in the Reserve Account is at least equal to the lesser of: Maximum Annual Debt Service on all Outstanding Bonds (with the Series 1996 Bonds treated as Outstanding); or, the sum of Maximum Annual Debt Service on all Outstanding Bonds (excluding the Series 1996 Bonds), plus the Tax Maximum for the Series 1996 Bonds; and

WHEREAS, the balance in the Bond Account is at least equal to all principal and interest on all Outstanding Bonds (including the Series 1996 Bonds) which is due during the Bond Year in which the Series 1996 Bonds are issued; and,

WHEREAS, the Agency will not issue the Series 1996 Bonds unless at the time of issuance there is a certificate of an Agency Official that the Past Tax Increment Revenues, as defined in Section 7.4.1. of Resolution No. 18, equaled or exceeded one hundred forty percent (140%) of the Maximum Annual Debt Service on all Outstanding Bonds, with the proposed Series 1996 Bonds treated as Outstanding; and,

WHEREAS, based on the above findings, the Series 1996 Bonds will be issued as Parity Bonds pursuant to the Agency's Resolution No. 18 and this Resolution;

THE URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE, OREGON, RESOLVES:

1. Definitions.

For purposes of this Resolution, the following capitalized terms shall have the following meanings unless the context clearly requires otherwise:

"Agency" means the Urban Renewal Agency of the City of Wilsonville, Oregon.

"Agency Official" means the Finance Director of the City or the person designated in writing by the Finance Director to act as Agency Official under this Resolution.

"Area" means the Year 2000 Urban Renewal Area which is described in the Plan, and all additions thereto.

“Available Tax Increment Revenues” means the largest amount of Tax Increment Revenues which the Agency could have received during the most recently completed Bond Year. In calculating Available Tax Increment Revenues, any variables affecting the certification or collection of the Tax Increment Revenues which are within the control of the Agency or the City (other than the levy of ad valorem taxes by the City and the collection of other charges by the City which are subject to the limitations of Article XI, Section 11b of the Oregon Constitution) may be assumed to have been at their most favorable levels. For example, if the Agency certified less than the maximum amount of Tax Increment Revenues for collection for the most recently completed Bond Year, in calculating Available Tax Increment Revenues for that Bond Year it may be assumed that the Agency certified the maximum amount of Tax Increment Revenues.

“Bond Account” means the account of that name in the Tax Increment Fund as established in Section 4.3 of Resolution No. 18.

“Bond Year” means the twelve month period beginning on November 1 of each year, and ending on October 31 of the following year; the first Bond Year begins on November 1, 1994.

“Bonds” means the Series 1994 Bonds, the Series 1996 Bonds, and any Parity Bonds.

“City” means the City of Wilsonville, Oregon, a city duly organized and existing under and by virtue of the laws of the State of Oregon and the Charter of the City.

“Closing” means the date on which a Series of Bonds are delivered in exchange for payment.

“Code” means the United States Internal Revenue Code of 1986, as amended.

“Debt Service” means the Bonds principal, interest and any premium.

“Fiscal Year” means the one year period commencing July 1 and ending the following June 30.

“General Account” means the account of that name in the Tax Increment Fund as established in Section 4 of Resolution No. 18.

“Maximum Annual Debt Service” means the greatest amount of Bond principal and interest which are scheduled to be paid in any single fiscal year on Bonds which are Outstanding, whether at maturity or through mandatory redemption.

“Operations Account” means the account of that name in the Tax Increment Fund as established in Section 4.5 of Resolution No. 18.

“Outstanding” refers to all Bonds authorized and delivered pursuant to this Resolution and Resolution No. 18, except Bonds theretofore canceled or defeased pursuant to Section 12 of Resolution No. 18 or this Resolution, and Bonds which have matured and not been presented for payment (provided sufficient funds to pay those Bonds have been transferred to the Registrar).

“Owners” or “Bondowners” means the registered owners of registered Bonds, as shown on the Bond Register maintained by the Bond Registrar for each issue of Bonds, and the holders of any bearer Bonds pursuant to Resolution No. 18. “Owners” or “Bondowners” also means the Purchaser pursuant to this Resolution.

“Parity Bonds” means the Series 1994 Bonds, the Series 1996 Bonds, and any Parity Bonds issued pursuant to Section 6.2.

“Payment Date” means a date on which Bond principal or interest is due to be paid.

"Plan" means the Agency's Year 2000 Urban Renewal Plan, which is dated August 29, 1990, as amended by Ordinances No. 385 and 416, and as the plan may be amended from time to time.

"Project Fund" means the fund of that name established in Section 5.1.

