

Thursday, 7:30 P.M.

September 23, 1982

A SPECIAL MEETING
OF THE CITY COUNCIL

Council Chambers

Newberg, Oregon

The meeting was called to order by Mayor Elvern Hall.

Roll Call:

Present - Maybelle DeMay
Roger Gano
Harold Grobey
Alan Halstead

C. Eldon McIntosh
Quentin Probst
Richard Rementería
Tommy Tucker

Staff Present - Richard Faus, City Attorney
Arvilla Page, City Recorder

Others Present - Pat Grobey

The Mayor stated the purpose of the meeting was to consider and act on an ordinance authorizing issuance of bonds totalling \$127,664. for Project 213, Sitka LID.

Motion: Halstead-Rementería to read Ordinance No. 2102 authorizing issuance of general obligation improvement bonds of \$127,664. Carried unanimously. The ordinance was then read.

Mayor Hall questioned "passed unanimously" wording. Usual wording is "passed by the following votes". Mr. Faus stated bond counsel preferred "unanimous", if that is the case.

Councilman Tucker questioned different consultant and counsel from previous on this issue. Mr. Faus stated changes in personnel have occurred. Marshall and Meyer, our previous consultant, is no longer in business.

Mayor Hall stated he had heard one bank was not planning to bid local bonds after October 15, 1982. Mr. Faus reported the bank has agreed to continue bidding because of the number of bond issues coming to market.

Roll Call on the ordinance: Aye - 8, DeMay, Gano, Grobey, Halstead, McIntosh, Probst, Rementería, Tucker; Nay - 0.

The Mayor then declared the ordinance passed unanimously.

Motion: Halstead-Rementería to adjourn. Carried unanimously.



CITY OF

NEWBERG

414 E. First Street

Newberg, OR 97132

NOTICE OF SPECIAL COUNCIL MEETING

To the Members of the Newberg City Council:

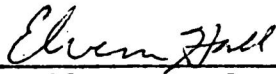
The Honorable Mayor Elvern Hall hereby calls a special meeting of the Newberg City Council, pursuant to his authority under Section 15, Chapter IV of the Newberg City Charter.

DATE: Thursday, September 23, 1982

TIME: 7:30 P.M.

PLACE: Council Chambers, Newberg, Oregon

BUSINESS: Approve Bond Sale Ordinance for the Sitka Avenue Local Improvement District, Project Number 213.



Honorable Mayor Elvern Hall

MEMO TO: Mike Warren, City Administrator

FROM: Rick Faus, City Attorney

DATE: September 15, 1982

SUBJECT: Special Council Meeting to Approve Issuance
of Bancroft Bonds on Sitka Avenue LID, Project No. 213

As you know, there is a necessity for quick action on authorizing our bancroft bond issue for the Sitka Street Project. We have been working very closely with our bond consultants, Bob Moore and Jim Breithaupt and with our bond counsel, Harvey Rogers of Ragen/Roberts, in putting this issue together quickly and selling it prior to the November 2, 1982 vote on Ballot Measure 3. The following dates have been set:

1. Thursday, September 23, 1982 - Special Council Meeting at 7:30 P.M. to approve the bond sale ordinance
2. Friday, September 24, 1982 - Ads to be placed in the Newberg Graphic and the Daily Journal of Commerce in Portland to advertise the bond sale for publication dates on September 29th and October 6th.
3. Monday, October 18, 1982 - 2:00 P.M. - Bid opening to occur at the offices of Ragen/Roberts in Portland.
4. Monday, October 18, 1982 - 5:00 P.M. - Special Council Meeting to approve and award bid on bonds. This must be set at this time because of state law requiring approval of the bids within 4 hours of the bid opening.

At the writing of this memo all but one property owner has filed their application for Bancroft Bonding. The total amount of the assessment is \$127,664.75. At this time, \$107,194.16 of this amount will be bonded for sure. The remaining single assessment amount of \$20,470.59 may or may not be included in this bond issue.

When the final amount of the bond issue is determined, our bond consultant will prepare a maturity schedule and forward this information to our bond counsel for preparation of our final ordinance. Because the final ordinance will not be prepared until shortly before the meeting, I have attached to this memo the preliminary draft of the ordinance only. The final will be similar to this but with the correct total amount of bonding, dates and publication papers, and maturity schedule filled in. The ordinance does have an emergency clause which is necessary because of the Ballot Measure 3 implications. Also attached is a copy of the incomplete official notice of bond sale which will be published in the papers as indicated above.

