

RESOLUTION NO. 1449

A RESOLUTION AUTHORIZING ISSUANCE OF LIMITED TAX IMPROVEMENT BONDS FOR THE CANYON CREEK NORTH LOCAL IMPROVEMENT DISTRICT.

WHEREAS, the City of Wilsonville is authorized pursuant to the Constitution and laws of the State of Oregon, including Oregon Revised Statutes Chapter 288 and Sections 223.205 to 223.295 and the City Charter, to construct publicly owned and operated local improvements which specially benefit properties, to assess the specially benefited properties for the costs of local improvements, and to issue limited tax bonds to finance the costs of those improvements; and,

WHEREAS, Article XI, Section 11b of the Oregon Constitution states that assessments for local improvements will not be "taxes" which are subject to that section's limitations if the local improvement is a capital construction project undertaken by the City: (a) which provides a special benefit only to specific properties or rectifies a problem caused by specific properties; (b) the costs of which are assessed against those properties in a single assessment upon the completion of the project; (c) for which the payment of the assessment plus appropriate interest may be spread over a period of at least ten years; and, (d) for which the total of all assessments do not exceed the actual costs incurred by the City in designing, constructing and financing the project; and,

WHEREAS, the City has completed construction of the Canyon Creek North local improvement project, and has assessed its costs against benefited properties; and,

WHEREAS, Oregon Revised Statutes Section 223.235(2) limits the principal amount of limited tax improvement bonds to the unpaid balance of all contracts for installment payment of final assessments for the local improvement project, plus the amount necessary to pay any financing costs; and,

WHEREAS, the unpaid balance of contracts for installment payment of final assessments for the Canyon Creek North local improvement project is not expected to exceed \$4,000,000; and,

WHEREAS, the City adopts this Resolution to establish the terms under which it will issue its Limited Tax Improvement Bonds, Series 1998 pursuant to Oregon Revised Statutes Chapter 288 and Sections 223.205 to 223.295.

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

Section 1. Definitions.

Unless the context clearly requires otherwise, the following terms shall have the following meanings:

“Assessment Payments” means all amounts required to be paid to the City under all contracts for installment payment of final assessments for the Project, and the net proceeds of foreclosing any such assessments.

“Available General Funds” means all taxes and other legally available general funds of the City.

“BEO” means “book-entry-only” and refers to a system for clearance and settlement of securities transactions through electronic book-entry changes, which eliminates the need for physical movement of securities.

“Bonds” means the City’s Limited Tax Improvement Bonds, Series 1998 which are authorized by this Resolution.

“Business Day” means any day except a Saturday, a Sunday, a legal holiday, a day on which the offices of banks in Oregon or New York are authorized or required by law or executive order to remain closed, or a day on which the New York Stock Exchange is closed.

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

“Debt Service Fund” means a fund or account, which the City accounts for separately, but which may be commingled with other funds or accounts for investment purposes, into which the City shall deposit all Assessment Payments.

“DTC” means the Depository Trust Company of New York, the initial securities depository for the Bonds.

“Event of Default” refers to the Events of Default listed in Section 7 of this Resolution.

“Finance Director” means the Finance Director of the City or a person designated by the Finance Director of the City to act as Finance Director under this Resolution.

“Fiscal Year” means the period beginning on July 1st and ending on the next June 30th.

“Government Obligations” means direct noncallable obligations of the United States, or obligations the principal of and interest on which are fully and unconditionally guaranteed by the United States.

“Outstanding” refers to all Bonds authorized and delivered pursuant to this Resolution except Bonds which have been paid, canceled, or defeased pursuant to Section 12 of this Resolution, and Bonds which have matured but have not been presented for payment for the payment of which adequate money has been transferred to the Paying Agent.

“Owner” means the person shown on the Bond register maintained by the Paying Agent as the registered owner of a Bond.

“Paying Agent” means the Paying Agent and paying agent for the Bonds, which, at the time of enactment of this Resolution, is U.S. Trust National Association (formerly First Trust National Association).

“Permitted Investments” means any investments in which the City is authorized to invest surplus funds under the laws of the State of Oregon.

