

RESOLUTION NO. 644

A RESOLUTION OF THE CITY OF WILSONVILLE, CLACKAMAS AND WASHINGTON COUNTIES, OREGON AUTHORIZING THE ISSUANCE AND SALE OF LIMITED TAX GENERAL OBLIGATION BOND ANTICIPATION NOTES, SERIES 1987-C, IN AN AMOUNT NOT TO EXCEED \$315,000 FOR THE 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").

It now appearing that the proposed improvements for said District are local improvements within the meaning of ORS 223.387, that final assessments for the improvements cannot be made until the completion of construction, and that it is necessary that interim financing be obtained to fund the costs of the improvements,

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

1. Notes Authorized. The City Council authorizes the issuance of Limited Tax General Obligation Bond Anticipation Notes, Series 1987-C (the "Notes") in a principal amount not to exceed \$315,000 pursuant to ORS 287.502, as amended, for the purpose of funding the interim construction of City improvements and funding the costs of issuing these Notes. The Notes shall be dated with the date specified by the City Administrator and shall bear interest at a rate which shall not exceed a net effective rate of eight percent (8.00%) per annum. The Notes shall be in denominations as specified by the City Administrator in consultation with the purchaser of such Notes.

2. Redemption. The City reserves the right to redeem all or any portion of the Notes, upon thirty days' notice of such redemption to the noteholders, on June 1, 1988 or on the first day of any month thereafter until maturity, at par plus accrued interest to the date fixed for redemption.

3. Security. The Notes are payable from the proceeds of bonds to be sold upon completion of the projects and as otherwise provided in Section 4 hereof. The full faith and credit of the City are also pledged to the punctual payment of principal and interest on the Notes.

4. Sinking Fund. The City Administrator is directed

to establish appropriate funds (the "Fund") to which shall be deposited all proceeds from the collection of unbonded assessments, the proceeds of 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 Notes. The deposits in the Fund shall be applied to the call and payment of such Notes 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 Notes for failure to hold, account for and apply such funds as provided in this section.

5. Purchase Contract. The City Administrator is hereby authorized to negotiate the terms and execute, on behalf of the City a purchase agreement for the Notes, binding upon the City upon execution by the Mayor and the City Administrator. The City Administrator shall report the terms of the purchase contract to the City Council.

6. Form; Temporary Notes. The Notes shall be executed on behalf of the City with the facsimile signature of the Mayor and City Recorder and shall be in substantially the form attached as Exhibit A. The Notes may be issued as one or more temporary Notes, which may be typewritten and exchanged for definitive Notes when available.

7. Bank Purchase. The City reasonably anticipates that it will not issue more than \$10,000,000 of tax-exempt obligations during calendar year 1987. The City hereby designates the Notes as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986 (the "Code").

8. 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 Notes in accordance with this Resolution.

9. 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 Notes 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 Notes.

ADOPTED by the City Council of the City of Wilsonville at a regular meeting thereof this 16th day of November, 1987, and filed with the Wilsonville City Recorder this same date.

William E. Stark  
Mayor

ATTEST:

Dora A. Bavis  
City Recorder

ENACTED by the Council on the 16th day of November, 1987, by the following votes: YEAS: 5 NAYS: 0.

EXHIBIT A

STATE OF OREGON  
CITY OF WILSONVILLE  
CLACKAMAS AND WASHINGTON COUNTIES  
LIMITED TAX GENERAL OBLIGATION  
BOND ANTICIPATION NOTE  
SERIES 1987-C

NO. \_\_\_\_\_

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

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

\_\_\_\_\_ 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

\_\_\_\_\_ PERCENT ( \_\_\_\_\_ %) PER ANNUM

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 The Oregon Bank, Portland, Oregon (the "Paying Agent").

This note is one of a series of notes issued in an aggregate principal amount of Three Hundred Fifteen Thousand Dollars (\$315,000) and is issued pursuant to Oregon Revised Statutes Chapter 287.502 et seq. and a resolution of the City (the "Resolution"), which authorize the City to borrow funds to pay the costs of construction of certain public improvements. The Resolution requires a deposit of all monies received by the City from its collection of unbonded assessments, the sale of improvement bonds, and the foreclosure of improvement liens for unbonded assessments, all as realized from the assessments levied for improvements with respect to which such Limited Tax General Obligation Bond Anticipation Notes, Series 1987-C are issued, to its note redemption fund (the "Fund"). The Resolution states that monies in the Fund shall be used solely for the payment of the notes. In addition, the notes are payable from available resources in the City's General Fund, including but not limited to ad valorem taxes levied, within the City's six percent limitation, on all taxable property in the City.