RDF:fj

ORDINANCE NO. 2102

AN ORDINANCE AUTHORIZING ISSUANCE OF
GENERAL OBLIGATION IMPROVEMENT BONDS AND
DECLARING AN EMERGENCY

THE CITY OF NEWBERG, OREGON ORDAINS AS FOLLOWS:

Section 1. Authorization. The City of Newberg, Oregon, does hereby authorize the issuance and sale of General Obligation Improvement Bonds, Series 1982, of the City of Newberg, Oregon, in the amount of One Hundred Twenty Seven Thousand Six Hundred Sixty-Four Dollars (\$127,664), to be dated October 1, 1982, to be numbered consecutively from one (1) to twenty-six (26), inclusive, to be in denominations of \$5,000 each, except bond number one in the amount of Two Thousand Six Hundred Sixty-Four Dollars (\$2,664), to bear interest payable semiannually on April 1 and October 1 of each year and to mature serially in numerical order on the first day of October in each year as follows:

<u>Year</u>	<u>Amount</u>
1983	\$12,664
1984	\$10,000
1985	\$10,000
1986	\$10,000
1987	\$10,000
1988	\$10,000
1989	\$10,000
1990	\$10,000
1991	\$10,000
1992	\$10,000
1993	\$10,000
1994	\$15,000

Section 2. Signatures and Registration. Each of the bonds shall be executed with the facsimile signature of the Mayor in office on the date of execution of such bonds; each of the bonds shall be attested by the manual signature of the Recorder in office on such date; the coupons appertaining to the bonds shall be executed with the facsimile signatures of such Mayor and Recorder; and each of the bonds shall be registered in the Improvement Bond Register by the auditor or recording officer of the City of Newberg, State of Oregon.

Section 3. Security. The City has assessed the cost of public improvements to benefited properties and all monies collected therefrom shall be placed in the Bancroft Bond Redemption Fund and applied to the payment of principal and interest on these bonds. The full faith and credit of the City are also pledged to the successive holders of each of the bonds and of the interest coupons appertaining thereto, for the punctual payment of such obligations, when due; and the City shall levy annually, as required, a direct ad valorem tax upon all of the taxable property within the City in sufficient amount, after taking into consideration discounts taken and delinquencies that may occur in the payment of such taxes, to pay the interest on and principal of the bonds as such obligations respectively become due and payable; and the City covenants with the holders of its bonds to levy such a tax as required during each year that any of the bonds or coupons, or of bonds or coupons issued to refund them, are outstanding.

Section 4. Maintenance of Tax-Exempt Status. The City shall take no action nor make any use of the proceeds of the bonds, installment payments of assessments or ad valorem tax revenues intended to be used to pay principal and interest on the bonds, which will cause the bonds to lose their tax-exempt status under federal or State of Oregon income tax laws, regulations and judicial or administrative interpretations.

Section 5. Form. The bonds and the coupons attached thereto shall be in substantially the following form, the terms of which are hereby adopted:

UNITED STATES OF AMERICA
STATE OF OREGON
COUNTY OF YAMHILL
CITY OF NEWBERG

GENERAL OBLIGATION IMPROVEMENT BOND, SERIES 1982

\$ _____

The City of Newberg, in the County of Yamhill, State of Oregon, acknowledges itself indebted and for value received hereby promises to pay to bearer on the 1st day of October, 19____, the sum of

_____ THOUSAND DOLLARS

with interest thereon from the date hereof at the rate of _____ percent (____%) per annum, on the first day of April and the first day of October in each year until

maturity, upon surrender of the annexed interest coupons as they severally mature. The principal of and the interest upon this bond are payable in lawful money of the United States of America, at the office of the City Administrator in the City of Newberg, Oregon.

THIS BOND is one of a series aggregating One Hundred Twenty-Seven Thousand Six Hundred Sixty-Four Dollars (\$127,664) par value, is issued to provide funds to construct public improvements as authorized by Oregon Revised Statutes 223.205 to 223.295, inclusive, commonly known as the Bancroft Bonding Act, and is a general obligation of the City.

