

RESOLUTION NO. 692

A RESOLUTION OF THE CITY OF WILSONVILLE, CLACKAMAS AND WASHINGTON COUNTIES, OREGON AUTHORIZING THE ISSUANCE AND SALE OF LIMITED TAX GENERAL OBLIGATION REFUNDING BOND ANTICIPATION NOTE IN AN AGGREGATE AMOUNT NOT TO EXCEED \$330,000 FOR THE REFUNDING OF INTERIM FINANCING OF LOCAL IMPROVEMENT DISTRICT NO. 7.

The City of Wilsonville, Clackamas and Washington Counties, Oregon (the "City") finds as follows:

The City previously created Local Improvement District LID No. 7 (the "District").

The City has outstanding Limited Tax General Obligation Bond Anticipation Notes, Series 1987-C in the amount of \$305,000, plus accrued interest, dated December 1, 1987 and all maturing November 30, 1988 (the "1987 Notes"); and

It now appearing that insufficient funds are available to redeem the 1987 Notes and the City proposes to issue on additional bond anticipation note pursuant to ORS 287.504(2);

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

1. Refunding Note Authorized. The City Council authorizes the issuance of Limited Tax General Obligation Refunding Bond Anticipation Note, Series 1988 (the "Refunding Note") in an aggregate principal amount not to exceed \$330,000 pursuant to ORS 287.502, as amended, for the purpose of refunding the 1987 Notes and funding the costs of issuing these Refunding Notes. The Note shall be dated November 30, 1988 and shall mature May 1, 1989, unless earlier redeemed.

2. The offer of Security Pacific Bank Oregon (formerly The Oregon Bank) (the "Bank") dated November 4, 1988 as it relates to refunding the 1987 Notes is hereby accepted.

3. The Refunding Note shall bear interest payable at maturity of 70% of the Bank's fully floating and variable prime rate, but shall not exceed, in any event, ten percent.

"Prime Rate" means the prime rate of interest of the Bank 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.

4. Redemption. The City reserves the right to redeem all or any portion of the Refunding Note, upon two business days' notice of such redemption to the noteholder, on any business day until maturity, at par plus accrued interest to the date fixed for redemption.

5. Security. The Refunding Note is payable from the proceeds of bonds to be sold upon completion of the projects and as otherwise provided in Section 6 hereof. The full faith and credit of the City are also pledged to the punctual payment of principal and interest on the Refunding Note.

6. Sinking Fund. The City Administrator is directed to maintain appropriate funds (the "Fund") which was heretofore created, to which shall be deposited all proceeds from the collection of unbonded assessments, the sale of improvement bonds pursuant to ORS 223.205 et seq. or ORS 223.785, and the foreclosure of improvement liens for unbonded assessments realized from the improvements with respect to such Refunding Note. The deposits in the Fund shall be applied to the call and payment of such Refunding Note and such funds shall not be transferred, borrowed, diverted or used for any other purpose. The City Administrator shall be personally liable and shall also be liable on the official bond to the holder of such Refunding Note for failure to hold, account for and apply such funds as provided in this section.

7. Form of Note. The Refunding Note shall be executed on behalf of the City with the signatures of the Mayor and City Recorder and shall be in substantially the form attached as Exhibit A.

8. Bank Purchase. The City reasonably anticipates that it will not issue more than \$10,000,000 of tax-exempt obligations during calendar year 1988. The City hereby designates the Refunding Note as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986 (the "Code").

9. Authority of City Administrator. The City Administrator and the Mayor are hereby authorized to enter into any agreements and to execute any documents or certificates which may be required to issue, sell and deliver the Refunding Note in accordance with this Resolution.

10. Tax-Exempt Status. The City covenants not to take any action or omit any action if the taking or omission would cause interest paid on the Refunding Note to be includable in

gross income of the noteholders for federal income tax purposes (except for taxes on corporations). The City may not permit more than ten percent of the public improvements to be used for any private business use. The City Administrator may enter into covenants on behalf of the City to protect the tax-exempt status of the Refunding Note.

ADOPTED by the City Council of the City of Wilsonville at a regular meeting thereof this 21st day of November, 1988, and filed with the Wilsonville City Recorder this same date.



Mayor, WILLIAM E. STARK

ATTEST:



P. Moles, City Recorder, Pro-Tem

ENACTED by the Council on the 21st day of November, 1988, by the following votes: YEAS: 4 NAYS: 0.

SUMMARY of Votes:

Mayor Stark	<u>AYE</u>
Councilor Edwards	<u>ABSENT</u>
Councilor Braymen	<u>AYE</u>
Councilor Clarke	<u>AYE</u>
Councilor Jameson	<u>AYE</u>

EXHIBIT A

STATE OF OREGON
CITY OF WILSONVILLE
CLACKAMAS AND WASHINGTON COUNTIES
LIMITED TAX GENERAL OBLIGATION REFUNDING
BOND ANTICIPATION NOTE
SERIES 1988

NO. 1

\$330,000

THE CITY OF WILSONVILLE, a municipal corporation in the counties of Clackamas and Washington, State of Oregon (the "City"), for value received, hereby promises to pay to the bearer of this note the principal sum of

THREE HUNDRED THIRTY THOUSAND DOLLARS

in lawful money of the United States of America on the presentation and surrender of this obligation on the 30th day of November, 1988, with interest at the rate of 70% of the Prime Rate of the Security Pacific Bank Oregon (but not to exceed 10%) as defined in Resolution No. 692 of the City on the basis of a 30-day month, 360-day year payable from the date of issuance of this note to the date of maturity, from available funds as provided by Oregon Revised Statutes 287.502 to 287.510, at the principal corporate trust office of Security Pacific Bank Oregon. This note is issued for the purpose of refunding the City's outstanding Limited Tax General Obligation Bond Anticipation Notes, Series 1987-C dated December 11, 1987 and funding the costs of issuing this series of notes.

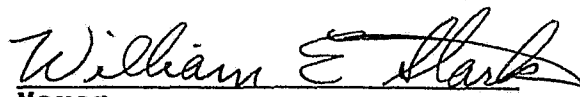
The City reserves the right to redeem all or any portion of the notes, upon two business days' notice of such redemption to the noteholder, on any business day until maturity, at par plus accrued interest to the date fixed for redemption.

This note is authorized by Oregon Revised Statutes 287.502 to 287.510 and specifically ORS 287.504, providing for the issuance of notes to provide funds for payment of outstanding bond anticipation notes. It is hereby certified that this note is a limited general obligation of the City and is not part of the limitation imposed by law as to the indebtedness of the City and that all requirements of law have been fully complied with by the proper officers in the issuing of this note. For the fulfillment of the conditions of this obligation, the full faith and credit of the City are pledged.

This note shall be payable from the proceeds of bonds to be sold upon completion of a certain improvement project of the


City and from the sources provided for in Sections 5 and 6 of Resolution No. 692 of the City adopted by the City Council on November 21, 1988, and as provided in ORS 287.504(2) and (4). It is certified that all acts, conditions and things required to be done precedent to and in the issuance of this note have been properly done and that this note is a legally binding limited general obligation of the City.

IN WITNESS WHEREOF, the City Council of the City of Wilsonville, Oregon, has caused this note to be signed by signature of its Mayor and attested by signature of its Recorder, and has caused its seal to be affixed hereto or printed hereon as of the 30th day of November, 1988.



Mayor,
City of Wilsonville, Oregon

ATTEST:



City Recorder, Pro-Tem
City of Wilsonville, Oregon

(SEAL)