

ORDINANCE NO. 93-0-498

ORDINANCE OF THE CITY OF BROOKINGS, CURRY COUNTY, OREGON, AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION ADVANCE REFUNDING BONDS, SERIES 1993, FOR THE PURPOSE OF PROVIDING FUNDS TO REFUND PRIOR TO MATURITY CERTAIN OUTSTANDING GENERAL OBLIGATION BONDS OF THE CITY; PRESCRIBING THE FORM AND DETAILS OF SAID ADVANCE REFUNDING BONDS; PROVIDING FOR THE LEVY AND COLLECTION OF AN ANNUAL TAX FOR THE PURPOSE OF PAYING THE PRINCIPAL OF AND INTEREST ON SAID ADVANCE REFUNDING BONDS; AUTHORIZING AN ESCROW DEPOSIT AGREEMENT; AUTHORIZING THE SUBMISSION OF AN ADVANCE REFUNDING PLAN TO THE STATE TREASURER; AUTHORIZING NEGOTIATION OF THE BOND SALE BY THE CITY MANAGER; AND DESIGNATING A PAYING AGENT AND BOND REGISTRAR, AN ESCROW AGENT, AN FINANCIAL ADVISOR, AN UNDERWRITER AND BOND COUNSEL, AND DECLARING AN EMERGENCY.

WHEREAS, the Council of the City of Brookings, Curry County, Oregon (the "City"), is authorized pursuant to the Constitution and laws of the State of Oregon to issue advance refunding bonds for its outstanding general obligation bonds; and

WHEREAS, the City intends to submit to the Oregon State Treasurer a plan to refund certain of the City's outstanding General Obligation Sewer Bonds, Series 1990, dated January 1, 1990, General Obligation Refunding Bonds, Series 1989, dated April 1, 1989, General Obligation Water Bonds, Series 1989, dated January 1, 1989, and General Obligation Improvement Bonds, Series 1980, dated July 1, 1980.

WHEREAS, when the refunding plan has been submitted and preliminarily approved by the State Treasurer, the City wishes to issue the Refunding Bonds as soon as legally possible; and

WHEREAS, it is in the best interests of the City to authorize the City Manager to negotiate the sale and delivery of the Refunding Bonds;

THE CITY OF BROOKINGS ORDAINS AS FOLLOWS:

Section 1. Issue. For the above purposes, the City shall issue its General Obligation Refunding Bonds, Series 1993. The Refunding Bonds shall be issued in an amount not exceeding six million dollars (\$6,000,000).

Interest is payable semiannually each year. The interest rate born by the Refunding Bonds shall not exceed eight percent (8.0%) per annum.

The Refunding Bonds shall be in denominations of Five Thousand Dollars (\$5,000) or integral multiples thereof, shall be in fully registered form, shall bear interest payable semi-annually until maturity or prior redemption and shall mature serially.

Interest on the Refunding Bonds and, upon presentation and surrender thereof, the principal thereof and premium, if any, shall be payable in lawful money of the United States of America by check

or draft by the City's paying agent, or its successor. Interest shall be payable on each interest payment date to the person in whose name the Refunding Bond is registered at the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest on the Refunding Bonds shall cease at maturity or on a date prior thereto on which they have been duly called for redemption unless the holder hereof shall present the same for payment and payment is refused.

Section 2. Purchase Contract. The City Manager is hereby authorized to negotiate the terms of the Purchase Contract for the Refunding Bonds and to execute the Purchase Contract on behalf of the City. The Purchase Contract shall state the principal amount of Refunding Bonds to be issued, the maturity schedule of the Refunding Bonds to be issued, the price to be paid to the City for the Refunding Bonds, the Refunding Bonds interest rate(s), the denominations and term of the Refunding Bonds, the schedule of payment of bond principal and interest, and the terms and conditions under which the Refunding Bonds may be redeemed prior to maturity, if any. The terms of the Purchase Contract shall be approved by ordinance prior to issuance of the Refunding Bonds. The City Manager shall report the terms of the Purchase Contract to the Council, and the Council shall by further Ordinance approve the terms of the Purchase Contract prior to execution. The Purchase Contract may include discount, which discount, if provided for, shall not exceed two and one-half percent (2½%). The Purchase Contract recommended by the City Manager to the Council for approval shall meet the overall financial objectives of the City for this refinancing.

