

**THE URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE**

**RESOLUTION NO. 12**

**A RESOLUTION OF THE URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE AUTHORIZING A TAX-EXEMPT CREDIT FACILITY AND A NOTE IN A MAXIMUM AMOUNT OF \$1,700,000.**

WHEREAS, it is desirable for the Agency to incur debt to finance urban renewal projects described in the Year 2000 Plan, as it may be amended from time to time; and,

WHEREAS, Bank of America Oregon has offered to provide a Revolving Tax-Exempt Credit Facility to the Agency, in substantially the form attached to this resolution as Exhibit A.

NOW, THEREFORE, THE URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE RESOLVES AS FOLLOWS:

**Section 1. Authorization and Payment of Facility.**

The Finance Director or, upon notice to the Bank, his designee of the City of Wilsonville, is hereby authorized, on behalf of the Agency, to:

1.1. Execute and deliver a Revolving Tax Exempt Credit Facility in substantially the form attached hereto as Appendix A, with a maximum Outstanding Balance (as defined in Appendix A) which shall not exceed \$1,700,000;

1.2. Execute and deliver a Revolving Tax Exempt Credit Facility Note, in substantially the form attached as Exhibit A to Appendix A;

1.3. To request and obtain Draws under the Note;

1.4. To apply the Tax Increment Revenues to pay or prepay the Note, as provided in the Facility; and,

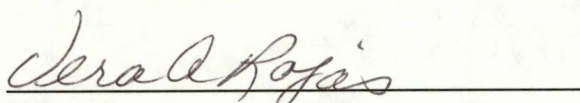
1.5. Execute and deliver any other documents and take any other action which may reasonably be required to enter into the Revolving Tax Exempt Credit Facility and obtain funds under it.

ADOPTED by the Wilsonville Urban Renewal Agency at a special meeting thereof  
this 20th day of September, 1993, and filed with the Wilsonville City Recorder this date.



GERALD A. KRUMMEL, Chair

ATTEST:



VERA A. ROJAS, CMC/AEE, City Recorder



FINANCE DEPARTMENT  
STAFF REPORT AND RECOMMENDATIONS

TO: CHAIRMAN AND MEMBERS OF THE URBAN RENEWAL AGENCY BOARD

FROM: TOM JOWAISZAS  
FINANCE DIRECTOR

SUBJECT: AUTHORIZATION TO ENTER INTO A \$1.7 MILLION REVOLVING TAX EXEMPT CREDIT FACILITY WITH BANK OF AMERICA

DATE: SEPTEMBER 15, 1993

SUMMARY

The Urban Renewal Agency of the City of Wilsonville (Agency) will purchase the Boozier, Roberts, and St. Charles Acres property on September 22, 1993, for approximately \$1.5 million. The Agency is also expected to spend approximately \$1.5 million during the next several months on the Day Dream Escape project. The Agency does not have sufficient cash reserves and projected short-term cash inflows to meet these funding requirements. As a result, city staff recommends that the Agency meet its funding requirements by entering into a \$1.7 million revolving tax exempt credit facility with Bank of America Oregon. Under this agreement, the Agency will have the ability to borrow funds through fiscal year 1993-94 (June 30, 1994) and all principal and interest are due and payable by June 30, 1995. The interest rate for this agreement will be 80% of Bank of America's prime rate (currently this equates to a rate of 4.8%)

RECOMMENDATION

The Agency has two options it can pursue to meet its funding requirements. The Agency could either issue bonds or it could enter into a credit facility agreement with a financial institution. City staff recommends that the Agency meet its funding requirements through a credit facility agreement.

This recommendation is based on the following:

- the Agency will only have to borrow funds when the need arises
- the total cost of the credit facility (transaction costs, interest expense, etc.) is significantly lower than a bond offering

Staff also recommends that the Urban Renewal Agency Board authorize the Finance Director to execute and deliver a revolving tax exempt credit facility with a maximum outstanding balance not to exceed \$1,700,000. The Finance Director will be authorized to enter into an agreement with Bank of America Oregon for a revolving tax exempt credit facility (facility), to request and obtain draws under the facility, and to apply the tax increment revenues to pay or prepay amounts owing under the facility.

