

**RESOLUTION NO. 1099-94**

**RESOLUTION OF CITY OF TROUTDALE, MULTNOMAH COUNTY, OREGON  
AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS TO  
FINANCE PARKS, INCLUDING CAPITAL IMPROVEMENTS AND LAND  
ACQUISITION AND TO PAY ALL COST INCIDENTAL THERETO.**

WHEREAS, this City Council submitted to the legal voters of the City of Troutdale, Multnomah County, State of Oregon (the "City"), the question of contracting a general obligation bonded indebtedness in the sum of \$600,000 to finance parks, including capital improvements and land acquisition and to pay all costs incidental thereto; and

WHEREAS, the election was duly and legally held on September 15, 1994, 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; and

WHEREAS, the City sold its General Obligation Bonds, Series 1993, in the amount of \$300,000, leaving authorized but unissued bonds in the amount of \$300,000; now, therefore,

The City of Troutdale, Multnomah County, Oregon, resolves as follows:

**Section 1. Issue.**

1.1. For the above purposes, the City shall issue its General Obligation Bonds, Series 1994 (the "Bonds"), in the amount of Three Hundred Thousand Dollars (\$300,000), to be dated June 1, 1994, to be in denominations of Five Thousand Dollars (\$5,000) or integral multiples thereof, to bear interest payable on February 1 and August 1 of each year until maturity or prior redemption, commencing February 1, 1995, and to mature on February 1 of each year as follows:

<i>Date</i>	<i>Amount</i>	<i>Date</i>	<i>Amount</i>
1995	\$35,000	2000	\$30,000
1996	25,000	2001	30,000
1997	25,000	2002	30,000
1998	25,000	2003	35,000
1999	30,000	2004	35,000

## **Section 2. Bond Book-Entry-Form.**

2.1. The Bonds shall be initially issued in book-entry-form, with no Bonds being made available to the Bondowners. The City Recorder shall execute and deliver letters of representations to The Depository Trust Company, New York, New York ("DTC") for the Bonds, in form and substance satisfactory to DTC. So long as the Bonds are in book-entry form:

2.1.1. Ownership of the Bonds shall be recorded through entries on the books of banks and broker-dealer participants and correspondents that are related to entries on the DTC system. The Bonds shall be initially issued in the form of a global bond. Each global bond shall be registered in the name of Cede & Co. as nominee of DTC as the owner of the Bond, and such global bonds shall be lodged with DTC until early redemption or maturity of the Bond issue.

2.1.2. The Registrar shall remit payment for the maturing principal and interest on the Bonds to DTC as owner of the Bonds for distribution by the nominee to the beneficial owners by recorded entry on the books of DTC participants and correspondents. While the Bonds are in book-entry-form, the Bonds will be available in denominations of \$5,000 or any integral multiple thereof.

2.2. In the event DTC determines not to continue to act as securities depository for the Bonds, or the City determines that DTC shall no longer so act; then the City will discontinue maintaining the Bonds in the book-entry-form with DTC.

2.3. Notwithstanding the provisions regarding exchange and transfer of Bonds set forth in this Resolution, while the Bonds are in book-entry-form they may not be transferred or exchanged on the registration books maintained by the Paying Agent except:

2.3.1. to any successor depository designated by the City as provided below;

2.3.2. to any successor nominee designated by a depository; or

2.3.3. if the City elects to discontinue maintaining the Bonds in book-entry-form, the City shall cause the Paying Agent to authenticate and deliver replacement Bonds in fully registered form in authorized denominations in the names of the beneficial owners or their nominees; thereafter the provisions set forth herein, regarding registration, transfer and exchange of Bonds shall apply.

2.4. Upon the resignation of any institution acting as depository hereunder, or if the City determines that continuation of any institution in the role of depository is not in the best interests of the beneficial owners, the City shall attempt to identify another institution qualified to act as depository hereunder or shall discontinue maintaining the Bonds in book-entry-form by resolution or ordinance. If the City is unable to identify such successor depository prior to the effective date of the resignation, the City shall discontinue maintaining the Bonds in book-entry-form as provided above.

2.5. With respect to Bonds registered in the registration books maintained by the Paying Agent in the name of the nominee of DTC, the City and the Paying Agent shall have no responsibility or obligation to any participant or correspondent of DTC or to any beneficial owner on behalf of which such participants or correspondents act as agent for the beneficial owner with respect to:

2.5.1. the accuracy of the records of DTC, the Nominee or any participant or correspondent with respect to any beneficial owner's interest in the Bonds;

2.5.2. the delivery to any participant or correspondent or any other person of any notice with respect to the Bonds, including any notice of prepayment;

2.5.3. the selection by DTC of the beneficial interest in Bonds to be redeemed prior to maturity; or

2.5.4. the payment to any participant, correspondent, or any other person other than the registered owner of the Bonds as shown in the registration books maintained by the Paying Agent, of any amount with respect to principal or interest on the Bonds.