Section 3. Purpose. The net proceeds of the Refunding Bonds shall be used to advance refund the following maturities of the outstanding bond issues (collectively the "Refunded Bonds"):

<u>Bonds</u>	<u>Redemption Date</u>	<u>Callable Portion Maturity Dates</u>
General Obligation Sewer Series 1990	1/1/97	1/1/98-1/1/15
General Obligation Refunding Series 1989	1/1/96	1/1/97-1/1/14
General Obligation Refunding Series 1989	4/1/96	4/1/97-4/1/10
General Obligation Improvement Series 1980	7/1/90	7/1/93-7/1/00

The Refunding Bonds shall be issued in an amount sufficient, together with any additional funds contributed by the City, to pay all principal of and premium, if any, on the Refunding Bonds, interest on the City's Refunded Bonds through the time they are called for redemption, and the costs of issuance of the Refunding Bonds. The net proceeds of the Refunding Bonds shall be used to purchase government obligations which shall be placed irrevocably in escrow and used solely to pay principal and interest due on the Refunded Bonds as they are redeemed.

Section 4. Redemption. The City reserves the right to redeem all or any portion of the Refunding Bonds as may be negotiated with the underwriter.

Unless waived by any holder of Refunding Bonds to be redeemed, official notice of any such redemption shall be given by the Registrar on behalf of the City by mailing a copy of an official redemption notice by registered or certified mail not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of the Refunding Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

All official notices of redemption shall be dated and shall state:

- (1) the redemption date,
- (2) the redemption price,
- (3) if less than all outstanding Refunding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Refunding Bonds to be redeemed,
- (4) that on the redemption date the redemption price will become due and payable upon each such Refunding Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and
- (5) the place where such Refunding Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Registrar.

Prior to any redemption date, the City shall deposit with the Registrar an amount of money sufficient to pay the redemption price of all the Refunding Bonds or portions of Refunding Bonds which are to be redeemed on that date.

Official notice of redemption having been given as aforesaid, the Refunding Bonds or portions of Refunding Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Refunding Bonds or portions of Refunding Bonds shall cease to bear interest. Upon surrender of such Refunding Bonds for redemption in accordance with such notice, such Refunding Bonds shall be paid by the Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Refunding Bond, there shall be prepared for the registered owner a new Refunding Bond or Refunding Bonds of the same maturity in the amount of the unpaid principal. All Refunding Bonds which have been redeemed shall be cancelled and destroyed by the Registrar and shall not be reissued.

In addition to the foregoing notice, further notice shall be given by the Registrar on behalf of the City by publishing such notice one time in The Bond Buyer of New York, New York, and one time in the Daily Journal of Commerce of Portland, Oregon, each such publication to be made at least 30 days prior to the date fixed for redemption. No defect in said further notice nor any failure to give all or any portion

of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

The Registrar is directed to comply with any mandatory or voluntary standards then in effect for processing redemptions of municipal securities established by the Securities and Exchange Commission. Failure to comply with such standards shall not affect or invalidate the redemption of any Refunding Bond to be redeemed.

Section 5. Security. The full faith and credit of the City are pledged to the registered owners and successive registered owners of each of the Refunding Bonds for the punctual payment of such obligations, when due. The City shall levy annually, as provided by law, a direct ad valorem tax upon all of the taxable property within the City in sufficient amount, after taking into consideration discounts taken and delinquencies that may occur in the payment of such taxes and all other monies reasonably available for the payment of debt service on the Refunding Bonds, including any sewer revenues, water revenues or payments on assessment contracts to pay the Refunding Bonds promptly as they mature, and the City covenants with the owners of its Refunding Bonds to levy such a tax annually during each year that any of the Refunding Bonds, or bonds issued to refund them, are outstanding. Nothing herein shall be construed as a pledge of water system or sewer system revenues.

