

RESOLUTION NO. 431

A RESOLUTION OF THE CITY OF CANBY, CLACKAMAS COUNTY, OREGON, AUTHORIZING THE ISSUANCE AND SALE OF BOND ANTICIPATION NOTES IN AN AMOUNT NOT TO EXCEED \$600,000 TO PROVIDE INTERIM FINANCING OF A LIBRARY FACILITIES SITE, THE ACCEPTANCE AND APPROVAL OF A PURCHASE CONTRACT, AND RELATED MATTERS.

WHEREAS, the City Council of the City of Canby, Clackamas County, Oregon, (the "City") conducted an election on June 27, 1989, at which time the voters approved the issuance and sale of general obligation bonds in an amount not to exceed \$600,000 to finance the costs of acquisition, reconstruction, equipping and furnishing of a library facilities site (the "Public Improvements") for the City; and

WHEREAS, Oregon Revised Statutes 287.522 through 287.526 (the "Act") authorizes the City to borrow money and issue its notes for the interim financing of public improvements, and to determine the method and terms of sale of such notes; and

WHEREAS, notes issued under the Act must mature not later than the estimated completion date of the Public Improvements. The City estimates that the Public Improvements will be complete on June 30, 1990; and

WHEREAS, notes issued pursuant to the Act shall not exceed in the aggregate the estimated unpaid cost of the Public Improvements, plus costs of issuing the notes. The aggregate unpaid cost of the Public Improvements, plus costs of issuing the notes, exceeds \$600,000; and

WHEREAS, the City Council has received a proposal to purchase the notes from United States National Bank of Oregon, and the City Council has determined such proposal offers the best terms and conditions for the City.

NOW, THEREFORE, BE IT RESOLVED by the Canby City Council for the City of Canby, Oregon, as follows:

1. Notes Authorized. The City Council authorizes the issuance of Bond Anticipation Notes, Series 1989 (the "Notes"), in an aggregate principal amount of not to exceed Six Hundred Thousand Dollars (\$600,000) pursuant to the Act, for the purpose of interim funding of a portion of the costs of acquisition, reconstruction, equipping and furnishing of the Public Improvements and the costs of issuing these Notes. The Notes shall be dated with the date specified by the City Administrator, shall mature not later than June 30, 1990, and shall bear interest payable at maturity at a rate which shall not exceed a net effective rate of ten percent (10%) per annum. The Notes shall be in denominations as specified in consultation with the purchaser of such Notes.
2. Security. The Notes are payable only from the proceeds of bonds to be sold pursuant to an approving vote of the electors of the City held June 27, 1989, and any other funds that may be available therefor.
3. Note Purchase Contract. The City Council has determined that the proposal submitted by United States National Bank of Oregon offers the most favorable terms to the City and that the Purchase Contract submitted by United States National Bank of Oregon dated June , 1989, a copy of which is attached hereto as Exhibit "A", is accepted and approved. The City Administrator is hereby authorized to execute the Purchase Contract on behalf of the City, and the terms of the Purchase Contract shall be binding upon the City upon such execution.

4. Form of Notes. The Notes shall be in substantially the form attached hereto as Exhibit B. The Notes may be printed or type written, and may be issued as one or more temporary Notes, which shall be exchangeable for definitive Notes when definitive Notes are available.

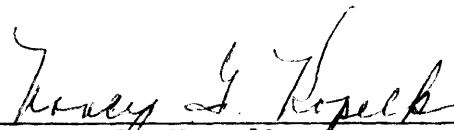
5. Execution. The Notes shall be executed on behalf of the City with the manual or facsimile signature of the City Administrator.

6. Bank Purchase. The City (and all subordinate entities, if any) reasonably anticipates that it will not issue more than \$10,000,000 of tax-exempt obligations during calendar year 1989. The City hereby designates the Notes as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code").

7. Tax-Exempt Status. The City covenants not to take any action or omit and action if the taking or omission would cause interest paid on the Notes to be includable in gross income of the Noteowners for federal income tax purposes (except for environmental taxes on corporations). The City may not permit more than ten percent (10%) 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.

8. Authority of City Administrator. The City Administrator is 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 the Purchase Contract or such other agreement as United States National Bank of Oregon and the City Administrator agree shall bind both parties.

ADOPTED by the Canby City Council of at a regular meeting this 5th day of July, 1989.


Nancy G. Kopelk, Mayor

ATTEST:

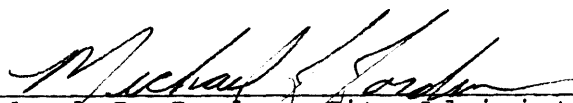

Michael J. Jordan, City Administrator

EXHIBIT B

NO. ____

\$ _____

STATE OF OREGON
COUNTY OF CLACKAMAS
CITY OF CANBY

BOND ANTICIPATION NOTE, SERIES 1989

THE CITY OF CANBY, in Clackamas County, Oregon (the "City"), for value received, acknowledges itself indebted and hereby promises to pay to:

UNITED STATES NATIONAL BANK OF OREGON

the principal sum of

_____ DOLLARS

upon the presentation and surrender of this obligation on the ____ day of _____, 19__, and to pay interest thereon from the date hereof, payable _____, 19__ and at maturity, at the rate of

_____ PERCENT (____%) PER ANNUM

computed on a 30-day month, 360-day year basis. Principal and interest are payable in lawful money of the United States of America at the principal corporate trust office of _____, in Portland, Oregon (the "Registrar").

