

RESOLUTION NO. 433

A RESOLUTION OF THE CITY OF CANBY, COUNTY OF CLACKAMAS, STATE OF OREGON, AUTHORIZING THE ISSUANCE OF BONDS FOR THE PURPOSE OF FINANCING LIBRARY IMPROVEMENTS.

WHEREAS, this Council submitted to the legal voters of the City of Canby, county of Clackamas, State of Oregon (the "City"), the question of contracting a general obligation bonded indebtedness in the sum of \$600,000 to finance library improvements; and

WHEREAS, the election was duly and legally held on the 27th day of June, 1989, and this Council has canvassed the result thereof and has declared that issuance of bonds in such sum has been approved by a majority of the qualified voters of the City voting at the election; now therefore,

THE CITY OF CANBY, OREGON, RESOLVES AS FOLLOWS:

Section 1. Issue. For the above purposes, the City shall issue its General Obligation Library Bonds, Series 1989 (the "Bonds"), in the amount of Six Hundred Thousand Dollars (\$600,000), to be dated September 1, 1989, to be in denominations of Five Thousand Dollars (\$5,000) or integral multiples thereof, to bear interest payable on January 1 and July 1 of each year until maturity or prior redemption, commencing January 1, 1990, and to mature serially on January 1 of each year as follows:

<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
1991	\$30,000	1998	\$40,000
1992	30,000	1999	45,000
1993	30,000	2000	50,000
1994	35,000	2001	50,000
1995	35,000	2002	55,000
1996	40,000	2003	60,000
1997	40,000	2004	60,000

Section 2. Optional Redemption. The City reserves the right to redeem all or any portion of the Bonds maturing after January 1, 1999, in inverse order of maturity and by lot within a maturity on January 1, 1999, and on any interest payment date thereafter, at par plus accrued interest to the date fixed for redemption.

Section 3. Notice of Redemption. Unless waived by holders of Bonds to be redeemed, official notice of any such redemption shall be given by the City's paying agent and registrar (the "Registrar") on behalf of the City by mailing a copy of an official redemption notice by registered or certified mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the registered owner of the 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 Registrar, or as otherwise required by law.

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

- A. the redemption date,
- B. the redemption price,
- C. if less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,



from the date hereof at the rate per annum indicated above. Interest is payable semiannually on the first day of January and the first day of July in each year until maturity of prior redemption, commencing January 1, 1990. Interest upon this Bond is payable by check or draft through the principal corporate trust office of the City's paying agent and registrar, which is currently \_\_\_\_\_ in Portland, Oregon (the "Registrar"). Check or draft will be mailed on the interest payment date (or the next business day if the interest payment date is not a business day) to the registered owner at the address shown on the Bond Register as of the fifteenth day of the month prior to the interest payment date. Bond principal 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; 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 and Charter; and that the City Council has provided for the levying annually of a direct ad valorem tax upon all the property within the City so taxable for its purposes in an amount sufficient, with other available funds, to pay the interest on and the principal of the Bonds of such issue as such obligations become due and payable.

IN WITNESS WHEREOF, the City Council of the City of Canby, Clackamas County, Oregon, has caused this Bond to be signed by facsimile signatures 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 date indicate above.

\_\_\_\_\_  
Mayor, City of Canby, Oregon

\_\_\_\_\_  
Recorder, City of Canby, Oregon

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

Dated:

CERTIFICATE OF AUTHENTICATION

This is one of the City's General  
Obligation Library Bonds, Series 1989,  
issued pursuant to the Resolution  
described herein.

\_\_\_\_\_  
Registrar

BY \_\_\_\_\_

Note to Printer: The following language should be printed on the reverse of the Bond:

This Bond is one of a series of General Obligation Library Bonds, Series 1989, of the City in the aggregate principal amount of \$600,000, and is issued by the City for the purpose of financing, in part, library improvements, and to pay all costs incidental thereto, in full and strict accordance and compliance with all of the provisions of the Constitution and statutes of the State of Oregon and the Charter of the City.

The City reserves the right to redeem all or any portion of the Bonds maturing after January 1, 1999, in inverse order of maturity and by lot within a maturity on January 1, 1999, and on any interest payment date thereafter, at par plus accrued interest to the date fixed for redemption.