Section 6. Establishment of Fund. There is hereby created City of Brookings General Obligation Refunding Bonds, Series 1993 Fund (the "Fund") which shall be held by the Recorder of the City as a separate and distinct fund and shall at all times be invested in the manner provided under Oregon law as a special fund for the purposes of payment of the principal of, premium, if any, and interest on the Refunding Bonds and rebate payments, if any, required to be made to the United States Treasury. The Fund shall be maintained until all balances of principal and interest on the Refunding Bonds and all amounts due the United States are fully paid. There shall be established within the Fund the following accounts:

(A) Bond Interest and Sinking Fund Account. There shall be credited to the Bond Interest and Sinking Fund Account the amount of accrued interest paid as part of the purchase price and any funded interest on the Refunding Bonds and all collections from the levy of the general tax required by Section 5. Moneys in the Bond Interest and Sinking Fund Account shall be used only for payment of the principal of, premium, if any, and interest on the Refunding Bonds as such payments become due, or to prepay and redeem the Refunding Bonds when and as the same shall become prepayable, pursuant to Section 4 hereof.

(B) Rebate Account. To the extent required under Section 9, the District shall establish and maintain an account separate from any other account established and maintained hereunder designated as the Rebate Account.

Section 7. Form of Registered Bonds. The Refunding Bonds shall be in substantially the following form:

R-___

\$_____

UNITED STATES OF AMERICA
STATE OF OREGON
CITY OF BROOKINGS
CURRY COUNTY, OREGON
GENERAL OBLIGATION REFUNDING BOND, SERIES 1993

DATED:

RATE OF INTEREST:

MATURITY DATE:

CUSIP

Registered Owner:
Principal Amount:

Dollars

CITY OF BROOKINGS, Curry County, Oregon (the "City"), for value received, acknowledges itself indebted and hereby promises to pay to the registered owner specified above, or registered assigns, the principal amount specified above on the above maturity date together with interest thereon from the date hereof at the rate per annum indicated above, all subject to the provisions referred to herein with respect to the redemption of the principal of this Bond before maturity. Interest is payable semiannually on the first day of _____ and the first day of _____ of each year until maturity or prior redemption, commencing _____ 1, 19____. Interest on this Bond is payable through the office of the City's paying agent and registrar (the "Registrar") by check or draft mailed to the name and address of the registered owner as they appear on the Bond register on the fifteenth (15th) day of the month prior to the date on which interest becomes due. Bond principal and premium, if any is payable upon presentation and surrender of this Bond to the Registrar.

ADDITIONAL PROVISIONS OF THIS BOND APPEAR ON THE REVERSE
SIDE; THESE PROVISIONS HAVE THE SAME EFFECT AS IF THEY WERE
PRINTED 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 statutes.

The full faith and credit of the City are hereby pledged for the payment of the principal of and interest on this Bond as the same respectively become due and payable. The Bonds are valid and legally binding obligations of the City and are authorized and issued pursuant the laws of the State of Oregon and a Ordinance of the City adopted by the Council on _____, 1993. Revenues of the water system and sewer system have not been pledged for payment of the Bonds.

IN WITNESS WHEREOF, the Council of the City of Brookings, Oregon has caused this Bond to be executed by facsimile or manual signature of it's Mayor and attested by the facsimile or manual signature of its Recorder all as of the date indicated above.

CITY OF BROOKINGS
CURRY COUNTY, OREGON

Mayor

ATTEST:

Recorder

THIS BOND SHALL NOT BE VALID UNLESS PROPERLY AUTHENTICATED BY THE REGISTRAR IN THE SPACE INDICATED BELOW.

DATED: _____

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This is one of the City's General Obligation Refunding Bonds, Series 1993 issued pursuant to the Ordinance described herein.

