

RESOLUTION NO. 1925

A RESOLUTION OF THE CITY OF TROUTDALE, MULTNOMAH COUNTY, OREGON AUTHORIZING THE ISSUANCE, NEGOTIATED SALE AND DELIVERY OF GENERAL OBLIGATION REFUNDING BONDS; AUTHORIZING SUBMISSION OF AN ADVANCE REFUNDING PLAN TO THE OREGON STATE TREASURER; DESIGNATING AN AUTHORIZED REPRESENTATIVE, BOND COUNSEL AND UNDERWRITER; DELEGATING THE APPROVAL AND DISTRIBUTION OF THE PRELIMINARY AND FINAL OFFICIAL STATEMENTS; AUTHORIZING EXECUTION OF A BOND PURCHASE AGREEMENT; AND RELATED MATTERS.

THE CITY COUNCIL (the "Council") OF THE CITY OF TROUTDALE, MULTNOMAH COUNTY, OREGON finds and resolves:

SECTION 1. FINDINGS

- a. The City previously issued its General Obligation Bonds, Series 1999, dated February 1, 1999 (the "1999 Bonds") for capital construction and capital improvements, which were authorized by approving vote of the electors of the City; and
- b. The City is authorized pursuant to the Oregon Constitution and Oregon Revised Statutes Chapter 287 to issue advance refunding bonds for the refunding of all or a portion of its outstanding 1999 Bonds (the "Refundable Bonds"); and
- c. The City has determined that it is in the best interest of the taxpayers of the City to advance refund all or a portion of the Refundable Bonds. The Authorized Representative shall select the portion of such Refundable Bonds to be refunded in accordance with Section 13 hereof. Such refunding of the Refundable Bonds will provide significant debt service savings to the City as required by law; and
- d. The City has directed Seattle-Northwest Securities Corporation to prepare an advance refunding plan to submit to the Oregon State Treasurer for review and approval; and
- e. The City adopts this resolution to provide the terms under which advance refunding general obligation bonds may be issued, subject to changes in the municipal bond market providing the required present value savings to the City and the required approval of the Oregon State Treasurer.

SECTION 2. PLAN SUBMISSION

Seattle-Northwest Securities is hereby authorized, on behalf of the City, to submit an advance refunding plan and any amendments to such plan to the Oregon State Treasurer for review and approval to the extent required by law.

SECTION 3. REFUNDING BONDS AUTHORIZED

The City hereby authorizes, ratifies and confirms the issuance of General Obligation Refunding Bonds (the "Refunding Bonds") in an aggregate principal amount sufficient to refund all or a portion of the Refundable Bonds and to pay the costs related to the authorization, sale, issuance and delivery of the Refunding Bonds. Issuance of the Refunding Bonds is also subject to the approval of the state treasurer.

The Refunding Bonds shall be subject to a book-entry only system of ownership and transfer as provided for in Section 9 hereof. The remaining terms of the Refunding Bonds shall be established as provided in Section 13 hereof.

SECTION 4. DESIGNATION OF AUTHORIZED REPRESENTATIVES

The Council designates the City Administrator, Finance Director (each an "Authorized Representative") or a designee of the Authorized Representative to act on behalf of the City as specified in Section 13 hereof.

SECTION 5. SECURITY

The Refunding Bonds are general obligations of the City. The full faith and credit of the City are pledged to the successive owners of each of the Refunding Bonds for the punctual payment of such obligations, when due. The City covenants with the Bondowners to levy annually a direct ad valorem tax upon all of the taxable property within the City in an amount without limitation as to rate or amount, and outside of the limitations of sections 11 and 11b, Article XI of the Oregon Constitution, 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 Refunding Bonds, to pay interest accruing and the principal maturing on the Refunding Bonds promptly when and as they become due. To the extent other monies are not available to the City to timely pay debt service on the Refunding Bonds when due, the City covenants with the Bondowners to levy such a tax annually during each year that any of the Refunding Bonds, or bonds issued to refund them, are outstanding.

SECTION 6. FORM OF REFUNDING BONDS

The Refunding Bonds may be printed or typewritten, and may be issued as one or more temporary Refunding Bonds which shall be exchangeable for definitive Refunding Bonds when definitive Refunding Bonds are available. As book-entry only bonds, the Refunding Bonds shall be prepared by Bond Counsel; otherwise, the Refunding Bonds shall be printed by a financial printer to be selected by the Authorized Representative.

SECTION 7. EXECUTION OF REFUNDING BONDS

The Refunding Bonds shall be executed on behalf of the City with the manual or facsimile signature of the Mayor of the City and attested to by the manual or facsimile signature

of the City Recorder. However, all signatures may be in facsimile form if the Bonds are authenticated by the manual signature of the Bond Registrar.

SECTION 8. AUTHENTICATION, REGISTRATION, PAYMENT, EXCHANGE AND TRANSFER

- a. No Refunding Bond shall be entitled to any right or benefit under this Resolution unless it shall have been authenticated by an authorized officer of the Registrar. The date of authentication shall be the date the Bondowner's name is listed on the Bond register.
- b. All Refunding Bonds shall be in registered form. The Registrar shall authenticate all Refunding Bonds to be delivered at closing of this bond issue, and shall additionally authenticate all Refunding Bonds properly surrendered for exchange or transfer pursuant to this Resolution.
- c. The ownership of all Refunding 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 Refunding Bond for all purposes.
- d. The Registrar shall mail or cause to be delivered the amount due under each Refunding Bond to the registered owner at the address appearing on the bond register on the record date set forth in the official statement for the Refunding Bonds. If payment is so mailed, neither the City nor the Registrar shall have any further liability to any party for such payment.
- e. In the event the book-entry system of ownership is discontinued, Refunding Bonds may be exchanged for equal principal component amounts of Refunding Bonds of the same maturity which are in different authorized denominations, and Refunding Bonds may be transferred to other owners if the Bondowners submit the following to the Registrar:
 - i. written instructions for exchange or transfer satisfactory to the Registrar, signed by the Bondowner or his/her attorney in fact and guaranteed or witnessed in a manner satisfactory to the Registrar; and
 - ii. the Refunding Bonds to be exchanged or transferred.
- f. The Registrar shall not be required to exchange or transfer any Refunding Bonds submitted to it during any period beginning with a Record Date and ending on the next following payment date; however, such Refunding Bonds shall be exchanged or transferred promptly following that payment date.
- g. The Registrar shall not be required to exchange or transfer any Refunding Bonds which have been designated for redemption if such Refunding Bonds are submitted to the Registrar during the 15-day period preceding the designated redemption date.
- h. For purposes of this section, Refunding 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. In the event any Refunding Bond is mutilated, lost, stolen or destroyed, the Registrar may issue a new Refunding Bond of like maturity, interest rate and denomination if the asserted owner of such Refunding Bond provides to the Registrar and the City an

affidavit, certificate or other reliable proof that the Registrar or the City reasonably finds protects the City from conflicting claims for payment under the Refunding Bond.

- j. The City may alter these provisions regarding registration, exchange and transfer by mailing notification of the altered provisions to all Bondowners and the Registrar. 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 9. BOOK-ENTRY SYSTEM

During any time that the Refunding Bonds are held in a book-entry only system (the "Book-Entry System"), the registered owner of all of the Refunding Bonds shall be The Depository Trust Company, New York, New York ("DTC"), and the Refunding Bonds shall be registered in the name of Cede & Co., as nominee for DTC. The City has entered into or shall enter into a Blanket Issuer Letter of Representations (the "Letter") wherein the City represents that it will comply with the requirements stated in DTC's Operational Arrangements as they may be amended from time to time.

Under the Book-Entry System, the Refunding Bonds shall be initially issued in the form of a single fully registered certificate, one for each maturity of the Refunding Bonds. Upon initial issuance, the ownership of such Refunding Bonds shall be registered by the Registrar on the registration books in the name of Cede & Co., as nominee of DTC. The City and the Registrar may treat DTC (or its nominee) as the sole and exclusive registered owner of the Refunding Bonds registered in its name for the purposes of payment of the principal of, redemption price of, and premium, if any, or interest on the Refunding Bonds, selecting the Refunding Bonds or portions thereof to be redeemed, if any, giving notice as required under this Resolution, registering the transfer of Refunding Bonds, obtaining any consent or other action to be taken by the owners and for all other purposes whatsoever; and neither the Registrar nor the City shall be affected by any notice to the contrary. The Registrar shall not have any responsibility or obligation to any person claiming a beneficial ownership interest in the Refunding Bonds under or through DTC or any Participant, or any other person which is not shown on the registration books of the Registrar as being a registered owner, with respect to the accuracy of any records maintained by DTC or any Participant; the payment by DTC or any Participant of any amount in respect of the principal or redemption price of or interest on the Refunding Bonds; any notice or direction which is permitted or required to be given to or received from owners under this Resolution; the selection by DTC or any DTC Participant of any person to receive payment in the event of a partial redemption of the Refunding Bonds; or any consent given or other action taken by DTC as owner; nor shall any DTC Participant or any such person be deemed to be a third party beneficiary of any owners' rights under this Resolution. The Registrar shall pay from moneys available hereunder all principal of and premium, if any, and interest on the Refunding Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal of and premium, if any, and interest on the Refunding Bonds to the extent of the sum or sums so paid. So long as the Refunding Bonds are held in the Book-Entry System, no person other than DTC shall receive an authenticated Refunding Bond for each separate stated maturity evidencing the obligation of the Registrar to make payments of principal of and premium, if any, and interest pursuant to this Resolution. Upon delivery by DTC to the Registrar of DTC's written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions of this Resolution with respect to transfers of Refunding Bonds, the term "Cede & Co.," in this Resolution shall refer to such new nominee of DTC.