2.6. So long as the Bonds are in book-entry-form, the Paying Agent will give any notice of redemption or any other notices required to be given to registered owners of Bonds only to DTC or its nominee registered as the registered owner thereof. Any failure of DTC to advise any of its participants, or of any participant to notify the beneficial owner, of any such notice and its content or effect will not affect the validity of the redemption of the Bonds called for redemption or of any other action premised on such notice. Neither the City nor the Paying Agent is responsible or liable for the failure of DTC or any participant to make any payment or give any notice to a beneficial owner in respect of the Bonds or any error or delay relating thereto.

2.7. The City shall pay or cause to be paid all principal and interest on the Bonds only to or upon the order of the owner, as shown in the registration books maintained by the Paying Agent, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligation with respect to payment thereof to the extent of the sum or sums so paid.

2.8. Upon delivery by DTC to the City and to the owner of written notice to the effect that DTC has determined to substitute a new nominee in place of the nominee, then the word "nominee" in this Resolution shall refer to such new nominee of DTC, and upon receipt of such notice, the City shall promptly deliver a copy thereof to the Paying Agent. DTC shall tender the Bonds it holds to the Paying Agent for reregistration.

2.9. The provisions of this Section may be modified without the consent of the beneficial owners in order to conform this Section to the standard practices of DTC for bonds issued in book-entry-form.

### **Section 3. Optional Redemption.**

3.1. The City reserves the right to redeem all or any portion of the Bonds maturing after February 1, 2000, by lot on August 1, 2000, and on any interest payment date thereafter, at par plus accrued interest to the date fixed for redemption.

### **Section 4. Notice of Redemption of Bonds (DTC).**

4.1. Notice of Redemption (DTC). So long as the Bonds are in book-entry form, the Paying Agent shall notify DTC of any early redemption not less than 30 days prior to the date fixed for redemption, and shall provide such information in connection therewith as required by a letter of representation submitted to DTC in connection with the issuance of Bonds.

### **Section 5. Notice of Redemption (No DTC).**

5.1. During any period in which the Bonds are not in book-entry form, unless waived by any Owner of the Bonds to be redeemed, official notice of any redemption of bonds shall be given by the Paying Agent on behalf of the City by mailing a copy of an official redemption notice by first class mail postage prepaid at least 30 days and not more than 60 days prior to the date fixed for redemption to the 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 owner to the Paying Agent. The City shall notify the Paying Agent of any intended redemption not less than 45 days prior to the redemption date. All such official notices of redemption shall be dated and shall state:

5.1.1. the redemption date.

5.1.2. the redemption price,

5.1.3. 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,

5.1.4. 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

5.1.5. the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Paying Agent.

5.2. 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.

5.3. 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 Bonds, 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 canceled and destroyed by the Registrar and shall not be reissued.

5.4. 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.

5.4.1. Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (i) the CUSIP numbers of all Bonds being redeemed; (ii) the date of issue of the Bonds as originally issued; (iii) the rate of interest borne by each Bond being redeemed; (iv) the maturity date of each Bond being redeemed; and (v) any other descriptive information needed to identify accurately the Bonds being redeemed.

5.4.2. 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 all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds (such depositories now being Depository Trust Company of New York, New York, Midwest Securities Trust Company of Chicago, Illinois, Pacific Securities Depository Trust Company of San Francisco, California and Philadelphia Depository Trust Company of Philadelphia, Pennsylvania) 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.

5.4.3. Each such further notice shall be published one time in *The Bond Buyer* of New York, New York or, if such publication is impractical or unlikely to reach a substantial number of the holders of the Bonds, in some other financial newspaper or journal which regularly carries notices of redemption of other obligations similar to the Bonds, such publication to be made at least 30 days prior to the date fixed for redemption.

5.4.4. 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 identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

## **Section 6. Authentication, Registration and Transfer.**

6.1. No Bond shall be entitled to any right or benefit under this Resolution unless it shall have been authenticated by an authorized officer of the Paying Agent. The Paying Agent shall authenticate all Bonds to be delivered at closing of the Bonds, and shall additionally authenticate all Bonds properly surrendered for exchange or transfer pursuant to this Resolution.

6.2. The ownership of all Bonds shall be entered in the bond register maintained by the Paying Agent, and the City and the Paying Agent may treat the person listed as owner in the bond register as the owner of the Bond for all purposes.