_____, as Registrar

By: _____
Authorized Officer

[ON REVERSE SIDE]

ADDITIONAL PROVISIONS

This Bond is one of the General Obligation Refunding Bonds, Series 1993, of the City, issued in the aggregate principal amount of _____ Dollars (\$ _____) and is issued by the City to refund certain of the City's outstanding General Obligation Sewer Bonds, Series 1990, dated January 1, 1990, maturing in the years 1998 through 2015, General Obligation Water Bonds, Series 1989, dated April 1, 1989, maturing in the years 1997 through 2010, General Obligation Refunding Bonds, Series 1989, dated January 11, 1989, maturing in the years 1997 through 2014, and General Obligation Mprovement Bonds, Series 1980, dated July 1, 1980, maturing in the years 1993 through 2000, and to pay all costs incidental thereto. The Bonds shall be issued in fully registered form, shall be in denominations of Five Thousand Dollars (\$5,000.00) each, or integral multiples thereof.

The City reserves the right to redeem all or any portion of the Bonds maturing on or after _____, 19__, by lot within a maturity, assigned in proportion to their principal amount, within a maturity on _____, 19__, and on any interest payment date thereafter, at _____ plus accrued interest to the redemption date.

Notice of redemption shall be mailed to the registered owners of the Bonds to be redeemed not less than thirty (30) days nor more than sixty (60) days prior to the intended redemption date, and otherwise given as required by law. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the owner without charge, representing the remaining amount outstanding.

Any transfer of this Bond must be registered, as provided in the resolution of the City, authorizing the issuance of the Bonds adopted on _____, 1993 (the "Ordinance"), upon the Bond register kept for that purpose at the office of the Registrar. The City and the Registrar may treat the person in whose name this Bond is registered as its absolute owner for all purposes, as provided in the Ordinance.

The registered owners of Bonds may exchange or transfer any Bond only by surrendering it, together with a written instrument of exchange or transfer which is satisfactory to the Registrar and duly executed by the registered owner or his duly authorized attorney, at the office of the Registrar in the manner and subject to the conditions set forth in the Ordinance.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____

Please insert social security or other identifying number of assignee

the within 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 the within Bond in every particular, without alteration or enlargement or any change whatever.

NOTICE: Signature(s) must be guaranteed by a member of the New York Stock Exchange or a commercial bank or trust company.

Signature Guaranteed

(Bank, Trust Company or Brokerage Firm)

Authorized Officer

The following abbreviations, when used in the inscription on the face of the within 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
as custodian under the laws of Oregon for

MIN
(Minor's Name)

Additional abbreviations may also be used though not in the list above.

Section 8. Authentication, Registration and Transfer.

(1) All Bonds shall be in registered form. The City hereby appoints United States National Bank of Oregon to serve as paying agent and registrar for the Bonds (the "Registrar"). The City Manager of the City is authorized to negotiate and execute on behalf of the City, a Paying Agent and Bond Registrar Agreement (the "Agreement"). The Agreement shall provide for compliance with Oregon Administrative Rule No. 170-61-010. A successor Registrar may be appointed for the Bonds by ordinance or resolution of the District. The Registrar shall provide notice to Bond owners of any change in the Registrar not later than the interest payment date following the change in Registrar.

(2) No Bond shall be entitled to any right or benefit under this ordinance (the "Ordinance") unless it shall have been authenticated by an authorized officer of the Registrar. The Registrar shall authenticate all Bonds to be delivered at closing of this Bond issue, and shall additionally authenticate all Bonds properly surrendered for exchange or transfer pursuant to this Ordinance and any Bond issued in lieu of any mutilated, destroyed, lost or stolen Bond.

(3) The ownership of all Bonds shall be entered in the Bond register maintained by the Registrar, and the City and the Registrar may treat the person listed as owner in the Bond register as the owner of the Bond for all purposes.

(4) The Registrar shall mail each interest payment to the name and address of the Bond owner as they appear on the Bond register at the close of business on the fifteenth day, whether or not a business day, of the month preceding an interest payment date (the "Record Date"). If payment is so mailed, neither the City nor the Registrar shall have any further liability to any party for such interest payment. The principal of the Bonds and premium, if any, shall be payable at the office of the Registrar upon presentation and surrender of the Bond.