"Purchaser" means Bank of America National Trust and Savings Association.

"Record Date" means the fifteenth day of the month which precedes a Payment Date.

"Registrar" or "Paying Agent" means the paying agent and registrar for the Bonds appointed pursuant to Resolution No. 18.

"Reserve Account" means the account of that name in the Tax Increment Fund as established in Section 4.4 of Resolution No. 18.

"Reserve Equivalent" means an insurance policy, surety bond or guarantee or letter of credit issued by a municipal bond insurance company, a domestic corporation or a commercial bank having a credit rating (when the policy, bond, or letter of credit is issued) of at least A by Moody's Investors Service, Standard & Poor's Corporation, or Fitch Investors Service, or their successors, in which the insurance company, corporation or commercial bank agrees unconditionally to provide the Agency with funds for the payment of Debt Service.

"Reserve Requirement" means an amount equal to Maximum Annual Debt Service on all Outstanding Bonds.

"Resolution" means this resolution authorizing the Series 1996 Bonds, as it may be amended from time to time pursuant to Section 8.

"Resolution No. 18" means the resolution authorizing the Series 1994 Bonds, as it may be amended from time to time pursuant to Section 8 of that resolution.

"Series" or "Series of Bonds" refers to all Bonds which are issued at one time, pursuant to a single resolution, ordinance or other authorizing document of the issuer, regardless of variations in maturity, interest rate or other provisions.

"Series 1994 Bonds" means the Agency's Urban Renewal Bonds, Series 1994 which are issued pursuant to Section 2 of Resolution No. 18.

"Series 1996 Bonds" means the Agency's Urban Renewal Bonds, Series 1996 which are issued pursuant to Section 2 of this Resolution.

"Tax Increment Fund" means the fund established under ORS 457.440(3) to hold the Tax Increment Revenues.

"Tax Increment Revenues" means all taxes levied against or allocable to the increase in value of property in the Area, as permitted by Article IX, Section 1c of the Oregon Constitution or ORS Chapter 457, which are received by the Agency on or after the date of closing of the Series 1994 Bonds, and all earnings thereon while the Tax Increment Revenues are held in the Tax Increment Fund.

"Tax Maximum" means, for any Series of Bonds, the lesser of: Maximum Annual Debt Service on the Series; 125% of average amount of principal, interest and premium, if any, required to be paid on that Series during all Fiscal Years in which that Series will be Outstanding, calculated as

of the date of issuance of that Series; or, ten percent of the proceeds of such Series, as "proceeds" is defined for purposes of Section 148(d) of the Code.

2. Authorization of Series 1996 Bonds.

The Agency hereby authorizes the issuance of the Series 1996 Bonds in an aggregate principal amount of not more than \$3,075,000 on parity with the Series 1994 Bonds pursuant to Section 7 of Resolution No. 18. The Series 1996 Bonds shall bear interest at rates that shall not exceed an effective true interest rate of seven percent (7.00%) per annum, and shall mature on the dates and in the years and annual principal amounts determined by the Agency Official pursuant to Section 14, below.

3. Security for Bonds.

3.1 Bonds are Limited Obligations; Pledge. The Bonds shall not be general obligations of the City or the Agency. The Bonds and their Debt Service shall be payable solely from the Tax Increment Revenues, amounts in the Tax Increment Fund and amounts in the Project Fund, all as provided herein. The Agency hereby irrevocably pledges the Tax Increment Revenues to pay the Bonds. To the extent that the Tax Increment Revenues on deposit in the Bond Account are not sufficient to pay Debt Service when due, the Agency covenants to pay such Debt Service from any amounts in the Tax Increment Fund and amounts in the Project Fund as provided in this Resolution. Other than the Bonds, the Agency has no other obligations Outstanding to which the Tax Increment Revenues have been pledged, and the lien on, and pledge of, the Tax Increment Revenues to pay the Bonds and their Debt Service shall be superior to all other claims against the Tax Increment Revenues.

3.2 Certifications. So long as Bonds are Outstanding, the Agency covenants to cause an amount of Tax Increment Revenues to be certified to the county assessor for collection each Bond Year which is at least equal to the amount of Tax Increment Revenues which the Agency caused to be certified for collection in fiscal year 1996-1997. The Agency estimates the amount it will receive during the Bond Year beginning November 1, 1996 will be approximately \$2,137,000, which is equal to approximately 1.4 times the average Debt Service which will be due in each year on the Series 1994 Bonds and the Series 1996 Bonds. The Agency acknowledges that collection of this amount is required in order to induce the Purchaser to purchase the Series 1996 Bonds in accordance with the bond purchase contract.