Notice of any call for redemption, unless waived by any owner of the Bonds to be redeemed, shall be mailed not less than thirty (30) days and not more than sixty (60) days prior to such call to the registered owners of the Bonds, and otherwise given as required by the authorizing Bond resolution (the "Resolution") and by law; however, any failure to give notice shall not invalidate the redemption of the Bonds. All Bonds called for redemption shall cease to bear interest from the date designated in the notice.

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

Any transfer of this Bond 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 Bond is registered as its absolute owner for all purposes, as provided in the Resolution.

The Bondowner 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 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 transfer unto \_\_\_\_\_.

Please insert social security or other  
identifying number of assignee

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

Signature Guaranteed



- F. 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 payment date; however, such Bonds shall be exchanged or transferred promptly following that payment date.
- G. The Registrar shall note the date of authentication on each Bond. The date of authentication shall be the date on which the Bondowner's name is listed on the Bond Registrar.
- H. 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 E. of this section.
- I. The City may alter these provisions regarding registration and transfer by mailing notification of the altered provisions to all Bondowners. The altered provisions shall take effect on the date stated in the notice, which shall not be earlier than forty-five (45) days after notice is mailed.

Section 7. Maintenance of Tax-Exempt Status. The City covenants for the benefit of the owners of the Bonds to comply with all provisions of the Internal Revenue Code of 1986, as amended (the "Code") which are required for Bond interest to be excluded from gross income for federal income taxation purposes (except for certain taxes on corporations), unless the City obtains an opinion of nationally recognized Bond Counsel that such compliance is not required for the interest paid on the Bonds to be so excluded. The City makes the following specific covenants with respect to the Code:

- A. The City shall not take any action or omit any action, if it would cause the Bonds to become "arbitrage bonds" under Section 148 of the Code and shall pay any rebates to the United States which are required by Section 148(f) of the Code.
- B. The City shall operate the facilities financed with the Bonds so that the Bonds are not "private activity bonds" within the meaning of Section 141 of the Code.

The covenants contained in this section and any covenants in the closing documents for the Bonds shall constitute contracts with the owners of the Bonds, and shall be enforceable by them.

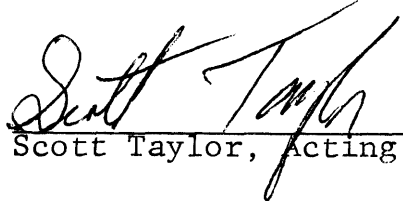
Section 8. Designation of Bonds as Qualified Tax-Exempt Obligations. The City designates the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code. The City covenants not to so designate tax-exempt obligations in the current calendar year in an aggregate amount of more than \$10,000,000. The City (and all subordinate entities thereof, if any) does not reasonably expect to issue more than \$10,000,000 of tax-exempt obligations during the current calendar year.

Section 9. Rebate Exemption. The City has general taxing powers. No portion of the Bond proceeds will be used to finance property which is used in the trade or business of nongovernments, or is loaned to nongovernments. None of the Bonds are "private activity bonds" within the meaning of Section 141 of the Code. At least ninety five percent (95%) of the net proceeds of the Bonds will be used for public improvements which will be owned and operated by the City. The City (and all subordinate entities thereof, if any) does not reasonably expect to issue tax-exempt obligations in calendar year 1989 which have an aggregate face amount of more than \$5,000,000. Accordingly, under Section 148(f)(4)(c) of the Code, no rebate to the United States is required to be paid in connection with the Bonds.

Section 10. Sale of Bonds. The Recorder shall cause to

be published in the Canby Herald, in Canby, Oregon, and in the Daily Journal of Commerce, Portland, Oregon, notices of sale of the Bonds in the formation substantially as shown on Exhibit A attached hereto and by this reference incorporated herein, or summaries, as provided by law. The Bonds shall be sold upon the terms provided in the Notice of Bond Sale attached as Exhibit A. The Bonds shall be sold on the date and at the time and place stated in Exhibit A, unless the Mayor or Recorder establishes a different date, time, or place.