“Project” means the Canyon Creek North local improvement project.

“Qualified Consultant” means an independent auditor, an independent financial advisor, or similar independent professional consultant of which the City determines has experience and expertise in the area for which the consultant is retained by the City to provide services under this Resolution or any Supplemental Resolution.

“Resolution” means this Resolution and any Supplemental Resolution.

“Supplemental Resolution” means any Resolution amending or supplementing this Resolution, which is adopted in accordance with Section 6.

Section 2. Bonds Authorized; Delegation.

- (A) In order to finance the Project, the City may issue its Limited Tax Improvement Bonds, Series 1998 (the "Bonds") in a principal amount of no more than Four Million Dollars (\$4,000,000).
- (B) Proceeds of the Bonds shall be used to finance the Project, including repaying interim financings for the Project, and to pay costs of issuing the Bonds.
- (C) The Finance Director may, on behalf of the City:
 - (1) participate in the preparation of, authorize the distribution of, and deem final the preliminary and final official statements and any other disclosure documents for the Bonds;
 - (2) establish the final principal amounts, maturity schedules, interest rates, sale prices, redemption terms, payment terms and dates, and other terms of the Bonds, select one or more underwriters for the Bonds, enter into a Bond purchase agreement with the selected underwriters, and sell and deliver the Bonds in accordance with that agreement;
 - (3) undertake to provide continuing disclosure for the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission.

- (4) apply for and purchase municipal bond insurance or other obtain other forms of credit enhancements for the Bonds, enter into agreements with the providers of credit enhancement, and execute and deliver related documents; and
 - (5) execute any documents and take any other action in connection with the Bonds which the Finance Director finds will be advantageous to the City.
- (D) The Bonds shall be in substantially the form attached hereto as Exhibit A, with such changes as may be approved by the Finance Director. The Bonds may be printed or typewritten, and may be issued as one or more temporary Bonds which shall be exchangeable for definitive Bonds when definitive Bonds are available. The Bonds shall be executed on behalf of the City with the facsimile signatures of the Mayor and Finance Director.

Section 3. Security for Bonds; Flow of Funds.

- (A) The Bonds shall be payable primarily from the Assessment Payments. The City hereby pledges all Assessment Payments to pay the Bonds. Pursuant to ORS 223.235(5)(c), the lien of the pledge shall be valid, binding and fully perfected from the date of issuance of the Bonds. The Assessment Payments shall be immediately subject to the lien without the physical delivery thereof, the filing of any notice or any further act. The lien shall be valid, binding and fully perfected against all persons having claims of any kind against the City or the property assessed whether in tort, contract or otherwise, and irrespective of whether such persons have notice of the lien.
- (B) The City hereby pledges its full faith and credit to pay the Bonds. The Bonds are limited tax improvement bonds of the City, and the City shall pay the Bonds from Available General Funds to the extent that Assessment Payments and any taxes described in Section 3(C) are not sufficient to pay the Bonds.
- (C) The Bonds shall be limited tax bonds of the City, and, to the extent that the Assessment Payments (and any Available General Funds the City may elect to provide) are not sufficient to pay the Bonds, the City shall, if and to the extent permitted by Section 11,

Article XI of the Oregon Constitution (as it exists on the date of this Resolution), levy a tax on all taxable property within its boundaries as authorized by ORS 223.235(4).

- (D) The City shall deposit all Assessment Payments into the Debt Service Fund. So long as the Bonds are Outstanding, the City shall use amounts deposited in the Debt Service Fund only to pay Bond principal, interest and any redemption premium.

Section 4. Tax Covenants.

The City covenants not to take any action, or omit to take any action, if the taking or omitting would cause interest on the Bonds to become includable in gross income under the Code. The Finance Director may, on behalf of the City, enter into additional covenants to protect the tax-exempt status of the Bonds.

Section 5. Superior and Parity Obligations.

The City covenants not to issue any obligations which have a lien on the Assessment Payments which is superior to, or on a parity with, the lien of the Bonds. The City reserves the right to commit its Available General Funds and taxing power for other purposes without restriction.

