

RESOLUTION NO. 549

A RESOLUTION OF THE CITY OF WILSONVILLE, OREGON AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION IMPROVEMENT BONDS, LOCAL IMPROVEMENT DISTRICT NO. 5, SERIES 1986-B.

The City of Wilsonville, Oregon (the "City") resolves as follows:

Section 1. Issue. The City shall issue its General Obligation Improvement Bonds, Series 1986-B, in the amount of One Million Six Hundred Forty-Nine Thousand Nine Hundred Thirty-Four and Four One-Hundredths Dollars (\$1,649,934.04) to be dated May 1, 1986, to be in denominations of Five Thousand Dollars (\$5,000) or integral multiples thereof, except for one bond of an odd amount, to bear interest payable on November 1, and May 1 of each year until maturity or prior redemption commencing November 1, 1986, and to mature serially on the first day of May of each year as follows:

<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
1987	\$64,934.04	1995	\$110,000
1988	65,000.00	1996	120,000
1989	70,000.00	1997	130,000
1990	75,000.00	1998	140,000
1991	85,000.00	1999	155,000
1992	90,000.00	2000	165,000
1993	95,000.00	2001	180,000
1994	105,000.00		

Section 2. Redemption. The City reserves the right to redeem all or any portion of the Bonds maturing after May 1, 1994, in inverse order of maturity and by lot within a maturity on May 1, 1994, and on any interest payment date thereafter, at par plus accrued interest to the redemption date.

Section 3. Extraordinary Call for Unexpended Proceeds. The Bonds are subject to extraordinary redemption on May 1, 1989, solely from, and to the extent of, any proceeds of the Bonds which remain unexpended on that date.

Notice of any call shall be published not less than thirty days prior to such call in one issue of a business and financial newspaper published in the City of Portland and by mailing such notice to the City's paying agent and registrar.

Section 4. Security. The City has assessed benefited properties for the costs of local improvements, and has received applications to pay assessments in installments in an amount at least equal to the principal amount of the bonds. All installment assessment payments shall be placed in the Bancroft Bond Redemption Fund and applied to the payment of principal and interest on the bonds. 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, and the City shall levy annually, as provided by law, a direct ad valorem tax upon all of the taxable property within the City in an amount sufficient, with other available funds, to pay interest on and the principal of the bonds as they become due and payable. 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 5. Form of Registered Bond. The bonds shall be in substantially the following form:

R-_____ \$_____

UNITED STATES OF AMERICA
CITY OF WILSONVILLE
COUNTIES OF CLACKAMAS AND WASHINGTON
GENERAL OBLIGATION IMPROVEMENT BOND, SERIES 1986-B

DATED INTEREST % PER ANNUM MATURITY DATE CUSIP

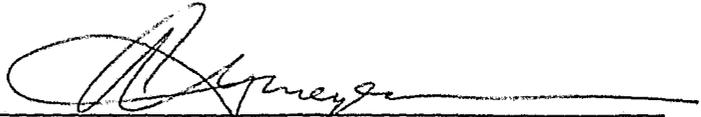
THE CITY OF WILSONVILLE, in the County of Clackamas, State of Oregon (the "City"), for value received acknowledges itself indebted and hereby promises to pay to _____, or registered assigns, the principal sum of _____ Dollars (\$_____) on the above maturity date, together with interest thereon from the date hereof at the rate per annum indicated above. Interest is payable semiannually on the first day of November and on the first day of May in each year until maturity or prior redemption, commencing November 1, 1986. Interest upon this bond is payable through the City of Wilsonville's paying agent and registrar (the "Registrar") by check or draft; checks or drafts will be mailed to the name and address of the registered owner as they appear on the bond register on the fifteenth day of the month prior to the date on which interest comes due. 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 of Wilsonville, Oregon; that the issue of which this bond is a part, and all other obligations of such City, are within every debt limitation and other limits prescribed by such Constitution, Statutes and Charter; and that the City Council has covenanted to levy annually a direct ad valorem tax upon all taxable property within the City in an amount sufficient, with other available funds, to pay the interest on and the principal of the bonds of such issue as they 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 this first day of May, 1986.



Mayor, City of Wilsonville, Oregon

ATTEST:

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 of Wilsonville, Oregon
General Obligation Improvement Bonds, Series 1986-B,
issued pursuant to the (Bond Ordinance)
(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 Improvement Bonds, Series 1986-B, of the City, and is issued by the City to finance local improvements pursuant to a resolution of the City (the "Resolution") and Oregon Revised Statutes Sections 223.205 to 223.295, 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 May 1, 1994, in inverse order of maturity and by lot within a maturity on May 1, 1994, and on any interest payment date thereafter, at par plus accrued interest to the redemption date.

