

RESOLUTION NO. 2083

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

THE TROUTDALE CITY COUNCIL FINDS AS FOLLOWS:

1. The City Council (the "Council") of the City of Troutdale, Multnomah County, Oregon (the "City") adopted Resolution No. 2062 on July 13, 2010 authorizing submission to the voters of the City at a measure election on November 2, 2010, the question of contracting a general obligation bonded indebtedness in an amount not to exceed \$7,540,000 to finance the costs of capital constructing, furnishing, and equipping a new police facility, demolishing the existing police facility and to pay all costs incidental thereto (the "Project"); and
2. the costs of the Project to be funded with bond proceeds are estimated to be not more than \$7,540,000; and
3. The City is authorized pursuant to the Oregon Constitution and Oregon Revised Statutes Chapter 287A to issue general obligation bonds to finance the costs of the Project and to pay bond issuance costs; and
4. The election was duly and legally held on November 2, 2010 and the elections officer of the county in which the City is located certified that the issuance of the general obligation bonds was approved by a majority of the qualified voters of the City voting at the election and has canvassed the results of the election in accordance with ORS 254.565; and
5. The City adopts this resolution to provide the terms under which the general obligation bonds will be sold and issued; and to authorize the issuance of the general obligation bonds;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF TROUTDALE, MULTNOMAH COUNTY, OREGON, HEREBY RESOLVES:

SECTION 1. BONDS AUTHORIZED

For the above purposes, the City shall issue its General Obligation Bonds (the "Bonds") in an aggregate principal amount not to exceed \$7,540,000 issued in one or more series, and to pay the costs related to the authorization, sale, issuance, and delivery of the Bonds.

The Bonds shall mature over a period not exceeding twenty-one (21) years from their date of issue. The Bonds shall be issued in fully registered form in the principal denominations of \$5,000 or any integral multiple thereof. The Bonds shall be subject to a book-entry only system of ownership and transfer as provided for in Section 7 hereof. The remaining terms of the Bonds shall be established as provided in Section 11 hereof.

SECTION 2. DESIGNATION OF AUTHORIZED REPRESENTATIVES

The City Council designates the Mayor, President of the Council, City Administrator/City Manager, Finance Director (each an "Authorized Representative") or a designee of the Authorized Representative to act on behalf of the City and without further action by the City Council determine the remaining terms of the Bonds as specified in Section 11.

SECTION 3. SECURITY

The 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 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 any other funds available, to pay interest accruing and the principal maturing on the Bonds promptly when and as they become due.

SECTION 4. FORM OF BONDS

The Bonds shall be issued in substantially the form as approved by the Authorized Representative. The Bonds may be printed or typewritten, and may be issued as one or more temporary Bonds which shall be exchangeable for definitive Bonds when definitive Bonds are available. As book-entry only bonds, the Bonds shall be prepared by Bond Counsel.

SECTION 5. EXECUTION OF BONDS

The 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. Additionally, the Bonds shall be authenticated by the manual signature of an authorized officer of the paying agent/registrar (the "Registrar").

SECTION 6. AUTHENTICATION, REGISTRATION, PAYMENT, EXCHANGE AND TRANSFER

a. 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 Registrar. The date of authentication shall be the date the Bondowner's name is listed on the Bond register.

b. All Bonds shall be in registered form. The Registrar shall authenticate all Bonds to be delivered at closing of this bond issue, and shall additionally authenticate all Bonds properly surrendered for exchange or transfer pursuant to this Resolution.

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

d. The Registrar shall mail or cause to be delivered the amount due under each Bond to the registered owner at the address appearing on the Bond register on the fifteenth day preceding the payment date (the "Record Date"). If payment is so mailed, neither the City nor the Registrar shall have any further liability to any party for such payment.

e. In the event the book-entry system of ownership is discontinued, Bonds may be exchanged for equal principal component amounts of Bonds of the same maturity which are in different authorized denominations, and 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 attorney in fact and guaranteed or witnessed in a manner satisfactory to the Registrar; and
- ii. the Bonds to be exchanged or transferred.

