

RESOLUTION NO. 957

A RESOLUTION OF CITY OF CANBY, CLACKAMAS COUNTY, OREGON, AUTHORIZING THE ISSUANCE OF WATER SYSTEM REVENUE BONDS IN A MAXIMUM PRINCIPAL AMOUNT OF \$4,000,000, AND PROVIDING FOR PUBLICATION OF NOTICE.

The City of Canby resolves as follows:

Section 1. Findings

The Council finds as follows:

1.1 It is financially feasible and in the best interests of the City to authorize the issuance of bonds under the Uniform Revenue Bond Act to finance improvements to the City's water system, including source, storage, treatment and distribution improvements and related costs (the "Projects").

1.2 The City is authorized to issue revenue bonds for any public purpose under Oregon's Uniform Revenue Bond Act (ORS 288.805 to 288.945 or the "Act"). Revenue bonds issued under the Act may be payable from all or any portion of the water system revenues of the City (the "Water System Revenues").

1.3 It is desirable to obtain \$4,000,000 of bonding authority to finance the Projects.

1.4 The City will cause a plan to be prepared showing that the City's estimated Water System Revenues which are pledged to pay each series of bonds authorized by this resolution will be sufficient to pay that series.

Section 2. Bond Issuance Authorized

The City hereby authorizes the issuance of not more than Four Million Dollars (\$4,000,000) in aggregate principal amount of revenue bonds to finance the Projects and pay related costs. The bonds shall be issued and sold in accordance with the Act, and shall be payable solely from the Water System Revenues which the City pledges to pay the bonds.

Section 3. Notice; Procedure

3.1 No bonds may be sold pursuant to Section 5, and no purchase agreement for the bonds may be executed, until at least sixty (60) days after publication of the Notice of Revenue Bond Authorization, which is attached to this resolution as Exhibit "A" (the "Notice"). The Notice shall specify the last date on which petitions may be submitted, and shall be published in at least one newspaper of general circulation in the City in the same manner as are other public notices of the City.

3.2 If petitions for an election, containing valid signatures of not less than five percent (5%) of the City's electors, are received by the date indicated in the Notice: the question of issuing the bonds shall be placed on the ballot at the next legally available election date; and, no bonds may

be sold under this ordinance until the question of issuing those bonds is approved by a majority of the electors of the City who vote on that question.

Section 4. Bonds Payable Solely from Water System Revenues

The bonds shall not be general obligations of the City, and neither the authorization nor issuance of the bonds shall authorize the City to levy any additional taxes. The bonds shall be payable solely from the portion of the Water System Revenues which the City pledges to payment of the bonds pursuant to ORS 288.825(1) and the resolution to be adopted by the City pursuant to Section 2 of this resolution.

Section 5. Bond Sale Authorized

5.1 Subject to the limitations in Section 3 of this resolution, the City hereby authorizes the sale and delivery of the water revenue bonds described in Section 2 of this resolution (the "Series 2007 Bonds") in accordance with this resolution and the City's Master Water Revenue Bonds Declaration that is dated as of September 30, 2004 (the "Master Declaration"), and that was executed by the City in connection with the issuance of the City's Water Revenue Bonds, Series 2004.

5.2 The Series 2007 Bonds shall be special obligations of the City that are payable solely from the revenues of the City's water system and related amounts that are pledged as provided in the Master Declaration.

Section 6. Delegation

The General Manager of the Utility Board, the Finance Manager of the Utility Board, or any person designated by the City Council to act as on behalf of the City under this resolution (any of whom is referred to in this resolution as a "Canby Utility Board Official") may, on behalf of the City:

6.1 Participate in the preparation of, authorize the distribution of, and deem final the preliminary and final official statements and any other disclosure documents for the Series 2007 Bonds.

6.2 Establish the final principal amounts, maturity schedules, interest rates, sale prices, redemption terms, payment terms and dates, record dates and other terms for the Series 2007 Bonds, and either publish a notice of sale, receive bids and award the sale of that series to the bidder complying with the notice and offering the most favorable terms to the City, or select one or more underwriters and negotiate the sale of that series with those underwriters.

6.3 Undertake to provide continuing disclosure for the Series 2007 Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission.

6.4 Apply for and purchase municipal bond insurance, reserve sureties or other forms of credit enhancements for the Series 2007 Bonds, and enter into related agreements.

6.5 Finalize the terms of, execute and deliver supplements or amendments to the Master Declaration that are desirable in connection with the Series 2007 Bonds.

6.6 Appoint and enter into agreements with paying agents and other professionals and service providers.

6.7 Enter into covenants to maintain the excludability of Series 2007 Bond interest from gross income under the Internal Revenue Code of 1986, as amended (the "Code").

6.8 Designate the Series 2007 Bonds as qualified tax-exempt obligations pursuant to Section 265(b)(3) of the Code.

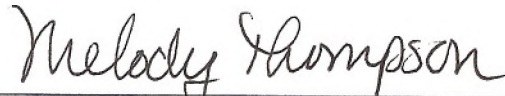
6.9 Execute any documents and take any other action in connection with the Series 2007 Bonds which the Canby Utility Board Official finds will be advantageous to the City.

Section 7. Effective Date

This resolution takes effect on the date of its adoption by the City Council.

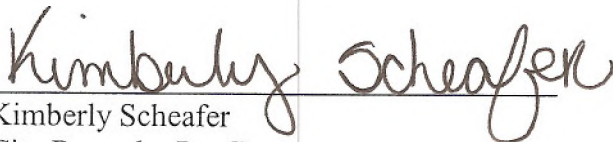
The foregoing Resolution was adopted this 1st day of August, 2007.

City of Canby



Melody Thompson
Mayor

Attest:



Kimberly Scheafer
City Recorder Pro-Tem

Exhibit A

Notice of Revenue Bond Authorization

NOTICE IS HEREBY GIVEN that the City Council of the City of Canby, Oregon (the "City"), adopted Resolution No. 957 on August 1, 2007, authorizing the issuance and sale of water system revenue bonds to finance improvements to the City's water system, including source, storage, treatment and distribution improvements and related costs (the "Projects").

The revenue bonds described in this notice will not be issued in an aggregate principal amount of more than Four Million Dollars (\$4,000,000). The bonds shall be payable solely from the portion of the "revenues" (as defined in the Uniform Revenue Bond Act ORS 288.805 to 288.945, or the "Act") from the City's water system which the City pledges to the payment of the bonds. The bonds shall not be general obligations of the City, nor a charge upon its tax revenues, but will be payable solely from the revenues which the City pledges to the payment of the bonds.

If written petitions requesting an election on the issuance of the bonds, signed by not less than five percent (5%) of the City's electors, are filed at the Office of the City Recorder on or before October 3, 2007, the question of issuing the bonds shall be placed on the ballot at the next legally available election date and the bonds will not be sold unless the bonds are approved at that election.

The Office of the City Recorder is located at 182 N. Holly, Canby, Oregon 97013.

The resolution authorizing the bonds is available for inspection at the Office of the City Recorder.

The bonds will be issued and sold under the Act; this Notice is published pursuant to ORS 288.815(6).

By order of
THE CITY COUNCIL OF CITY OF CANBY,
Clackamas County, Oregon