ADOPTED this 2nd day of August, 1989, by the Canby City Council, Canby, Oregon.

  
\_\_\_\_\_  
Scott Taylor, Acting Mayor

ATTEST:


  
\_\_\_\_\_  
Marilyn K. Perkett, City Recorder

EXHIBIT A

OFFICIAL NOTICE OF BOND SALE

\$600,000  
CITY OF CANBY  
COUNTY OF CLACKAMAS  
STATE OF OREGON  
GENERAL OBLIGATION LIBRARY BONDS, SERIES 1989

NOTICE IS HEREBY GIVEN that sealed bids will be received on behalf of the City of Canby, Clackamas County, Oregon (the "City"), for the purchase of its General Obligation Library Bonds, Series 1989 (the "Bonds"), until 10:00 o'clock a.m. (Pacific Time) on August 30, 1989, at the offices of Lindsay, Hart, Neil & Weigler, Lawyers, Suite 1800, 222 S. W. Columbia Street, Portland, Oregon 97201-6618, at which time they will be publicly opened and announced.

The bids shall be considered and acted upon by the City within four hours.

ISSUE: The issue shall be in the aggregate principal amount of SIX HUNDRED THOUSAND DOLLARS (\$600,000), consisting of registered Bonds in denominations of Five Thousand Dollars (\$5,000) or integral multiples thereof, all dated September 1, 1989.

INTEREST RATE: The maximum interest rate shall not exceed a true interest cost of ten percent (10%) per annum. Interest is payable semiannually on January 1 and July 1 of each year until maturity or prior redemption, commencing January 1, 1989. Bidders must specify the interest rate or rates which the Bonds hereby offered for sale shall bear. The bids shall comply with the following conditions: (1) each interest rate specified in any bid must be a multiple of 1/8th or 1/20th of one percent (1%); (2) no Bond shall bear more than one rate of interest; (3) each Bond shall bear interest from its date to its stated maturity date at the interest rate specified in the bid; (4) all Bonds maturing at any one time shall bear the same rate of interest; (5) no rate of interest may exceed ten percent (10%); and (6) the interest rate bid for any maturity shall not be less than the interest rate bid for any earlier maturity.

MATURITIES: The Bonds shall mature serially on the 1st day of January of each year as follows:

EXHIBIT "A"

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<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
1991	\$30,000	1998	\$40,000
1992	30,000	1999	45,000
1993	30,000	2000	50,000
1994	35,000	2001	50,000
1995	35,000	2002	55,000
1996	40,000	2003	60,000
1997	40,000	2004	60,000

REGISTRATION: The Bonds will be issued in fully registered form, and may be exchanged at the expense of the City for similar Bonds of different authorized denominations. Bonds may not be converted to bearer form.

OPTIONAL REDEMPTION: The City reserves the right to redeem all or any portion of the Bonds maturing after January 1, 1999, in inverse order of maturity and by lot within a maturity on January 1, 1999, and on any interest payment date thereafter, at par plus accrued interest to the date fixed for redemption.

Notice of any call for redemption, unless waived by the holders of the Bonds to be redeemed, shall be mailed not less than thirty days and not more than sixty days prior to such call to the registered owners of the Bonds, and otherwise given as required by the authorizing Bond resolution/ordinance and by law; however, any failure to give notice shall not invalidate the redemption of the Bonds. All Bonds called for redemption shall cease to bear interest from the date designated in the notice.

PAYMENT: Principal and interest are payable, either at maturity or upon earlier redemption, by check or draft through the principal corporate trust office of the registrar and paying agent of the City, which will be a bank in Portland, Oregon.

PURPOSE: The Bonds are being issued to finance, in part, library improvements. The Bonds were authorized at a special election held within the City on June 27, 1989.

SECURITY: The Bonds are general obligations of the City. The City has covenanted to levy an ad valorem tax annually which, with other available funds, will be sufficient to pay Bond principal and interest as they come due.

LEGAL OPINION: The approving opinion of Lindsay, Hart, Neil & Weigler, Lawyers, of Portland, Oregon, will be provided at no cost to the purchaser, and will be printed on the Bonds at the expense of the City.