This note is one of a series of like tenor and effect issued in an aggregate principal amount of Six Hundred Thousand Dollars (\$600,000) pursuant to ORS 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 principal of and interest on this note are payable solely from the proceeds of the City's general obligation bonds to be sold as previously authorized and from other funds available therefor.

This note is a "qualified tax-exempt obligation" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code").

The City hereby certifies that all action necessary to authorize the issuance of this note has been duly taken, and that

Note Form (Exhibit B)

this note does not exceed any limitation of indebtedness contained in the laws of the State of Oregon.

IN WITNESS WHEREOF, the City Council of the City of Canby, Oregon has caused this note to be executed by the manual signature of its City Administrator as of this ____ day of June, 1989.

CITY OF CANBY, OREGON

By: _____
City Administrator

IF REGISTERED, ADD THE FOLLOWING:

R-__

CUSIP NO.

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

CERTIFICATE OF AUTHENTICATION

Dated:

This is one of the City's
Bond Anticipation Notes, Series 1989,
issued pursuant to the Resolution
described herein.

_____, as Registrar

By: _____
Authorized Officer

The Notes are issuable in the form of registered notes without coupons in the denomination of \$5,000 or any integral multiple thereof. Notes may be exchanged for Notes of the same aggregate principal amount, but different authorized denominations.

Any transfer of this Note must be registered, as provided in the Resolution upon the bond register kept for that purpose at the principal corporate trust office of the Registrar. The City and the Registrar may treat the person in whose name this Note is registered as its absolute owner for all

Note Form (Exhibit B)

purposes, as provided in the Resolution.

The Noteowner may exchange or transfer any Note 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 principal corporate trust office of the Registrar in the manner and subject to the conditions set forth in the Resolution.

ASSIGNMENT

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

_____ (Please insert social security or other identifying number of assignee: No. _____) this note and does hereby irrevocably constitute and appoint _____ as attorney to transfer this note 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 this note in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed

(Bank, Trust Company or Brokerage Firm)

Authorized Officer

The following abbreviations, when used in the inscription on the face of this note, 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

Note Form (Exhibit B)

OREGON CUSTODIANS use the following

_____ CUST UL OREG _____ MIN
as custodian for (name of minor)

OR UNIF TRANS MIN ACT

under the Oregon Uniform Transfer to Minors Act

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



INVESTMENT DIVISION T-9
111 S.W. FIFTH AVENUE
P.O. BOX 4412
PORTLAND, OREGON 97208

July 3, 1989

City of Canby
c/o Michael Jordan, City Administrator
182 N. Holly
PO Box 930
Canby, Oregon 97013

The United States National Bank of Oregon, acting through its Investment Division, Portfolio Department, offers to purchase up to \$600,000.00 City of Canby, Bond Anticipation Notes maturing October 1, 1989 under the following terms and conditions:

1. The City will designate the Notes as "qualified tax-exempt obligations" pursuant to the small issue exception provided by Section 265 (b) (3) of the Internal Revenue Code of 1986;
2. The Notes will be settled at our offices on a mutually satisfactory day, may be typewritten, and will be lodged and paid in Portland. Interest will be calculated on a 30/360 day basis. The Notes will mature October 1, 1989 or will be retired within 5 days of the settlement of a bond issue which provides long term financing for the project, whichever occurs sooner;
3. The City will provide the purchaser with the approving legal opinion of Richard Roberts addressing the issuance and tax-exemption of the Notes.
4. We offer to purchase the Notes at an interest rate of 7.50%. In addition, we will receive a \$250.00 commitment fee at closing.

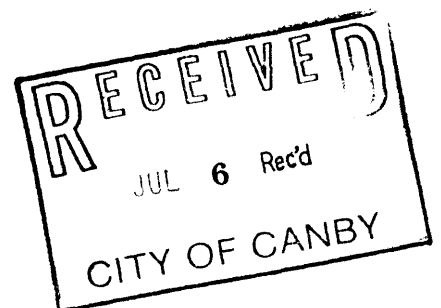
If you have questions, please call me at 275-6855.

A handwritten signature in cursive script, appearing to read "L.R. Love".

"EXHIBIT A"

Lawrence R. Love
Vice President and Municipal Credit Officer
Investment Division

cc: Richard Roberts
cc: Carol Samuels



United States National Bank of Oregon
MEMBER FDIC
A U.S. Bancorp Company