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 tax 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 facsimile signature of its Mayor and attested by facsimile signature of its Recorder, and has caused its seal to be affixed hereto or printed hereon as of the 1st day of December, 1987.

\_\_\_\_\_  
Mayor,  
City of Wilsonville, Oregon

ATTEST:

\_\_\_\_\_  
City Recorder,  
City of Wilsonville, Oregon

(SEAL)

CERTIFICATE OF AUTHENTICATION

This is one of the City of Wilsonville,  
Oregon's Limited Tax General Obligation  
Refunding Bond Anticipation Notes, Series  
1987-C.

DATED:

THE OREGON BANK as Paying Agent

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

**TAX CERTIFICATE**

**CITY OF WILSONVILLE, OREGON  
LIMITED TAX GENERAL OBLIGATION  
BOND ANTICIPATION NOTES  
SERIES 1987-C**

**\$315,000**

**A. In General.**

A.1. The undersigned is an officer of the City of Wilsonville, Clackamas and Washington Counties, Oregon (the "Issuer") who is charged, with others, with responsibility for issuing the City of Wilsonville, Oregon Limited Tax General Obligation Bond Anticipation Notes, Series 1987-C (the "Notes"), which are dated December 1, 1987, and are in the principal amount of Three Hundred Fifteen Thousand Dollars (\$315,000).

A.2. This Certificate is executed for the purpose of establishing the reasonable expectations of the Issuer regarding the use of the proceeds of the Notes, and the facilities financed with those proceeds.

A.3 The Issuer has not been notified of any listing or proposed listing of the Issuer by the Internal Revenue Service as an issuer that may not certify its bonds or notes.

A.4. This Certificate is made on behalf of the Issuer pursuant to Sections 1.103-13, 1.103-14, and 1.103-15 of the Income Tax Regulations (the "Regulations") of the Internal Revenue Service, and Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"); the words and phrases used herein have the same meanings as defined and used in the Regulations.

A.5. This Certificate is based on facts, estimates, and circumstances in existence on the date of this Certificate, which is the date of issue of the Notes, and to the best knowledge, information, and belief of the undersigned, the expectations set forth in this Certificate are reasonable.

**B. The Purpose of The Notes.** The Notes are issued for interim financing of local improvements within the boundaries of the Issuer (the "Project").

**C. General Expectations.** The Issuer expects:

C.1. None of the proceeds of the Notes will be used directly or indirectly (i) to make or finance loans to

persons or (ii) in any trade or business carried on by any person (other than use as a member of the general public). The Project will be owned and operated by the Issuer, and no part of the Project will be leased or rented to any person. For purposes of this subsection, the term "person" does not include a government unit other than the United States or any agency or instrumentality thereof, and the term "trade or business" means any activity carried on by a person other than a natural person. Accordingly, the Notes are not "private activity Notes" within the meaning of Section 141 of the Code.

C.2. The Issuer has covenanted with the owners of the Notes not to make any use of the proceeds of the Notes or the facilities financed with the proceeds of the Notes that would result in the interest on the Notes being includable in gross income of taxpayers (other than corporations) for federal income tax purposes.

C.3. Issuer has not, and does not expect to, issue tax-exempt obligations in calendar year 1987 in a face amount which exceeds \$5,000,000. Accordingly, under Section 148(f)(4)(C) of the Code, the Issuer is not required to pay rebates to the United States under Section 148(f) of the Code.

D. Temporary Period.

D.1. Within six months after the date of this Certificate the Issuer will enter into contracts with third parties for acquisition or construction of the Project obligating an expenditure of at least \$7,875 (2-1/2% of the principal amount of the Notes).

D.2. Acquisition and construction of the Project will commence and proceed with due diligence to completion.

D.3. All of the Note proceeds and earnings thereon are expected to be expended on the Project by December 1, 1990 (three years after the date of this Certificate).

D.4. Accordingly, the proceeds of the Notes and the earnings thereon qualify for investment for a temporary period which ends on December 1, 1990.

