

RESOLUTION NO. 851-R

A RESOLUTION OF THE CITY OF TROUTDALE, MULTNOMAH COUNTY, OREGON, AUTHORIZING ISSUANCE OF GENERAL OBLIGATION IMPROVEMENT BONDS FOR THE PURPOSE OF FINANCING LOCAL IMPROVEMENTS.

THE CITY OF TROUTDALE, OREGON (THE "CITY") RESOLVES AS FOLLOWS:

Section 1. Issue. The City shall issue its General Obligation Improvement Bonds, Series 1990, in the amount of \$3,293,795, to be dated October 1, 1990, to be in denominations of Five Thousand Dollars (\$5,000) or integral multiples thereof, except for one bond of an odd amount, to bear interest payable on October 1 and April 1 of each year until maturity or prior redemption, commencing April 1, 1991, and to mature serially or be subject to mandatory redemption on October 1 of each year as follows:

SERIAL BONDS

<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
1991	\$ 233,795	1994	\$295,000
1992	255,000	1995	315,000
1993	275,000	1996	335,000

TERM BOND

2000 \$1,585,000

Section 2. No Redemption of Serial Bonds. The Serial Bonds are not subject to prior call and redemption.

Section 3. Optional Redemption. The City reserves the right to redeem all or any portion of the Term Bond maturing on October 1, 2000, in integral multiples of \$5,000, by lot, on April 1, 1991, and on any interest payment date thereafter, at par plus accrued interest to the redemption date, to the extent that available revenues exceed scheduled debt service.

Section 4. Mandatory Redemption of Term Bond. If not previously called pursuant to Section 3 hereof, the Term Bond maturing on October 1, 2000 shall be subject to mandatory

redemption, in integral multiples of \$5,000, by lot, on October 1 in the following years and in the following amounts:

<u>Year</u>	<u>Amount</u>
1997	\$ 360,000
1998	380,000
1999	410,000
2000	435,000*
Total	<u>\$1,585,000</u>

* Maturity

Section 5. Notice of Redemption. Unless waived by any owner 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 30 days and not more than 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.

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,
- (d) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and
- (e) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust 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 Bonds or portions of Bonds which are to be redeemed on that date.

Official 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 surrender of such Bonds for redemption in accordance with said notice, such 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 Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal. All Bonds which have been redeemed shall be cancelled and delivered in accordance with directions of the Finance Recorder by the Registrar and shall not be reissued.

In addition to the foregoing notice, further notice shall be given by the Registrar as set out below, but 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.

(i) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (A) the CUSIP numbers of all Bonds being redeemed; (B) the date of issue of the Bonds as originally issued; (C) the rate of interest borne by each bond being redeemed; (D) the maturity date of each bond being redeemed; and (E) any other descriptive information needed to identify accurately the Bonds being redeemed.

(ii) Each further notice of redemption shall be sent at least 35 days before the redemption date by registered or certified mail or overnight delivery service to Depository Trust Company of New York, New York, and to one or more national information services that disseminate notices of redemption of obligations such as the bonds (such as Financial Information, Inc.'s Financial Daily Called Bond Service; Interactive Data Corporation's Bond Service; Kenny Information Service's Called Bond Service; Moody's Municipal and Government; and Standard and Poor's Called Bond Record.

(iii) Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number

indebted and hereby promises to pay to the registered owner hereof, or registered assigns, the principal amount stated above on the above maturity date together with interest thereon from the date hereof at the rate per annum indicated above. Interest is payable semiannually on the first day of October and the first day of April in each year until maturity or prior redemption, commencing April 1, 1991. 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 Security Pacific Bank, in Portland, Oregon (the "Registrar"). A check or draft will be mailed on the interest payment date or redemption date (or the next business day if the interest payment date or redemption date is not a business day) to the registered owner at the address appearing on the bond register as of the fifteenth day of the month prior to the interest payment date. Bond principal is payable at maturity or early redemption 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 Board has provided for the levying annually of a direct ad valorem tax upon all the property within the boundaries of 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 Troutdale, Oregon, has caused this bond 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 date indicated above.

Mayor, City of Troutdale

(SEAL)

Recorder, City of Troutdale

RDR\67670012.RES
September 26, 1990

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

DATED:

CERTIFICATE OF AUTHENTICATION

This is one of the City's \$3,293,795 General Obligation Improvement Bonds, Series 1990, issued pursuant to the Resolution described herein.

Security Pacific Bank Oregon

By: _____
Authorized Officer

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 Improvement Bonds, Series 1990, of the City, and is issued by the City to finance local improvements pursuant to the City's authorizing bond resolution (the "Resolution") and Oregon Revised Statutes, Sections 223.205 to 223.295, 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 Serial Bonds are not subject to prior call and redemption.

The City reserves the right to redeem all or any portion of the Term Bond maturing on October 1, 2000, in integral multiples of \$5,000, by lot, on April 1, 1991, and on any interest payment date thereafter, at par plus accrued interest to the redemption date, to the extent that available revenues exceed scheduled debt service.

