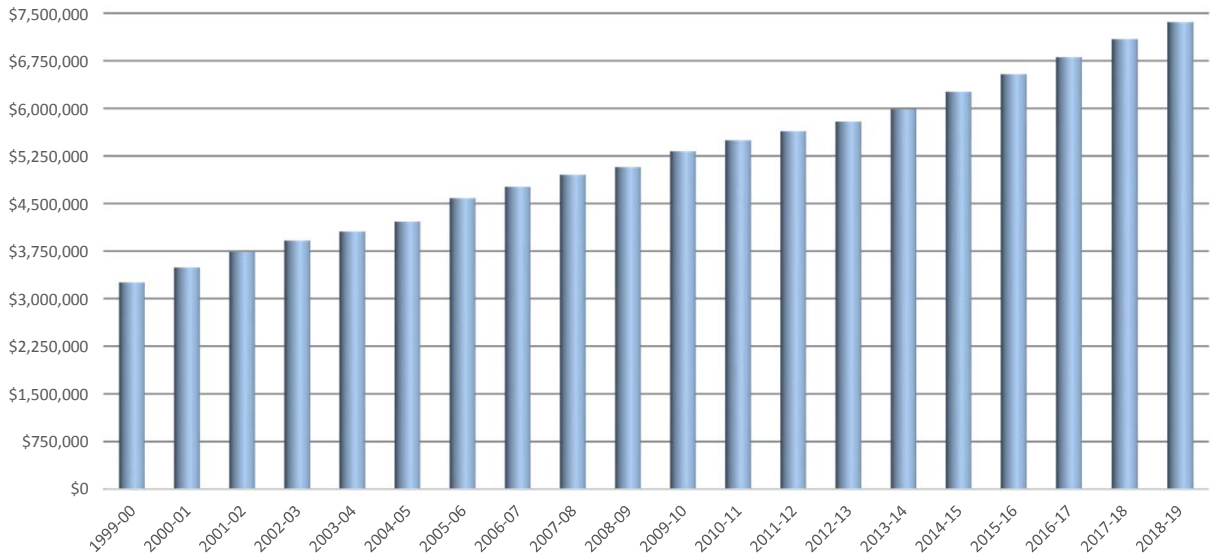


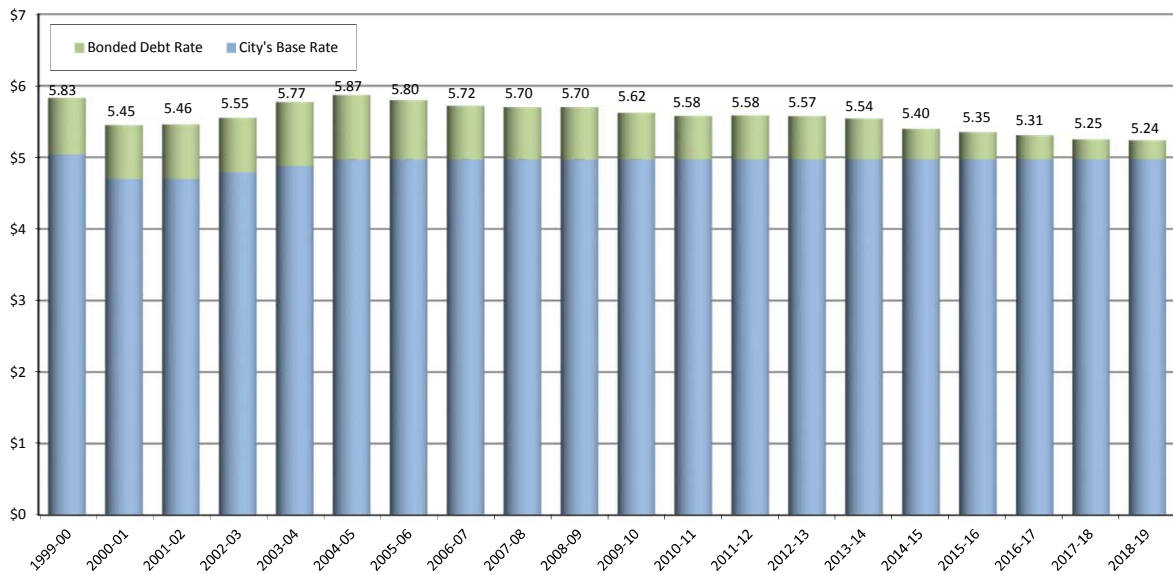
FINANCIAL TRENDS - PROPERTY TAXES

Total Assessed Value (000's) for the City of Lake Oswego



This graph provides some insight into the growth of the City of Lake Oswego's assessed value since fiscal year 1999-00. The trend shows that assessed value continues to climb. The estimation of the assessed value starts with the previous year's assessed value and adds three factors: a growth factor (maximum allowed by law is 3%), an allowance for new construction, and an allowance for annexed property. The assessed value now reflects about 66% of the real market value.

Property Tax Rates (the City's portion)



The above chart reflects the property tax rates applicable to the City's portion of property taxes. These rates show the bonded debt rate separately and exclude the rates for other taxing authorities such as education and the county. By applying these rates to every \$1,000 of assessed value, the amount of property taxes paid to the City can be estimated. For example, the rate of \$5.24 equates to \$524 per \$100,000 of assessed value; accordingly, an average home with an assessed value of \$470,000 will pay about \$2,463 of its total property tax bill for City services.