

RESOLUTION 2024

A RESOLUTION OF THE CITY OF WARRENTON, CLATSOP COUNTY, OREGON AUTHORIZING THE ISSUANCE AND NEGOTIATED SALE OF NOT TO EXCEED \$320,000 GENERAL OBLIGATION BONDS; DESIGNATING AN AUTHORIZED REPRESENTATIVE, BOND COUNSEL AND UNDERWRITER; AUTHORIZING APPOINTMENT OF A PAYING AGENT, BOND REGISTRAR AND EXPERT ADVISOR; AND AUTHORIZING EXECUTION OF A PURCHASE AGREEMENT.

WHEREAS, the City Commission of the City of Warrenton, Clatsop County, Oregon (the "City") submitted to the voters of the City at an election on May 21, 2002 Measure 4-84 which sought the authorization to contract a general obligation bonded indebtedness in an amount not to exceed \$320,000 to finance the acquisition and equipping of a fire truck (the "Project"); and

WHEREAS, a majority of the registered voters of the City eligible to vote in the election cast a ballot; and

WHEREAS, a majority of the voters of the City voting on Measure 4-84 approved of the issuance of the general obligation bonded indebtedness; and

WHEREAS, the City now desires to proceed with the issuance of the authorized general obligation bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF WARRENTON, CLATSOP COUNTY, OREGON, AS FOLLOWS:

Section 1. Issuance of Series 2002 Bonds. The City Commission of the City authorizes the issuance and private negotiated sale of general obligation bonds in a principal amount not to exceed \$320,000 (the "Bonds"). The Bonds shall be issued as negotiable general obligation bonds of the City for a term not to exceed five (5) years from date of issuance and shall bear interest at a true effective rate not to exceed six percent (6%) per annum. The Bonds shall be sold at not less than ninety eight percent (98%) of par value, disregarding any original issue discount. The City authorizes the Mayor or the City Manager (the "Authorized Representative"), to determine and designate the principal amount, dated date, interest rates, maturity dates, optional redemption dates and premiums, if any, principal serial maturities, term bond maturity or maturities, with or without premium, denominations, interest payment dates, underwriters discount, to obtain bond insurance or some other form of guaranty or security for the payment of the Bonds and such other provisions as are deemed necessary and desirable for the sale and issuance of the Bonds. The Bonds may be issued in one or more series as determined by the Authorized Representative.

Section 2. Title and Execution of the Bonds. The Bonds shall be entitled "City of Warrenton, Clatsop County, Oregon, General Obligation Bonds, Series 2002", or such other name approved by the Authorized Representative, and shall bear the manual or facsimile signature of the Mayor of the City and the manual or facsimile signature of the City Auditor. The Bonds shall be initially issued in book-entry form as a single, typewritten bond for each maturity and issued in the registered name of the nominee of The Depository Trust

Company, New York, New York. The Bonds will be issued without certificates being made available to the bondholders.

Section 3. Book-Entry-Only System. Ownership of the Bonds shall be recorded through entries on the books of banks and broker-dealer participants and correspondents that are related to entries on The Depository Trust Company book-entry-only system. The Bonds shall be initially issued in the form of a separate single fully registered typewritten bond for each maturity of the Bonds (the "Global Certificates"). Each Global Certificate shall be registered in the name of Cede & Co. as nominee (the "Nominee") of The Depository Trust Company (the "Depository") as the "Registered Owner", and such Global Certificates shall be lodged with the Depository until redemption or maturity of the Series 2002 Bond issue. The Paying Agent shall remit payment for the maturing principal and interest on the Bonds to the Registered Owner for distribution by the Nominee for the benefit of the bondholder (the "Beneficial Owner" or "Record Owner") by recorded entry on the books of the Depository participants and correspondents. While the Bonds are in book-entry-only form, the Bonds will be available in denominations of \$5,000 or any integral multiple thereof.

The Authorized Representative shall file with the Depository a Letter of Representations to induce the Depository to accept the Bonds as eligible for deposit at the Depository. The underwriter for the Series 2002 Bond issue is authorized to provide the Depository with the Preliminary Official Statement, together with the completed Depository's underwriting questionnaire.

The execution and delivery of the Letter of Representation and the providing to the Depository of the Preliminary Official Statement and the underwriting questionnaire shall not in any way impose upon the City any obligation whatsoever with respect to persons having interests in the Bonds other than the Registered Owners of the Bonds as shown on the registration books maintained by the Paying Agent and Bond Registrar. The Paying Agent and Bond Registrar, in writing, shall accept the book-entry-only system and shall agree to take all action necessary to at all times comply with the Depository's operational arrangements for the book-entry-only system. The Authorized Representative may take all other action to qualify the Bonds for the Depository's book-entry-only system.