TAX EXEMPT STATUS: In the opinion of Bond Counsel, under existing law and conditioned on the City complying with certain covenants relating to the tax-exempt status of the Bonds, interest on the Bonds is excluded from gross income for federal income tax purposes (except for certain taxes on corporations).

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The Bonds are not "private activity bonds" under Section 141 of the Internal Revenue Code of 1986, as amended (the "Code").

In the opinion of Bond Counsel, the interest on the Bonds is exempt from personal income taxation by the State of Oregon under present state law.

The City has the legal authority to comply with its covenants.

**BANK PURCHASE:** The City has designated the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

**BEST BID:** The Bonds will be awarded to the responsible bidder whose proposal will result in the lowest true interest cost to the City. True interest cost will be determined by doubling the semiannual interest rate necessary to discount the debt service to September 1, 1989, and the price bid for the Bonds. Each bidder is requested to supply the total interest cost and the true interest cost that the City will pay upon the issue if the bid is accepted. The purchaser must pay accrued interest, computed on a 360-day basis, from the date of the Bonds to the date of delivery. The cost of printing the Bonds will be paid by the City.

**CERTIFICATE OF REOFFERING PRICE:** The successful bidder shall provide to the City's Bond Counsel not less than three (3) business days prior to closing a certificate stating that the successful bidder: (1) shall offer all bonds in each maturity for sale to the general public at a price no greater than the certified reoffering price until at least ten percent (10%) of the principal amount of each maturity is sold at a price less than or equal to the certified reoffering price; or (2) has purchased the bonds for its own portfolio without intention to resell the bonds; or (3) has made a bona fide private placement of the bonds and the terms of such private placement. Failure to honor this agreement may result in cancellation of the sale and forfeiture of the successful bidder's good faith deposit.

**DELIVERY:** Delivery of the Bonds will be made without cost to the successful bidder at such bank in the City of Portland, Oregon, as the successful bidder shall name. Payment for the Bonds must be made in federal funds. Delivery of the Bonds will be made within thirty (30) days.

**FORM OF BID:** All bids must be for not less than all the Bonds hereby offered for sale, and for not less than ninety-eight percent (98%) of the par value thereof and accrued interest to the date of delivery. Each bid together with bidder's check as herein specified must be enclosed in a sealed envelope addressed to the City and designated "Proposal for Bonds".

**BID CHECK:** All bids must be unconditional and accompanied by a certified or cashier's check on a bank doing business in the

State of Oregon for TWELVE THOUSAND DOLLARS (\$12,000) payable to the order of the City to secure the City from any loss resulting from the failure of the bidder to comply with the terms of its bid. Checks will be forfeited to the City as liquidated damages in case the bidder to whom the Bonds are awarded withdraws its bid or fails to complete its purchase in accordance with the terms thereof. No interest shall be allowed on the deposit but the check of the successful bidder will be retained as part payment of the Bonds or for liquidated damages as described above. Checks of the unsuccessful bidders will be returned by the City promptly.

RIGHT OF REJECTION: The City reserves the right to reject any or all bids, and to waive any irregularities.

OFFICIAL STATEMENT: Copies of the official statement are available upon request from the financial advisor, Kendall Hansen, United States National Bank of Oregon, Public Finance Department, 10th Floor, 111 S.W. Fifth Avenue, Portland, Oregon, 97204, (503) 275-3744.

POTENTIAL BID: The financial advisor may submit a bid or participate in a bidding syndicate.

CUSIP: CUSIP numbers will be imprinted upon all Bonds of this issue at the City's expense. Failure to print, or improperly imprinted numbers will not constitute basis for the purchaser to refuse to accept delivery.

NO LITIGATION: At the time of payment for the delivery of said Bonds, the City will furnish the successful bidder a certificate that there is no litigation pending affecting the validity of the Bonds.

FURTHER INFORMATION: Additional information may be obtained from the City by contacting Michael J. Jordan, City Administrator 182 N. Holly, P. O. Box 930, Canby, Oregon 97013, (503) 266-4012.

Michael J. Jordan, Administrator  
City of Canby, Oregon

EXHIBIT "A"

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