At any time it determines that it is in the best interests of the owners, the City may notify the Registrar, and the Registrar will subsequently notify DTC, whereupon DTC will notify the DTC Participants, of the availability through DTC of Bond certificates. In such event, the Registrar shall issue, transfer and exchange, at the City's expense, Bond certificates as requested in writing by DTC in appropriate amounts. DTC may determine to discontinue providing its services with respect to the Refunding Bonds at any time by giving written notice to the Registrar and discharging its responsibilities with respect thereto under applicable law. If DTC resigns as securities depository for the Refunding Bonds, Bond certificates shall be delivered pursuant to this section. Under such circumstances (if there is no successor securities depository), the Registrar shall be obligated to deliver Bond certificates as described in this Resolution, provided that the expense in connection therewith shall be paid by the City. In the event Bond certificates are issued, the provisions of this Resolution shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of, premium, if any, and interest on such Refunding Bonds. Whenever DTC requests the Registrar to do so, the Registrar will cooperate with DTC in taking appropriate action after written notice (a) to make available one or more separate certificates evidencing the Refunding Bonds to any DTC Participant having Refunding Bonds credited to its DTC account, or (b) to arrange for another securities depository to maintain custody of certificates evidencing the Refunding Bonds.

SECTION 10. REDEMPTION

The Refunding Bonds may be subject to optional redemption or mandatory redemption prior to maturity as provided in Section 13 herein.

SECTION 11. TAX-EXEMPT STATUS

The City covenants to use the proceeds of the Refunding Bonds, and the facilities refinanced with the Refunding Bonds, and to otherwise comply with the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), so that interest paid on the Refunding Bonds will not be includable in gross income of the Bondowners for federal income tax purposes. The City specifically covenants:

- a. to comply with the "arbitrage" provisions of Section 148 of the Code, and to pay any rebates to the United States on the gross proceeds of the Refunding Bonds; and
- b. to operate the facilities refinanced with the proceeds of the Refunding Bonds so that the Refunding Bonds are not "private activity bonds" under Section 141 of the Code; and
- c. comply with all reporting requirements.

The Authorized Representative may enter into covenants on behalf of the City to protect the tax-exempt status of the Refunding Bonds.

SECTION 12. DESIGNATION AS A "QUALIFIED TAX-EXEMPT OBLIGATION"

The Authorized Representative, upon the advice of Bond Counsel, may designate any series of the Bonds as a "qualified tax-exempt obligation" pursuant to Section 265(b)(3) of the Code.

SECTION 13. DELEGATION FOR ESTABLISHMENT OF TERMS AND SALE OF THE REFUNDING BONDS

The Authorized Representative is hereby authorized, on behalf of the City for a period of six (6) months from the adoption of this resolution and without further action of the Council, to:

- a. establish the principal and interest payment dates, principal amounts, interest rates, denominations and all other terms for the Refunding Bonds; [including determining whether the Bonds will be issued in one or more series]
- b. negotiate the terms with Seattle-Northwest Securities Corporation under which the Refunding Bonds shall be sold; enter into a bond purchase agreement for the sale of the Refunding Bonds which incorporates those terms; and execute and deliver such bond purchase agreement;
- c. appoint a financial advisor to evaluate the desirability of issuing the Refunding Bonds;
- d. select the maturities of the Refundable Bonds to be refunded and cause notice of call and redemption to be given as required by law;
- e. appoint an escrow agent for the Refundable Bonds and enter into an escrow deposit agreement, if necessary;
- f. subscribe for and obtain eligible securities to be deposited in an escrow fund for the Refundable Bonds; to the extent that any such action has been taken prior to the date of this Resolution, such action is hereby ratified;
- g. appoint a registrar and paying agent for the Refunding Bonds;
- h. appoint a certified public accounting firm to act as verification agent to produce a report demonstrating the ability of the escrow account to meet all future debt service and related costs relative to the Refundable Bonds, if necessary;
- i. take such actions as are necessary to qualify the Refunding Bonds for the book-entry only system of The Depository Trust Company if required;
- j. enter into covenants regarding the use of the proceeds of the Refunding Bonds and the projects refinanced with the proceeds of the Refunding Bonds, to maintain the tax-exempt status of the Refunding Bonds;
- k. approve of and authorize the distribution of the preliminary and final official statements for the Refunding Bonds;
- l. obtain one or more ratings on the Refunding Bonds if determined by the Authorized Representative to be in the best interest of the City, and expend Refunding Bond proceeds to pay the costs of obtaining such rating;
- m. obtain municipal bond insurance on the Refunding Bonds if determined by the Authorized Representative to be in the best interest of the City, execute and deliver any agreement required in connection with such insurance, and expend Refunding Bond proceeds to pay any bond insurance premium;

- n. approve, execute and deliver a Continuing Disclosure Certificate pursuant to SEC Rule 15c2-12, as amended (17 CFR Part 240, § 240.15c2-12);
- o. approve, execute and deliver the Refunding Bond closing documents and certificates; and
- p. execute and deliver a certificate specifying the action taken by the Authorized Representative pursuant to this Section 13 and any other certificates, documents or agreements that the Authorized Representative determines are desirable to issue, sell and deliver the Refunding Bonds in accordance with this Resolution.

SECTION 14. DEFEASANCE

The City may defease the Refunding Bonds by setting aside, with a duly appointed escrow agent, in a special escrow account irrevocably pledged to the payment of the Refunding Bonds to be defeased, cash or direct obligations of the United States in an amount which, in the opinion of an independent certified public accountant, is sufficient without reinvestment to pay all principal and interest on the defeased Refunding Bonds until their maturity date or any earlier redemption date. Refunding Bonds which have been defeased pursuant to this Section shall be deemed paid and no longer outstanding, and shall cease to be entitled to any lien, benefit or security under this Resolution except the right to receive payment from such special escrow account.

SECTION 15. DESIGNATION OF BOND COUNSEL AND UNDERWRITER

The City hereby designates Kirkpatrick & Lockhart Preston Gates Ellis LLP as bond counsel for the Refunding Bonds and Seattle-Northwest Securities Corporation as underwriter for the Refunding Bonds.

SECTION 16. REDEMPTION OF REFUNDABLE BONDS

Issuance of the Refunding Bonds is contingent upon the City's receiving actual cumulative debt service savings of not less than the amount required by Oregon law. Contingent solely on the issuance of the Refunding Bonds and the deposit of the net proceeds with the Escrow Agent, the City hereby irrevocably calls for redemption of the Refundable Bonds which are to be refunded with the proceeds of the Refunding Bonds on the earliest date they are subject to redemption.

SECTION 17. RESOLUTION TO CONSTITUTE CONTRACT

In consideration of the purchase and acceptance of any or all of the Refunding Bonds by those who shall own the Refunding Bonds from time to time (the "Owners"), the provisions of this Resolution shall be part of the contract of the City with the Owners and shall be deemed to be and shall constitute a contract between the City and the Owners. The covenants, pledges, representations and warranties contained in this Resolution or in the closing documents executed in connection with the Refunding Bonds, including without limitation the City's covenants and pledges contained in Section 5 hereof, and the other covenants and agreements herein set forth to be performed by or on behalf of the City shall be contracts for the equal benefit, protection and security of the Owners, all of which shall be of equal rank without preference, priority or distinction of any of such Refunding Bonds over any other thereof, except as expressly provided in or pursuant to this Resolution.

SECTION 18. EFFECTIVE DATE OF RESOLUTION

This Resolution shall take effect immediately upon its adoption.