IT IS HEREBY CERTIFIED, RECITED, AND DECLARED that all conditions, acts, and things required to exist, to happen, and to be performed precedent to and in the issuance of this bond have existed, have happened, and have been performed in due time, form, and manner as required by the constitution and statutes of the State of Oregon; that the issue of which this bond is a part, and all other obligations of the City, are within every debt limitation and other limit prescribed by such constitution and statutes; and that the City has covenanted to levy annually, as required, a direct ad valorem tax upon all the taxable property within the City, in sufficient amount to pay the interest on and the principal of the bonds of this issue, as such obligations respectively become due and payable.

IN WITNESS WHEREOF, the City of Newberg has caused this bond to be executed with the facsimile signature of its Mayor and attested by the manual signature of its Recorder, the annexed interest coupons to be executed with the facsimile signatures of such officers, and the seal of the City to be affixed or printed hereon as of this 1st day of October, 1982.

Mayor

ATTEST:

Recorder

(SEAL)

FORM OF BOND COUPON

No. _____

On the first day of _____, 19____, City of Newberg, State of Oregon, upon surrender of this coupon at the office of the City Administrator in the City of Newberg, Oregon, will pay to bearer the sum of _____ Dollars (\$_____), in lawful money of the United States of America, for interest then due on its General Obligation Improvement Bond, Series 1982, dated October 1, 1982, and bearing No. _____.

Mayor

ATTEST:

Recorder

Section 6. Temporary Bond. The City may deliver a temporary bond, which may be a single registered, typewritten installment bond. The temporary bond shall be exchangeable for definitive coupon bonds not later than November 15, 1982.

Section 7. Sale of Bonds. The Recorder shall cause to be published in the Newberg Graphic and in the Daily Journal of Commerce, Portland, Oregon, notices of sale of the bonds in the form substantially as shown on Exhibit A attached hereto and by this reference incorporated herein, or summaries, as provided by law. The bonds shall be sold upon the terms provided in the attached Exhibit A. The bonds shall be sold on the date and at the time and place stated in Exhibit A, unless the Mayor or Administrator establishes a different date, time, or place.

Section 8. Emergency. This ordinance being necessary for the immediate preservation of the public peace, health and safety of the City of Newberg, in order to obtain sufficient funds to pay for public improvements, an emergency is hereby declared to exist and this ordinance shall be in full force and effect immediately upon its passage by the Council and approval by the Mayor.

PASSED by the unanimous vote of the Council, with a quorum in attendance, this _____ day of _____, 1982.

Mayor

ATTEST:

Recorder

Executed this _____ day of _____, 1982.

EXHIBIT A

OFFICIAL NOTICE OF BOND SALE

\$127,664

CITY OF NEWBERG
YAMHILL COUNTY
STATE OF OREGON

GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 1982

Sealed bids will be received on behalf of the City of Newberg, Yamhill County, Oregon, until 2:00 o'clock p.m., Prevailing Pacific Time, on

October 18, 1982

at the offices of Ragen, Roberts, O'Scannlain, Robertson & Neill, 1600 Orbanco Building, 1001 SW Fifth Avenue, Portland, Oregon 97204, at which time they will be publicly opened and announced.

The bids shall be considered and acted upon by the City Council at 5:00 o'clock p.m. on the same day.

ISSUE: ONE HUNDRED TWENTY-SEVEN THOUSAND SIX HUNDRED SIXTY-FOUR DOLLARS (\$127,664) consisting of twenty-six (26) coupon bonds in denominations of FIVE THOUSAND DOLLARS (\$5,000), except Bond No. One in the amount of Two Thousand Six Hundred Sixty-Four Dollars (\$2,664), all dated October 1, 1982.

INTEREST RATE: Maximum not to exceed a net effective rate of thirteen percent (13%) per annum. Interest is payable semiannually on April 1 and October 1 of each year. Bidders must specify the interest rate or rates which the bonds hereby offered for sale shall bear. The bids shall comply with the following conditions: (1) Each interest rate specified in any bid must be a multiple of 1/8th or 1/20th of one percent (1%); (2) No bond shall bear more than one rate of interest, no interest payment shall be evidenced by more than one coupon, and supplemental coupons will not be permitted; (3) Each bond shall bear interest from its date to its stated maturity date at the interest rate specified in the bid; (4) All bonds maturing at any one time shall bear the same rate of interest; (5) The difference between the highest and lowest coupon interest rates may not exceed five percent (5%).