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## APPENDIX A

### REVOLVING TAX-EXEMPT CREDIT FACILITY

Bank of America Oregon and the Urban Renewal Agency of the City of Wilsonville, Oregon enter into this Revolving Tax Exempt Credit Facility upon the terms and conditions described below.

#### Section 1. Definitions.

For purposes of this Facility, 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.

"Area" means the Year 2000 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 may receive during each Fiscal Year in which the collection of Tax Increment Revenues must be certified to the Clackamas County Assessor under Section 5.4. 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 City or the Agency (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 be at their most favorable levels for the purposes of maximizing the Tax Increment Revenues then available to the Agency.

"Authorized Officer" means the Finance Director of the City or his designee who is authorized by the Agency to act on its behalf.

"Bank" means Bank of America Oregon or its successors.

"City" means the City of Wilsonville, Oregon.

"Draw" means a loan to the Agency under the Note.

"Event of Default" means the declaration by the Bank of an event of default as a result of a determination by the Bank that there has been: (i) a failure to pay principal or interest on the Note when due, as provided in the Note and this Facility; or (ii) a failure by the Agency to comply with any of its obligations, or to perform any of its duties, under this Facility, or the Note, which failure continued, and not been cured, for a period of more than 30 days after the Bank has made written demand on the Agency to cure such failure; or, (iii) a material misrepresentation by the Agency in this Facility, or the Note.

"Facility" means this Revolving Tax-Exempt Credit Facility.



"Facility Rate" means eighty percent (80.00%) of the Prime Rate adjusted as provided in Section 6 hereof.

"Fiscal Year" means the period beginning July 1 of each year and ending on the next succeeding June 30, or as otherwise defined by Oregon Law.

"General Account" means that General Account created pursuant to Section 7 hereof.

"Note" means the Revolving Tax-Exempt Credit Facility Note, in substantially the form attached hereto as Exhibit A.

"Outstanding Balance" means, at any time, the sum of all Draws, less the sum of all Note principal repayments which have been received by the Bank. The phrase "while there is an Outstanding Balance" refers to times when the sum of all Draws, less the sum of all Note principal repayments which have been received by the Bank, is greater than zero.

"Parity Obligations" means bonds, notes or other obligations payable from the Tax Increment Revenues on a parity of lien with the Note.

"Plan" means the Agency's Year 2000 Plan, the urban renewal plan for the Year 2000 Area, which is dated August 29, 1990, as amended on June 7, 1993, effective August 6, 1993, and as it may subsequently be amended.

"Prime Rate" means the prime rate of interest of Bank of America Oregon which is a variable reference rate of interest used by the Bank to determine the price of certain, but not all, loans. The use of the term Prime Rate shall not give rise to an inference that it is a more favorable rate of interest than other fixed or reference rates used by the Bank. On each occasion on which the Bank changes its Prime Rate, it makes a public announcement of such change.

"Note" means the Revolving Tax Exempt Credit Facility Note evidencing the amounts owed under this Facility, which shall be in substantially the form attached hereto as Exhibit A.

"Note Payment Account" means the Note Payment Account created pursuant to Section 7 hereof.

"Resolution" means Agency Resolution No. 12, adopted September 20, 1993, authorizing this Facility and the Note.

"Tax Increment Fund" means the fund established under ORS 457.440(3) and Section 7 hereof 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 Commission during a period in which there is an Outstanding Balance under this Facility and the Note, and all earnings thereon



while the Tax Increment Revenues are held in the Tax Increment Fund. "Tax Increment Revenues" does not include any amounts which are deposited in the Sinking Fund prior to the first Draw under this Facility, or any amounts deposited in the Sinking Fund during any period in which there is no Outstanding Balance under this Facility and the Note.