Section 6. Amendment of Resolution.

- (A) The City may enact a Supplemental Resolution to amend this Resolution without the consent of any Owner for any one or more of the following purposes:
- (1) To cure any ambiguity or formal defect or omission in this Resolution;
 - (2) To add to the covenants and agreements of the City in this Resolution other covenants and agreements to be observed by the City which are not contrary to or inconsistent with this Resolution as theretofore in effect;
 - (3) To confirm, as further assurance, any security interest or pledge created under this Resolution or any Supplemental Resolution;

(4) To make any change which, in the reasonable judgment of the City, does not materially and adversely affect the rights of the Owners of Bonds.

(B) This Resolution may be amended for any other purpose only upon consent of Owners representing not less than fifty-one percent (51%) in aggregate principal amount of the adversely affected Bonds then Outstanding. However, no amendment shall be valid which:

(1) Extends the maturity of any Bonds, reduces the rate of interest upon any Bonds, extends the time of payment of interest on any Bonds, reduces the amount of principal payable on any Bonds, or reduces any premium payable on any Bonds, without the consent of the affected Owner; or

(2) Reduces the percent of Owners required to approve Supplemental Resolutions.

Section 7. Default and Remedies.

(A) The occurrence of one or more of the following shall constitute a Event of Default under this Resolution:

(1) Failure by the City to pay Bond principal, interest or premium when due (whether at maturity, or upon redemption after a Bond has been properly called for redemption);

(2) Failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed for the benefit of Owners of Bonds, for a period of 60 days after written notice to the City by the Owners of ten percent or more of the principal amount of Bonds then Outstanding specifying such failure and requesting that it be remedied; provided however, that if the failure stated in the notice cannot be corrected within such 60 day period, it shall not constitute an Event of Default so long as corrective action is instituted by the City within the 30 day period and diligently pursued, and the default is corrected as promptly as practicable after the written notice referred to in this Section 7(A)(2); or,

- (3) The City is adjudged insolvent by a court of competent jurisdiction, admits in writing its inability to pay its debts generally as they become due, files a petition in bankruptcy, or consents to the appointment of a receiver for the installment payments.
- (B) The Owners of ten percent or more of the principal amount of Bonds then Outstanding may waive any Event of Default and its consequences, except a Event of Default described in Section 7(A)(1).
- (C) Upon the occurrence and continuance of any Event of Default hereunder the Owners of ten percent or more of the principal amount of Bonds then Outstanding may take whatever action may appear necessary or desirable to enforce or to protect any of the rights of the Owners of Bonds, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Resolution or in aid of the exercise of any power granted in this Resolution or for the enforcement of any other legal or equitable right vested in the Owners of Bonds by this Resolution or by law. However, the Bonds shall not be subject to acceleration.
- (D) No remedy in this Resolution conferred upon or reserved to Owners of Bonds is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Resolution or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. To entitle the Owners of Bonds to exercise any remedy reserved to them, it shall not be necessary to give any notice other than such notice as may be required by this Resolution or by law.

Section 8. Ownership of Bonds.

- (A) For purposes of determining the percentage of Owners consenting to, waiving or otherwise acting with respect to any matter that may arise under this Resolution, the

initial purchaser of the Bonds may be treated as the Owner of the Bonds at the time the Bonds are delivered in exchange for payment.

- (B) For purposes of determining the percentage of Owners taking action under this Resolution, the Owners of Bonds which pay interest only at maturity, and mature more than one year after they are issued shall be treated as Owners of Bonds in an aggregate principal amount equal to the accreted value of such Bonds as of the date the Registrar sends out notice of requesting consent, waiver or other action as provided herein.

Section 9. Book Entry System for Bonds.

