

**RESOLUTION NO. 1712**

**A RESOLUTION AUTHORIZING ISSUANCE OF THE CITY'S GENERAL OBLIGATION LIBRARY BONDS, SERIES 2001 IN A PRINCIPAL AMOUNT OF NOT MORE THAN \$4,000,000.**

WHEREAS, the voters of City of Wilsonville authorized the City to issue \$4,000,000 of general obligation bonds at the general election held in November, 2000 to finance expansion and improvement of the Wilsonville Public Library; and,

WHEREAS, the City Council now finds it desirable to authorize the sale of those bonds;  
NOW, THEREFORE, THE CITY OF WILSONVILLE RESOLVES AS FOLLOWS:

1. Definitions. Capitalized terms used in this resolution shall have the following meanings unless the context clearly requires otherwise:

“BEO Form” means book entry only form, and refers to a system for registration of ownership interests in Bonds which does not require delivery of printed bonds to beneficial owners of Bonds.

“Bonds” means the City’s General Obligation Library Bonds, Series 2001, which are authorized by this resolution.

“City Official” means the City Manager, the Finance Director or the person designated by the City Manager to act on behalf of the City under this Resolution.

“City” means the City of Wilsonville.

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

“DTC” means The Depository Trust Company of New York, New York, or its successor, which will act as the initial securities depository for the Bonds while they are in BEO Form.

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

“Letter of Representations” means the blanket letter of representations which the City has executed and delivered to DTC.

“Owners” means the persons shown as the owners of the Bonds on the Bond register maintained by the Paying Agent.

“Paying Agent” means the registrar and paying agent for the Bonds.

“Record Date” means the date for determination of ownership of bonds for purposes of sending payments to Owners, which shall be the fifteenth day of the month preceding each Bond interest payment date unless the City Official establishes a different date.

2. Bonds Authorized. The City is hereby authorized to issue and sell not more than \$4,000,000 in principal amount of the City’s General Obligation Library Bonds, Series 2001. Bond proceeds shall be used for the purposes approved by the voters of the City at the November 7, 2000, election, including payment of costs of issuing the Bonds. The City Official, on behalf of the City and without further action by the City Council, may:
  - (a) Participate in the preparation of, authorize the distribution of and deem final the preliminary and final official statements or other disclosure documents for the Bonds;
  - (b) Appoint the Paying Agent;
  - (c) Obtain bond insurance for the Bonds, and enter into related agreements;
  - (d) Advertise the sale of the Bonds and receive competitive bids for the Bonds, or select an underwriter and negotiate the terms of, and execute, a bond purchase agreement for the Bonds;
  - (e) Enter into an agreement to provide continuing disclosure for the Bonds, as required under federal securities laws;

- (f) Establish the final principal amounts, interest rates, redemption terms, payment dates and other terms of the Bonds, provided that the Bonds shall bear interest at an average rate of not more than seven percent;
  - (g) Issue, sell and deliver the Bonds, execute and deliver any related certificates or documents, and take any other actions which the City Official determines are reasonably required to carry out this resolution.
3. Security For Bonds. The City hereby pledges its full faith and credit to pay the Bonds. The City hereby covenants for the benefit of the Owners to levy a direct ad valorem tax upon all of the taxable property within the City which is sufficient, after taking into consideration discounts taken and delinquencies that may occur in the payment of such taxes, to pay all Bond principal and interest when due. The City covenants to levy this tax each year until all the Bonds are paid. This tax shall be in addition to all other taxes of the City, and this tax shall not be limited in rate, amount or otherwise, by Sections 11 or 11b of Article XI of the Oregon Constitution.
4. Book Entry Form. The Bonds shall be initially issued BEO form through DTC. The City Official has executed the Letter of Representations. While the Bonds are in BEO form:
- (a) No physical Bonds shall be provided to beneficial owners of the Bonds.
  - (b) Registration and transfer of beneficial interests in the Bonds shall be governed by the operational arrangements of DTC or any substitute depository, as they may be amended from time to time, as provided in the Letter of Representations.
  - (c) Except as may be provided in any agreement with a bond insurer, DTC or its nominee shall be treated as the Owner of the Bonds for all purposes, including payment and the giving of notices to Owners. Bond payments shall be made, and notices shall be given, to DTC or its nominee as provided in 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 shall not affect the validity of the redemption of Bonds called for redemption or of any other action premised on such notice.