E. Yield Limitation; Temporary Periods.

E.1. Except as provided below in this Section E, none of the gross proceeds of the Notes will be invested in any security, any obligation, any annuity contract or any investment-type property that has a yield that exceeds the

yield on the Notes by more than one-eighth of one percentage point. The term "yield" means that yield which when used in computing the present worth of all payments of Note principal and interest to be paid in the obligation produces an amount equal to the initial reoffering price of the Notes to the general public. Any underwriters discount, issuance costs or costs of carrying or repaying the Notes shall not be taken into account in calculating Note yield. "Gross proceeds" includes the proceeds from the sale of the Notes, earnings thereon, and assessments or other monies collected to pay Note debt service.

E.2. The first exception is for proceeds of the Notes that are invested for the temporary period described in Section D.4 of this Certificate.

E.3. The second exception is for proceeds of the Notes that are deposited in a "bona fide debt service fund" described in Section F.1 of this Certificate.

F. Note Redemption Fund.

F.1 Money deposited in the redemption fund (the "Redemption Fund") will be used to pay the principal of and interest on the Notes and the Issuer reasonably expects that there will be no other funds that will be so used. A portion of the Redemption Fund constitutes a bona fide debt service fund, as the fund was established to achieve a proper matching between assessments collected and taxes and debt service, and moneys in the bona fide debt service fund portion will be used to pay debt service within thirteen months after they are deposited in the Redemption Fund. The balance of the Redemption Fund constitutes a sinking fund, which qualifies for the temporary period described in Regulation 1.103-14(b)(12) until November 30, 1988, as the Issuer has made a reasonable effort to schedule as much debt service as possible before November 30, 1988.

F.2. There are no reserve funds or other funds or accounts which the Issuer reasonably expects to be available to pay the principal of or interest on the Notes.

G. Miscellaneous.

G.1. The Note proceeds and expected earnings thereon do not exceed the amount required by the Issuer to pay the estimated cost of the Project and the costs of issuing the Notes.

G.2. The Project is not expected to be sold while the



Notes are outstanding.

G.3. The Notes are not being issued in order to permit the Issuer to invest other funds at a materially higher yield than the Notes.

G.4. The Issuer's employer identification number is No. \_\_\_\_\_.

DATED this \_\_\_\_\_ day of December, 1987.

CITY OF WILSONVILLE, OREGON

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

SIGNATURE AND NON-LITIGATION CERTIFICATE

\$315,000  
CITY OF WILSONVILLE, OREGON  
LIMITED TAX GENERAL OBLIGATION  
BOND ANTICIPATION NOTES, SERIES 1987-C

We, the undersigned officers of the City of Wilsonville, Clackamas and Washington Counties, Oregon (the "City"), indicated by the official titles opposite our respective signatures,

DO HEREBY CERTIFY that we have signed, by facsimile signature, the \$315,000 Limited Tax General Obligation Bond Anticipation Notes, Series 1987-C (the "Notes") of the City which are dated December 1, 1987, bearing interest at the rate of \_\_\_\_\_ percent (\_\_\_\_%) per annum payable at maturity on November 30, 1988, or upon earlier redemption. We were, at the date of signing the Notes, and are on this \_\_\_\_\_ day of December, 1987, the date of actual delivery of the Notes to The Oregon Bank, Portland, Oregon, the duly chosen, qualified and acting Mayor and Recorder of the City, and we are authorized to execute the Notes.

We further certify that no litigation of any nature is now pending or threatened restricting or enjoining the issuance and delivery of the Notes to the Purchaser or the collection of assessments to pay the principal and interest of the Notes or in any manner questioning the proceedings and the authority of this City by which same is made, or affecting the validity of the Notes thereunder, and that neither the corporate existence nor boundaries, nor the titles of the present officers to their respective offices are being contested.

Executed at Portland, Oregon, this \_\_\_\_\_ day of December, 1987.

Name

Office

\_\_\_\_\_

Mayor

\_\_\_\_\_

Recorder

I hereby CERTIFY that I am the \_\_\_\_\_ of the City, and that I am personally acquainted with the officers whose signatures appear above, also that I know they are now and were at the time of signing the same the duly qualified and acting officials of the City as indicated by their titles and I hereby identify the signatures together with the signatures on the above described Notes as being in all respects true and genuine.

DATED this \_\_\_\_\_ day of December, 1987.

Title: \_\_\_\_\_