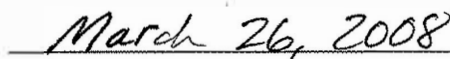
YEAS: 6

NAYS: 0

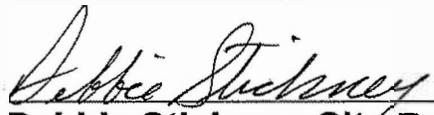
ABSTAINED: 0



Paul Thalhofer, Mayor



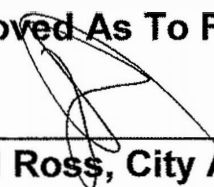
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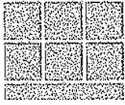
Debbie Stickney, City Recorder

Adopted: March 25, 2008

Approved As To Form



David Ross, City Attorney



**SEATTLE-NORTHWEST
SECURITIES CORPORATION**

*The Region's Premier Investment
Banking Firm Since 1970*

June 5, 2008

City of Troutdale, Oregon
104 SE Kibling Avenue
Troutdale, Oregon 97060

Re: City of Troutdale, Oregon
\$8,555,000 General Obligation Refunding Bonds, Series 2008

Honorable Mayor and City Council:

Seattle-Northwest Securities Corporation (the "Underwriter") offers to enter into this purchase agreement (the "Purchase Agreement") with the City of Troutdale, Oregon (the "Issuer") (each of the Underwriter and the Issuer may be referred to herein as a "Party" or collectively as the "Parties").

Upon execution of this Purchase Agreement by the Parties, this Purchase Agreement will constitute a binding agreement between the Issuer and the Underwriter.

Capitalized terms in this Purchase Agreement that are not otherwise defined herein shall have the meanings given to such terms in the Resolution as defined below:

1. Authorization and Documents

The issuance, sale and delivery of the Bonds (as defined below) are authorized by Resolution No. 1925 (the "Resolution"), adopted by the Council of the Issuer on March 25, 2008. The transaction at which the Bonds are delivered by the Issuer to the Underwriter and paid for by the Underwriter is referred to herein as the "Closing" and the date of such transaction, the "Closing Date."

Pursuant to the Resolution, the Issuer has authorized an Escrow Deposit Agreement (the "Escrow Deposit Agreement") and, as described in the POS, as herein defined, has agreed to enter into an undertaking to provide certain information to investors, through DisclosureUSA (so long as such method of disclosure continues to be approved by the Securities and Exchange Commission for such purposes) or nationally recognized municipal securities information repositories and regulatory bodies or their designees (the "Undertaking").

The Resolution and this Purchase Agreement are collectively referred to herein as the "Documents."

2. Purchase and Sale

Subject to the terms and conditions of this Purchase Agreement, the Underwriter hereby agrees to purchase from the Issuer for offering to the public and the Issuer hereby agrees to sell to the Underwriter all, but not less than all of the \$8,555,000 aggregate principal amount of General Obligation Refunding Bonds, Series 2008 (the "Bonds"). The Bonds shall be dated, shall mature, shall bear interest, shall be payable, and shall have redemption provisions, all as set forth in Exhibit A attached hereto. The Underwriter's purchase price for the Bonds also is set forth in Exhibit A.

The Bonds shall be payable and shall be secured as provided in the Resolution and as described in the document entitled Preliminary Official Statement, which is dated May 27, 2008 and which describes the Issuer and the bond offering (the "POS.")

3. Fiscal Agent; Enhancement

- a) U.S. Bank National Association shall be the fiscal agent for the Bonds, serving as escrow agent, registrar and paying agent (the "Fiscal Agent").
- b) Payment when due of the regularly scheduled principal of and interest on the Bonds shall be insured by a financial guaranty policy (the "Policy") issued by Financial Security Assurance, Inc. (the "Insurer").

4. Offering

The Underwriter agrees to make a *bona fide* public offering of all the Bonds, at prices not in excess of the initial public offering prices or at yields not lower than the initial yields as set forth in Exhibit A attached hereto.

5. Official Statement

- a) Issuer represents and warrants that it ratified, approved, and "deemed final" the POS for purposes of Rule 15c2-12 (except for the omission of the following information: offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, credit enhancement, if any, ratings, and other terms of the securities depending on such matters) of the Securities Exchange Act of 1934, as amended (the "Rule"). Issuer approves and ratifies the use and distribution by the Underwriter of the POS in connection with the public offering and sale of the Bonds by the Underwriter.
- b) The final official statement shall be substantially in the form of the POS with only such changes permitted by the Rule as shall have been reviewed by the Underwriter (such final official statement, incorporating such changes, if any, shall be referred to herein as the "Final Official Statement"). The Issuer shall cooperate with the Underwriter in the preparation of the Final Official Statement

for delivery within seven (7) business days after the date hereof and, in any event, for delivery in sufficient time to accompany any order confirmation from the Underwriter to its customer and in sufficient time to permit the Underwriter to comply with the provisions of the Rule and with all applicable rules of the Municipal Securities Rulemaking Board (the "MSRB").

- c) The Issuer will not amend or supplement the Final Official Statement without the consent of the Underwriter. The Issuer agrees to notify the Underwriter promptly if, on or prior to the 25th day after the End of the Underwriting Period (as defined below), any event shall occur, or information come to the attention of the Issuer, that would cause the Final Official Statement (whether or not previously supplemented or amended), as of its date, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If, in the opinion of the Issuer, such event requires the preparation and distribution of a supplement or amendment to the Final Official Statement, the Issuer at its expense and with Underwriter's assistance, shall amend or supplement the Final Official Statement in a form and manner approved by the Underwriter, which approval shall not be unreasonably withheld, and will provide such number of copies of the supplement or amendment to the Final Official Statement, as the Underwriter may reasonably request. For purposes of this Purchase Agreement, the "End of the Underwriting Period" shall occur on the Closing Date.
- d) The Underwriter may have assisted the Issuer in the compilation of certain information contained in the POS and to be contained in the Final Official Statement. The Underwriter has reviewed the information in the POS and will review the information in the Final Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information, other than the information in the POS and the Final Official Statement regarding the Underwriter in the italicized print on the page immediately following the cover page and provided further that the Underwriter has independently confirmed the accuracy of the information in the Final Official Statement describing the yields or reoffering prices on the Bonds.

6. Representations, Warranties and Covenants

The Issuer represents, warrants and covenants to the Underwriter that as of the date hereof and as of the Closing Date:

- a) The Issuer is a municipal corporation duly organized and validly existing under the laws and Constitution of the State of Oregon;

- b) The Issuer has duly adopted the Resolution and it is a valid, legal and binding Resolution of the Issuer;
- c) The Issuer is duly authorized and has full legal right, power, and authority to issue, sell and deliver the Bonds and perform its obligations under the Documents;
- d) The Resolution is in full force and effect and has not been superseded, rescinded or amended;
- e) The Issuer has full legal right, power and authority to and will apply or cause to be applied the proceeds of the Bonds as described in the Resolution;
- f) To the knowledge of the Issuer, the execution of and performance by the Issuer of its obligations under the Documents will not cause the Issuer to be (i) in violation of any constitutional provision, law, court decree, administrative regulation or judgment, or (ii) in material default under any loan agreement, indenture, bond, note, resolution or other material agreement or instrument to which the Issuer is a party or to which the Issuer or any of its properties or assets is otherwise subject;
- g) All governmental approvals or authorizations required to be obtained by the Issuer prior to the Closing in connection with the issuance and delivery of the Bonds or the performance by the Issuer of its obligations under the Documents have been or will be obtained prior to Closing;
- h) No filing or registration of the Resolution or other instrument or financing statement that is required to be made to create, protect or preserve the pledge of taxes under the Resolution or is required for the validity and enforceability of the Resolution;
- i) As of the Closing, the Bonds will be legal, valid and binding obligations of the Issuer, will be in full force and effect, and will be enforceable in accordance with their terms except to the extent limited by (i) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally; (ii) the application of equitable principles and the exercise of judicial discretion in appropriate cases; (iii) common law and statutes affecting the enforceability of contractual obligations generally; and (iv) principles of public policy concerning, affecting or limiting the enforcement of rights or remedies against governmental entities such as the Issuer;
- j) Except as described in the Final Official Statement there is no action, suit, proceeding, inquiry or investigation before or by any court, governmental agency, public board or body pending or, to the knowledge of the Issuer, threatened against the Issuer; (i) in any way questioning the legal existence of the Issuer or the titles of the officers of the Issuer to their respective offices; (ii) in any way

affecting or contesting or seeking to prohibit, restrain or enjoin the issuance or delivery of the Bonds; (iii) wherein an unfavorable decision, ruling, or finding would have a material adverse effect on the collection and application of taxes to be levied for the benefit of the Issuer for the payment of the Bonds, the financial condition of the Issuer, or would have an adverse effect on the validity or enforceability of the Bonds or the Resolution, or which would in any way adversely affect the exclusion of interest on the Bonds from gross income for general federal income tax purposes; or (iv) contesting the completeness or accuracy of the POS or the Final Official Statement; and, (v) to the actual knowledge of the Issuer, there is no reasonable basis for any action, proceeding, inquiry or investigation of the nature described in the foregoing clauses (i) through (iv);

- k) The financial statements of the Issuer contained in the Official Statement fairly present the financial position of the Issuer as of the dates and for the periods therein set forth in accordance with the accounting standards applicable to the Issuer, and since the date thereof, there has been no material adverse change in the financial position of the Issuer;
- l) As of the date hereof, the POS does not (and as of the Closing Date, the Final Official Statement will not) contain any untrue statement of material fact nor omit any statement or information which is necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that (i) no representation or warranty is made with respect to information within the POS or the Final Official Statement relating to The Depository Trust Company in New York, New York ("DTC"), the book entry system, the Insurer, the Fiscal Agent or the Underwriter in the italicized print on the page immediately preceding the Table of Contents, and (ii) the representation in this subparagraph with respect to the yields or reoffering prices on the Bonds contained in the Final Official Statement is limited to a determination by the Issuer that such information is a true and accurate presentation of the information contained on Exhibit B to this Bond Purchase Agreement; and
- m) The Issuer has not failed to comply with any prior undertaking under the Rule in the past five years.