- (d) The City may discontinue maintaining the Bonds in 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.
- (e) If the City discontinues maintaining the Bonds in BEO form, the City shall cause the Paying Agent to authenticate and deliver to the beneficial owners or their nominees replacement Bonds in fully registered form in denominations of \$5,000 or integral multiples.
- (f) 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 participant's or 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 redemption or purchase;
  - (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, premium, if any, or interest on the Bonds.

(g) The City shall pay or cause to be paid all principal, premium and interest on the Bonds only to or upon the order of the Owners, as shown in the registration books maintained by the Paying Agent, 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.

(h) The provisions of this Section 4 may be modified without the consent of the beneficial owners in order to conform this Section to the standard practices of DTC or any substitute depository for obligations issued in BEO form.

5. Places of Payment and Paying Agents.

(a) While the Bonds are in BEO form, the Paying Agent shall pay Bond principal, interest and any redemption price to DTC or its nominee in accordance with the Letter of Representations.

(b) While the Bonds are not in BEO form, Bond principal, interest and redemption price, if any, shall be payable through the corporate trust office of the Paying Agent, by a check drawn on the Paying Agent and mailed on the interest payment date to the Owners, as shown on the record date in the registration books maintained by the Paying Agent for the Bonds.

6. Notice of Redemption.

- (a) Unless a shorter period is agreed to by the Paying Agent, the City shall give the Paying Agent at least forty (40) days' prior written notice of any proposed optional redemption of the Bonds.
- (b) Unless the notice states that the redemption is conditioned upon receipt by the Paying Agent of sufficient funds for redemption, the notice shall contain a certification by the City that it has funds available to it sufficient to pay in full the principal, premium (if any) and interest portions of the redemption price of the Bonds to be redeemed.
- (c) While the Bonds are in BEO form, the Paying Agent shall give notice of redemption only to DTC or its nominee, in the manner required by the rules of DTC.
- (d) The Paying Agent shall give notice of redemption under this Section (d) only for the Bonds which are not then in BEO form. The notice shall specify the date of redemption, the redemption price, CUSIP numbers, maturity date, and the place or places where amounts due upon such redemption will be payable and any other information which may be required to identify the Bonds which are to be redeemed. The notice may state that the redemption is conditioned upon the deposit with the Paying Agent of sufficient funds to pay the redemption price of the Bonds to be redeemed. The notice shall state that, provided that sufficient funds are on deposit with the Paying Agent, the Bonds which are being called for redemption shall become due and payable on the date specified in the notice, and that interest on those Bonds shall cease to accrue on that date. The Paying Agent shall mail a copy of such notice by first class mail, postage prepaid, not less than thirty (30) days before the redemption date, to the Owners of any Bonds which are to be redeemed, at their last address, if any, appearing upon the registration books as of the record date,

but no defect in any notice and no failure to give any notice shall invalidate the redemption of any Bonds for which proper notice was given. No notice of redemption need be given to any Owners of any Bonds who have filed a written waiver of notice with the Paying Agent. Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner actually receives the notice.