MATURITIES: The bonds shall mature serially in numerical order on the first day of October in each of the years as follows:

<u>Year</u>	<u>Amount</u>
1983	\$12,664
1984	\$10,000
1985	\$10,000
1986	\$10,000
1987	\$10,000
1988	\$10,000
1989	\$10,000
1990	\$10,000
1991	\$10,000
1992	\$10,000
1993	\$10,000
1994	\$15,000

REGISTRATION: The bonds will be issued in bearer form with no option for registration.

REDEMPTION: The bonds are not subject to redemption prior to maturity.

PAYMENT: Principal and interest are payable at maturity in lawful money of the United States at the office of the City Administrator in Newberg, Oregon.

PURPOSE: The bonds are issued to provide funds to construct public improvements as authorized by Oregon Revised Statutes 223.205 to 223.295, inclusive, commonly known as the Bancroft Bonding Act.

SECURITY: The City has assessed the cost of public improvements to benefited properties and all monies collected therefrom shall be placed in the Bancroft Bond Redemption Fund and applied to the payment of principal and interest on these bonds. The bonds are also general obligations of the City. The City has covenanted to levy an ad valorem tax annually as required to pay bond principal and interest as they respectively come due.

LEGAL OPINION: The approving opinion of Ragen, Roberts, O'Scannlain, Robertson & Neill, Lawyers of Portland, Oregon, will be provided at no cost to the purchaser, and will be printed on the bonds at the expense of the City.

TAX EXEMPT STATUS: Interest on the bonds, in the opinion of bond counsel, is exempt from taxation by the United States under present federal income tax laws and from personal income taxation by the State of Oregon under present state law.

BEST BID: The bonds will be awarded to the responsible bidder whose proposal will result in the lowest net cost to the City. The successful bid will be determined by computing the total amount of interest which the City would be required to pay from the date of each bond to its respective maturity date at the coupon rate or rates specified in the bid assuming no bonds are called prior to maturity, less premium offered, if any. Each bidder is requested to supply the total interest cost and net effective interest rate that the City will pay upon the issue if the bid is accepted. The purchaser must pay accrued interest, computed on a 360-day basis, from the date of the bonds to the date of delivery. The cost of printing the bonds will be borne by the City.

DELIVERY: Delivery of the bonds will be made without cost to the successful bidder at such bank in the City of Portland, Oregon, as the successful bidder shall name or elsewhere at the expense of the Purchaser. Payment for the bonds must be made in funds immediately available to the City. Delivery will be made prior to November 2, 1982. Delivery may be made with a temporary bond which shall be exchangeable for definitive coupon bonds on or before November 15, 1982.

FORM OF BID: All bids must be for not less than all the bonds hereby offered for sale, and for not less than ninety-eight percent (98%) of the par value thereof and accrued interest to the date of delivery. Each bid together with bidder's check as herein specified must be enclosed in a sealed envelope addressed to the City and designated "Proposal for Bonds".

BID CHECK: All bids must be unconditional and accompanied by a certified or cashier's check on a bank doing business in the State of Oregon for Two Thousand Five Hundred Sixty Dollars (\$2,560) payable to the order of the City to secure the City from any loss resulting from the failure of the bidder to comply with the terms of its bid. Checks will be forfeited to the City as liquidated damages in case the bidder to whom the bonds are awarded shall withdraw its bid or fail to complete its purchase in accordance with the terms thereof. No interest shall be allowed on the deposit but the check of the successful bidder will be retained as part payment of the bonds or for liquidated damages as described above. Checks of the unsuccessful bidders will be returned by the City promptly after award of bid.

RIGHT OF REJECTION: The City reserves the right to reject any or all bids and to waive any irregularity.

NO LITIGATION: At closing, the City will furnish the successful bidder the usual closing documents, including a certificate that there is no litigation pending affecting the validity of the bonds.