The Bonds shall be initially issued in BEO form and shall be governed by this Section 9. While Bonds are in BEO form no physical bonds shall be provided to Owners of Bonds. The Finance Director has executed and delivered a blanket Letter of Representations to DTC. While the Bonds are in BEO form, registration and transfer of beneficial interests in the Bonds shall be governed by that letter and the Operational Arrangements of DTC, as they may be amended from time to time, as provided in the blanket issuer letter of representations. So long as Bonds are in BEO form:

- (A) DTC shall be treated as the Owner for all purposes, including payment and the giving of notices to Owners of Bonds. Bond payments shall be made, and notices shall be given, to DTC in accordance with the Letter of Representations. Any failure of DTC to advise any of its participants, or of any participant to notify the beneficial owner, of any such notice and its content or effect will not affect the validity of the redemption of Bonds called for redemption or of any other action premised on such notice.
- (B) The City may discontinue maintaining the Bonds in the BEO form at any time. The City shall discontinue maintaining the Bonds in BEO form if DTC determines not to continue to act as securities depository for the Bonds, or fails to perform satisfactorily as depository, and a satisfactory substitute depository cannot reasonably be found.
- (C) If the City discontinues maintaining the Bonds in book-entry only form, the City shall cause the Paying Agent to authenticate and deliver replacement Bonds in fully registered

form in authorized denominations in the names of the beneficial owners or their nominees; thereafter the provisions set forth in Section 11 below, regarding registration, transfer and exchange of Bonds shall apply.

- (D) While the Bonds are in BEO form, the City and the Paying Agent shall have no responsibility or obligation to any participant or correspondent of DTC or to any beneficial owner on behalf of which such participants or correspondents act as agent for the beneficial owner with respect to:
- (1) the accuracy of the records of DTC, the nominee or any participant or correspondent with respect to any beneficial owner's interest in the Bonds;
 - (2) the delivery to any participant or correspondent or any other person of any notice with respect to the Bonds, including any notice of prepayment;
 - (3) the selection by DTC of the beneficial interest in Bonds to be redeemed prior to maturity; or
 - (4) the payment to any participant, correspondent, or any other person other than the registered owner of the Bonds as shown in the registration books maintained by the Paying Agent, of any amount with respect to principal or interest on the Bonds.
- (E) The City shall pay or cause to be paid all principal and interest on the Bonds only to or upon the order of the owner, as shown in the registration books maintained by the Paying Agent, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligation with respect to payment thereof to the extent of the sum or sums so paid.
- (F) Upon delivery by DTC to the City and to the owner of written notice to the effect that DTC has determined to substitute a new nominee in place of the nominee, then the word "nominee" in this order shall refer to such new nominee of DTC, and upon receipt of such notice, the City shall promptly deliver a copy thereof to the Paying Agent. DTC shall tender the Bonds it holds to the Paying Agent for reregistration.

- (G) The provisions of this Section 9 may be modified without the consent of the beneficial owners in order to conform this Section to the standard practices of DTC for Bonds issued in book-entry only form.

Section 10. Redemption of Bonds.

- (A) The Bonds shall be subject to redemption on the terms established by the Finance Director. The City reserves the right to purchase Bonds in the open market.
- (B) If any Bonds are subject to mandatory redemption, the City may credit against the mandatory redemption requirement any Bonds of the same maturity which the City has previously purchased or which the City has previously redeemed pursuant to any optional redemption provision.
- (C) So long as Bonds are in book-entry only form, the Paying Agent shall notify DTC of any early redemption not less than 30 days prior to the date fixed for redemption, and shall provide such information in connection therewith as required by a letter of representation submitted to DTC in connection with the issuance of the Bonds.
- (D) During any period in which the Bonds are not in book-entry only form, unless waived by any Owner of the Bonds to be redeemed, official notice of any redemption of Bonds shall be given by the Paying Agent on behalf of the City by mailing a copy of an official redemption notice by first class mail postage prepaid at least 30 days and not more than 60 days prior to the date fixed for redemption to the 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 Owner to the Paying Agent. The City shall notify the Paying Agent of any intended redemption not less than 45 days prior to the redemption date. All such official notices of redemption shall be dated and shall state:
- (1) the redemption date,
 - (2) the redemption price,
 - (3) 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,

- (4) 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
- (5) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Paying Agent.

Section 11. Authentication, Registration and Transfer.