7. Termination

The Underwriter may terminate its obligation under this Purchase Agreement, without liability therefor, by notifying the Issuer of its election to do so in writing if, after the execution of this Purchase Agreement and prior to the Closing, any one or more of the following events shall have occurred and such event, in the reasonable opinion of the Underwriter (i) would materially and adversely affect the marketability of the Bonds or the prices or yields of the Bonds as set forth in Exhibit A, or (ii) would materially and adversely affect the Underwriter's ability to enforce contracts for the sale of the Bonds:

- a) A material disruption in commercial banking or securities settlement or clearance services; or
- b) The United States shall have become engaged in hostilities or existing hostilities shall have escalated or a national emergency or other national or international calamity, including but not limited to terrorist attack(s) or other event; or
- c) A general suspension of trading or other material restrictions not in force as of the date of this Purchase Agreement on the New York Stock Exchange or other national securities exchange; or
- d) Declaration of a general banking moratorium by the United States, New York State or the State of Oregon authorities; or
- e) Legislation with respect to eliminating or reducing the exemption from federal or state taxation for interest income received on obligations of the general character of the Bonds shall be introduced or enacted by the legislature of the State of Oregon or by Congress of the United States or adopted by either the US House of Representatives or the United States Senate or shall have been recommended to the Congress or otherwise endorsed for passage by the Treasury Department of the United States, the Internal Revenue Service or by the chairman of the Senate Finance Committee or a decision or an order or ruling with respect to eliminating or reducing such exemption, shall have been issued by a court of the United States, including the United States Tax Court, or by or on behalf of the Treasury Department of the United States or the Internal Revenue Service; or
- f) Legislation shall hereafter be enacted, or actively considered for enactment, or a decision by a court of the United States shall hereafter be rendered, or a ruling, stop order or regulation by the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter shall hereafter be made, the effect of which is or would be that the offering and sale of the Bonds would be illegal or that:
 - i) The Bonds are not exempt from the registration, qualification or similar requirements of the Securities Act of 1933, as amended and as then in effect (the "33 Act") or distribution of the Bonds, as contemplated herein or in the Final Official Statement, is in violation of or not exempt from the registration, qualification or other requirements of the 33 Act, or the Securities Exchange Act of 1934, as amended and then in effect or the Investment Company Act of 1940, as amended and then in effect (the "Investment Company Act") or, in each case, the rules or regulations promulgated thereunder as then in effect; or

- ii) The Resolution is not exempt from the registration, qualification or other requirements of the Trust Indenture Act of 1939, as amended and as then in effect; or
- iii) This Purchase Agreement is subject to the Investment Company Act or require any registration under the Investment Company Act; or
- g) Any litigation, except as described in the Official Statement, shall be instituted or pending at Closing to restrain or enjoin the authorization, issuance, execution, sale or delivery of the Bonds or the execution and delivery of any of the Documents, or in any way contesting or affecting any authority for or the validity or enforceability of the Bonds, the Resolution or any of the other Documents, any moneys or securities provided for the payment of the Bonds or the existence or powers of the Issuer; or
- h) Any legislation, ordinance, rule or regulation shall be introduced in or enacted by any governmental body, board, department or agency of the State of Oregon or of the United States, or a decision by any court of competent jurisdiction within the State of Oregon or any court of the United States shall be rendered materially affecting the Issuer or the Bonds; or
- i) There shall have been established any new restrictions on transactions in securities materially affecting the free market for securities or the extension of credit by, or the charge to the net capital requirements of the Underwriter, including without limitation, the fixing of minimum or maximum prices for trading or maximum ranges of prices, by any exchange, the Securities and Exchange Commission, any other federal or state agency or the Congress of the United States, or by Executive Order; or
- j) Except for such changes to the Final Official Statement as provided in Section 5(c) of this Purchase Agreement, there shall have been a material adverse change in the affairs of the Issuer or there shall exist any event or fact or set of facts that either (a) makes untrue or incorrect in any material respect any statement or information contained in the Final Official Statement or (b) is not reflected in the Final Official Statement but should be reflected therein to make the statements and information contained therein under the circumstances in which made not misleading in any material respect; or
- k) The withdrawal or downgrading of any rating of the Bonds by a national rating agency from those shown in (c)(i) of Exhibit D.

8. Closing; Conditions of Closing

The Closing shall occur on such date and at such time and place as is set forth in Exhibit A or otherwise agreed between the Issuer and the Underwriter, and subject to the satisfaction of the terms and conditions of this Purchase Agreement. At Closing, the following shall occur: the Issuer will deliver or cause to be delivered to the Fiscal Agent on behalf of DTC the Bonds in definitive form duly executed by the Issuer and registered in the name of Cede & Co. or in such other name as may be requested by an authorized representative of DTC, and will deliver or cause to be delivered to the Underwriter an executed copy of the Resolution; the Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Exhibit A hereof in same day funds. Issuer shall cause the applicable CUSIP identification numbers to be printed on the Bonds of each maturity, but neither the failure to print such number on any such Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the Underwriter to accept delivery of and to pay for the Bonds. The Bonds shall be prepared and delivered to the Fiscal Agent at or prior to the Closing Date.

In addition to the other requirements of this Purchase Agreement, Underwriter's obligations hereunder are subject to and conditioned upon Issuer, at or prior to the Closing Date, delivering or making available to Underwriter copies of the items listed in Exhibit D attached hereto and incorporated herein.

9. Fees and Expenses

The Issuer will pay the cost of preparing, printing and executing the Bonds, the fees and disbursements of the Bond Counsel, bond ratings fees, insurance premiums, Escrow Agent and Fiscal Agent fees, escrow verification fees, Bond registration fees, and the costs of printing and distributing the POS and Final Official Statement.

10. Miscellaneous


- a) All matters relating to this Purchase Agreement shall be governed by the laws of the State of Oregon.
- b) This Purchase Agreement is intended to benefit only the Parties hereto. Unless it can be shown that the untruth of any representation or warranty of the Issuer or the violation of any agreement of the Issuer hereunder actually was or should have been discovered by the Underwriter through its review of the information in the Final Official Statement in accordance with and as a part of its responsibilities under federal securities laws as applied to the facts and circumstances of this transaction, all representations and warranties of the Issuer in this Purchase Agreement shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of the Underwriter, (ii) delivery of and payment for the Bonds hereunder, or (iii) any termination of this Purchase Agreement. If the Issuer fails to satisfy any of the foregoing conditions or

covenants, or if the Underwriter's obligations are terminated for any reason permitted under this Purchase Agreement, then neither the Underwriter nor the Issuer shall have any further obligations under this Purchase Agreement, except that any expenses incurred shall be borne in accordance with the Fees and Expenses Section hereof.

- c) Any notice or other communication to be given to the Issuer by the Underwriter under this Purchase Agreement may be given by delivering the same in writing to City Finance Director, City of Troutdale, 104 SE Kibling Avenue, Troutdale, Oregon, 97060; and any notice or other communication to be given to the Underwriter by the Issuer under this Purchase Agreement may be given by delivering the same in writing to the Manager of Public Finance Operations, Seattle-Northwest Securities Corporation, 1000 SW Broadway, Suite 1800, Portland, Oregon 97205.
- d) This Purchase Agreement may be executed in any number of counterparts, all of which shall be one and the same instrument, and either party hereto may execute this Purchase Agreement by signing any such counterpart.
- e) This Purchase Agreement, including all documents incorporated herein by reference, constitutes the entire agreement between and among the Parties, supersedes any other representations, understandings or communications between the Parties or their representatives, and may be amended only in a writing signed by both Parties. This Purchase Agreement is intended solely for the benefit of the Parties (including any successors and assigns thereof but not any holder of any Bonds). No other person shall acquire or have any rights hereunder or by virtue hereof.

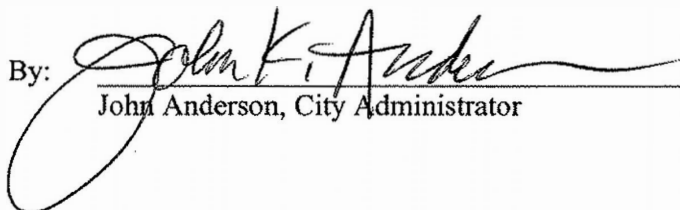
Respectfully submitted,

SEATTLE-NORTHWEST SECURITIES CORPORATION

By: 
Carol E. Samuels, Senior Vice President

Accepted June 5, 2008

CITY OF TROUTDALE, OREGON

By: 
John Anderson, City Administrator

Time Signed: 1:42 pm.