(5) 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 Bond owner submits the following to the Registrar:

- (a) written instructions for exchange or transfer satisfactory to the Registrar, signed by the Bond owner or his attorney in fact and guaranteed or witnessed in a manner satisfactory to the Registrar; and
- (b) the Bonds to be exchanged or transferred.

(6) The Registrar 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 interest payment date; however, such Bonds shall be exchanged or transferred promptly following that interest payment date. In addition, no transfer or exchange of Bonds shall be required to be made during the period beginning fifteen days before any selection of Bonds for redemption and ending on the day of such selection, or for any Bond selected for redemption in whole or in part.

(7) The Registrar shall note the date of authentication on each Bond. The date of authentication shall be the date on which the registered owner's name is listed on the Bond Register.

(8) For purposes of this Section, Bonds shall be considered submitted to the Registrar on the date the Registrar actually receives the materials described in subsection (5) of this Section 8.

(9) The City may alter these provisions regarding registration and transfer by mailing notification of the altered provisions to all Bond 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.

(10) Notwithstanding anything herein to the contrary, the Refunding Bonds initially shall be held in fully immobilized form by Depository Trust Company ("DTC") acting as depository pursuant to the terms and conditions set forth in the Letter of Representation provided by DTC. To induce DTC to accept the Refunding Bonds as eligible for deposit at DTC, the City Manager of the City is authorized to execute the Letter of Representation, with such changes as hereafter may be approved by him or her, and such approval shall be conclusively presumed by such City Manager's execution thereof. Neither the City nor the Bond Registrar shall have any responsibility or obligation to DTC participants or the persons for whom they act as nominees with respect to the Refunding Bonds regarding accuracy of any records maintained by DTC or DTC participants of any amount in respect of principal of or interest on the Refunding Bonds, or any notice which is permitted or required to be given to Registered Owners hereunder (except such notice as is required to be given by the City to the Bond Registrar or to DTC).

The Refunding Bonds initially shall be issued in denominations equal to the aggregate principal amount of each maturity and initially shall be registered in the name of CEDE & Co. as the nominee of DTC. The Refunding Bonds so registered shall be held in fully immobilized form by DTC as depository. For so long as any Refunding Bonds are held in fully immobilized form, DTC, its successor or any substitute depository appointed by the City, as applicable, shall be deemed to be the Registered Owner for all purposes hereunder and all references to Registered Owners, bondowners, owners or the like shall mean DTC or its nominees and shall not mean the owners of any beneficial interests in the Refunding Bonds. Registered ownership of such Refunding Bonds, or any portions thereof, may not thereafter be transferred except:

1. To any successor of DTC or its nominee, if that successor shall be qualified under any applicable laws to provide the services proposed to be provided by it;
2. To any substitute depository appointed by the City pursuant to this section or such substitute depository's successor; or
3. To any person as herein provided if the Refunding Bonds are no longer held in immobilized form.

Upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository, or a determination by the City that it is no longer in the best interests of beneficial owners of the Refunding Bonds to continue the system of book entry transfers through DTC or its successor (or any substitute depository or its successor), the City may

appoint a substitute depository. Any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it.

In the case of any transfer pursuant to clause 1 or 2 of the second preceding paragraph, the Bond Registrar, upon receipt of all outstanding Refunding Bonds together with a written request on behalf of the City, shall issue a single new Refunding Bond for each maturity of Refunding Bonds then outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case, may be, all as specified in such written request of the City.

In the event that DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained; or the City determines that it is in the best interests of the beneficial owners of the Refunding Bonds that they be able to obtain Refunding Bond certificates, the ownership of Refunding Bonds may be transferred to any person as herein provided, and the Refunding Bonds shall no longer be held in fully immobilized form. The City shall deliver a written request to the Bond Registrar, together with a supply of definitive Bonds, to issue Refunding Bonds as herein provided in any authorized denomination. Upon receipt of all then outstanding Refunding Bonds by the Bond Registrar, together with a written request on behalf of the City to the Bond Registrar, new Refunding Bonds shall be issued in such denominations and registered in the names of such persons as are requested in such a written request.