The Bonds are subject to extraordinary redemption on May 1, 1989, solely from, and to the extent of, any proceeds of the Bonds which remain unexpended on that date.

Notice of redemption shall be mailed to the registered owners of the bonds to be redeemed not less than thirty days prior to the intended redemption date, and given as otherwise required by law; 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, except for one bond of an odd amount. 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, 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 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.

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

as custodian under the laws of Oregon for

MIN
(Minors Name)

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

Section 6. Authentication, Registration and Transfer.

- (1) No bond shall be entitled to any right or benefit under this Resolution unless it shall have been authenticated by an authorized officer of the City's paying agent and registrar (the "Registrar"). The Registrar shall authenticate all bonds to be delivered at closing of this bond issue, and shall additionally authenticate all bonds properly surrendered for exchange or transfer pursuant to this Resolution.
- (2) All bonds shall be in registered form. The City hereby appoints the United States National Bank of Oregon to serve as Registrar. A successor Registrar may be appointed for the bonds by ordinance or resolution of the City. The Registrar shall provide notice to bondowners of any change in the Registrar not later than the bond payment date following the change in Registrar.
- (3) The ownership of all bonds shall be entered in the bond register maintained by the Registrar, and the City and the Registrar may treat the person listed as owner in the bond register as the owner of the bond for all purposes.
- (4) The Registrar shall mail each bond interest payment to the name and address of the bondowner as they appear on the bond register on the fifteenth day of the month preceding a bond payment date (the "Record Date"). If payment is so mailed, neither the City nor the Registrar shall have any further liability to any party for such payment.
- (5) Bonds may be exchanged for an equal principal amount of bonds of the same maturity which are in different denominations, and bonds may be transferred to other owners if the bondowner submits the following to the Registrar:
 - (a) 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
 - (b) the bonds to be exchanged or transferred.
- (6) 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.

- (7) 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.
- (8) 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 (5) of this section.
- (9) 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 7. Compliance with Federal Law. The City covenants for the benefit of the owners of the Bonds to comply with all applicable provisions of federal law which are necessary in order for the interest paid on the Bonds to be exempt from federal income taxation. The City also covenants to comply with the applicable provisions of H.R. 3838 as adopted by the House of Representatives on December 17, 1985, unless the City obtains an opinion of nationally recognized Bond Counsel after final action by Congress on H.R. 3838 that such compliance is not required. The City makes the following specific covenants with respect to H.R. 3838:

- (1) The City shall spend more than five percent of the net proceeds of the Bonds for acquisition or construction of the Project within 30 days after the Bonds are delivered to their purchaser in exchange for payment.
- (2) The City shall spend all net proceeds of the Bonds within three years.
- (3) Beginning 30 days after the date of closing, at no time during any Bond Year shall the "gross proceeds" be invested in nonpurpose obligations with a yield higher than the yield on the Bonds in amounts which exceed 150% of the debt service on the Bonds for the Bond Year. Any amount so invested at a higher yield shall be promptly and appropriately reduced as the amount of outstanding Bonds is reduced. For purposes of this section, "gross proceeds" includes, but is not limited

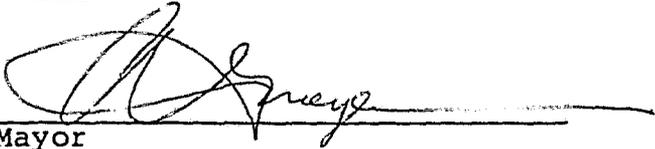
to, Bond Proceeds, earnings thereon and taxes levied to pay the Bonds.

- (4) 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.
- (5) No portion of the facilities financed with the Bonds shall be used by any person except the City or a member of the general public.
- (6) The City shall comply with all federal reporting requirements.

Section 8. Sale of Bonds. The Recorder shall cause to be published in The Spokesman, 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, 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 21st day of April, 1986.

APPROVED by the Mayor this 21st day of April, 1986.



Mayor

Executed this 24th day of April, 1986.