f. The Registrar shall not be required to exchange or transfer any Bonds submitted to it during any period beginning with a Record Date and ending on the next following payment date; however, such Bonds shall be exchanged or transferred promptly following that payment date.

g. The Registrar shall not be required to exchange or transfer any Bonds which have been designated for redemption if such Bonds are submitted to the Registrar during the fifteen (15) day period preceding the designated redemption date.

h. For purposes of this section, Bonds shall be considered submitted to the Registrar on the date the Registrar actually receives the materials described in subsection (e) of this section.

i. In the event any Bond is mutilated, lost, stolen or destroyed, the Registrar may issue a new Bond of like maturity, interest rate and denomination if the asserted

owner of such Bond provides to the Registrar an affidavit, certificate or other reliable proof that the Registrar reasonably finds protects the City from conflicting claims for payment under the 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 7. BOOK-ENTRY ONLY SYSTEM

During any time that the Bonds are held in a book-entry only system (the "Book-Entry System"), the registered owner of all of the Bonds shall be The Depository Trust Company, New York, New York ("DTC"), and the 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 Bonds shall be initially issued in the form of a single fully registered certificate, one for each maturity of the Bonds. Upon initial issuance, the ownership of such 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 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 Bonds, selecting the Bonds or portions thereof to be redeemed, if any, giving notice as required under this Resolution, registering the transfer of 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 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 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 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 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 Bonds to the extent of the sum or sums so paid. So long as the Bonds are held in the Book-Entry System, no person other than DTC shall receive an authenticated 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 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 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 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 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 Bonds to any DTC Participant having Bonds credited to its DTC account, or (b) to arrange for another securities depository to maintain custody of certificates evidencing the Bonds.

SECTION 8. REDEMPTION

The Bonds may be subject to optional redemption and mandatory redemption prior to maturity as determined by the Authorized Representative pursuant to Section 11 hereof.

SECTION 9. NOTICE OF REDEMPTION

Official notice of redemption shall be given by the City's Registrar on behalf of the City by mailing a copy of an official redemption notice by first-class mail at least twenty (20) days and not more than sixty (60) days prior to the date fixed for redemption to the registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond register or at such other address as is furnished in writing by such registered owner to the Registrar, and by publishing the notice as required by law; provided that so long as a book-entry only system is maintained in effect, notice of redemption shall be given at the time, to the entity and in the manner required in DTC's Operational Arrangements, and the Registrar shall not be required to give any other notice of redemption otherwise required herein.

All official notices of redemption shall be dated and shall state, without limitation: (1) the redemption date; (2) the redemption price; (3) if less than all outstanding Bonds are to be redeemed, the identification of the Bonds to be redeemed; (4) that on the

redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption; (5) that interest thereon shall cease to accrue from and after said date; (6) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office of the Registrar; and (7) the assigned CUSIP numbers of all Bonds to be redeemed.

On or 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.

Except for calls described in "Conditional Notice" below, 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 District 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. All Bonds which have been redeemed shall be canceled and destroyed by the Registrar and shall not be reissued.

Conditional Notice. Any notice of optional redemption to the Registrar or to the Bondowners may state that the optional redemption is conditional upon receipt by the Registrar of moneys sufficient to pay the redemption price of such Bonds or upon the satisfaction of any other condition, and/or that such notice may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before payment of such redemption price if any such condition so specified is not satisfied or if any such other event occurs. Notice of such rescission or of the failure of any such condition shall be given by the Registrar to affected Bondowners of Bonds as promptly as practicable upon the failure of such condition or the occurrence of such other event.

SECTION 10. TAX-EXEMPT STATUS

The City covenants to use the proceeds of the Bonds, and the facilities financed with the 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 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 Bonds; and
- b. to operate the facilities financed with the proceeds of the Bonds so that the Bonds are not "private activity bonds" under Section 141 of the Code; and
- c. to 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 Bonds.