- (A) 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 Paying Agent. The Paying Agent shall authenticate all Bonds to be delivered at closing of the Bonds, and shall additionally authenticate all Bonds properly surrendered for exchange or transfer pursuant to this Resolution.
- (B) The ownership of all Bonds shall be entered in the Bond register maintained by the Paying Agent, and the City and the Paying Agent may treat the person listed as owner in the Bond register as the owner of the Bond for all purposes.
- (C) While the Bonds are in book-entry only form, the Paying Agent shall transfer Bond principal and interest payments in the manner required by DTC.
- (D) If the Bonds cease to be in book-entry only form, the Paying Agent shall mail each interest payment on the interest Payment Date (or the next Business Day if the Payment Date is not a Business Day) to the name and address of the Owners as they appear on the Bond register as of the Record Date. If payment is so mailed, neither the City nor the Paying Agent shall have any further liability to any party for such payment.
- (E) 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 Owner submits the following to the Paying Agent:
 - (1) written instructions for exchange or transfer satisfactory to the Paying Agent, signed by the Owner or attorney in fact and guaranteed or witnessed in a manner satisfactory to the Paying Agent and

- (2) the Bonds to be exchanged or transferred.
- (F) The Paying Agent 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 Paying Agent shall note the date of authentication on each Bond. The date of authentication shall be the date on which the Owner's name is listed on the Bond register.
- (H) For purposes of this Section 11, Bonds shall be considered submitted to the Paying Agent on the date the Paying Agent actually receives the materials described in Section 11(E), above.
- (I) The City may alter these provisions regarding registration and transfer by mailing notification of the altered provisions to all Owners. 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 12. Defeasance.

The City shall be obligated to pay any Bonds which are defeased in accordance with this Section 12 solely from the money and Government Obligations which are deposited in escrow agent pursuant to this Section 12. Bonds shall be deemed defeased if the City:

- (A) irrevocably deposits money or noncallable Government Obligations in escrow with an independent trustee or escrow agent which are calculated to be sufficient without reinvestment for the payment of Bonds which are to be defeased; and,
- (B) files with the escrow agent or trustee an opinion from a Qualified Consultant to the effect that the money and the principal and interest to be received from the Government Obligations are calculated to be sufficient, without further reinvestment, to pay the defeased Bonds when due.

Section 13. Rules of Construction.

In determining the meaning of provisions of this Resolution, the following rules shall apply unless the context clearly requires application of a different meaning:

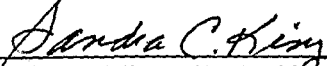
- (A) References to Section numbers shall be construed as references to this Resolution.
- (B) References to one gender shall include all genders.
- (C) References to the singular include the plural, and references to the plural include the singular.

ADOPTED by the Wilsonville City Council at a regular meeting thereof this 6th day of April, 1998, and filed with the Wilsonville City Recorder this date.



CHARLOTTE LEHAN, MAYOR

ATTEST:



Sandra C. King, CMC, City Recorder

SUMMARY OF VOTES:

Mayor Lehan	Yes
Councilor Helser	Yes
Councilor Barton	Yes
Councilor Luper	Yes
Councilor Kirk	Yes

EXHIBIT A

(Form of Bond)

No. R-«BondNumber»

\$«PrincipalAmtNumber»

United States of America
State of Oregon
City of Wilsonville
Limited Tax Improvement Bond
Series 1998

Dated Date:
Interest Rate Per Annum: «CouponRate»%
Maturity Date: ____ 1, «MaturityYear»
CUSIP Number: «CUSIPNumbr»
Registered Owner: -----CEDE & CO.-----
Principal Amount: -----«PrincipalAmtSpelled» DOLLARS-----

The City of Wilsonville, Oregon (the "City"), for value received, acknowledges itself indebted and hereby promises to pay to the Registered Owner hereof, or registered assigns, the Principal Amount indicated above on the Maturity Date indicated above together with interest thereon from the date hereof at the Interest Rate Per Annum indicated above, computed on the basis of a 360-day year of twelve 30-day months. Interest is payable semiannually on the first day of ____ and on the first day of ____ in each year until maturity or prior redemption, commencing _____. Payment of each installment of principal or interest shall be made to the Registered Owner hereof whose name appears on the registration books of the City maintained by the City's paying agent and registrar, which is currently _____, in Portland, Oregon (the "Registrar"), as of the close of business on the fifteenth day of the calendar month immediately preceding the applicable interest payment date. For so long as this Bond is subject to a book-entry-only system, principal and interest payments shall be payable to Cede & Co., as nominee of The Depository Trust Company, or its registered assigns, on each payment date. Such payments shall be made payable to the order of "Cede & Co."

