

RESOLUTION NO. 1982

A RESOLUTION OF THE CITY OF WILSONVILLE, OREGON, AUTHORIZING THE ISSUANCE OF WATER SYSTEM REVENUE REFUNDING BONDS, SERIES 2006.

WHEREAS, the City previously adopted its Resolution No. 1675 (Master Water Revenue Bond Resolution) on October 2, 2000 (the "Master Resolution") which authorized the issuance of its Water System Revenue Bonds, Series 2000 (the "2000 Bonds") and provides the terms under which "Parity Obligations" may be issued; and

WHEREAS, the City may be able to achieve debt service savings by advance refunding all or any portion of the Series 2000 Bonds (the "Refundable Bonds").

NOW THEREFORE, THE CITY OF WILSONVILLE RESOLVES AS FOLLOWS:

Section 1. Revenue Refunding Bonds Authorized.

The City hereby authorizes the refunding of all or any portion of the Refundable Bonds to achieve debt service savings.

Section 2. Required Provisions.

2.1 The City covenants for the benefit of the Owners of all Bonds that it shall charge rates and fees in connection with the operation of the Water System which, when combined with other Gross Revenues, are adequate:

- (A) to generate Net Revenues, plus Water SDCs, plus withdrawals from the Rate Stabilization Account, and minus deposits to the Rate Stabilization Account in each Fiscal Year at least equal to one hundred twenty-five percent (125.00%) of Annual Debt Service due in that Fiscal Year; and
- (B) to generate Net Revenues each Fiscal Year at least equal to one hundred ten percent (110.00%) of Annual Debt Service due in that Fiscal Year.

Section 5.1(3) of the Master Resolution requires this Supplemental Resolution to contain this covenant.

2.2 The City covenants to deposit into the Bond Reserve Account an amount sufficient to make the balance in the Bond Reserve Account at least equal to the Reserve Requirement on the date of closing of the Series 2006 Bonds, as defined below, with the Series 2006 Bonds treated as Outstanding. Section 3.3(11) of the Master Resolution requires this Supplemental Resolution to contain this covenant.

Section 3. Amendment to Master Resolution.

The Master Resolution is hereby amended to add the following Section 16:

Section 16. The Series 2006 Bonds

16.1 **Sale Authorized.** Pursuant to the authority of ORS 288.605 to 288.695, the City is hereby authorized to issue its Water System Revenue Refunding Bonds, Series 2006 (the "Series 2006 Bonds") to advance refund all or any portion of the Refundable Bonds. The Series 2006 Bonds shall be Bonds as defined in the Master Resolution. Capitalized terms used in this Supplemental Bond Resolution have the meanings defined for those terms in the Master Resolution. The aggregate principal amount of the Series 2006 Bonds shall not exceed the amount that the Authorized Officer determines is necessary to accomplish the refunding and pay costs of the refunding.

16.2 **Limitation on Payment.** The Series 2006 Bonds shall be special obligations of the City, and shall be payable solely from the Net Revenues, Water SDCs, amounts in the Bond Reserve Account and the Bond Payment Account, as required by and further described in the Master Resolution.

16.3 **Bond Form.** The Series 2006 Bonds shall be in substantially the form attached as Exhibit A to the Master Resolution, and shall be signed with the facsimile or manual signature of the Mayor and an Authorized Officer.

16.4 **Delegation.** The Authorized Officer may, on behalf of the City and without further action by the Council:

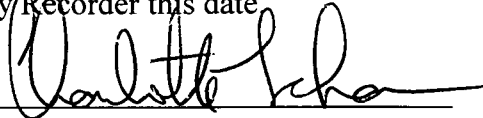
- (1) Submit an advance refunding plan for the Series 2006 Bonds to the Oregon State Treasurer;
- (2) Issue the Series 2006 Bonds in one or more series;
- (3) Participate in the preparation of, authorize the distribution of, and deem final the preliminary and final official statements and any other disclosure documents for the Series 2006 Bonds;
- (4) Establish the final principal amounts, maturity schedules, interest rates, sale prices, redemption terms, payment terms and dates, and other terms of the Series 2006 Bonds, and either publish a notice of sale, receive bids and award the sale to the bidder complying with the notice and offering the most favorable terms to the City, or select one or more underwriters and negotiate the sale with those underwriters;
- (5) Execute an agreement with the underwriters to purchase the Series 2006 Bonds;
- (6) Execute and deliver a bond declaration specifying the terms under which the Series 2006 Bonds are issued and making covenants for the benefit of Owners;
- (7) Undertake to provide continuing disclosure for the Series 2006 Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission;
- (8) Apply for and purchase a Credit Facility, including a Reserve Credit Facility, enter into agreements with the Credit Facility Providers, and execute and deliver related documents;
- (9) Determine how to apply the proceeds of the Series 2006 Bonds;
- (10) Call, defease, and redeem the Refundable Bonds, appoint escrow agents and verification agents, and take any other actions and enter into related agreements to defease, call and redeem the Refundable Bonds; and

- (11) Execute any documents and take any other action in connection with the Series 2006 Bonds which the Authorized Officer finds will be advantageous to the City.

16.5 Tax-Exempt Status.

- (1) The City covenants for the benefit of the Owners of the Series 2006 Bonds to comply with all provisions of the Code which are required for interest on the Series 2006 Bonds to be excluded from gross income for federal taxation purposes. In determining what actions are required to comply, the City may rely on an opinion of Bond Counsel. The City makes the following specific covenants with respect to the Code:
 - (A) The City will not take any action or omit any action if it would cause the Series 2006 Bonds to become "arbitrage bonds" under Section 148 of the Code.
 - (B) The City shall operate the facilities financed with the Series 2006 Bonds so that the Series 2006 Bonds do not become private activity bonds within the meaning of Section 141 of the Code.
 - (C) The City shall pay, when due, all rebates and penalties with respect to the Series 2006 Bonds which are required by Section 148(f) of the Code.
- (2) The Authorized Officer may enter into additional covenants to protect the tax-exempt status of the Series 2006 Bonds. The covenants contained in this Section 16.5 and any covenants in the closing documents for the Series 2006 Bonds shall constitute contracts with the Owners of the Series 2006 Bonds, and shall be enforceable by them.

ADOPTED by the Wilsonville City Council at a regular meeting thereof this 6th day of March, 2006, and filed with the Wilsonville City Recorder this date.



CHARLOTTE LEHAN, Mayor

ATTEST:



Sandra C. King, MMC, City Recorder

SUMMARY OF VOTES:

Mayor Lehan	Yes
Councilor Kirk	Yes
Councilor Holt	Yes
Councilor Knapp	Yes
Councilor Ripple	Yes