For so long as outstanding Refunding Bonds are registered in the name of CEDE & Co., or its registered assigns, as nominee of DTC, payments of principal of and interest on the Refunding Bonds shall be made at the place and in the manner provided in the Letter of Representation. In all other regards the Bond Registrar shall also comply with the other provisions of the Letter of Representation.

Section 9. Tax Covenants. The City covenants that it will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on the Refunding Bonds under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). The City will not directly or indirectly use or permit the use of any proceeds of the Refunding Bonds or any other funds of the City, or take or omit to take any action that would cause the Refunding Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code. To that end, the City will comply with all requirements of Section 148 of the Code to the extent applicable to the Refunding Bonds. In the event that any time the City is of the opinion that for purposes of this Section 9 it is necessary to restrict or limit the yield on the investment of any moneys held in the Fund, the City shall take such action as may be necessary.

Without limiting the generality of the foregoing, the City agrees that there shall be paid from time to time all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code and any temporary, proposed or final Treasury Regulations as may be applicable to the Refunding Bonds from time to time. This covenant shall survive payment in full or defeasance of the Refunding Bonds.

Notwithstanding any provision of this Section, if the City receives an opinion of nationally recognized bond counsel to the effect that any action required under this Section is no longer required, or to the effect that some further action is required, to maintain the exclusion from gross income of the

interest on the Bonds pursuant to Section 103 of the Code, the City may rely conclusively on such opinion in complying with the provisions hereof.

Section 10. Authorization of Sale and Delivery of the Refunding Bonds. The Mayor and City Manager are, subject only to the final approval of the Council of the final terms of the Purchase Contract, hereby authorized and directed to prepare and execute the Refunding Bonds in the manner and upon such terms hereinbefore specified, and when the Refunding Bonds have been duly registered with the Registrar and the advance refunding plan approved by the State Treasurer to deliver the Refunding Bonds to the purchaser thereof in Portland, Oregon or New York, New York, upon receipt of the purchase price plus accrued interest to the date of payment and delivery.

The Council of the City of Brookings, Oregon finds and determines that the negotiated sale of the Refunding Bonds is advisable for the reasons that the rates of interest available from a negotiated sale as conducted for this financing and other terms of the Refunding Bonds are deemed desirable by and advantageous to the City and a public sale of the Refunding Bonds would further delay the advance refunding plan and jeopardize the cost savings to the City to be realized from the advance refunding plan.

Section 11. Discharge. When all of the Refunding Bonds, and the interest thereon have been discharged as provided in this section, all pledges, covenants and other rights granted by this Ordinance shall cease. The City may discharge all Refunding Bonds due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full; or if any Refunding Bond or interest thereon should not be paid when due, the same may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued from the due date to the date of such deposit. The City may also discharge all prepayable Refunding Bonds called for redemption on any date when they are prepayable according to their terms, by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full, provided that notice of the redemption thereof has been duly given as provided herein. The City may also discharge all Refunding Bonds at any time by irrevocably depositing in escrow with a suitable bank or trust company for the purpose of paying all principal and interest due on such Refunding Bonds prior to the date upon which all of the same will be prepayable according to their terms, and paying all remaining Refunding Bonds on that date, a sum of cash and securities of the types described in ORS 288.650 in such aggregate amount, bearing interest at such rates and maturing or callable at the holder's option on such dates as shall be required to provide funds sufficient for this purpose; provided that notice of the redemption of all prepayable Refunding Bonds on or before such date has been duly given as required herein.

Section 12. Custodian of Fund. The Recorder of the City is hereby appointed custodian of the Fund and shall invest and reinvest moneys in the Fund, under the direction of the Council of the City, in investments as provided in ORS 294.035 or 294.805 to 294.895. Income earned from investment of money in the Fund shall be credited to the Fund and income earned from investment of money in any account of the Fund shall be credited to that account, except as provided in Sections 6 and 9 of this Ordinance and ORS 294. The Recorder of the City shall disburse moneys in the Fund for the purpose of paying the principal of, premium, if any, and interest on the Refunding Bonds without further authorization or direction by the Board.