7. 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 form, the Paying Agent shall transfer Bond principal and interest payments to DTC in the manner required by DTC.
- (d) If the Bonds cease to be in book-entry 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 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 the Owner's 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, Bonds shall be considered submitted to the Paying Agent on the date the Paying Agent actually receives the materials described in Section (e).
  - (i) The City may alter these provisions regarding registration and transfer without consent of Owners in order to conform to changes in registration customs 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.
8. Form of Bonds. The Bonds shall be in substantially the form attached hereto as Exhibit A, with such changes as may be approved by the City Official. The Bonds may be printed or typewritten. The Bonds shall be executed on behalf of the City with the manual or facsimile signatures of the Mayor and the City Recorder.
  9. Tax Covenants. The City covenants for the benefit of the owner of the Bonds to comply with all provisions of the Code which are required for Bond interest to be



excluded from gross income for federal income tax purposes. The City makes the following specific covenants with respect to the Code:

- (a) The City shall not take any action or omit any action, if it would cause the Bonds to become "arbitrage bonds" under Section 148 of the Code.
  - (b) The City shall operate the facility financed with the Bonds so that the Bonds are not "private activity bonds" within the meaning of Section 141 of the Code.
  - (c) The covenants contained in this Section and any covenants in the closing documents for the Bonds shall constitute contracts with the Owners, and shall be enforceable by the Owners.
10. Bank Designation. The City Official may designate the Bonds as "qualified tax-exempt obligations."
11. Defeasance. If the City:
- (a) irrevocably deposits money or noncallable Government Obligations in escrow with an independent Paying Agent or escrow agent which are calculated to be sufficient for the payment of Bonds which are to be defeased; and,
  - (b) files with the escrow agent or Paying Agent an opinion from an independent, certified public accountant 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; and,
  - (c) files with the escrow agent or Paying Agent an opinion of nationally recognized bond counsel that the proposed defeasance will not cause the interest component of the Bonds to be includable in gross income under the Code;

then the City shall be obligated to pay the defeased Bonds solely from the money and Government Obligations deposited with the escrow agent or Paying Agent, and the City shall have no further obligation to pay the defeased Bonds from any source except the amounts deposited in the escrow.

ADOPTED by the Wilsonville City Council at a regular meeting thereof this 21<sup>st</sup> day of May, 2001.



CHARLOTTE LEHAN, Mayor

ATTEST:



SANDRA C. KING, CMC, City Recorder

SUMMARY OF VOTES:

Mayor Lehan	Yes
Councilor Helser	Yes
Councilor Barton	Yes
Councilor Holt	Yes
Councilor Kirk	Yes

EXHIBIT A  
(Form of Bond)

No. R- \_\_\_\_\_

\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF OREGON  
CITY OF WILSONVILLE, OREGON  
GENERAL OBLIGATION LIBRARY BONDS  
SERIES 2001

Dated Date: \_\_\_\_\_ 1, 2001

Interest Rate: \_\_\_\_\_ %

Maturity Date: \_\_\_\_\_ 1, \_\_\_\_\_

CUSIP Number: \_\_\_\_\_ - \_\_\_\_\_

Registered Owner: -----Cede & Co.-----

Principal Amount: ----- 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 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 the first day of \_\_\_ in each year until maturity or prior redemption, commencing \_\_\_\_\_ 1, 2001.

This Bond is one of a duly authorized series of bonds aggregating \$4,000,000 in principal amount and are titled the City of Wilsonville General Obligation Library Bonds, Series 2001 (the "Bonds"). The Bonds are issued for the purpose financing the expansion and improvement of the Wilsonville City Library pursuant to the approval granted by the City's electors on November 7, 2000. The Bonds are issued under and pursuant to Resolution No. \_\_\_ (the "Resolution") of the City adopted on \_\_\_\_\_ 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. Capitalized terms which are used, but not defined, in this Bond shall have the meanings defined for those terms in the Resolution.

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 Paying Agent and The Depository Trust Company and its participants.

Any transfer of this Bond must be registered, as provided in the Resolution, upon the bond register kept for that purpose at the principal corporate trust office of the Paying Agent. The City and the Paying Agent 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.

The Bonds are subject to optional redemption on the following dates and at the prices: [insert redemption terms after Bonds are priced].

Notice of any call for redemption shall be given only as required by the Resolution.

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any certificate 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 the charter of the City; and that the issue of which this bond is a part, and all other obligations of such City, are within every debt limitation and other limit prescribed by such Constitution and Statutes; and that the City has covenanted to levy a tax upon all taxable property within the City in an amount sufficient to pay when due the interest on and the principal of the bonds.