### **Section 2. Recitals.**

The Bank has offered the Agency a revolving tax-exempt credit facility in a maximum outstanding principal amount of \$1,700,000. The Agency has adopted the Resolution, which is acceptable to the Bank. The Resolution authorizes execution and delivery of this Facility and the Note.

### **Section 3. Facility.**

3.1. The Bank hereby agrees to make revolving loans to the Agency under this Facility in a maximum outstanding principal amount of not more than \$1,700,000, subject to the terms and conditions contained in this Facility and the Note.

3.2. The Outstanding Balance under the Note shall bear interest at the Facility Rate, calculated on an actual/360 day basis. The Outstanding Balance, plus accrued interest, shall be paid no later than June 30, 1995.

### **Section 4. Prepayment.**

4.1. The Outstanding Balance may be prepaid at any time at the option of the Agency without penalty. The Agency shall apply all Tax Increment Revenues to prepay the Note, within five business days after the Agency receives the Tax Increment Revenues. Tax Increment Revenues paid to the Bank shall be applied first, to pay accrued interest, and second, to reduce the Outstanding Balance. Promptly after receipt of each prepayment, the Bank shall mail to the Agency a copy of the "Schedule of Prepayments" attached to the Note, with the blanks regarding the most recent prepayments completed.

### **Section 5. Security for Facility.**

5.1. This Facility and Note shall not be a general obligation of the Agency or the City. This Facility, the Note and the interest thereon shall be payable solely from the Tax Increment Revenues and money deposited in the Proceeds Account, as provided herein. The Tax Increment Revenues are hereby irrevocably pledged to pay this Facility and the Note. The lien of this Facility and the Note on the Tax Increment Revenues shall attach immediately, and shall be superior to all other liens and claims against the Tax Increment Revenues, pursuant to ORS 288.594.

5.2. All Tax Increment Revenues shall be deposited into the Tax Increment Fund when they are received by the Agency, and shall be used to pay amounts due under the Note and this Facility within five business days after they are received.



5.3. While there is an Outstanding Balance, no Tax Increment Revenues shall be withdrawn from the Tax Increment Fund for any purpose except payment of the Note, without the prior written consent of the Bank.

5.4. Unless no amounts are outstanding and the Agency has agreed in writing to seek no advances under the Facility, in each Fiscal Year until the Fiscal Year ending June 30, 1995 the Agency will agree to certify to the Clackamas County Assessor an amount for collection as Tax Increment Revenues which will produce, on an estimated basis, actual collections equal to not less than the lesser of all Available Tax Increment Revenues or Two Million One Hundred Twenty-Five Thousand Dollars.

### **Section 6. Adjustment of Facility Rate.**

If interest on the Note becomes includable in the gross income of the Bank or ceases to be treated in the manner which "qualified tax-exempt obligations" are currently treated under Section 265 of the Internal Revenue Code of 1986, this Facility Rate shall be the Prime Rate plus one percent, effective beginning with the date on which interest becomes so includable or the date Section 265 treatment ceases.

### **Section 7. Funds and Accounts.**

7.1. The Tax Increment Fund is hereby created. The Tax Increment Fund is hereby divided into a Note Payment Account and a General Account. Amounts in the Note Payment Account shall be used only to pay debt service on the Note. Amounts in the General Account may be used for any legal purpose permitted under Oregon Revised Statutes Chapter 457. However, if there is a deficiency in the Note Payment Account, Tax Increment Revenues credited to the General Account shall be used to remedy such deficiency before such funds are used for any other purpose.

7.2. The Agency shall deposit Tax Increment Revenues received as a result of certifications to the Clackamas County Assessor required under Section 5.4 in the Tax Increment Fund and in following order of priority:

7.2.1. First:

To the Note Payment Account until the cumulative sum deposited in that account is not less than the amount shown below:

In the Fiscal Year ending June 30, 1994	\$2,125,000
In the Fiscal Year ending June 30, 1995	The lesser of a) an amount sufficient to pay the Outstanding Balance or b) \$2,125,000..