EXHIBIT A
DESCRIPTION OF THE BONDS

- (a) Principal Amount: \$8,555,000
- (b) Purchase Price: \$8,785,998.20 (\$102.700154 per \$100), representing an original issue premium of \$267,356.95 and an aggregate underwriting discount of \$36,358.75.
- (c) Average Reoffering Price: 103.125154% of the par value of the Bonds.
- (d) Denominations: \$5,000 or integral multiples thereof within a maturity.
- (e) Form: Registered; Book-entry only.
- (f) Interest Payment Dates: June 1 and December 1, commencing December 1, 2008.
- (g) Maturity and Interest Rates: The Bonds shall mature on June 1 of each year and bear interest as follows (the yields and the CUSIP numbers shown below have been obtained or provided by the Underwriter):

Due June 1	Amounts	Interest Rates	Yields	CUSIP 897217	Due June 1	Amounts	Interest Rates	Yields	CUSIP 897217
2009	\$ 40,000	4.000%	2.10%	*	2014	\$ 250,000	3.375%	3.15%	*
2010	25,000	4.000	2.30	*	2014	790,000	4.000	3.15	*
2011	845,000	3.250	2.64	*	2015	340,000	3.625	3.29	*
2012	200,000	3.500	2.87	*	2015	750,000	4.000	3.29	*
2012	760,000	4.000	2.87	*	2016	325,000	3.625	3.42	*
2013	750,000	3.375	3.00	*	2016	810,000	4.000	3.42	*
2013	250,000	4.000	3.00	*	2017	1,185,000	4.000	3.55	*
					2018	1,235,000	4.000	3.67	*

* CUSIP numbers were not available at the time of pricing.

- (h) Redemption: The Bonds are not subject to optional redemption prior to maturity.
- (i) Dated Date and Date of Delivery: June 17, 2008
- (j) Offer Expires: 5:00 p.m., June 5, 2008

- (k) Bond Counsel: Kirkpatrick & Lockhart Preston Gates
Ellis LLP
- (l) Closing: At the offices of Bond Counsel, on June
17, 2008.
- (m) Delivery: To the Fiscal Agent on behalf of DTC by
Fast Automated Securities Transfer.
- (n) Insurer: Financial Security Assurance, Inc.
- (o) Credit Enhancement: **Financial Guaranty:** Payment of the
principal of and interest on the Bonds,
when due, will be insured by a financial
guaranty policy to be issued by the Insurer
simultaneously with the delivery of the
Bonds.
- (p) Ratings: Moody's Investors Service will assign its
rating of "Aaa" to the Bonds based on the
Issuer's purchase of the financial guaranty
policy described above. Moody's has
assigned its underlying rating of "A1" to
the Bonds.
- (q) Costs of printing and distributing
the POS and Final Official Statement: \$750

EXHIBIT B
FINAL PRICING NUMBERS

TABLE OF CONTENTS

City of Troutdale, Oregon
2008 Refunding of 1999 GO Bonds
Final Pricing Numbers - June 5, 2008

Report	Page
Summary of Refunding Results	1
Savings	2
Aggregate Debt Service	3
Bond Debt Service	4
Bond Pricing	5
Sources and Uses of Funds	6
Cost of Issuance	7
Summary of Bonds Refunded	8
Escrow Requirements	9
Escrow Descriptions	10
Escrow Cost	11
Escrow Cash Flow	12
Escrow Sufficiency	13
Escrow Statistics	14
Proof of Arbitrage Yield	15
Form 8038 Statistics	16

SUMMARY OF REFUNDING RESULTS

City of Troutdale, Oregon
2008 Refunding of 1999 GO Bonds
Final Pricing Numbers - June 5, 2008

Dated Date	06/17/2008
Delivery Date	06/17/2008
Arbitrage yield	3.434419%
Escrow yield	2.099554%
Bond Par Amount	8,555,000.00
True Interest Cost	3.506105%
Net Interest Cost	3.465759%
All-In TIC	3.577291%
Average Coupon	3.870665%
Average Life	6.669
Par amount of refunded bonds	8,480,000.00
Average coupon of refunded bonds	4.646326%
Average life of refunded bonds	6.751
PV of prior debt to 06/17/2008 @ 3.434419%	9,102,518.72
Net PV Savings	333,774.50
Percentage savings of refunding proceeds	3.783280%

SAVINGS

City of Troutdale, Oregon
2008 Refunding of 1999 GO Bonds
Final Pricing Numbers - June 5, 2008

Date	Prior Debt Service	Refunding Debt Service	Savings	Annual Savings	Present Value to 06/17/2008 @ 3.4344195%
12/01/2008	194,865.00	148,565.21	46,299.79	-	45,587.09
06/01/2009	194,865.00	203,059.38	-8,194.38	38,105.41	-7,932.03
12/01/2009	194,865.00	162,259.38	32,605.62	-	31,028.90
06/01/2010	194,865.00	187,259.38	7,605.62	40,211.24	7,115.64
12/01/2010	194,865.00	161,759.38	33,105.62	-	30,449.97
06/01/2011	1,009,865.00	1,006,759.38	3,105.62	36,211.24	2,808.27
12/01/2011	177,546.25	148,028.13	29,518.12	-	26,241.27
06/01/2012	1,117,546.25	1,108,028.13	9,518.12	39,036.24	8,318.65
12/01/2012	156,866.25	129,328.13	27,538.12	-	23,661.46
06/01/2013	1,141,866.25	1,129,328.13	12,538.12	40,076.24	10,591.20
12/01/2013	134,703.75	111,671.88	23,031.87	-	19,127.04
06/01/2014	1,169,703.75	1,151,671.88	18,031.87	41,063.74	14,721.93
12/01/2014	110,640.00	91,653.13	18,986.87	-	15,239.93
06/01/2015	1,200,640.00	1,181,653.13	18,986.87	37,973.74	14,982.65
12/01/2015	85,570.00	70,490.63	15,079.37	-	11,698.33
06/01/2016	1,230,570.00	1,205,490.63	25,079.37	40,158.74	19,127.71
12/01/2016	58,662.50	48,400.00	10,262.50	-	7,694.94
06/01/2017	1,263,662.50	1,233,400.00	30,262.50	40,525.00	22,308.08
12/01/2017	30,043.75	24,700.00	5,343.75	-	3,872.66
06/01/2018	1,295,043.75	1,259,700.00	35,343.75	40,687.50	25,181.47
	11,157,255.00	10,763,205.91	394,049.09	394,049.09	331,825.16

Savings Summary

PV of savings from cash flow	331,825.16
Plus: Refunding funds on hand	1,949.34
Net PV Savings	333,774.50

AGGREGATE DEBT SERVICE

City of Troutdale, Oregon
 2008 Refunding of 1999 GO Bonds
 Final Pricing Numbers - June 5, 2008

Date	2008 Refunding of 1999 GO Bonds Principal	2008 Refunding of 1999 GO Bonds Interest	Unrefunded Bonds Principal	Unrefunded Bonds Interest	Aggregate Principal	Aggregate Interest	Aggregate Debt Service	Annual Aggregate D/S
12/01/2008	-	148,565.21	-	36,465	-	185,030.21	185,030.21	-
06/01/2009	40,000	163,059.38	820,000	36,465	860,000	199,524.38	1,059,524.38	1,244,554.59
12/01/2009	-	162,259.38	-	19,655	-	181,914.38	181,914.38	-
06/01/2010	25,000	162,259.38	855,000	19,655	880,000	181,914.38	1,061,914.38	1,243,828.76
12/01/2010	-	161,759.38	-	1,700	-	163,459.38	163,459.38	-
06/01/2011	845,000	161,759.38	80,000	1,700	925,000	163,459.38	1,088,459.38	1,251,918.76
12/01/2011	-	148,028.13	-	-	-	148,028.13	148,028.13	-
06/01/2012	960,000	148,028.13	-	-	960,000	148,028.13	1,108,028.13	1,256,056.26
12/01/2012	-	129,328.13	-	-	-	129,328.13	129,328.13	-
06/01/2013	1,000,000	129,328.13	-	-	1,000,000	129,328.13	1,129,328.13	1,258,656.26
12/01/2013	-	111,671.88	-	-	-	111,671.88	111,671.88	-
06/01/2014	1,040,000	111,671.88	-	-	1,040,000	111,671.88	1,151,671.88	1,263,343.76
12/01/2014	-	91,653.13	-	-	-	91,653.13	91,653.13	-
06/01/2015	1,090,000	91,653.13	-	-	1,090,000	91,653.13	1,181,653.13	1,273,306.26
12/01/2015	-	70,490.63	-	-	-	70,490.63	70,490.63	-
06/01/2016	1,135,000	70,490.63	-	-	1,135,000	70,490.63	1,205,490.63	1,275,981.26
12/01/2016	-	48,400.00	-	-	-	48,400.00	48,400.00	-
06/01/2017	1,185,000	48,400.00	-	-	1,185,000	48,400.00	1,233,400.00	1,281,800.00
12/01/2017	-	24,700.00	-	-	-	24,700.00	24,700.00	-
06/01/2018	1,235,000	24,700.00	-	-	1,235,000	24,700.00	1,259,700.00	1,284,400.00
	8,555,000	2,208,205.91	1,755,000	115,640	10,310,000	2,323,845.91	12,633,845.91	12,633,845.91