If not previously called pursuant to Section 3 hereof, the Term Bond maturing on October 1, 2000 shall be subject to mandatory redemption, in integral multiples of \$5,000, by lot, on October 1 in the following years and in the following amounts:

<u>Year</u>	<u>Amount</u>
1997	\$ 360,000
1998	380,000
1999	410,000
2000	435,000*

RDR\67670012.RES
September 26, 1990

Total \$1,585,000

* Maturity

Notice of any call or redemption, unless waived by the registered owners 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 law and the authorizing Resolution; 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 integral multiple thereof. Bonds may be exchanged for bonds of the same aggregate principal amount, but different authorized denominations, as provided in the Resolution.

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 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.

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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.

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 _____
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.

Section 9. Authentication, Registration and Transfer.

(a) No bond shall be entitled to any right or benefit under this Resolution (the "Resolution") unless it shall have been authenticated by an authorized officer of the City's paying agent and registrar (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 Resolution.

(b) All bonds shall be in registered form. The City shall appoint a Registrar for the bonds. A successor Registrar may be appointed for the bonds by order or resolution of the

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City. The Registrar shall provide notice to bondowners of any change in the Registrar not later than the bond payment date following the change in Registrar.

(c) 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.

(d) The Registrar shall mail each interest payment on the interest payment date (or the next business day if the interest payment date is not a business day) to the name and address of the bondowner as they appear on the bond register as of the fifteenth 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 payment.

(e) 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 bondowner submits the following to the Registrar:

(i) written instructions for exchange or transfer satisfactory to the Registrar, signed by the bondowner or his attorney in fact and guaranteed or witnessed in a manner satisfactory to the Registrar; and

(ii) the bonds to be exchanged or transferred.

(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 register.

(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 45 days after notice is mailed.

Section 10. Maintenance of Tax-Exempt Status. The City covenants for the benefit of the owners of the bonds not to take any action or omit any action if the taking or omission would cause interest paid on the bonds to be includable in gross income of the bondowners for federal income tax purposes (except for certain taxes on corporations) under present federal tax laws. The City covenants that it will not use the proceeds of the bonds in a fashion which would cause the bonds to be "private activity bonds" under Section 141 of the Internal Revenue Code of 1986, as amended (the "Code"). The City also covenants that it will pay all rebates to the United States which may be due in connection with the bonds, as required by Section 148(f) of the Code. The Court may enter into covenants on behalf of the City to protect the tax-exempt status of the bonds.

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 11. Designation of Bonds as Qualified Tax-Exempt Obligations. The City hereby 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 does not reasonably expect to issue more than \$10,000,000 of tax-exempt obligations during the current calendar year.

Section 12. Sale of Bonds. The Finance Director (the "Director") shall establish the final sale date, payment dates, maturity schedule, interest payment dates, redemption provisions, and other terms on which the Bonds shall be offered for sale, and shall cause a notice of sale (or summary) incorporating those terms to be published in the Gresham Outlook, the Daily Journal of Commerce, Portland, Oregon, and The Bond Buyer, New York, New York, as provided by law. The notice of sale shall be in substantially the form attached hereto as Exhibit A, with such changes as the Director may approve.

DATED this 25th day of September, 1990.

CITY OF TROUTDALE, OREGON

By: Sam R. Cox
Mayor

RDR\67670012.RES
September 26, 1990

By:

James J. DeLeon
Recorder

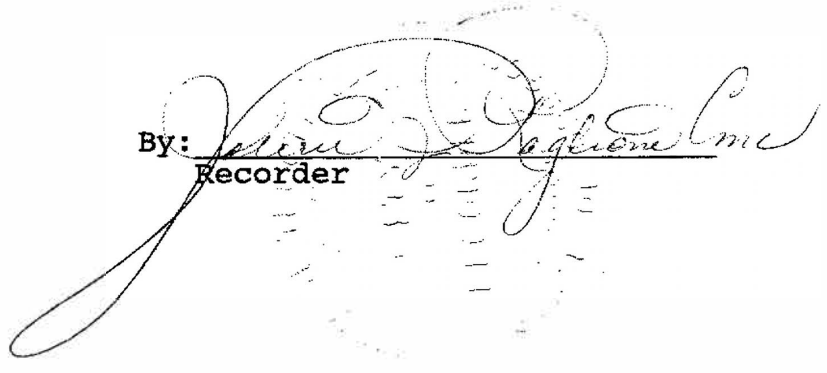
A large, stylized handwritten signature in cursive script, which appears to read "James J. DeLeon". The signature is written over a faint, circular stamp that is mostly illegible.

EXHIBIT A

OFFICIAL NOTICE OF BOND SALE

\$3,293,795

**CITY OF TROUTDALE
COUNTY OF MULTNOMAH
STATE OF OREGON**

**GENERAL OBLIGATION IMPROVEMENT BONDS
SERIES 1990**

NOTICE IS HEREBY GIVEN that sealed bids will be received on behalf of City of Troutdale, Oregon (the "City"), for the purchase of its General Obligation Improvement Bonds, Series 1990 (the "bonds"), until 10:00 o'clock a.m. (Pacific Time) on Tuesday, October 16, 1990, at the offices of Preston Thorgrimson Shidler Gates & Ellis, Bond Counsel, Suite 3200, 111 S.W. Fifth Avenue, Portland, Oregon 97204-3635, 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 Three Million Two Hundred Ninety-Three Thousand Seven Hundred Ninety-Five Dollars (\$3,293,795) consisting of registered bonds in denominations of Five Thousand Dollars (\$5,000) or integral multiples thereof, except for one bond of an odd amount, all dated October 1, 1990.