7.2.2. Second:

To the General Account after the foregoing deposits have been made.



## **Section 8. Draws.**

8.1. The Authorized Officer may request or obtain Draws under the Note subject to the following limitations:

8.1.1. All Draws must be requested in writing in substantially the form attached hereto as Exhibit B, and must:

8.1.1.1. state the amount of the Draw which is requested, and that the sum of that Draw, plus the then Outstanding Balance, does not exceed \$1,700,000.

8.1.1.2. state the purposes for which the Draw will be expended;

8.1.1.3. state the anticipated schedule of expenditure of the Draw amount; and

8.1.1.4. contain the certifications contained in paragraphs 5 and 6 of Exhibit B.

8.1.2. No Draw may be requested after June 30, 1994 without the prior written consent of the Bank.

8.1.3. The minimum Draw amount shall be \$100,000.00.

8.2. Promptly after disbursing each Draw, the Bank shall mail to the Agency a copy of the schedule of Draws attached to the Note, with the blanks for the most recent Draw completed, or an acceptable substitute showing the draw amount and the then Outstanding Balance.

8.3. Severability; Waivers. If any part of this Agreement is not enforceable, the rest of the Agreement may be enforced. The Bank retains all rights, even if it makes a loan after default. If the Bank waives a default, it may enforce a later default. Any consent or waiver under this Agreement must be in writing.

8.4. Costs. If the Bank incurs any expenses in connection with enforcing this Agreement, or if the Bank takes collection action under this Agreement, it is entitled to costs and reasonable attorneys' fees, including any allocated costs of in-house counsel.

## **Section 9. Deposit of Facility Proceeds.**

The proceeds of all Draws shall be deposited in a separate account (the "Proceeds Account") and shall be used solely for the costs of urban renewal projects designated in the Plan and for costs of issuing this Facility.



## **Section 10. Superior, Parity and Subordinate Obligations.**

10.1. So long as amounts are payable under the Note, the Agency covenants not to issue obligations which have a lien on the Tax Increment Revenues which is superior to the lien of the Note, or Parity Obligations, without the written consent of the Bank.

10.2. The Agency may issue obligations which have a lien on the Tax Increment Revenues which is inferior to the lien of the Note ("Subordinate Obligations"), but only if the resolution authorizing the issuance of the Subordinate Obligations provides that no debt service on the Subordinate Obligations may be paid while there is an Outstanding Balance.

## **Section 11. Tax Covenants.**

11.1. The Agency covenants that it or the City will own and operate the facilities financed with the proceeds of the Note. The Agency covenants to operate the facilities financed with the Note, to invest the proceeds of the Note, and to pay any required rebates to the United States so that the Note is not a "private activity bond" under Section 141 of the Internal Revenue Code of 1986, as amended (the "Code"), the Note is not an "arbitrage bond" under Section 148 of the Code, and interest due on the Note is excludable from gross income under Section 103 of the Code.

11.2. The Agency issues obligations on behalf of the City. The City has general taxing powers, and 95 percent of the proceeds of this Facility will be used for local governmental activities of the City and the Agency. The City, the Agency, and all entities subordinate to the City and the Agency have not, and do not reasonably expect to issue more than \$5,000,000 of tax-exempt obligations in calendar year 1993.

11.3. The City has, and the Agency hereby designates, the Note as a "qualified tax-exempt obligation" under Section 265 of the Code. The City, the Agency, and all entities subordinate to the City and the Agency do not reasonably anticipate issuing tax-exempt obligations in calendar year 1993 in an amount of more than \$10,000,000. During calendar year 1993, the City, the Agency and all entities subordinate to the City and the Agency have not designated, and will not designate, more than \$10,000,000 of obligations as "qualified tax-exempt obligations" under Section 265 of the Code.