OFFICIAL STATEMENT AND ADDITIONAL INFORMATION: The City's Preliminary Official Statement and additional information regarding the City and this sale may be obtained from Moore, Breithaupt and Associates, 147 Commercial, N.E., Salem, Oregon 97301, telephone 503/364-9326.

By order of the
City of Newberg, Oregon

SUMMARY NOTICE OF BOND SALE

\$127,664

CITY OF NEWBERG
COUNTY OF YAMHILL
STATE OF OREGON

GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 1982

SEALED PROPOSALS will be received at the offices of Ragen, Roberts, O'Scannlain, Robertson & Neill, 1600 Orbanco Building, 1001 SW Fifth Avenue, Portland, Oregon 97204, until 2:00 o'clock p.m., Prevailing Pacific Time, on

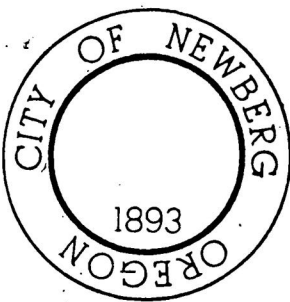
October 18, 1982.

The bonds will be dated October 1, 1982, will be in denominations of \$5,000 each, except bond number one in the amount of \$2,664, and will mature serially in varying amounts from October 1, 1983 to October 1, 1994, inclusive. The net effective interest cost must not exceed thirteen percent (13%) per annum. The bonds will not be callable prior to maturity.

The approving legal opinion of Ragen, Roberts, O'Scannlain, Robertson & Neill, Lawyers, Portland, Oregon, will be furnished to the purchaser, which legal opinion will be printed on each bond, and a non-litigation certificate will be included in the closing documents.

The Official Notice of Bond Sale of which this is a summary and further information concerning the bonds and the City will be found in a Preliminary Official Statement which may be obtained upon request made to the City's financial consultant, Moore, Breithaupt and Associates, 147 Commercial, N.E., Salem, Oregon 97301, telephone 503/364-9326.

By order of the
City of Newberg, Oregon



CITY OF

NEWBERG

414 E. First Street

Newberg, OR 97132

NOTICE OF SPECIAL COUNCIL MEETING

To the Members of the Newberg City Council:

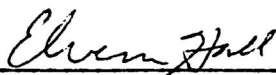
The Honorable Mayor Elvern Hall hereby calls a special meeting of the Newberg City Council, pursuant to his authority under Section 15, Chapter IV of the Newberg City Charter.

DATE: Thursday, September 23, 1982

TIME: 7:30 P.M.

PLACE: Council Chambers, Newberg, Oregon

BUSINESS: Approve Bond Sale Ordinance for the Sitka Avenue Local Improvement District, Project Number 213.



Honorable Mayor Elvern Hall

MEMO TO: Mike Warren, City Administrator

FROM: Rick Faus, City Attorney

DATE: September 15, 1982

SUBJECT: Special Council Meeting to Approve Issuance
of Bancroft Bonds on Sitka Avenue LID, Project No. 213

As you know, there is a necessity for quick action on authorizing our bancroft bond issue for the Sitka Street Project. We have been working very closely with our bond consultants, Bob Moore and Jim Breithaupt and with our bond counsel, Harvey Rogers of Ragen/Roberts, in putting this issue together quickly and selling it prior to the November 2, 1982 vote on Ballot Measure 3. The following dates have been set:

1. Thursday, September 23, 1982 - Special Council Meeting at 7:30 P.M. to approve the bond sale ordinance
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3. Monday, October 18, 1982 - 2:00 P.M. - Bid opening to occur at the offices of Ragen/Roberts in Portland.
4. Monday, October 18, 1982 - 5:00 P.M. - Special Council Meeting to approve and award bid on bonds. This must be set at this time because of state law requiring approval of the bids within 4 hours of the bid opening.

At the writing of this memo all but one property owner has filed their application for Bancroft Bonding. The total amount of the assessment is \$127,664.75. At this time, \$107,194.16 of this amount will be bonded for sure. The remaining single assessment amount of \$20,470.59 may or may not be included in this bond issue.