INTEREST RATE: The maximum interest rate shall not exceed a true interest cost of Eight percent (8%) per annum. Interest is payable semiannually on April 1 and October 1 of each year until maturity or prior redemption, commencing April 1, 1991. 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; and (5) the difference between the highest and lowest interest rates specified shall not exceed five percent (5%).

MATURITIES: The bonds shall mature on the first day of October of each year as follows:

SERIAL BONDS

<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
1991	\$ 233,795	1994	\$295,000
1992	255,000	1995	315,000
1993	275,000	1996	335,000

TERM BOND

2000	\$1,585,000
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NO REDEMPTION OF SERIAL BONDS: The Serial Bonds are not subject to prior call and redemption.

OPTIONAL REDEMPTION: The City reserves the right to redeem all or any portion of the Term Bond maturing on October 1, 2000, in integral multiples of \$5,000, by lot, on April 1, 1991, and on any interest payment date thereafter, at par plus accrued interest to the redemption date, to the extent that available revenues exceed scheduled debt service.

MANDATORY REDEMPTION OF TERM BOND: If not previously called pursuant to Section 3 hereof, the Term Bond maturing on October 1, 2000 shall be subject to mandatory redemption, in integral multiples of \$5,000, by lot, on October 1 in the following years and in the following amounts:

<u>Year</u>	<u>Amount</u>
1997	\$ 360,000
1998	380,000
1999	410,000
2000	435,000*
Total	\$1,585,000

* Maturity

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.

NOTICE OF REDEMPTION: Notice of any call for redemption, unless waived by the registered owners of the bond or 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 order 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 is currently Security Pacific Bank Oregon, in Portland, Oregon.

PURPOSE: The bonds are being issued to finance the construction of local improvements.

SECURITY: The City has assessed benefited properties for the costs of local improvements and has received applications to pay assessments in installments. All assessment installments will be placed in the Bancroft Bond Redemption Fund and applied to the payment of principal and interest on the bonds. The bonds are also 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 Preston Thorgrimson Shidler Gates & Ellis, Bond Counsel, 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, assuming compliance by the City with its covenants relating to the tax-exempt status of the bonds, interest on the bonds is excluded from gross income of bondowners for federal income tax purposes (except for certain taxes on corporations) under present federal tax laws and from personal income taxation by the State of Oregon under present state law. The bonds are not "private activity bonds" under Section 141 of the Internal Revenue Code of 1986 (the "Code").

Bond Counsel expresses no opinion regarding other federal or state tax consequences arising with respect to the bonds.

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

BANK ELIGIBLE: The City hereby 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 does not reasonably expect to issue more than \$10,000,000 of tax-exempt obligations during the current calendar year.

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 October 1, 1991 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.

REOFFERING PRICE: The successful bidder must certify the initial reoffering price for the bonds to Bond Counsel, in a manner satisfactory to Bond Counsel, not less than three business days prior to closing.

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; through The Depository Trust Company, New York, New York; or elsewhere at the request and expense of the bidder. Payment for the bonds must be made in federal funds. Delivery of the bonds will be made within thirty days.

FORM OF BID: All bids must be for not less than all the bonds hereby offered for sale, and for not less than one hundred percent (100%) 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 Seventy Thousand Dollars (\$70,000) 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.

PRELIMINARY OFFICIAL STATEMENT: The City has prepared a "nearly final" preliminary official statement relating to the bonds, a copy of which will be furnished upon request to the City's financial advisor, Seattle Northwest Securities, Portland, Oregon, telephone: (503) 275-8300; attention: Catherine Tamaro.

COMPLIANCE WITH SEC RULES: The City agrees to provide the successful bidder with up to 150 copies of the official statement in a form "deemed final" by the City for the bonds at the expense of the City, not later than the seventh business day following the date on which bids are due. Bidders should expect that the official statements will not be available prior to the seventh business day following the date on which bids are due, and should not issue confirmations which request payment prior to that date. The successful bidder must provide the reoffering yields or prices which will be printed on the cover of the final official statement to the City's financial advisor within twenty-four hours after bids are opened. This provision will constitute a contract with the successful bidder upon acceptance of its bid by the City, in compliance with Section 240.15c2-12(b)(3) in Chapter II of Title 17 of the Code of Federal Regulations.

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 regarding the City and this sale may be obtained from the City's financial advisor or Robert Gazewood, Finance Director, City of Troutdale, 104 S.E. Kibling Street, Troutdale, Oregon 97060, telephone: (503) 665-5175.

BY RESOLUTION AND ORDER OF
COMMON COUNCIL
CITY OF TROUTDALE, OREGON