In the event the Depository determines not to continue to act as securities depository for the Bonds, or the City determines that the Depository shall no longer so act, then the City will discontinue the book-entry-only system with the Depository. If the City fails to identify another qualified securities depository to replace the Depository, the Bonds shall no longer be a book-entry-only issue but shall be registered in the registration books maintained by the Paying Agent and Bond Registrar in the name of the Registered Owner as appearing on the registration books of the Paying Agent and Bond Registrar and thereafter in the name or names of the owners of the Bonds transferring or exchanging Bonds in accordance with the provisions of Section 8 herein.

With respect to Bonds registered in the registration books maintained by the Paying Agent and Bond Registrar in the name of the Nominee of the Depository, the City, and the Paying Agent and Bond Registrar shall have no responsibility or obligation to any participant or correspondent of the Depository or to any Beneficial Owner on behalf of which such participants or correspondents act as agent for the Registered Owner with respect to:

(i) the accuracy of the records of the Depository, the Nominee or any participant or correspondent with respect to any ownership interest in the Bonds,

(ii) the delivery to any participant or correspondent or any other person, other than a Registered Owner as shown in the registration books maintained by the Paying Agent and Bond Registrar, of any notice with respect to the Bonds, including any notice of redemption,

(iii) the selection by the Depository of the beneficial interest in Bonds to be redeemed in the event the City redeems the Bonds in part, or

(iv) the payment to any participant, correspondent or any other person other than the Registered Owner of the Bonds as shown in the registration books maintained by the Paying Agent and Bond Registrar, of any amount with respect to principal or interest on the Bonds. Notwithstanding the book-entry-only system, the City may treat and consider the Registered Owner in whose name each Bond is registered in the registration books maintained by the Paying Agent and Bond Registrar as the Registered Owner and absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, or for the purpose of giving notices of redemption and other matters with respect to such Bond, or for the purpose of registering transfers with respect to such Bond, or for all other purposes whatsoever. The City shall pay or cause to be paid all principal of and interest on the Bonds only to or upon the order of the Registered Owner, as shown in the registration books maintained by the Paying Agent and Bond Registrar, or their representative attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligation with respect to payment thereof to the extent of the sum or sums so paid.

Upon delivery by the Depository to the City and to the Registered Owner of a Bond of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee then the word "Nominee" in this Resolution shall refer to such new nominee of the Depository, and upon receipt of such notice, the City shall promptly deliver a copy thereof to the Paying Agent and Bond Registrar.

Section 4. Sale of Bonds. The Bonds may be sold by private negotiated sale as determined by the Authorized Representative. The Authorized Representative shall determine the requirements for the sale of the Bonds, subject to the provisions of this Resolution that provides the most advantageous terms to the City. The Authorized Representative is authorized to negotiate and execute a purchase agreement setting forth the terms of the sale of the Bonds.

Section 5. Payment of Bonds. The principal of the Bonds shall be payable upon presentation of the Bonds at maturity at the designated corporate trust office of the appointed Paying Agent. Payment of each installment of interest due each year shall be made by check or draft of the Paying Agent mailed on each interest payment date to the registered owner thereof whose name and address appears on the registration books of the City maintained by the Paying Agent as of the record date determined by the Authorized Representative.

Section 6. Form of Bonds. The Bonds shall be issued substantially in the form approved by the Authorized Representative and Bond Counsel.

Section 7. Appointment of Paying Agent and Registrar. The Authorized Representative is authorized to designate a Paying Agent and Registrar of the Bonds, or the City may serve as its own Paying Agent and Registrar. The Authorized Representative is authorized to negotiate and execute on behalf of the City a Paying Agent and Registrar Agreement. This Agreement shall provide for compliance with Oregon Administrative Rule 170-61-010. In addition, the City requests and authorizes the Paying Agent and Registrar to execute the Certificate of Authentication as of the date of delivery of the Bonds.