When the final amount of the bond issue is determined, our bond consultant will prepare a maturity schedule and forward this information to our bond counsel for preparation of our final ordinance. Because the final ordinance will not be prepared until shortly before the meeting, I have attached to this memo the preliminary draft of the ordinance only. The final will be similar to this but with the correct total amount of bonding, dates and publication papers, and maturity schedule filled in. The ordinance does have an emergency clause which is necessary because of the Ballot Measure 3 implications. Also attached is a copy of the incomplete official notice of bond sale which will be published in the papers as indicated above.

RDF:fj

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING ISSUANCE OF
GENERAL OBLIGATION IMPROVEMENT BONDS AND
DECLARING AN EMERGENCY

THE CITY OF NEWBERG, OREGON ORDAINS AS FOLLOWS:

Section 1. Authorization. The City of Newberg, Oregon, does hereby authorize the issuance and sale of General Obligation Improvement Bonds, Series 1982, of the City of Newberg, Oregon, in the amount of _____ Dollars (\$ _____), to be dated October 1, 1982, to be numbered consecutively from one (1) to _____ (_____), inclusive, to be in denominations of \$5,000 each, except bond number one in the amount of _____ Dollars (\$ _____), to bear interest payable semiannually on April 1 and October 1 of each year and to mature serially in numerical order on the first day of October in each year as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
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with the right reserved to the City, however, at its option, to redeem in inverse numerical order at par and accrued interest on _____, _____ and on any interest payment day thereafter, any or all of the bonds of such issue maturing after _____, _____.

Section 2. Signatures and Registration. Each of the bonds shall be executed with the facsimile signature of the Mayor in office on the date of execution of such bonds; each of the bonds shall be attested by the manual signature of the Recorder in office on such date; the coupons appertaining to the bonds shall be executed with the facsimile signatures of such Mayor and Recorder; and each of the bonds shall be registered in the Improvement Bond Register by the auditor or recording officer of the City of Newberg, State of Oregon.

Section 3. Security. The City has assessed the cost of public improvements to benefited properties and all monies collected therefrom shall be placed in the Bancroft Bond Redemption Fund and applied to the payment of principal and interest on these bonds. The full faith and credit of the City are also pledged to the successive holders of each of the bonds and of the interest coupons appertaining thereto, for the punctual payment of such obligations, when due; and the City shall levy annually, as required, a direct ad valorem tax upon all of the taxable property within the City in sufficient amount, after taking into consideration discounts taken and delinquencies that may occur in the payment of such taxes, to pay the interest on and principal of the bonds as such obligations respectively become due and payable; and the City covenants with the holders of its bonds to levy such a tax as required during each year that any of the bonds or coupons, or of bonds or coupons issued to refund them, are outstanding.

Section 4. Maintenance of Tax-Exempt Status. The City shall take no action nor make any use of the proceeds of the bonds, installment payments of assessments or ad valorem tax revenues intended to be used to pay principal and interest on the bonds, which will cause the bonds to lose their tax-exempt status under federal or State of Oregon income tax laws, regulations and judicial or administrative interpretations.

Section 5. Form. The bonds and the coupons attached thereto shall be in substantially the following form, the terms of which are hereby adopted:

UNITED STATES OF AMERICA
STATE OF OREGON
COUNTY OF YAMHILL
CITY OF NEWBERG

GENERAL OBLIGATION IMPROVEMENT BOND, SERIES 1982

\$ _____

The City of Newberg, in the County of Yamhill, State of Oregon, acknowledges itself indebted and for value received hereby promises to pay to bearer on the 1st day of October, 19____, the sum of

_____ THOUSAND DOLLARS

with interest thereon from the date hereof at the rate of _____ percent (_____ %) per annum, on the first day of April and the first day of October in each year until

maturity, upon surrender of the annexed interest coupons as they severally mature. The principal of and the interest upon this bond are payable in lawful money of the United States of America, at the office of the City Administrator in the City of Newberg, Oregon.

THE BONDS of this issue of which this bond forms a part, maturing after _____, _____ may be redeemed by the City at par value and accrued interest to the date of redemption on _____, _____ and on any interest payment date thereafter, in inverse numerical order, upon notice given in the manner required by law, which shall include at least one publication in a newspaper having general circulation within the City of Newberg, State of Oregon, and as otherwise required by law. Interest upon the bonds so called for payment shall cease upon the redemption date specified in the notice.