SECTION 11. 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 12. DELEGATION FOR ESTABLISHMENT OF TERMS AND SALE OF THE BONDS

The Authorized Representative is hereby authorized, pursuant to ORS Chapter 287A and on behalf of the City for a period of six (6) months from the adoption of this resolution and without further action of City Council to:

- a. establish the principal and interest payment dates, principal amounts, optional and mandatory redemption provisions, if any, interest rates, and denominations and all other terms for the 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 Bonds shall be sold; enter into a bond purchase agreement for the sale of the Bonds which incorporates those terms; and execute and deliver such bond purchase agreement;
- c. contract with a paying agent/registrars for the Bonds;
- d. take such actions as are necessary to qualify the Bonds for the Book-Entry System of DTC;
- e. enter into covenants regarding the use of the proceeds of the Bonds and the projects financed with the proceeds of the Bonds, to maintain the tax-exempt status of the Bonds; and
- f. approve of and authorize the preparation and distribution of the preliminary and final official statements for the Bonds;
- g. obtain one or more ratings on the Bonds if determined by the Authorized Representative to be in the best interest of the City, and expend Bond proceeds to pay the costs of obtaining such rating;
- h. obtain municipal bond insurance on the 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 Bond proceeds to pay any bond insurance premium;
- i. approve, execute and deliver a Continuing Disclosure Certificate pursuant to SEC Rule 15c2-12, as amended (17 CFR Part 240, § 240.15c2-12);

- j. approve, execute and deliver the Bond closing documents and certificates;
- k. execute and deliver a certificate specifying the action taken pursuant to this Section 12, and any other certificates, documents or agreements that the Authorized Representative determines are desirable to issue, sell and deliver the Bonds in accordance with this Resolution.

SECTION 13. DEFEASANCE

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 an independent certified public accountant, is sufficient without reinvestment to pay all principal and interest on the defeased Bonds until their maturity date or any earlier redemption date. 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 14. ESTABLISHMENT OF FUNDS

The following funds shall be created into which the proceeds of the Bonds shall be deposited, which funds shall be continually maintained, except as otherwise provided, so long as the Bonds remain unpaid.

a. Debt Service Fund. The City shall maintain a debt service fund for the payment of principal, premium, if any, and interest on the Bonds as they become due. All accrued interest, if any, and all taxes levied and other moneys available for the payment of the Bonds shall be deposited to the debt service fund.

b. Project Fund. The City shall maintain the project fund for the purpose of accounting for and paying all costs of the projects and the costs related to the preparation, authorization, issuance, and sale of the Bonds. Any interest earnings on moneys invested from the project fund shall be retained in the project fund. The City's share of any liquidated damages or other moneys paid by defaulting contractors or their sureties will be deposited into the project fund to assure the completion of the project.

Upon completion of the Project and upon payment in full of all costs related thereto, any balance remaining in the project fund shall be deposited to the debt service fund for payment of debt service.

SECTION 15. DESIGNATION OF BOND COUNSEL AND UNDERWRITER

The District hereby designates K&L Gates LLP as Bond Counsel for the issuance of the Bonds and Seattle-Northwest Securities Corporation as Underwriter for the issuance of the Bonds.


SECTION 16. RESOLUTION TO CONSTITUTE CONTRACT


In consideration of the purchase and acceptance of any or all of the Bonds by those who shall own the same from time to time (the "Bondowners"), the provisions of this Resolution shall be part of the contract of the City with the Bondowners and shall be deemed to be and shall constitute a contract between the City and the Bondowners. The covenants, pledges, representations and warranties contained in this Resolution or in the closing documents executed in connection with the Bonds, including without limitation the City's covenants and pledges contained in Section 3 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 Bondowners, all of which shall be of equal rank without preference, priority or distinction of any of such Bonds over any other thereof, except as expressly provided in or pursuant to this Resolution.

SECTION 17. EFFECTIVE DATE OF RESOLUTION

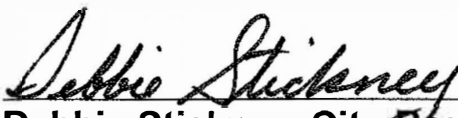
This Resolution shall take effect immediately upon its adoption by the City Council.

YEAS: 5
NAYS: 0
ABSTAINED: 0



Mayor Jim Kight


Date



Debbie Stickney, City Recorder
Adopted: November 23, 2010