

THE URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE

RESOLUTION NO. 44

A RESOLUTION AUTHORIZING THE ISSUANCE AND NEGOTIATED SALE OF URBAN RENEWAL BONDS, SERIES 1998.

WHEREAS, the Urban Renewal Agency of the City of Wilsonville (the "Agency") finds it desirable to issue its additional urban renewal bonds to pay for the costs of urban renewal projects in the Year 2000 Urban Renewal Area; and,

WHEREAS, the Agency finds it desirable to sell such bonds to Bank of America National Trust and Savings Association; and,

WHEREAS, the Agency has issued its Urban Renewal Bonds Series 1994 pursuant to Resolution No. 18 and its Urban Renewal Bonds Series 1996 pursuant to Resolution No. 33 which have a senior lien on the Agency's tax increment revenues; and,

WHEREAS, the bonds authorized by this Resolution will have a lien on the Agency's tax increment revenues which is subordinate to the lien of the Agency's outstanding bonds; now, therefore,

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

1. Definitions.

For purposes of this Resolution, the following capitalized terms shall have the following meanings unless the context clearly requires otherwise:

"1998 Projects Fund" means any separate fund or account of the Agency which is not part of the Tax Increment Fund, and which is used to hold the proceeds of the Series 1998 Bonds.

“Agency Official” means the Finance Director of the City or the person designated in writing by the Finance Director to act as Agency Official under this Resolution.

“Agency” means the Urban Renewal Agency of the City of Wilsonville, Oregon.

“Area” means the Year 2000 Urban Renewal Area which is described in the Plan, and all additions thereto.

“Bank” means Bank of America National Trust and Savings Association or its successors.

“City” means the City of Wilsonville, Oregon, a city duly organized and existing under and by virtue of the laws of the State of Oregon and the Charter of the City.

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

“General Account” means the account of that name in the Tax Increment Fund as established in Section 4 of Resolution No. 18.

“Plan” means the Agency's Year 2000 Urban Renewal Plan, which is dated August 29, 1990, as amended by Ordinances No. 385 and 416, and as the plan may be amended from time to time.

“Resolution No. 18” means the resolution adopted by the Agency on June 6, 1994, authorizing the Agency's Urban Renewal Bonds, Series 1994, as it may be amended from time to time pursuant to Section 9 of that resolution.

“Resolution” means this Resolution authorizing the Series 1998 Bonds.

“Senior Lien Bonds” means the Agency's Urban Renewal Bonds, Series 1994 which were issued pursuant to Agency Resolution No. 18 and the Agency's Urban Renewal Bonds, Series 1996 which were issued pursuant to Agency Resolution No. 33.

“Series 1998 Bonds” means the Agency's Urban Renewal Bonds, Series 1998 which are issued pursuant to Section 2 of this Resolution.

“Tax Increment Fund” means the fund established under ORS 457.440(3) to hold the Tax Increment Revenues.

“Tax Increment Revenues” means all ad valorem tax revenues from property within the Area which are attributable to the increase in assessed value of property within the Area pursuant to Section 1c, Article IX of the Oregon Constitution and Oregon Revised Statutes, Chapter 457, all taxes levied in connection with the Plan pursuant to Article XI, Section 11(16) of the Oregon Constitution, and all earnings thereon while the Tax Increment Revenues are held in the Tax Increment Fund.

2. Authorization of Series 1998 Bonds.

The Agency hereby authorizes the issuance of the Series 1998 Bonds in an aggregate principal which does not exceed the lesser of \$3,000,000 or the amount of Tax Increment Revenues available in the General Account on the date the Series 1998 Bonds are issued. The Series 1998 Bonds shall be “Subordinate Obligations” as defined in Resolution No. 18, and shall be payable solely from the Tax Increment Revenues in the General Account. The Series 1998 Bonds shall bear interest which is includable in gross income under the Code. The Series 1998 Bonds shall bear interest at the rate or rates approved by the Agency Official pursuant to Section 8. The interest rate or rates may be fixed or variable; however, if the rate or rates are fixed, the fixed rates shall not exceed a true interest cost of eight and one half percent (8.5%) per annum. The Series 1998 Bonds shall mature within six months after they are issued, and shall be issued on the terms established by the Agency Official pursuant to Section 8, below.

3. Security for Series 1998 Bonds.

The Series 1998 Bonds shall not be general obligations of the City or the Agency. The principal of and the interest on the Series 1998 Bonds shall be payable solely from the Tax Increment Revenues, including all amounts in the Tax Increment Fund, as provided herein. The Agency hereby irrevocably pledges the Tax Increment Revenues, including all amounts deposited in the Tax Increment Fund, to pay the Series 1998 Bonds. The lien on, and pledge of the Tax Increment Revenues to pay the Series 1998 Bonds shall be superior to all other claims against the Tax Increment Revenues except that the lien of the Series 1998 shall be subordinate

to the lien of the Senior Lien Bonds. Proceeds of the Series 1998 Bonds deposited in the 1998 Projects Fund are also pledged to pay the Series 1998 Bonds until such time as they have been spent in accordance with Section 8 of this Resolution.

4. The Tax Increment Fund.

The Agency covenants to make deposits into the Tax Increment Fund as provided in Resolution No. 18.

5. 1998 Projects Fund; Use of Proceeds.

The 1998 Projects Fund shall be held by the Agency. Proceeds of the Series 1998 Bonds shall be deposited in the 1998 Projects Fund. Amounts in the 1998 Project Fund may be used by the Agency at any time, but only to pay for costs of carrying out the Plan, including costs of issuing the Series 1998 Bonds.