Section 8. Tax Levy and Pledge. The full faith and credit of the City is pledged to the owners of the Bonds for the payment of the principal and interest on the Bonds when due. The City shall levy annually, as

provided by law, a direct ad valorem tax upon all of the taxable property within the City in sufficient amount, without limitation, to pay the principal of and interest on the Bonds promptly as they become due and payable. The City covenants with the owners of the Bonds to pledge such ad valorem taxes in sufficient amount to pay the principal of and interest on the Bonds as they respectively become due and payable. Pursuant to ORS 310.145, the City hereby classifies the tax levy described in this section to be taxes imposed to pay the principal and interest on exempt bonded indebtedness and such taxes are not subject to the limits of sections 11 or 11b, Article XI of the Oregon Constitution.

Section 9. Contract with Registered Owners of Bonds. In consideration of the purchase and acceptance of the Bonds, the provisions of this Resolution and the Bonds shall be deemed to be and shall constitute a contract between the City and the Registered Owners of the Bonds. The covenants and agreements to be performed by or on behalf of the City shall be for the equal benefit, protection and security of the Registered Owners of any and all Bonds, all of which shall be of equal rank without preference, priority, or distinction among the Bonds, except as expressly provided pursuant to this Resolution.

Section 10. Tax Covenant. The proceeds of the Bonds shall be used and invested in such manner that the Bonds shall not become "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and the applicable regulations. The City covenants that, within its lawful powers, it will not do, and will refrain from doing, anything in the issuance of the Bonds and in the investment and expenditure of the proceeds thereof which would result in the interest on the Bonds becoming taxable for federal income tax purposes.

Section 11. Appointment of Expert Advisor. The Authorized Representative is authorized to appoint an Expert Advisor to the City for the issuance of the Bonds.

Section 12. Appointment of Underwriter. RBC Dain Rauscher, Inc. is appointed as underwriter for the issuance of the Bonds.

Section 13. Appointment of Bond Counsel. The law firm of Mersereau & Shannon, LLP of Portland, Oregon is appointed as Bond Counsel for the issuance of the Bonds.

Section 14. Confirmation of Election. Pursuant to ORS 255.295, the Board has reviewed the abstract of votes related to Measure 4-84 prepared by the county clerk and hereby affirms the results of the election and declares that a majority of the voters of the City voting on Measure 4-84 approved of the issuance of the general obligation bonded indebtedness.

Section 15. Designation as Qualified Tax-Exempt Obligations. The Authorized Representative is hereby authorized to designate the Bonds for purposes of paragraph (3) of Section 265(b) of the Code as "qualified tax-exempt obligations" so long as the Bonds do not constitute private activity bonds as defined in Section 141 of the Code, and that not more than \$10,000,000 aggregate principal amount of obligations, the interest on which is excludable under Section 103(a) of the Code from gross income for federal income tax purposes (excluding, however, private activity bonds other than qualified 501(c)(3) bonds) including the Bonds, have been or shall be issued by the City, including all subordinate entities of the City, if any, during the current calendar year in which the Bonds, or a portion thereof, are issued.

Section 16. Preliminary and Final Official Statement. The City shall cause the underwriter to prepare a preliminary official statement for the Bonds, which shall be available for distribution to prospective investors. Such preliminary official statement will be deemed final pursuant to Rule 15c2-12 of the Securities and Exchange

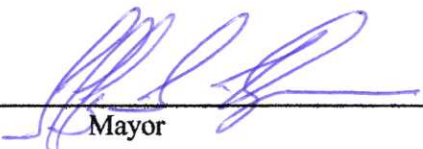
Commission. In addition, an official statement shall be prepared by the underwriter and ready for delivery to the purchasers of the Bonds no later than the seventh (7th) business day after the sale of the Bonds. After determining that the final official statement does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained in the official statement not misleading in the light of the circumstances under which they are made, the Authorized Representative is authorized to certify the accuracy of the official statement on behalf of the City.

Section 17. Closing of the Sale and Delivery of the Bonds. The Authorized Representative is authorized to negotiate and execute a bond purchase agreement for and on behalf of the City and to execute such additional documents, including a tax certificate, and any and all other things or acts necessary for the sale and delivery of the Bonds as herein authorized. Such acts of the Authorized Representative are for and on behalf of and are authorized by the Board of Directors of the City.

Section 18. Continuing Disclosure. The City covenants and agrees that it will comply with and carry out all of the provisions of a Continuing Disclosure Agreement to be negotiated with the underwriter. Failure by the City to comply with the Continuing Disclosure Agreement will not constitute an event of default; however, any owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Section.

ADOPTED by the City Commission of the City of Warrenton, Clatsop County, Oregon, this 19 day of June, 2002.

CITY OF WARRENTON
CLATSOP COUNTY, OREGON



Mayor

ATTEST:

By 

City Auditor