This Bond is one of a duly authorized series of bonds of the City aggregating \$_____ in principal amount designated as Limited Tax Improvement Bonds, Series 1998 (the "Bonds"). The Bonds are issued for the purpose of financing the costs of local improvement district Project. The Bonds are issued under and pursuant to Resolution No. _____ of the City adopted ____, 1998 (the "Resolution") and 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 Bonds constitute valid and legally binding obligations of the City. The full faith and credit of the City are pledged for the punctual payment of the principal of and interest on the Bonds. The City has granted a first lien on and pledge of the Assessment Payments (as defined in the Resolution) to pay the Bonds. The Bonds do not constitute a debt or indebtedness of Clackamas County, the State of Oregon, or any political subdivision thereof other than the City.

The Bonds are initially issued as a book-entry-only security issue with no certificates provided to the Owners. Records of Bond ownership will be maintained by the Registrar and by The Depository Trust Company and its participants.

Should the book-entry only security system be discontinued, the Bonds shall be issued in the form of registered Bonds without coupons in the denominations of \$5,000 or any integral multiple thereof. Such Bonds may be exchanged for Bonds of the same aggregate principal amount and maturity date, but different authorized denominations, as provided in the Resolution.

[insert redemption provisions]

Unless the book-entry-only system is discontinued, notice of any call for redemption shall be given as required by the Letter of Representations to The Depository Trust Company, as referenced in the Resolution. Interest on any Bond or Bonds so called for redemption shall cease on the redemption date designated in the notice. The Registrar will notify The Depository Trust Company promptly of any Bonds called for redemption. Notice of redemption shall be published as provided by law. If the book-entry-only system is discontinued, notice of redemption shall be given by registered or certified mail not less than thirty days nor more than sixty days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the Bond register; 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.

Any transfer of this Bond must be registered, as provided in the Resolution, upon the Bond register kept for that purpose by the Registrar. This Bond may be registered only by surrendering it, together with a written instrument of transfer which is satisfactory to the Registrar and which is executed by the registered owner or duly authorized attorney. Upon registration, a new registered Bond or Bonds, of the same series and maturity and in the same aggregate principal amount, shall be issued to the transferee as provided in the Resolution. The City and the Registrar may treat the person in whose name this Bond is registered on the Bond register as its absolute owner for all purposes, as provided in the Resolution.

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the City or the Registrar for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the Registered Owner hereof, Cede & Co., has an interest 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 that the issue of which this Bond is a part, and all other obligations of the City, are within every debt limitation and other limit prescribed by such Constitution and Statutes and City Charter.

IN WITNESS WHEREOF, the Council of the City of Wilsonville, Oregon, by Resolution duly passed, has caused this Bond to be signed by facsimile signature of its Mayor and countersigned by facsimile signature of its Finance Director, and has caused a facsimile of the corporate seal of the City to be imprinted hereon, all as of the date first above written.

City of Wilsonville, Oregon

Mayor

Finance Director

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

This Bond is one of a series of \$_____ aggregate principal amount of City of Wilsonville, Oregon Limited Tax Improvement Bonds, Series 1998 issued pursuant to the Resolution described herein.

Dated: _____, 1998

_____, as Registrar

Authorized Officer

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

(Please insert social security or other identifying number of assignee)
this 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 this Bond in every particular, without alteration or enlargement or any change whatever.

NOTICE: Signature(s) must be guaranteed by a member of the New York Stock Exchange or a commercial bank or trust company

Signature Guaranteed

(Bank, Trust Company or Brokerage Firm)

Authorized Officer

The following abbreviations, when used in the inscription on the face of this 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.