BOND DEBT SERVICE

City of Troutdale, Oregon
 2008 Refunding of 1999 GO Bonds
 Final Pricing Numbers - June 5, 2008

Dated Date 06/17/2008
 Delivery Date 06/17/2008

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/01/2008	-	-	148,565.21	148,565.21	-
06/01/2009	40,000	4.000%	163,059.38	203,059.38	351,624.59
12/01/2009	-	-	162,259.38	162,259.38	-
06/01/2010	25,000	4.000%	162,259.38	187,259.38	349,518.76
12/01/2010	-	-	161,759.38	161,759.38	-
06/01/2011	845,000	3.250%	161,759.38	1,006,759.38	1,168,518.76
12/01/2011	-	-	148,028.13	148,028.13	-
06/01/2012	960,000	**	148,028.13	1,108,028.13	1,256,056.26
12/01/2012	-	-	129,328.13	129,328.13	-
06/01/2013	1,000,000	**	129,328.13	1,129,328.13	1,258,656.26
12/01/2013	-	-	111,671.88	111,671.88	-
06/01/2014	1,040,000	**	111,671.88	1,151,671.88	1,263,343.76
12/01/2014	-	-	91,653.13	91,653.13	-
06/01/2015	1,090,000	**	91,653.13	1,181,653.13	1,273,306.26
12/01/2015	-	-	70,490.63	70,490.63	-
06/01/2016	1,135,000	**	70,490.63	1,205,490.63	1,275,981.26
12/01/2016	-	-	48,400.00	48,400.00	-
06/01/2017	1,185,000	4.000%	48,400.00	1,233,400.00	1,281,800.00
12/01/2017	-	-	24,700.00	24,700.00	-
06/01/2018	1,235,000	4.000%	24,700.00	1,259,700.00	1,284,400.00
	8,555,000		2,208,205.91	10,763,205.91	10,763,205.91

BOND PRICING

City of Troutdale, Oregon
2008 Refunding of 1999 GO Bonds
Final Pricing Numbers - June 5, 2008

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Premium (-Discount)
Serial 2009-2011:						
	06/01/2009	40,000	4.000%	2.100%	101.787	714.80
	06/01/2010	25,000	4.000%	2.300%	103.231	807.75
	06/01/2011	845,000	3.250%	2.640%	101.722	14,550.90
		<u>910,000</u>				<u>16,073.45</u>
2012A:	06/01/2012	200,000	3.500%	2.870%	102.338	4,676.00
2012B:	06/01/2012	760,000	4.000%	2.870%	104.195	31,882.00
2013A:	06/01/2013	750,000	3.375%	3.000%	101.713	12,847.50
2013B:	06/01/2013	250,000	4.000%	3.000%	104.571	11,427.50
2014A:	06/01/2014	250,000	3.375%	3.150%	101.212	3,030.00
2014B:	06/01/2014	790,000	4.000%	3.150%	104.581	36,189.90
2015A:	06/01/2015	340,000	3.625%	3.290%	102.066	7,024.40
2015B:	06/01/2015	750,000	4.000%	3.290%	104.380	32,850.00
2016A:	06/01/2016	325,000	3.625%	3.420%	101.416	4,602.00
2016B:	06/01/2016	810,000	4.000%	3.420%	104.008	32,464.80
Serial 2017-2018:						
	06/01/2017	1,185,000	4.000%	3.550%	103.425	40,586.25
	06/01/2018	1,235,000	4.000%	3.670%	102.729	33,703.15
		<u>2,420,000</u>				<u>74,289.40</u>
		<u>8,555,000</u>				<u>267,356.95</u>

Dated Date	06/17/2008	
Delivery Date	06/17/2008	
First Coupon	12/01/2008	
Par Amount	8,555,000.00	
Premium	267,356.95	
Production	8,822,356.95	103.125154%
Underwriter's Discount	-36,358.75	-0.425000%
Purchase Price	8,785,998.20	102.700154%
Accrued Interest	-	-
Net Proceeds	8,785,998.20	

SOURCES AND USES OF FUNDS

City of Troutdale, Oregon
2008 Refunding of 1999 GO Bonds
Final Pricing Numbers - June 5, 2008

Dated Date 06/17/2008
Delivery Date 06/17/2008

Sources:

Bond Proceeds:	
Par Amount	8,555,000.00
Premium	267,356.95
	<hr/>
	8,822,356.95

Uses:

Refunding Escrow Deposits:	
Cash Deposit	1.47
SLGS Purchases	8,696,469.00
	<hr/>
	8,696,470.47

Delivery Date Expenses:	
Cost of Issuance	35,915.00
Underwriter's Discount	36,358.75
Bond Insurance @ 48 bps	51,663.39
	<hr/>
	123,937.14

Other Uses of Funds:	
Additional Proceeds	1,949.34
	<hr/>
	8,822,356.95

COST OF ISSUANCE

City of Troutdale, Oregon
2008 Refunding of 1999 GO Bonds
Final Pricing Numbers - June 5, 2008

Cost of Issuance	\$/1000	Amount
Bond Counsel	2.86382	24,500.00
Moody's Rating Fee	0.81823	7,000.00
Escrow Verification	0.29223	2,500.00
Escrow Trustee	0.05845	500.00
OS Printing & Mailing	0.08767	750.00
Paying Agent	0.06429	550.00
Overlapping Debt Report	0.01344	115.00
	4.19813	35,915.00

SUMMARY OF BONDS REFUNDED

City of Troutdale, Oregon
2008 Refunding of 1999 GO Bonds
Final Pricing Numbers - June 5, 2008

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
General Obligation Bonds, Series 1999:					
SERIALS	06/01/2011	4.250%	815,000.00	06/01/2009	100.000
	06/01/2012	4.400%	940,000.00	06/01/2009	100.000
	06/01/2013	4.500%	985,000.00	06/01/2009	100.000
	06/01/2014	4.650%	1,035,000.00	06/01/2009	100.000
	06/01/2015	4.600%	1,090,000.00	06/01/2009	100.000
	06/01/2016	4.700%	1,145,000.00	06/01/2009	100.000
	06/01/2017	4.750%	1,205,000.00	06/01/2009	100.000
	06/01/2018	4.750%	1,265,000.00	06/01/2009	100.000
			8,480,000.00		

ESCROW REQUIREMENTS

City of Troutdale, Oregon
2008 Refunding of 1999 GO Bonds
Final Pricing Numbers - June 5, 2008

Period Ending	Interest	Principal Redeemed	Total
12/01/2008	194,865.00	-	194,865.00
06/01/2009	194,865.00	8,480,000.00	8,674,865.00
	389,730.00	8,480,000.00	8,869,730.00

ESCROW DESCRIPTIONS

City of Troutdale, Oregon
2008 Refunding of 1999 GO Bonds
Final Pricing Numbers - June 5, 2008

Type of Security	Type of SLGS	Maturity Date	First Int Pmt Date	Par Amount	Rate	Max Rate
Jun 17, 2008:						
SLGS	Certificate	12/01/2008	12/01/2008	193,159	1.930%	1.930%
SLGS	Certificate	06/01/2009	06/01/2009	8,503,310	2.110%	2.110%
				8,696,469		

SLGS Summary

SLGS Rates File
Total Certificates of Indebtedness

05JUN08
8,696,469.00

ESCROW COST

City of Troutdale, Oregon
2008 Refunding of 1999 GO Bonds
Final Pricing Numbers - June 5, 2008

Type of Security	Maturity Date	Par Amount	Rate	Total Cost
SLGS	12/01/2008	193,159	1.930%	193,159.00
SLGS	06/01/2009	8,503,310	2.110%	8,503,310.00
		8,696,469		8,696,469.00

Purchase Date	Cost of Securities	Cash Deposit	Total Escrow Cost	Yield
06/17/2008	8,696,469	1.47	8,696,470.47	2.099554%
	8,696,469	1.47	8,696,470.47	

ESCROW CASH FLOW

City of Troutdale, Oregon
2008 Refunding of 1999 GO Bonds
Final Pricing Numbers - June 5, 2008

Date	Principal	Interest	Net Escrow Receipts	Present Value to 06/17/2008 @ 2.0995536%
12/01/2008	193,159.00	1,705.67	194,864.67	193,019.37
06/01/2009	8,503,310.00	171,554.86	8,674,864.86	8,503,449.63
	8,696,469.00	173,260.53	8,869,729.53	8,696,469.00