## **Section 12. Default.**

If an Event of Default occurs, the Bank may: declare the Outstanding Balance immediately due and payable, with interest through the date of payment at this Facility Rate; or exercise any remedy available at law or in equity. No remedy shall be exclusive. The Bank may waive any Event of Default, but no such waiver shall extend to a subsequent Event of Default.

## **Section 13. Commitment Fee Waiver and Right of First Refusal.**

The Bank agrees to waive payment by the Agency of the Bank's normal commitment fee of ½ of 1 percent of the principal amount of this Facility, in consideration of the



Agency granting the Bank a first right of refusal to underwrite the Agency's debt as provided in this Section. By accepting this Facility, the Agency agrees that the Bank shall have the right to underwrite all debt or other obligations incurred or issued by the Agency during the 5 years following acceptance of this Facility (the "Future Debt") which are payable from the tax increment revenues of the Year 2000 Area described in the Year 2000 Plan approved by the City of Wilsonville, Oregon (the "Urban Renewal Area"); however, the Bank shall not be obligated to underwrite any Future Debt. For any financing in which the Bank elects to exercise its right of first refusal, the Bank will furnish evidence, satisfactory in form and substance to the City and to the Agency, that the terms on which the financing is offered reflect prevailing market conditions in effect at the time of the financing. The Agency shall offer the Bank in writing the opportunity to underwrite each proposed issue of Future Debt. The Bank shall decide whether to underwrite each issue of Future Debt within 15 days after the Agency's written offer is received by the Bank. The Bank shall notify the Agency of its decision promptly and in writing. The parties acknowledge that the Agency grants this right to the Bank in the expectation that the individuals servicing the Agency's account will continue to serve the Agency's account, that the Agency's account will continue to be serviced by people whose office is in Oregon, and that the Bank will continue to maintain an active role in the Oregon municipal bond market. If the Agency reasonably determines that the Bank has failed to meet any of these expectations, the City may terminate the rights granted to the Bank in this Section.

#### **Section 14. Representations, Warranties and Agreements of the Agency.**

By executing this Facility in the space provided below, the Agency represents and warrants to, and agrees with the Bank that:

14.1. The Agency is an urban renewal agency duly organized and existing under the laws of the State of Oregon, has all necessary power and authority to enter into this Facility and perform its duties under the Resolution and this Facility, and that the Resolution, this Facility and the Note will constitute legal, valid and binding obligations of the Agency which are enforceable in accordance with their terms.

14.2. The acceptance of this Facility, the adoption of the Resolution and the execution and delivery of the Note will not conflict in any material respect with, or constitute a material breach of or default under, any law, charter provision, court decree, administrative regulation, resolution, ordinance or other agreement to which the Agency is a party or by which it is bound.

14.3. There is no action, suit, proceeding or investigation at law or in equity before or by any court or government agency or body pending or, to the best of the knowledge of the Agency, threatened against the Agency or the City of Wilsonville, Oregon, to restrain or enjoin the acceptance of this Facility, the adoption of the Resolution or the execution and delivery of the Note, the formation or existence of the Year 2000 Area or the Agency, or the collection and application of the tax-increment revenues as contemplated by the Resolution and this Facility, which, in the reasonable judgment of the Agency, would have a material and adverse effect on the ability of the Agency to pay the amounts due under this facility. If at any time while the Note is



outstanding a material adverse change in the financial condition of the Agency or the Year 2000 Area occurs, the Agency shall notify the Bank immediately.

14.4. To the extent permitted by law, the Agency agrees to indemnify and hold harmless the Bank and all of its agents and employees against any and all losses, claims, damages, liabilities and expenses arising out of any statement made by the Agency to the Bank, its agents or employees, which relates to this Facility or the Note, and which is untrue or incorrect in any material respect.