ATTEST:



Recorder

EXHIBIT A

OFFICIAL NOTICE OF BOND SALE

\$1,649,934.04
CITY OF WILSONVILLE
COUNTIES OF CLACKAMAS AND WASHINGTON
STATE OF OREGON
GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 1986-B

NOTICE IS HEREBY GIVEN that sealed bids will be received on behalf of the City of Wilsonville, Clackamas County, Oregon, until ten o'clock a.m. (Pacific Time) on May 15, 1986, at the offices of Ragen, Roberts, Tremaine, Krieger, Schmeer, O'Scannlain & Neill, First Interstate Tower, Suite 2300, 1300 S.W. Fifth Avenue, Portland, Oregon, 97201, 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: ONE MILLION SIX HUNDRED FORTY-NINE THOUSAND NINE HUNDRED THIRTY-FOUR AND FOUR ONE-HUNDREDTHS DOLLARS (\$1,649,934.04) consisting of registered bonds in denominations of FIVE THOUSAND DOLLARS (\$5,000) or integral multiples thereof, except for one bond of an odd amount, all dated May 1, 1986.

INTEREST RATE: Maximum not to exceed a net effective rate of ten percent (10%) per annum. Interest is payable semiannually on November 1, and May 1 of each year until maturity or prior redemption, commencing November 1, 1986. 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 twelve percent (12%); and (6) rates specified for bonds maturing in 1995 and thereafter may not be less than the rates specified for the immediately preceding year.

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

<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
1987	\$64,934.04	1995	\$110,000
1988	65,000.00	1996	120,000
1989	70,000.00	1997	130,000
1990	75,000.00	1998	140,000
1991	85,000.00	1999	155,000
1992	90,000.00	2000	165,000
1993	95,000.00	2001	180,000
1994	105,000.00		

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.

REDEMPTION: The City reserves the right to redeem all or any portion of the Bonds maturing after May 1, 1994, in inverse order of maturity and by lot within a maturity on May 1, 1994, and on any interest payment date thereafter, at par plus accrued interest to the redemption date.

EXTRAORDINARY CALL AND REDEMPTION: The Bonds are subject to extraordinary redemption on May 1, 1989, solely from, and to the extent of, any proceeds of the Bonds which remain unexpended on that date. The Bonds are not otherwise subject to prior call and redemption.

Notice of any call and redemption shall be given by mailing notice thereof to the registered owners not less than 30 days prior to the redemption date, and as otherwise required by law. Interest on any bond or bonds so called for redemption shall cease on the redemption date designated in the notice.

PAYMENT: Principal and interest are payable, either at maturity or upon earlier redemption, by check or draft through the office of the registrar and paying agent of the City, which is currently the office of the United States National Bank of Oregon, in Portland, Oregon.

PURPOSE: The bonds are being issued to finance local improvements.

SECURITY: The City has assessed benefited properties for the costs of local improvements and has received applications to pay assessments in installments. All assessment installments will be placed in the Bancroft Bond Redemption Fund and applied to the payment of principal and interest on the bonds. The bonds are also 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.

LEGAL OPINION: The approving opinion of Ragen, Roberts, Tremaine, Krieger, Schmeer, O'Scannlain & Neill, 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: Interest on the bonds, in the opinion of bond counsel, is exempt from taxation by the United States under present federal income tax laws and from personal income taxation by the State of Oregon under present state law.

The District has covenanted to comply with the provisions of H.R. 3838, as adopted by the United States House of Representatives on December 17, 1985.

Bond Counsel will further opine that, assuming compliance by the District with the applicable requirements of H.R. 3838, interest on the Bonds will be exempt from federal income taxation under H.R. 3838 if it is enacted into law as it was adopted on December 17, 1985. The opinion will note that H.R. 3838 imposes an alternative minimum tax on the net gain of property and casualty insurance companies from operations, including interest on the bonds.

BEST BID: The bonds will be awarded to the responsible bidder whose proposal will result in the lowest net cost to the City. The successful bid will be determined by computing the total amount of interest which the City would be required to pay from the date of each bond to its respective maturity date at the rate or rates specified in the bid assuming no bonds are called prior to maturity, less premium offered, if any. Each bidder is requested to supply the total interest cost and net effective interest rate 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 borne by the City.

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, or elsewhere at the expense of the purchaser. Payment for the bonds must be made in Federal funds. Delivery 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 one hundred percent (100%) of the par value thereof and accrued interest to the date of delivery. 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, Series 1986-B."

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 Thirty-three Thousand Dollars (\$33,000) 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.

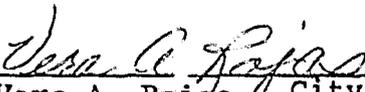
RIGHT OF REJECTION: The City reserves the right to reject any or all bids, and to waive any irregularities.

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, Government Finance Associates, 1211 S.W. Fifth Avenue, Suite 1200, Portland, Oregon 97204, telephone 503-222-1405.

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 Vera A. Rojas, City Recorder, P. O. Box 220, Wilsonville, Oregon 97070, telephone 503-682-1011.



Vera A. Rojas, City Recorder
City of Wilsonville, Oregon