IN WITNESS WHEREOF, the City Council has caused this bond to be signed by facsimile signature of its Mayor and attested by facsimile signature of its Recorder as of the date indicated above.

City of Wilsonville, Oregon

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Charlotte Lehan, Mayor

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Sandra C. King, City Recorder

This Bond shall not be valid unless properly authenticated by the Paying Agent in the space indicated below.  
Dated:

**Certificate of Authentication**

This is one of City's \$4,000,000 General Obligation Library Bonds, Series 2001, issued pursuant to the Resolution described herein.  
<<Paying Agent>>, as Paying Agent

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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.

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.

# OFFICIAL NOTICE OF BOND SALE

**\$4,000,000**

**CITY OF WILSONVILLE, OREGON  
GENERAL OBLIGATION LIBRARY BONDS  
SERIES 2001**

NOTICE IS HEREBY GIVEN that bids will be received on behalf of the City of Wilsonville, Oregon (the "City") for the purchase of its General Obligation Library Bonds, Series 2001 (the "Bonds") until 10:00 o'clock a.m. (Pacific Daylight Time) on:

**July 10, 2001**

at the offices of Preston Gates & Ellis LLP, ("Bond Counsel"), 222 S.W. Columbia Street, Suite 1400, Portland, Oregon 97201, at which time they will be publicly reviewed and announced. The City will act on the bids within four hours.

**SECURITY:** The City has pledged its full faith and credit to pay the Bonds. The City has covenanted to levy, in each year until the Bonds are paid, a direct ad valorem tax upon all of the taxable property within the City which is sufficient, after taking into consideration discounts taken and delinquencies that may occur in the payment of such taxes, to pay all Bond principal and interest when due. The Bond tax is in addition to all other taxes of the City, and is not limited in rate, amount or otherwise, by Sections 11 or 11b of Article XI of the Oregon Constitution.

**RATING:** The City will apply to Moody's Investors Service, Inc. for a rating on the Bonds. The City will pay the costs of obtaining the rating.

**INTEREST PAYMENTS AND MATURITIES:** Interest on the Bonds is payable semiannually on January 1 and July 1 of each year until maturity or prior redemption, commencing January 1, 2002. The Bonds will be dated July 1, 2001, will be issued in the aggregate principal amount of \$4,000,000, and will mature on January 1 of the following years in the following principal amounts:

<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>
		2011	
2002		2012	
2003		2013	
2004		2014	
2005		2015	
2006		2016	
2007		2017	
2008		2018	
2009		2019	
2010		2020	

**TERM BONDS:** The successful bidder may designate one or more term Bonds, which consist of two or more consecutive maturities, which mature on the maturity date of the last of the consecutive maturities in an amount equal to the sum of the consecutive maturities, and which are subject to mandatory redemption at par and by lot in amounts equal to the consecutive maturities which were combined into term Bonds. If a bidder desires term bonds, it should specify the term bonds in its bid.

**OPTIONAL REDEMPTION:** The Bonds maturing after July 1, 2011 are subject to redemption prior to maturity at the option of the City in whole or in part on July 1, 2011 and on any date thereafter (with maturities selected by the City and by lot within a maturity), at a price of par plus accrued interest to the date fixed for redemption. While the Bonds are in book entry form, notice of redemption will be given to the City's Paying Agent, which is currently BNY Western Trust (the "Paying Agent"). The Paying Agent will give notice to The Depository Trust Company, New York, New York ("DTC"), and DTC will be responsible for giving notice to bondowners.

**RIGHT TO CHANGE TIMING AND TERMS OF SALE:** The City reserves the right to change the date, timing or terms under which the Bonds are offered for sale by placing a notice of the changes on Thomson Municipal Market Monitor (TM3) not less than twenty-four (24) hours prior to the time for receipt of bids.