14.5. The Agency has not pledged the Tax Increment Revenues for any other purpose, and the pledge of the Tax Increment Revenues to pay this Facility and the Note will constitute a first pledge of the Tax Increment Revenues, which is superior to any other pledges or liens on the Tax Increment Revenues.

### **Section 15. Conditions to the Obligations of the Bank.**

The Bank may at any time refuse to advance funds under this Facility:

15.1. If there shall have been introduced or enacted federal legislation which would cause interest payable under the Note to be includable in gross income under the federal income tax laws, or to cease to qualify for the treatment accorded a "qualified tax-exempt obligation" under existing law.

15.2. If there has occurred:

15.2.1. a declaration of war or engagement in major military hostilities by the United States or the occurrence of any other national emergency or calamity relating to the effective operation of the government or the financial community and the United States;

15.2.2. a declaration of a general banking moratorium by federal, New York or Oregon authorities, or the general suspension of trading on any national securities exchange.

15.3. Unless, on or prior to the date of the first draw under this Facility the Bank shall have received:

15.3.1. a copy of the duly authorized Resolution, and a signed original copy of this Facility and the Note;

15.3.2. a tax certificate regarding the Note and the use of the proceeds thereof, which has been signed by the Agency and is satisfactory to Preston Thorgrimson Shidler Gates & Ellis ("Special Counsel") and the Bank;

15.3.3. the certificate of a duly authorized officer of the Agency to the effect that:



15.3.3.1. there is no action, suit, proceeding or investigation at law or in equity before or by any court or government agency or body pending or, to the best of the knowledge of the Agency, threatened against the Agency or the City of Wilsonville, Oregon to restrain or enjoin the adoption of the Resolution or the execution and delivery of this Facility and the Note, the formation or existence of the Year 2000 Area or the Agency, or the collection and application of the tax-increment revenues as contemplated by this Facility or the Note, which, in the reasonable judgment of the Agency, would have a material and adverse effect on the ability of the Agency to pay the amounts due under this Facility;

15.3.3.2. the adoption of the Resolution and the execution and delivery of this Facility and the Note do not and will not conflict in any material respect with or constitute on the part of the Agency a breach of or default under any law, charter provision, court decree, administrative regulation, resolution, ordinance or other agreement or instrument to which the Agency is a party or by which it is bound;

15.3.4. such additional legal opinions, certificates, proceedings, instruments or other documents as the Bank or the City's Bond Counsel may reasonably request to evidence compliance by the Agency with the legal requirements for execution and delivery of this Facility and the Note and the due performance or satisfaction by the Agency of all agreements then to be performed and all conditions then to be satisfied by the Agency.

15.3.5. If the Bank reasonably determines that:

15.3.5.1. the representations and warranties of the Agency in this Facility, the Resolution or a draw certificate (Exhibit B to this Facility) were untrue in any material respect when made, or have become untrue; or

15.3.5.2. there has been a material, adverse change in the financial condition of the Agency, the Year 2000 Area or the Tax Increment Fund (as defined in this Facility); or

15.3.5.3. the Agency breaches any of its obligations under the Resolution, this Facility or the Note.

#### **Section 16. Fees and Expenses.**

The Agency shall pay the fees and costs of Bond Counsel, and any other expenses and costs which the Agency incurs in connection with this Facility. The Bank shall pay all of its out-of-pocket expenses, including travel and other expenses. Agency will also reimburse Bank for itemized courier and disclosure development expenses incurred by Bank in developing its preliminary but unused financing structure.



## Section 17. Arbitration.

17.1. This Section concerns the resolution of any controversies or claims between the Agency and the Bank, including but not limited to those that arise from:

17.1.1. This Facility (including any renewals, extensions or modifications of this Facility);

17.1.2. Any document, agreement or procedure related to or delivered in connection with this Facility;

17.1.3. Any violation of this Facility; or

17.1.4. Any claims for damages resulting from any business conducted between the Agency and the Bank relating to this Facility, including claims for injury to persons, property or business interest (torts).