Escrow Cost Summary

Purchase date	06/17/2008
Purchase cost of securities	8,696,469.00
	<hr/>
Target for yield calculation	8,696,469.00

ESCROW SUFFICIENCY

City of Troutdale, Oregon
2008 Refunding of 1999 GO Bonds
Final Pricing Numbers - June 5, 2008

Date	Escrow Requirement	Net Escrow Receipts	Excess Receipts	Excess Balance
06/17/2008	-	1.47	1.47	1.47
12/01/2008	194,865.00	194,864.67	-0.33	1.14
06/01/2009	8,674,865.00	8,674,864.86	-0.14	1.00
	8,869,730.00	8,869,731.00	1.00	

ESCROW STATISTICS

City of Troutdale, Oregon
 2008 Refunding of 1999 GO Bonds
 Final Pricing Numbers - June 5, 2008

Total Escrow Cost	Modified Duration (years)	PV of 1 bp change	Yield to Receipt Date	Yield to Disbursement Date	Perfect Escrow Cost	Value of Negative Arbitrage	Cost of Dead Time
Global Proceeds Escrow:							
8,696,470.47	0.935	812.75	2.099554%	2.099553%	8,589,001.31	107,469.12	0.04
8,696,470.47		812.75			8,589,001.31	107,469.12	0.04

Delivery date 06/17/2008
 Arbitrage yield 3.434419%

PROOF OF ARBITRAGE YIELD

City of Troutdale, Oregon
2008 Refunding of 1999 GO Bonds
Final Pricing Numbers - June 5, 2008

Date	Debt Service	Present Value to 06/17/2008 @ 3.4344195%
12/01/2008	148,565.21	146,278.32
06/01/2009	203,059.38	196,558.33
12/01/2009	162,259.38	154,412.97
06/01/2010	187,259.38	175,195.57
12/01/2010	161,759.38	148,783.43
06/01/2011	1,006,759.38	910,366.65
12/01/2011	148,028.13	131,595.33
06/01/2012	1,108,028.13	968,395.06
12/01/2012	129,328.13	111,122.07
06/01/2013	1,129,328.13	953,966.33
12/01/2013	111,671.88	92,738.97
06/01/2014	1,151,671.88	940,270.45
12/01/2014	91,653.13	73,565.96
06/01/2015	1,181,653.13	932,449.15
12/01/2015	70,490.63	54,685.49
06/01/2016	1,205,490.63	919,411.88
12/01/2016	48,400.00	36,290.85
06/01/2017	1,233,400.00	909,204.00
12/01/2017	24,700.00	17,900.28
06/01/2018	1,259,700.00	897,502.46
	10,763,205.91	8,770,693.56

Proceeds Summary

Delivery date	06/17/2008
Par Value	8,555,000.00
Premium (Discount)	267,356.95
Arbitrage expenses	-51,663.39
	8,770,693.56
Target for yield calculation	8,770,693.56

FORM 8038 STATISTICS

City of Troutdale, Oregon 2008 Refunding of 1999 GO Bonds Final Pricing Numbers - June 5, 2008

Dated Date 06/17/2008
Delivery Date 06/17/2008

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Serial 2009-2011:						
	06/01/2009	40,000.00	4.000%	101.787	40,714.80	40,000.00
	06/01/2010	25,000.00	4.000%	103.231	25,807.75	25,000.00
	06/01/2011	845,000.00	3.250%	101.722	859,550.90	845,000.00
2012A:	06/01/2012	200,000.00	3.500%	102.338	204,676.00	200,000.00
2012B:	06/01/2012	760,000.00	4.000%	104.195	791,882.00	760,000.00
2013A:	06/01/2013	750,000.00	3.375%	101.713	762,847.50	750,000.00
2013B:	06/01/2013	250,000.00	4.000%	104.571	261,427.50	250,000.00
2014A:	06/01/2014	250,000.00	3.375%	101.212	253,030.00	250,000.00
2014B:	06/01/2014	790,000.00	4.000%	104.581	826,189.90	790,000.00
2015A:	06/01/2015	340,000.00	3.625%	102.066	347,024.40	340,000.00
2015B:	06/01/2015	750,000.00	4.000%	104.380	782,850.00	750,000.00
2016A:	06/01/2016	325,000.00	3.625%	101.416	329,602.00	325,000.00
2016B:	06/01/2016	810,000.00	4.000%	104.008	842,464.80	810,000.00
Serial 2017-2018:						
	06/01/2017	1,185,000.00	4.000%	103.425	1,225,586.25	1,185,000.00
	06/01/2018	1,235,000.00	4.000%	102.729	1,268,703.15	1,235,000.00
		3,555,000.00			8,822,356.95	8,555,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield	Net Interest Cost
Final Maturity	06/01/2018	4.000%	1,268,703.15	1,235,000.00	-	-	-
Entire Issue	-	-	8,822,356.95	8,555,000.00	6.6722	3.4344%	3.2971%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	72,273.75
Proceeds used for credit enhancement	51,663.39
Proceeds allocated to reasonably required reserve or replacement fund	0.00
Proceeds used to currently refund prior issues	0.00
Proceeds used to advance refund prior issues	8,696,470.47
Remaining weighted average maturity of the bonds to be currently refunded	0.0000
Remaining weighted average maturity of the bonds to be advance refunded	6.7419

FORM 8038 STATISTICS

City of Troutdale, Oregon
 2008 Refunding of 1999 GO Bonds
 Final Pricing Numbers - June 5, 2008

Refunded Bonds

Bond Component	Date	Principal	Coupon	Price	Issue Price
General Obligation Bonds, Series 1999:					
SERIALS	06/01/2011	815,000.00	4.250%	99.048	807,241.20
SERIALS	06/01/2012	940,000.00	4.400%	99.495	935,253.00
SERIALS	06/01/2013	985,000.00	4.500%	99.472	979,799.20
SERIALS	06/01/2014	1,035,000.00	4.650%	100.000	1,035,000.00
SERIALS	06/01/2015	1,090,000.00	4.600%	98.303	1,071,502.70
SERIALS	06/01/2016	1,145,000.00	4.700%	98.826	1,131,557.70
SERIALS	06/01/2017	1,205,000.00	4.750%	98.788	1,190,395.40
SERIALS	06/01/2018	1,265,000.00	4.750%	98.133	1,241,382.45
		8,480,000.00			8,392,131.65

	Last Call Date	Issue Date	Remaining Weighted Average Maturity
General Obligation Bonds, Series 1999	06/01/2009	02/03/1999	6.7419
All Refunded Issues	06/01/2009	-	6.7419

EXHIBIT C
FORM OF BOND COUNSEL SUPPLEMENTAL OPINION

(FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL)

June __, 2008

Seattle-Northwest Securities Corporation
1000 SW Broadway, Suite 1800
Portland, Oregon 97205

Re: *City of Troutdale, Multnomah County, Oregon*
\$8,825,000 General Obligation Refunding Bonds, Series 2008

Ladies and Gentlemen:

This opinion is rendered to you in connection with the purchase by you of the above-captioned bonds (the "Bonds") pursuant to a Bond Purchase Agreement dated _____, 20__ (the "Purchase Agreement"), by and between you and the City of Troutdale, Multnomah County, Oregon (the "Issuer"). The Bonds are to be issued pursuant to Resolution No. 1925 adopted by the Issuer's governing body on March 25, 2008 (the "Resolution"). All terms used in this opinion and not otherwise defined herein shall have the respective meanings assigned thereto in the Resolution or the Purchase Agreement.

In our capacity as bond counsel with respect to the authorization, issuance, sale and delivery of the Bonds, we have reviewed the Official Statement of the Issuer dated _____, 20__ with respect to the Bonds (the "Official Statement"). We have also examined originals, or copies certified or otherwise identified to our satisfaction as being true copies of the originals, of such proceedings of the Issuer, certificates of officials of the Issuer and others and such other records and documents as we have deemed necessary for purposes of this opinion and we have made such investigations of law, as we have deemed appropriate, as a basis for the opinions and conclusions hereinafter expressed. We have not reviewed any electronic version of the Official Statement and assume that any such version is identical in all respects to the printed version.

Based on and subject to the foregoing and in reliance thereon, as of the date hereof, we are of the opinion that:

A. The statements in the Official Statement under the headings "Description of the Bonds" (except for the subsection "Paying Agent and Registration Features" thereunder), "Purpose and Use of Proceeds - Purpose," "Security for the Bonds - General," "The Initiative and Referendum Process," "Tax Matters," "Continuing Disclosure," "Appendix A - Form of Bond Counsel Opinion," and "Appendix D - Form of Continuing Disclosure Certificate" (together with specific references thereto contained in the Official Statement), insofar as such statements purport to summarize the provisions of the Bonds or other legal matters discussed or presented therein (other than any financial or statistical data contained in such sections about which we express no opinion) present a fair summary of the relevant provisions of the Bonds and the legal matters discussed or presented therein.