Section 13. Other Documents and Proceedings. The officers of the City are hereby authorized and directed to execute and carry out or cause to be carried out the obligations which are necessary or advisable in connection with this Ordinance and the issuance, sale and delivery of the Refunding Bonds including, but not limited to, agreements with financial institutions to serve as paying agent and registrar

in accordance with Section 8 hereof. The officers of the City are further authorized and directed to prepare and furnish to the attorneys passing on the legality of the Refunding Bonds, certified copies of all proceedings, ordinances, resolutions and records and all such certificates and affidavits and other instruments as may be required to evidence the legality and marketability of the Refunding Bonds, and all certified copies, certificates, affidavits and other instruments so furnished shall constitute representations of the City as to the correctness of all facts stated or recited therein.

The City Manager is authorized to apply for and obtain municipal bond insurance for the Refunding Bonds.

The Mayor and the Recorder of the City are hereby directed to review the information contained in any Preliminary Official Statement which may be prepared and said Mayor and Recorder are hereby authorized and directed to execute and deliver the City's approval of such Preliminary Official Statement to be in such form as said officials shall approve as conclusively evidenced by such execution. The use and public distribution of such Preliminary Official Statement by the Underwriter are hereby authorized and approved.

Section 14. Bond Counsel. The law firm of Davis Wright Tremaine is hereby appointed to act as Bond Counsel in regard to the issuance of the Refunding Bonds.

Section 15. Financial Advisor. Moore Breithaupt & Associates is hereby appointed Financial Advisor to the City with regard to the issuance of the Refunding Bonds. The contract with the Financial Advisor shall comply with OAR 170-62-000(2).

Section 16. Underwriter. Seattle-Northwest Securities Corp. is hereby appointed Underwriter to the City with regard to the issuance of the Refunding Bonds.

Section 17. Escrow. As provided in Section 3 of this Ordinance, the net proceeds of the Refunding Bonds are to be placed in irrevocable escrow. First Interstate Bank of Oregon, N.A. is hereby designated to act as Escrow Agent for this financing. The Mayor, or his designee, is hereby authorized to subscribe for and purchase the government obligations or other types of obligations deemed suitable for placement in the escrow on behalf of the City.

Section 18. Redemption of Refunded Bonds. Contingent solely on the issuance of the Refunding Bonds and the deposit of the net proceeds with the Escrow Agent, the City hereby irrevocably calls for redemption the Refunded Bonds on the following terms:

<u>Bonds</u>	<u>Redemption Date</u>	<u>Price</u>	<u>Plus Interest Accrued To:</u>
General Obligation Sewer Series 1990	1/1/97	Par	1/1/97
General Obligation Water Series 1989	1/1/96	Par	1/1/96
General Obligation Refunding Series 1989	4/1/96	Par	4/1/96
General Obligation Improvement Series 1980	7/1/93	Par	7/1/93

Section 19. Approval of Refunding Plan. The City hereby approves the refunding plan proposed by The Underwriter. The City Manager is authorized on behalf of the City to submit the City's refunding plan to the State Treasurer for review and approval.

Section 20. Qualified Tax-Exempt Obligation. The City hereby designates the Refunding Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code and covenants that the Refunding Bonds do not constitute private activity bonds as defined in Section 141 of the Code, and that not more than \$10 million aggregate principal amount of obligations the interest which is excludable under Section 103(a) of the Code, including the bonds, have been or is reasonably expected be issued by the City, including all subordinate entities of the City, during the calendar year of the date of issuance of the Refunding Bonds.


Section 21. Emergency Clause. In that there is an emergency need to issue the Refunding Bonds as soon as possible to realize savings from lower interest rates, this Ordinance shall take effect and be in full force from and after its passage and approval.

First Reading: February 22, 1993

Second Reading: February 22, 1993

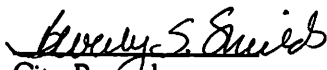
PASSED by the unanimous vote of the Council, with a quorum in attendance, this 22nd day of Feb., 1993.

SIGNED by me in authentication of its passage this 22 day of February 1993.



Mayor

ATTEST:



City Recorder