17.2. At the request of the Agency or the Bank, any such controversies or claims will be settled by arbitration in accordance with the United States Arbitration Act. The United States Arbitration Act will apply even though this Facility provides that it is governed by Oregon law.

17.3. Arbitration proceedings will be administered by the American Arbitration Association and will be subject to its commercial rules of arbitration.

17.4. For purposes of the application of the statute of limitations, the filing of an arbitration pursuant to this paragraph is the equivalent of the filing of a lawsuit, and any claim or controversy which may be arbitrated under this paragraph is subject to any applicable statute of limitations. The arbitrators will have the authority to decide whether any such claim or controversy is barred by the statute of limitations and, if so, to dismiss the arbitration on that basis.

17.5. If there is a dispute as to whether an issue is arbitrable, the arbitrators will have the authority to resolve any such dispute.

17.6. The decision that results from an arbitration proceeding may be submitted to any authorized court of law to be confirmed and enforced.

17.7. This provision does not limit the right of the Agency or the Bank to:

17.7.1. exercise self-help remedies such as setoff;

17.7.2. act in a court of law, before, during or after the arbitration proceeding to obtain:

17.7.2.1. a provisional or interim remedy; and/or



17.7.2.2. additional or supplementary remedies.

17.8. The pursuit of or a successful action for interim, additional or supplementary remedies, or the filing of a court action, does not constitute a waiver of the right of the Agency or the Bank, including the suing party, to submit the controversy or claim to arbitration if the other party contests the lawsuit.

### **Section 18. Notices.**

Any notices required to be given pursuant to this commitment letter or this Facility shall be given to the following addresses:

Agency:           The Urban Renewal Agency of the City of Wilsonville, Oregon:  
                          c/o City of Wilsonville  
                          30000 S.W. Town Center Loop East  
                          Wilsonville, Oregon 97070  
                          Attention: Tom Jowaiszas, Finance Director

Bank:               Bank of America Oregon  
                          1001 S.W. 5th Street, 6th Floor  
                          Portland, OR 97204  
                          Attention: Financial Institutions, 2094

### **Section 19. Survival.**

This Facility may not be assigned by the Agency or the Bank. All representations, warranties and agreements contained in this Facility shall survive the execution, delivery and payment of this Facility.

### **Section 20. Applicable Law.**

This Facility shall be governed and interpreted in accordance with the laws of the State of Oregon.

### **Section 21. Severability.**

If any provision of this Facility shall be held invalid or unenforceable in any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

### **Section 22. Counterparts.**

This Facility may be executed simultaneously in several counterparts, each of which shall be an original and all of which shall constitute one and the same agreement.



BANK OF AMERICA OREGON

By: \_\_\_\_\_  
Authorized Officer

THE URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE,  
OREGON

By: \_\_\_\_\_  
Authorized Officer



## Exhibit A

REVOLVING TAX EXEMPT CREDIT FACILITY NOTE  
UNITED STATES OF AMERICA  
STATE OF OREGON  
THE URBAN RENEWAL AGENCY OF THE  
CITY OF WILSONVILLE, OREGON  
YEAR 2000 AREA

The Urban Renewal Agency of the City of Wilsonville, Oregon, (the "Agency"), for value received acknowledges itself indebted and hereby promises to pay, but solely from the sources described below, to the order of Bank of America Oregon, the Outstanding Balance, in a principal amount of not more than ONE MILLION SEVEN HUNDRED THOUSAND DOLLARS (\$1,700,000) together with interest thereon from the date of each Draw at the Facility Rate, calculated on an actual/360 day basis, as provided in this Facility. All principal and interest on this Note are due and payable on June 30, 1995.

This Note is a special obligation of the Agency, payable solely from the Tax Increment Revenues, as defined and provided in Resolution No.12 of the Agency adopted on September 20, 1993 (the "Resolution").