THIS BOND is one of a series aggregating _____ Dollars (\$ _____) par value, is issued to provide funds to construct public improvements as authorized by Oregon Revised Statutes 223.205 to 223.295, inclusive, commonly known as the Bancroft Bonding Act, and is a general obligation of the City.

IT IS HEREBY CERTIFIED, RECITED, AND DECLARED that all conditions, acts, and things required to exist, to happen, and to be performed precedent to and in the issuance of this bond have existed, have happened, and have been performed in due time, form, and manner as required by the constitution and statutes of the State of Oregon; that the issue of which this bond is a part, and all other obligations of the City, are within every debt limitation and other limit prescribed by such constitution and statutes; and that the City has covenanted to levy annually, as required, a direct ad valorem tax upon all the taxable property within the City, in sufficient amount to pay the interest on and the principal of the bonds of this issue, as such obligations respectively become due and payable.

IN WITNESS WHEREOF, the City of Newberg has caused this bond to be executed with the facsimile signature of its Mayor and attested by the manual signature of its Recorder, the annexed interest coupons to be executed with the facsimile signatures of such officers, and the seal of the City to be affixed or printed hereon as of this 1st day of October, 1982.

Mayor

ATTEST:

Recorder

(SEAL)

FORM OF BOND COUPON

No. _____

On the first day of _____, 19____, City of Newberg, State of Oregon, upon surrender of this coupon at the office of the City Administrator in the City of Newberg, Oregon, will pay to bearer the sum of _____ Dollars (\$_____), in lawful money of the United States of America, for interest then due on its General Obligation Improvement Bond, Series 1982, dated October 1, 1982, and bearing No. _____.

Mayor

ATTEST:

Recorder

For coupons maturing after initial call date, ADD:

, unless sooner redeemed as therein provided,

Section 6. Temporary Bond. The City may deliver a temporary bond, which may be a single registered, typewritten installment bond. The temporary bond shall be exchangeable for definitive coupon bonds not later than 45 days after the date of the bond sale.

Section 7. Sale of Bonds. The Recorder shall cause to be published in the Record Courier and in the Daily Journal of Commerce, Portland, Oregon, notices of sale of the bonds in the form substantially as shown on Exhibit A attached hereto and by this reference incorporated herein, or summaries, as provided by law. The bonds shall be sold upon the terms provided in the attached Exhibit A. The bonds shall be sold on the date and at the time and place stated in Exhibit A, unless the Mayor or Recorder establishes a different date, time, or place.

Section 8. Emergency. This ordinance being necessary for the immediate preservation of the public peace, health and safety of the City of Newberg, in order to obtain sufficient funds to pay for public improvements, an emergency is hereby declared to exist and this ordinance shall be in full force and effect immediately upon its passage by the Council and approval by the Mayor.

PASSED by the unanimous vote of the Council, with a quorum
in attendance, this _____ day of _____, 1982.

APPROVED by the Mayor this _____ day of _____, 1982.

Mayor

Executed this _____ day of
_____, 1982.

ATTEST:

Recorder

Executed this _____ day of
_____, 1982.

EXHIBIT A

OFFICIAL NOTICE OF BOND SALE

\$ _____

CITY OF NEWBERG
YAMHILL COUNTY
STATE OF OREGON

GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 1982

Sealed bids will be received on behalf of the City of Newberg, Yamhill County, Oregon, until _____ o'clock __.m., Prevailing Pacific Time, on

_____, 1982

at the offices of _____ at which time they will be publicly opened and announced.

The bids shall be considered and acted upon by the City Council within four hours after bids are received.

ISSUE: _____ DOLLARS
(\$ _____) consisting of _____ (_____) coupon bonds in denominations of FIVE THOUSAND DOLLARS (\$5,000), except Bond No. One in the amount of _____ Dollars (\$ _____), all dated October 1, 1982.

INTEREST RATE: Maximum not to exceed a net effective rate of fifteen percent (15%) per annum. Interest is payable semiannually on April 1 and October 1 of each year. Bidders must specify the interest rate or rates which the bonds hereby offered for sale shall bear. The bids shall comply with the following conditions: (1) Each interest rate specified in any bid must be a multiple of 1/8th or 1/20th of one percent (1%); (2) No bond shall bear more than one rate of interest, no interest payment shall be evidenced by more than one coupon, and supplemental coupons will not be permitted; (3) Each bond shall bear interest from its date to its stated maturity date at the interest rate specified in the bid; (4) All bonds maturing at any one time shall bear the same rate of interest; (5) No coupon rate of interest may exceed 18%.