6.3. While the bonds are in book-entry-form, the Paying Agent shall transfer Bond principal and interest payments in the manner required by DTC.

6.4. If the Bonds cease to be in book-entry-form, the Paying Agent shall mail each interest payment on the interest payment date ( or the next business day of the payment date is not a business day) to the name and address of the Bondowners 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 Paying Agent shall have any further liability to any party for such payment.

6.5. 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 Bondowner submits the following to the Paying Agent:

6.5.1. written instructions for exchange or transfer satisfactory to the Paying Agent, signed by the Bondowner or attorney in fact and guaranteed or witnessed in a manner satisfactory to the Paying Agent; and

6.5.2. the Bonds to be exchanged or transferred.

6.6. Bonds shall be considered submitted to the Paying Agent on the date the Paying Agent actually receives these materials described above.

6.7. The Paying Agent 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.

6.8. The Paying Agent 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.

6.9. 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 7. Security.**

7.1. The full faith and credit of the City are pledged to the successive owners of each of the 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, without limit as to rate or amount, in sufficient amount, after taking into consideration discounts taken and delinquencies that may occur in the payment of such taxes and other monies available for the payment of debt service on the Bonds, to pay the Bonds promptly as they mature, and the City covenants with the owners of its Bonds to levy such a tax annually during each year that any of the Bonds, or Bonds issued to refund them, are outstanding.

## **Section 8. Maintenance of Tax-Exempt Status.**

8.1. 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:

8.1.1. 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.

8.1.2. 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.

8.1.3. The City shall comply with all reporting requirements.

8.1.4. The City shall pay any required rebates to the federal government.

8.1.5. 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 9. Designation of Bonds as Qualified Tax-Exempt Obligations.**

9.1. 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 10. Rebate Exemption.**

10.1. 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 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 1994 which have an aggregate face amount of more than \$5,000,000. Accordingly, under Section 148(f)(4)(c) of the Code, [no rebate] (rebates) to the United States [is] [are] required to be paid in connection with the Bonds.

#### **Section 11. Defeasance.**

11.1. The City may defease the Bonds by setting aside, with a duly appointed escrow agent, in a special escrow account irrevocably pledged to the payment of the Bonds to be defeased, cash or direct obligations of the United States in an amount which, in the opinion of a certified public accountant satisfactory to the escrow agent, without reinvestment, is at least equal to the principal amount of the Bonds to be defeased, plus interest which will accrue thereon until maturity or any earlier date for which the issuer has given irrevocable instructions for redemption. Such Bonds shall be paid hereunder, and shall cease to be entitled to any lien, benefit or security under this Bond Resolution except the right to receive payment from such special escrow account; such Bonds shall not for any purpose of this Bond Resolution be deemed outstanding.

#### **Section 12. Expert Advisor.**

12.1. Strand Atkinson is hereby retained as the City's expert advisor.

#### **Section 13. Sale.**

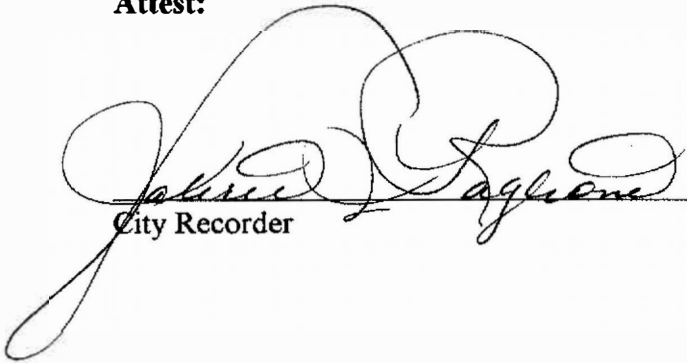
13.1. The City Recorder shall cause to be published in the *Gresham Outlook*, Gresham, Oregon, and in the *Daily Journal of Commerce*, Portland, Oregon, notices of sale of the Bonds in the form substantially as shown on Exhibit A attached hereto and by this reference incorporated herein, or summaries, as provided by law. The Bonds shall be sold upon the terms provided in the Notice of Bond Sale attached as Exhibit A(1). The Bonds shall be sold on the date and at the time and place stated in Exhibit A, unless the Mayor or City Recorder establishes a different date, time, or place.

Adopted by the unanimous vote of the City Council, with a quorum in attendance,  
this 10th day of May, 1994.

**City of Troutdale**

  
\_\_\_\_\_  
Mayor

**Attest:**

  
\_\_\_\_\_  
City Recorder