B. Based upon our participation in the review of the Official Statement as bond counsel but without having undertaken to determine independently the accuracy or completeness of, and without

assuming any responsibility for, the statements contained in the Official Statement, except to the limited extent noted immediately above, and in reliance on the records, documents, certificates and matters herein mentioned (as set forth above), we advise you as a matter of fact and not opinion that during the course of our representation of the Issuer on this matter, no facts came to our attention that would lead us to believe that the statements contained in the Official Statement, as of the date of the Official Statement (except for CUSIP numbers, financial, statistical, economic or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions, any information about feasibility, valuation, appraisals, appendices, or any information about book-entry, securities depositories, the Policy, or the Insurer included or referred to therein, which we expressly exclude from the scope of this paragraph and as to which we express no view or opinion), contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein, in light of the circumstances under which they are made, not misleading.

C. The Purchase Agreement has been duly authorized, executed and delivered by the Issuer and constitutes a valid and binding agreement of the Issuer, which is enforceable against the Issuer in accordance with its terms, except to the extent that enforceability may be limited by or rendered ineffective by (i) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally; (ii) the application of equitable principles and the exercise of judicial discretion in appropriate cases; (iii) common law and statutes affecting the enforceability of contractual obligations generally; and (iv) principles of public policy concerning, affecting or limiting the enforcement of rights or remedies against governmental entities such as the Issuer.

D. We have reviewed the undertaking of the Issuer regarding secondary market disclosure as further described in the Official Statement. In our opinion, such undertaking is valid and binding except to the extent limited by (i) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally; (ii) the application of equitable principles and the exercise of judicial discretion in appropriate cases; (iii) common law and statutes affecting the enforceability of contractual obligations generally; and (iv) principles of public policy concerning, affecting or limiting the enforcement of rights or remedies against governmental entities such as the Issuer, and is in full force and effect as of the date hereof.

This opinion is provided to you as a legal opinion only, and not as a guaranty or warranty of the matters discussed herein. No opinions may be inferred or implied beyond the matters expressly stated herein. No qualification, limitation or exception contained herein shall be construed in any way to limit the scope of the other qualifications, limitations or exceptions. Our opinion is limited to matters of Oregon law and applicable federal law, and we assume no responsibility for the applicability of other jurisdictions. For purposes of this opinion, the terms "law" and "laws" do not include unpublished judicial decisions, and we disclaim the effect of any such decision on the opinions expressed.

We have acted solely as bond counsel to the Issuer regarding the sale and issuance of the Bonds and have not represented any other party in connection with the Bonds. Therefore, no attorney-client relationship shall arise by our addressing this opinion to persons other than the Issuer.

We express no opinion as to the creditworthiness of the Issuer or the Insurer, the investment quality of the Bonds or the adequacy of the security for the Bonds. We are furnishing this letter to you

K&L | GATES

Supplemental Opinion

June __, 2008

Page 3

pursuant to the Purchase Agreement solely for your benefit. This letter is not to be used, circulated, quoted or otherwise referred to in connection with the marketing of the Bonds nor is it to be relied upon by any person without prior written permission; provided that reference may be made to it in any list or transcript of closing documents pertaining to the Bonds. This opinion speaks as of its date only, and we expressly disclaim any undertaking or obligation to advise you of any matters arising after the date hereof.

Respectfully submitted,

Kirkpatrick & Lockhart Preston Gates Ellis LLP

EXHIBIT D
CLOSING DOCUMENTS

Issuer's Closing Documents

At Closing, Issuer shall provide the following:

- a) Copies of the Resolution, Escrow Deposit Agreement, and the letter to DTC relating to the safekeeping and book entry form of the Bonds (hereinafter, the "Blanket Issuer Letter of Representation");
- b) The following opinions:
 - i) The approving opinion of Bond Counsel dated as of the Closing Date and addressed to the Issuer, substantially in the form set forth in Appendix A to the Final Official Statement and a letter addressed to the Insurer and the Underwriter to the effect that the Insurer and the Underwriter may rely upon such opinion as if it were addressed to the Insurer and the Underwriter;
 - ii) Supplemental opinion of Special Counsel substantially in the form attached hereto as Exhibit D;
- c) Evidence of each of the following:
 - i) That Moody's Investors Service has assigned its underlying rating of "A1" to the Bonds, and insured rating of "AAA," based upon the Issuer's purchase of a municipal bond insurance policy (also referred to as a "financial guaranty") issued by the Insurer and evidence of the Issuer's purchase of such insurance, including a copy of the Policy and an opinion of counsel to the Insurer in form and substance satisfactory to the Underwriter;
 - ii) That the Issuer has filed or will cause to be filed a Material Events Notice with the current nationally recognized municipal securities information repositories or the Municipal Securities Rulemaking Board identifying any applicable defeasance and calls on the Issuer's refunded bonds as described in the Documents and changes in the refunded bonds' credit rating;
 - iii) The Fiscal Agent authorization to perform the functions as paying agent, escrow agent and registrar for the Bonds; and
 - iv) Designation of the Bonds as "qualified tax-exempt obligations" for banks, thrift institutions and other financial institutions, as defined in Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.
- d) A report from Grant Thornton LLP (the "Verification Agent") verifying the accuracy of (a) the mathematical computations concerning the adequacy of the maturing principal amounts of and interest earned on the Government Obligations, together with other escrowed moneys, to be placed in the escrow account to pay when due, pursuant to stated

maturity or call for redemption, as the case may be, the principal of, premium, if any, and interest on the Refunded Bonds and (b) the mathematical computations of the yield on the Bonds and the yield on the Government Obligations purchased with a portion of the proceeds of the sale of the Bonds, together with a letter from the Verification Agent consenting to the inclusion in the POS and in the Final Official Statement under the heading "Verification" of references to the Verification Agent and to its report.

- e) A copy of completed Form 8038-G;
- f) A copy of the Undertaking as described in the POS and Final Official Statement;
- g) The following certifications, which may be combined, executed by an authorized officer of the Issuer and dated as of the Closing Date, to the effect that:
 - i) The representations, warranties and covenants of the Issuer contained herein and in the Resolution are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date;
 - ii) A Tax Certificate setting forth the facts, estimates, and circumstances in existence on the date of Closing which establish that it is not expected that the proceeds of the Bonds will be used in a manner that could cause the Bonds to be "arbitrage bonds," within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended;
 - iii) No litigation or other proceedings are pending or, to the knowledge of the Issuer, after inquiry with local counsel, threatened in any court in any way (a) affecting the position or title of the authorized officers of the Issuer, or (b) seeking to restrain or to enjoin the authorization, issuance, sale or delivery of, or security for, any of the Bonds, or (c) contesting or affecting the validity or enforceability of the Bonds, the Resolution, this Purchase Agreement, or (d) contesting the completeness or accuracy of the POS or the Final Official Statement, or (e) contesting the powers of the Issuer or its authority with respect to the Bonds, the Resolution, or this Purchase Agreement, the agreement with the Fiscal Agent, the Undertaking and the Blanket Issuer Letter of Representation or (f) materially affecting the finances of the Issuer. For the purpose of this subparagraph, the Issuer may rely upon a certificate of the Issuer's legal counsel with respect to the legal matters set forth therein;
 - iv) No event affecting the Issuer has occurred since the date of the Final Official Statement which should be disclosed in the Final Official Statement for the purposes for which it is to be used or which is necessary to disclose therein in order to make the statements therein not misleading, and the Final Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading provided, however, that (1) no representation or warranty is made with respect to information within the Final Official Statement relating to DTC, the book-entry system, the Insurer,

the Escrow Agent or the Underwriter in the italicized print on the page immediately following the cover page, and (2) the representation in this subparagraph with respect to the yields or reoffering prices on the Bonds contained in the Final Official Statement is limited to a determination by the Issuer that such information is a true and accurate presentation of the information contained on Exhibit B to this Purchase Agreement;

- v) In issuing the Bonds, the Issuer has complied with any applicable limitation on indebtedness;
- vi) The proceeds from the sale of the Bonds shall be used solely as set forth in the Resolution; and
- vii) The Issuer has complied with applicable provisions of any applicable budget law with respect to the issuance of the Bonds; and
- j) Such additional certificates, instruments or opinions or other evidence as the Underwriter or the Bond Counsel may deem reasonably necessary or desirable to evidence the due authorization, issuance, execution, authentication and delivery of the Bonds, the truth and accuracy as of the time of the Closing of the representations and warranties contained in this Purchase Agreement, and the conformity of the Bonds and Resolution with the terms thereof as summarized in the POS and the Final Official Statement, and to cover such other matters as the Underwriter or the Bond Counsel reasonably requests.

Underwriter's Closing Documents

At Closing, Underwriter shall deliver or cause to be delivered to the Issuer or Bond Counsel a receipt for the Bonds and a certificate regarding the issue price of the Bonds.