**BOND INSURANCE AT BIDDER'S OPTION AND EXPENSE:** The City will submit information to AMBAC, FGIC, FSA and MBIA regarding the Bonds. If these institutions qualify the Bonds for insurance, bidders may elect to insure the Bonds at the bidders risk and expense. The City and its paying agent will enter into agreements to comply with the administrative requirements of the bond insurer, but the City will not amend the bond resolution or agree to requirements which adversely affect the City. The City will pay the fee for a rating from Moody's Investors Service, regardless of whether the Bonds are insured. Failure of a bond insurer to provide insurance for the Bonds will not release the successful bidder from its obligation to purchase the Bonds.

**INTEREST RATE:** No bid will be accepted which results in a true interest cost of more than seven percent (7.00%) per annum. Bidders must specify the interest rate or rates which the Bonds shall bear. The bids shall comply with the following conditions: (1) each interest rate specified in any bid must be a multiple of one one-thousandth of one percent (0.001%); (2) no Bond shall bear more than one rate of interest; (3) each Bond shall bear interest from its dated date to its stated maturity date at the interest rate specified in the bid; and (4) all Bonds maturing on the same date shall bear the same rate of interest; and, (5) no interest rate may exceed seven percent (7.00%) per annum.

**BIDS MUST BE SUBMITTED ON "PARITY":** Bids must be submitted electronically via **PARITY**. Bids must be received by the **PARITY** system not later than the date and time indicated in the first paragraph of this notice. For further information about submitting a bid using **PARITY**, potential bidders may contact the City's Financial Advisor at (503) 288-4152 or **PARITY** at Dalcomp (212) 806-8304. To the extent any instructions or directions set forth in **PARITY** conflict with this notice of sale, the terms of this notice of sale shall control. Bidders

electing to submit bids through **PARITY** must obtain access to the **PARITY** system and bear all risks associated with using that system, including errors and delays in receipt of bids. A bidder who elects to use **PARITY** must provide its good faith deposit in the form of a financial surety bond.

**MINIMUM PRICE:** Bids must be for the entire amount of the Bonds, and for not less than ninety-nine percent (99.00%) of the principal amount of the Bonds, plus accrued interest to the date of delivery.

**BEST BID:** The Bonds will be awarded to the responsible bidder submitting the bid which results in the lowest true interest cost to the City. True interest cost will be determined by doubling the semiannual interest rate necessary to discount the debt service on the Bonds to July 1, 2001, and the price bid for the Bonds. Each bidder is requested to supply the total interest cost and the true interest cost that the City will pay on the Bonds if the bid is accepted. The purchaser must pay accrued interest, computed on a 360-day basis, from the date of the Bonds to their date of delivery.

**GOOD FAITH DEPOSIT - SURETY BOND:** Each bid must be secured by a good faith deposit in the amount of at least EIGHTY THOUSAND DOLLARS (\$80,000), which shall be credited against the purchase price of the Bonds. The good faith deposit must be in the form of a financial surety bond for which the bidder has qualified at the time of the sale. The good faith deposit will be held by the City to secure the City from any loss resulting from the failure of the bidder to comply with the terms of its bid, and will be forfeited to the City as liquidated damages if the bidder to whom the Bonds are awarded withdraws its bid or fails to complete its purchase of the Bonds in accordance with this notice of sale and its bid.

The financial surety bond must be issued by a company which is rated in the highest rating category by Moody's Investors Service, Inc., by Standard & Poor's Corporation, or by Fitch Investors Service, Inc. Notification that the bidder has obtained the bond must be given by the issuer of the bond to the City's Financial Advisor prior to the opening of the bids. Not later than 2:00 p.m. (Pacific Time) on July 11, 2001 (the day following the sale), the successful bidder must send by electronic wire transfer to such account as the City shall specify, immediately available funds in an amount equal to the good faith deposit. If such wire transfer is not received from the successful bidder by 2:00 p.m. on that date, the City may draw on the financial surety bond may be immediately to satisfy the good faith deposit requirement.