3.3 Resolution is a Contract. The provisions of this Resolution shall constitute a contract with the Owners, and shall be enforceable by them.

4. The Tax Increment Fund.

The Agency covenants to make deposits into the Tax Increment Fund as provided in Resolution No. 18.

5. Project Fund; Use of Proceeds.

5.1 Project Fund. The Project Fund shall be held by the Agency. Proceeds of the Series 1996 Bonds shall be deposited in the Project Fund as provided in Section 5.2.2. Amounts in the Project Fund may be used by the Agency at any time to pay for costs of carrying out the Plan, including costs of issuing the Series 1996 Bonds.

5.2 **Use of Proceeds.** On Closing, the proceeds of the Series 1996 Bonds shall be disbursed in the following order of priority:

5.2.1 *First*, an amount equal to the Tax Maximum for the Series 1996 Bonds shall be deposited in the Reserve Account.

5.2.2 *Second*, the balance of the proceeds of the Series 1996 Bonds shall be deposited by the Agency in the Project Fund.

5.3 **Compliance with Law.** The proceeds of the Series 1996 Bonds shall be used in accordance with Chapter 457 of the Oregon Revised Statutes.

6. Superior, Parity and Subordinate Obligations.

6.1 **Superior and Parity Liens.** The Agency covenants not to issue any obligations payable from the Tax Increment Revenues which have a lien or claim on the Tax Increment Revenues which is superior to the lien of the Bonds. The Agency covenants that it will issue obligations which have a lien or claim on the Tax Increment Revenues which is equal to the claim of the Bonds only as provided in Section 6.2.

6.2 **Parity Bonds.** The Agency may issue Parity Bonds pursuant to Section 7 of Resolution No. 18.

6.3 **Subordinate Obligations.** The Agency may issue subordinate obligations which have a lien on the Tax Increment Revenues which is subordinate to the lien of the Bonds, but debt service on such subordinate obligations shall be payable solely from amounts on deposit in the General Account.

7. Events of Default and Remedies

7.1 **Regular Collection Essential.** The Agency shall collect Tax Increment Revenues as described in Resolution No. 18.

7.2 **Events of Default.** All conditions for Events of Default and remedies are described in Section 8 of Resolution No. 18.

8. Amendment.

This Resolution may be amended or supplemented without consent of the Bondowners as provided in Section 9 of Resolution No. 18.

9. Redemption of the Series 1996 Bonds.

The Series 1996 Bonds shall be subject to redemption upon the terms established by the Agency Official.

10. Execution of the Series 1996 Bonds.

The Series 1996 Bonds shall be signed with the manual or facsimile signatures of the Chair and Agency Official of the Agency. The Series 1996 Bonds shall be in substantially the form attached hereto as Exhibit A.

11. Notice of Redemption of Bonds.

Notice of Redemption. The Series 1996 Bonds shall be subject to notice of redemption upon the terms established by the Agency Official.

12. Defeasance.

Bonds may be defeased as described in Section 15 of Resolution No. 18.

13. Bond Counsel.

The Agency appoints Preston Gates & Ellis to serve as Bond Counsel in connection with the issuance of the Series 1996 Bonds.

14. Sale of Series 1996 Bonds.

The Series 1996 Bonds shall be sold to Bank of America National Trust and Savings Association, or its successor (the "Purchaser") in accordance with a bond purchase agreement to be negotiated and approved by the Agency Official. The Agency Official is hereby authorized, on behalf of the Agency:

14.1 **Terms.** To determine the dates, amounts, interest rates, redemption provisions and other terms of the Series 1996 Bonds, subject to the limitations of this Resolution;

14.2 **Bond Insurance.** To obtain bond insurance or other credit enhancement for the Series 1996 Bonds, and to enter into related agreements;

14.3 **Sale Terms and Bond Purchase Agreement.** To negotiate the terms of and execute a bond purchase agreement, which establishes the price at which the Series 1996 Bonds shall be sold and such other terms as agreed to by the Agency Official; and

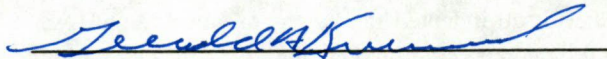
14.4 **Other Action.** To determine whether the Series 1996 Bonds will be issued in one or more Series, to make covenants to protect the tax-exempt status of any Series of the Series 1996 Bond, to execute all documents on behalf of the Agency and to take any other action which is desirable in order to issue, sell and deliver the Series 1996 Bonds in accordance with this Resolution, and to enter into an agreement to use best efforts to redeem the Bonds upon such terms as agreed to by the Agency Official.