6. Superior, Parity and Subordinate Obligations.

As long as the Series 1998 Bonds are outstanding:

6.1 The Agency covenants not to issue any obligations payable from the Tax Increment Revenues which have a lien or claim on the Tax Increment Revenues which is superior to the lien of the Series 1998 Bonds.

6.2 The Agency covenants not to issue obligations which have a lien on the Tax Increment Revenues which is equal to the lien of the Series 1998 Bonds without the prior written consent of the Bank.

6.3 The Agency may issue subordinate obligations which have a lien on the Tax Increment Revenues which is subordinate to the lien of the Series 1998 Bonds, but only if the documents authorizing the subordinate obligations clearly indicate that no Tax Increment Revenues shall be used to pay those subordinate obligations until the Series 1998 Bonds have been paid in full.

7. Execution of the Series 1998 Bonds.

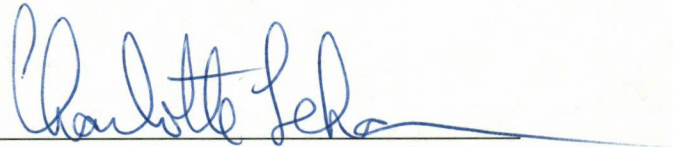
The Series 1998 Bonds shall be signed with the manual signature of an Agency Official. The Series 1998 Bonds shall be in substantially the form attached hereto as Exhibit A.

8. Sale of Series 1998 Bonds.

The Series 1998 Bonds shall be sold to the Bank in accordance with a Bond Purchase Agreement approved by the Agency Official. The Agency Official is hereby authorized on behalf of the Agency, and without further action by the Agency:

- 8.1 to establish the date from which the Series 1998 Bonds will bear interest;
- 8.2 to establish the final principal amount of the Series 1998 Bonds, the date on which the Series 1998 Bonds will mature, and the method of paying the Series 1998 Bonds;
- 8.3 to fix the interest rate which the Series 1998 Bonds shall bear;
- 8.4 to establish the price at which the Series 1998 Bonds shall be sold;
- 8.5 to establish the dates on which the Series 1998 Bonds may be redeemed at the option of the Agency and the prices for such redemption;
- 8.6 to redeem the Series 1998 Bonds on or prior to their stated maturity date;
- 8.7 to approve and execute a Series 1998 Bond Purchase Agreement establishing the terms under which the Series 1998 Bonds are sold to the Bank; and
- 8.8 take any other action which is desirable in order to issue, sell, and deliver the Series 1998 Bonds in accordance with this Resolution.

ADOPTED by the Wilsonville Urban Renewal Agency at a regular meeting thereof this 18th day of May, 1998.



CHARLOTTE LEHAN, CHAIR

ATTEST:

Sandra C. King

Sandra C. King, CMC, City Recorder

SUMMARY OF VOTES:

Charlotte Lehan	Yes
John Helser	Yes
Bruce Barton	Yes
Clay Luper	Yes
Alan Kirk	Yes

Urban Renewal Resolution No. 44

Exhibit A

No. R-1

\$**

United States of America
Urban Renewal Agency of the City of Wilsonville
Clackamas County
State of Oregon
Year 2000 Urban Renewal Area
Urban Renewal Bond
Series 1998

The Urban Renewal Agency of the City of Wilsonville, Oregon (the "City"), for value received, acknowledges itself indebted and hereby promises to pay, but solely from the Tax Increment Revenues and the proceeds of this Bond deposited into the 1998 Projects Fund, to Bank of America National Trust and Savings Association (the "Owner"), the principal amount of _____ Dollars (\$ _____) with interest thereon from the date hereof at the rate, as computed on an actual/360 basis, of _____ percent (____%) per annum. Interest is payable at maturity.

This Bond is subject to redemption at the option of the Agency on any date, in whole or in part, and is subject to mandatory redemption in whole on any date upon the occurrence, and declaration of an Event of Default (as defined in the Bond Purchase Agreement dated _____, 1998, between the Agency and the Owner) by the Owner, at a price of par plus accrued interest under the authority delegated in the Agency's Resolution No. 44 adopted on May 18, 1998 (the "Resolution").

This Bond is a special obligation of the Agency as defined and provided in the Resolution.

THIS BOND IS NOT A GENERAL OBLIGATION OF THE AGENCY OR THE CITY OF WILSONVILLE, OREGON, AND IS PAYABLE SOLELY FROM THE TAX INCREMENT REVENUES AND PROCEEDS OF THIS BOND DEPOSITED INTO THE 1998 PROJECTS FUND, AS PROVIDED IN THE RESOLUTION.

This Bond is issued by the Agency for the purpose of financing the costs of urban renewal projects within the Year 2000 Urban Renewal Area in full and strict accordance and compliance with all of the provisions of the Constitution and Statutes of the State of Oregon.

The Agency has pledged the Tax Increment Revenues and the proceeds deposited in the Project Fund to pay the Bond. The lien of this Bond on the Tax Increment Revenues is subordinate to the lien of the Agency's outstanding Senior Lien Bonds, as provided in the Resolution.

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 Agency, are within every debt limitation and other limit prescribed by such Constitution and Statutes.

IN WITNESS WHEREOF, the Agency has caused this bond to be signed by the signature of its Agency Official as of the date indicated above.

Urban Renewal Agency of the City of Wilsonville, Oregon

Agency Official