MATURITIES: The bonds shall mature serially in numerical order on the first day of October in each of the years as follows:

AMOUNT

YEAR

AMOUNT

YEAR

REGISTRATION: The bonds will be issued in bearer form with no option for registration.

REDEMPTION: The City reserves the right to redeem any or all of the bonds then outstanding in inverse numerical order on _____, _____ and on any interest payment date thereafter at par plus accrued interest to the date of redemption.

PAYMENT: Principal and interest are payable, either at maturity or upon earlier redemption, in lawful money of the United States at the office of the City Administrator in Newberg, Oregon.

PURPOSE: The bonds are issued to provide funds to construct public improvements as authorized by Oregon Revised Statutes 223.205 to 223.295, inclusive, commonly known as the Bancroft Bonding Act.

SECURITY: The City has assessed the cost of public improvements to benefited properties and all monies collected therefrom shall be placed in the Bancroft Bond Redemption Fund and applied to the payment of principal and interest on these bonds. The bonds are also general obligations of the City. The City has covenanted to levy an ad valorem tax annually as required to pay bond principal and interest as they respectively come due.

LEGAL OPINION: The approving opinion of Ragen, Roberts, O'Scannlain, Robertson & Neill, Lawyers of Portland, Oregon, will be provided at no cost to the purchaser, and will be printed on the bonds at the expense of the City.

TAX EXEMPT STATUS: Interest on the bonds, in the opinion of bond counsel, is exempt from taxation by the United States under present federal income tax laws and from personal income taxation by the State of Oregon under present state law.

BEST BID: The bonds will be awarded to the responsible bidder whose proposal will result in the lowest net cost to the City. The successful bid will be determined by computing the total amount of interest which the City would be required to pay from the date of each bond to its respective maturity date at the coupon rate or rates specified in the bid assuming no bonds are called prior to maturity, less premium offered, if any. Each bidder is requested to supply the total interest cost and net effective interest rate that the City will pay upon the issue if the bid is accepted. The purchaser must pay accrued interest, computed on a 360-day basis, from the date of the bonds to the date of delivery. The cost of printing the bonds will be borne by the City.

DELIVERY: Delivery of the bonds will be made without cost to the successful bidder at such bank in the City of Portland, Oregon, as the successful bidder shall name or elsewhere at the expense of the Purchaser. Payment for the bonds must be made in funds immediately available to the City. Delivery will be made within thirty days. Delivery may be made with a temporary bond which shall be exchangeable for definitive coupon bonds on or before forty-five (45) days from the date of sale.

FORM OF BID: All bids must be for not less than all the bonds hereby offered for sale, and for not less than ninety-eight percent (98%) of the par value thereof and accrued interest to the date of delivery. Each bid together with bidder's check as herein specified must be enclosed in a sealed envelope addressed to the City and designated "Proposal for Bonds".

BID CHECK: All bids must be unconditional and accompanied by a certified or cashier's check on a bank doing business in the State of Oregon for _____ Dollars (\$ _____) payable to the order of the City to secure the City from any loss resulting from the failure of the bidder to comply with the terms of its bid. Checks will be forfeited to the City as liquidated damages in case the bidder to whom the bonds are awarded shall withdraw its bid or fail to complete its purchase in accordance with the terms thereof. No interest shall be allowed on the deposit but the check of the successful bidder will be retained as part payment of the bonds or for liquidated damages as described above. Checks of the unsuccessful bidders will be returned by the City promptly after award of bid.

RIGHT OF REJECTION: The City reserves the right to reject any or all bids and to waive any irregularity.

NO LITIGATION: At closing, the City will furnish the successful bidder the usual closing documents, including a certificate that there is no litigation pending affecting the validity of the bonds.

OFFICIAL STATEMENT AND ADDITIONAL INFORMATION: The City's Preliminary Official Statement and additional information regarding the City and this sale may be obtained from

By order of the
City of Newberg, Oregon