This Note has been executed pursuant to a Revolving Tax-Exempt Credit Facility which is dated September 20, 1993 (the "Facility"). The provisions of the Resolution and the Facility are incorporated herein by reference; capitalized terms used but not defined in this Note have the meanings defined for such terms in the Facility

If an Event of Default occurs, the Bank may declare the Outstanding Balance immediately due and payable, with interest at the Facility Rate to the date of payment, and exercise other remedies as provided in the Facility.

If legal action is taken by the holder of this Note to enforce the provisions of this Note, the Resolution, or the Facility, the prevailing party shall be entitled to its reasonable attorney's fees and costs, including fees and costs on appeal.

**THIS NOTE IS NOT A GENERAL OBLIGATION OF THE URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE, OREGON OR THE CITY OF WILSONVILLE, AND IS PAYABLE SOLELY FROM THE TAX INCREMENT REVENUES AS PROVIDED IN THE FACILITY.**

This Note is executed by the Agency for the purpose of financing projects described in the Year 2000 Plan, as it may be amended from time to time, in full and strict accordance and compliance with all of the provisions of the Constitution and Statutes of the State of Oregon.

This Note is subject to optional and mandatory prepayment as provided in the Facility.



The Bank may not assign its rights under this Note without the consent of the Agency.

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 Note 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 this Note 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 Note to be signed on its behalf by its duly authorized officer, as of this 20 day of September, 1993.

THE URBAN RENEWAL AGENCY OF THE CITY OF  
WILSONVILLE, OREGON

By: \_\_\_\_\_

Title:



SCHEDULE OF DRAWS

Date	Amount	Certificate #	Total Draws	Approving Signature
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SCHEDULE OF PREPAYMENTS

Date	Amount	Outstanding Balance Before Prepayment	Outstanding Balance After Prepayment	Approving Signature
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EXHIBIT B

THE URBAN RENEWAL AGENCY OF THE  
CITY OF WILSONVILLE, OREGON  
WILSONVILLE, OREGON  
REVOLVING TAX-EXEMPT CREDIT FACILITY  
DRAW CERTIFICATE NO.

TO: BANK OF AMERICA OREGON  
PORTLAND, OREGON

On behalf of The Urban Renewal Agency of the City of Wilsonville, Oregon, (the "Agency"), I hereby certify that:

1. I am the \_\_\_\_\_, and that I am authorized to request this Draw under the Revolving Tax Exempt Credit Facility which is dated September 20, 1993 (the "Facility").

2. The amount of this Draw is \$\_\_\_\_\_; the sum of amount of this Draw, plus the current Outstanding Balance, does not exceed \$1,700,000.

3. The Draw will be expended for the following costs, all of which are part of projects properly described in the Year 2000 Plan:

[Describe costs.]

4. This Draw is expected to be expended on the following dates:

Date of Expenditure	Amount	Purpose
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5. All facilities financed with the Draw will be used for property which is owned and operated by the Agency or the City of Wilsonville, Oregon, and which will not be leased or rented to (except as authorized by The Code), or otherwise used by, any non-government except members of the general public. All proceeds of this Draw, and all earnings thereon, will be expended before [insert date which is the third anniversary of the first draw].

6. There is no action, suit, proceeding or investigation at law or in equity before or by any court or government agency or body pending or, to the best of the knowledge of the Agency, threatened against the Agency or the City of Wilsonville to restrain or enjoin the adoption of the Resolution and the transactions contemplated therein, or the execution and delivery of the Revolving Tax-Exempt Credit Facility Note, the formation or existence of the Year 2000 Area or the Agency, or the collection and application of the tax-increment revenues as contemplated by the Facility.



7. All representations of the Agency in the Facility were true and correct when made, and remain true and correct on this date.

8. The Agency is not in breach of any promise or covenant in the Facility, the Resolution or the Note.

THE URBAN RENEWAL AGENCY OF THE  
CITY OF WILSONVILLE, OREGON

By: \_\_\_\_\_  
Authorized Officer