Interest earnings on the good faith deposit will be the property of the City, and will not be credited against the purchase price of the Bonds. The successful bidder shall pay the balance of the purchase price of the Bonds at closing, in funds immediately available to the City on the date and at the time of closing.

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

**BOOK ENTRY ONLY:** The Bonds will be issued in registered, book-entry only form through DTC. Bonds will be available in denominations of \$5,000, or integral multiples. Unless



the book-entry-only system is discontinued, Bond principal and interest payments will be made by the City to DTC through the City's Paying Agent. DTC will be responsible for making payments to beneficial owners of Bonds.

**PURPOSE:** The Bonds are being issued to finance expansion and improvement of the Wilsonville City Library.

**CERTIFICATE OF REOFFERING PRICE:** The successful bidder shall provide the City's Financial Advisor with the reoffering prices and yields within 24 hours after award of the bid. The reoffering prices and yields so provided will be printed on the cover of the final official statement. In addition, the successful bidder must provide a certificate, satisfactory to Bond Counsel, containing information which will permit Bond Counsel to determine the "issue price" of the series, and verifying the accuracy of the reoffering prices and yields which were certified to the City's Financial Advisor, not later than two business days prior to the closing. If the successful bidder fails to provide the reoffering prices and yields, or the certificate satisfactory to Bond Counsel, as specified in this notice of sale, the City may cancel the sale and forfeit the successful bidder's good faith deposit.

**LEGAL OPINION:** The approving opinion of Preston Gates & Ellis LLP, Bond Counsel, of Portland, Oregon, will be provided at no cost to the purchaser.

**TAX-EXEMPT STATUS:** In the opinion of Bond Counsel, under existing law and conditioned on the City complying with certain covenants relating to the tax-exempt status of the Bonds, interest on the Bonds is excluded from gross income for federal income tax purposes. The Bonds are not "private activity bonds" under Section 141 of the Internal Revenue Code of 1986, as amended (the "Code"). In the opinion of Bond Counsel, the interest on the Bonds is exempt from personal income taxation by the State of Oregon under present state law.

**QUALIFIED TAX-EXEMPT OBLIGATIONS:** The City has designated the Bonds as "qualified tax-exempt obligations" under Section 265(b)(3) of the Code.

**DELIVERY:** Delivery of the Bonds will be made to DTC in New York, New York, without cost to the bidder. Delivery of the Bonds will be made within thirty days.

**PRELIMINARY OFFICIAL STATEMENT AND ADDITIONAL INFORMATION:** The preliminary official statement for the Bonds is available only in electronic form. It is available from Thomson Prospectus and will be posted on the TM3 website. For information on electronic delivery, please call the Thomson Municipal Group at 212-806-8308 or the City's Financial Advisor, Western Financial Group by telephone at (503) 288-4152, Attention: Pat Clancy[**Pat: is this how would you like this to read?**]. Requests for additional information about this sale should also be directed to the City's Financial Advisor.

**FINAL OFFICIAL STATEMENT; COMPLIANCE WITH SEC RULES:** The City agrees to provide the successful bidder with 250 paper copies of the final official statement in a form "deemed final" by the City at the expense of the City, and such additional copies as the successful bidder may request in its bid form at the expense of the bidder, not later than the

seventh business day following the date on which bids are due. Bidders should expect that the official statements will not be available prior to the seventh business day following the date on which bids are due, and should not issue confirmations which request payment prior to that date. This provision will constitute a contract with the successful bidder upon acceptance of its bid by the City, in compliance with Section 240.15c2-12(b)(3) in Chapter II of Title 17 of the Code of Federal Regulations.

**CONTINUING DISCLOSURE:** The City will undertake to provide continuing disclosure under Rule 15c2-12. The form of the undertaking is attached as an appendix to the preliminary official statement.

**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 the Bonds, the City will furnish the successful bidder a certificate that there is no litigation pending affecting the validity of the Bonds.

*By order of the City of Wilsonville, Oregon*