15. Rules of Construction.

Unless the context clearly requires otherwise: capitalized words and phrases used in this Resolution which are defined in Section 1 shall be construed to have the meanings defined for such words and phrases in Section 1; references to sections shall be construed as references to sections of this Resolution; references to one gender shall include the other; references to the singular shall include the plural; and references to the plural shall include the singular.

ADOPTED this 2nd day of December, 1996.

**Urban Renewal Agency of the City of
Wilsonville, Clackamas County, Oregon**


GERALD A. KRUMMEL, Chair

ATTEST:

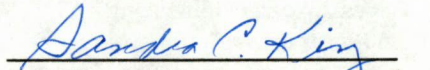

SANDRA KING, City Recorder

Exhibit A

No. R-___

\$3,075,000

United States of America
Urban Renewal Agency of the City of Wilsonville
Clackamas County
State of Oregon
Year 2000 Urban Renewal Area
Urban Renewal Bond
Series 1996

The Urban Renewal Agency of the City of Wilsonville, Oregon (the "City"), for value received, acknowledges itself indebted and hereby promises to pay to Bank of America National Trust and Savings Association the aggregate principal amount of \$_____, in the following installments, together with interest on those installments at the rates indicated below.

Principal Installment	Principal Payment Date	Interest Rate
[Insert payment schedule]		

Interest is payable semiannually on _____ 1 and _____ 1 of each year, commencing _____ 1, 1997, and shall be computed on the basis of a 360-day year of twelve 30-day months.

This bond is a special obligation of the Agency, payable solely from the Tax Increment Revenues received by the Agency from the Year 2000 Urban Renewal Areas defined and provided in Resolution ___ of the Agency adopted on _____, 1996, authorizing issuance of bonds (the "Bond Resolution"). The Agency has reserved the right to issue additional bonds on a parity of lien with this bond, and has issued, and may issue in the future, obligations which have a subordinate lien on the Tax Increment Revenues, as provided in the Bond Resolution.

THIS BOND IS NOT A GENERAL OBLIGATION OF THE AGENCY OR THE CITY OF WILSONVILLE, OREGON AND IS PAYABLE SOLELY FROM THE TAX INCREMENT REVENUES, AS PROVIDED IN THE BOND RESOLUTION.

This bond is designated as the Urban Renewal Bond, Series 1996 (the "Series 1996 Bond") of the Agency, and is issued by the Agency for the purpose of financing the costs of urban renewal projects within the Year 2000 Urban Renewal Area (the "Area") in full and strict accordance and compliance with all of the provisions of the Constitution and Statutes of the State of Oregon.

The Agency has pledged the Tax Increment Revenues of the Area, as defined and described in the Bond Resolution, to pay the Series 1996 Bond.

The pledge of the Tax Increment Revenues to pay the Series 1996 Bond is not subordinate to any other lien on, or pledge of, such Tax Increment Revenues.

The Series 1996 Bond is subject to redemption, as described in the Bond Resolution.

Any transfer of this Series 1996 Bond must be registered with the Agency and the Agency may treat the person in whose name this Series 1996 Bond is registered as its absolute owner for all purposes, as provided in the Bond Resolution.

The Bondowner may exchange or transfer any Series 1996 Bond only by surrendering it, together with a written instrument of exchange or transfer which is satisfactory to the Agency and duly executed by the registered owner or his or her duly authorized attorney.

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 that the issue of which this bond is a part, and all other obligations of such Agency, are within every debt limitation and other limit prescribed by such Constitution and Statutes.

IN WITNESS WHEREOF, the Agency has caused this bond to be signed by facsimile signatures of its _____ and _____ as of the date indicated above.

**Urban Renewal Agency of the City of Wilsonville,
Clackamas/Washington County, Oregon**

Gerald A. Krummel, Chair

Gary Wallis, Finance Director

Assignment

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

(Please insert social security or other identifying number of assignee)

this Series 1996 Bond and does hereby irrevocably constitute and appoint _____
_____ as attorney to transfer this Series 1996 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 this Series 1996 Bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed

(Bank, Trust Company or Firm)

Authorized Officer

The following abbreviations, when used in the inscription on the face of this Series 1996 Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM -- tenants in common

TEN ENT -- as tenants by the entireties

JT TEN -- as joint tenants with right of survivorship

and not as tenants in common

OREGON CUSTODIANS use the following

_____ CUST UL OREG _____ MIN

as custodian for (name of minor)

OR UNIF TRANS MIN ACT

under the Oregon Uniform Transfer to Minors Act

Additional abbreviations may also be used though not in the list above.