

RESOLUTION NO. 3793

A RESOLUTION OF THE CITY OF ALBANY, OREGON PROVIDING FOR THE AUTHORIZATION, ISSUANCE, COMPETITIVE SALE AND DELIVERY OF LIMITED TAX ASSESSMENT BONDS, SERIES 1997, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$3,000,000; AUTHORIZING PUBLICATION OF A NOTICE OF BOND SALE; DESIGNATING AN AUTHORIZED REPRESENTATIVE; AND RELATED MATTERS.

WHEREAS, the City of Albany, Oregon (the "City") has caused certain street and sewer improvements to be constructed within the following improvement districts known as:

Springhill Sewer Local Improvement District
5th Street Local Improvement District
Price Road Local Improvement District
Pebblebrook Local Improvement District
Howard Street Local Improvement District
Timber/Dogwood Local Improvement District
Hickory Road Local Improvement District

(the "Project"). The City has assessed the costs of such improvements upon the lots, blocks and parts thereof, and parcels of real property being directly benefitted by these local improvements, in accordance with the provisions of law and the Charter of the City; and

WHEREAS, applications to pay the assessments in installments as provided by Oregon Revised Statutes Sections 223.205 and 223.210 to 223.295, inclusive, have been duly filed by the owners of the benefitted properties. Each application provides that the property owner agrees to pay the assessment in twenty equal semiannual installments, together with interest at the rate prescribed by the City's Resolution No. 24-86, together with a proportionate share of the cost of administrating the bond assessment program and issuing the bonds, and each application states that the applicant and property owner waives all irregularities or defects, jurisdictional or otherwise, in the proceedings to cause the improvements to be constructed for which the assessment is levied and in apportionment of the costs thereof; and

WHEREAS, applications have been filed and the City shall issue not to exceed \$3,000,000 in aggregate principal amount of Limited Tax Assessment Bonds, Series 1997;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF ALBANY, IN LINN AND BENTON COUNTIES, OREGON HEREBY RESOLVES:

SECTION 1. BONDS AUTHORIZED. The City of Albany, Oregon does authorize the issuance, competitive sale and delivery of Limited Tax Assessment Bonds, Series 1997 (the "Bonds") in the aggregate principal sum not to exceed Three Million Dollars (\$3,000,000). The proceeds of the Bonds shall be used for the purpose of reimbursing the City for financing the construction of public improvements known as the 1997 Project, and to pay costs of issuance of the Bonds. Assessments and charges against the benefitted properties for the costs of the local improvements have been duly levied upon the real property directly benefitted thereby and such assessments have been duly docketed in the

lien docket of the City and are liens against the benefitted properties. The owners of the benefitted property affected by such assessments have heretofore filed in writing their applications to pay their assessment in installments as provided by law. The improvements to which the applications apply and the amounts remaining unpaid on the aggregate of the applications and the date of the resolution or ordinance assessing the same are as set forth in Exhibit A attached hereto.

The Bonds shall mature in ten (10) years. 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 for the issuance of the Bonds shall be established as provided in Section 14 of this Resolution.

SECTION 2. SECURITY. The Bonds are secured by the assessment installment payments received by the City from the owners of the benefitted property who have filed applications to pay the amount of the assessments and charges in installments, by the lien of the assessment upon the real property directly benefitted as docketed in the records of the City and the Bonds are payable from a limited ad valorem tax levied upon all taxable property within the City. The City covenants to levy the tax on all taxable property within the City, within the limitations of Article XI, Section 11 of the Oregon Constitution, which together with the general fund revenues of the City and the unpaid payments on the applications to pay the assessments levied upon the benefitted properties of the Project, and the proceeds of any assessment foreclosure, shall be sufficient to pay the principal and interest on the Bonds. The City shall include in the annual budget of the City amounts of the accruing interest and the annual maturing installments of principal due on the Bonds each fiscal year pursuant to Oregon Revised Statutes Section 223.245, less funds to be received from the final assessment payments.

SECTION 3. FORM OF BONDS. 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. The Bonds shall be prepared by Bond Counsel if the Bonds are issued in book-entry only form; otherwise the Bonds shall be printed by a financial printer to be selected by the Authorized Representative.

SECTION 4. EXECUTION OF BONDS. The Bonds shall be executed on behalf of the City with the manual or facsimile signature of the Mayor and shall be attested 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 Bond Registrar.

SECTION 5. APPOINTMENT OF REGISTRAR. The City appoints Norwest Bank Minnesota, N.A., in Minneapolis, Minnesota, as the registrar and paying agent for the Bonds (the "Registrar"). The Registrar shall provide notice to Bondowners of any change in the Registrar not later than the Bond payment date following the change in Registrar.

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

- 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 on which 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 pay the amount due on each Bond on each interest payment date to the registered owner at the address as appears on the Bond register on the fifteenth day of the month preceding the payment date (the "Record Date"). If payment is so made, neither the City nor the Registrar shall have any further liability to the bondowner for such payment.
- e. In the event the book-entry only system 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:
 - (1) written instructions for exchange or transfer satisfactory to the Registrar, signed by the Bondowner or an attorney in fact in a form and manner satisfactory to the Registrar; and
 - (2) 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 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 and the City an affidavit, certificate or other reliable proof that the Registrar or the City reasonably finds satisfactory which protects the Registrar and the City from conflicting claims for payment under the Bond. The Registrar may waive the requirements of ORS 288.420 and the City may waive the requirements of ORS 288.430 with respect to such 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 45 days after notice is mailed.

SECTION 7. BOOK-ENTRY ONLY SYSTEM. During any time 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 executed a Blanket Issuer Letter of Representations (the "Letter") with DTC, and the provisions of such Letter shall be incorporated herein by this reference.

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, except for the first maturity which may have more than one certificate. 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 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 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 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 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 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 redemption prior to maturity as determined in Section 14 hereof.

SECTION 9. NOTICE OF REDEMPTION. Official notice of any such redemption shall be given by the City's Bond Registrar on behalf of the City by mailing a copy of an official redemption notice by first-class mail at least 30 days and not more than 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 the Blanket Issuer Letter of Representations executed between the City and DTC (as defined herein), and the Registrar shall not be required to give any other notice of redemption otherwise required herein, except for causing the notice to be published as required by law.

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 Bond 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.

Official notice of redemption having been given as aforesaid, the Bonds or portions of the 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 City shall fail to provide payment of the redemption price) such Bonds or portions of the Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with the 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. All Bonds which have been redeemed shall be canceled and destroyed by the Registrar and shall not be reissued.

SECTION 10. TAX-EXEMPT STATUS AND COVENANT AS TO ARBITRAGE. 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. 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 "QUALIFIED TAX-EXEMPT OBLIGATIONS". The City designates the Bonds for purposes of paragraph (3) of Section 265(b) of the Code as "qualified tax-exempt obligations" and covenants that 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, if any, during the calendar year 1997.

SECTION 12. EXCEPTION FOR SMALL GOVERNMENTAL UNITS. The City finds and determines that the Bonds comply with the statutory requirements of Section 148(f)(4)(C) of the Code in that the City is a governmental unit having general taxing powers, the Bonds are not being issued for a private activity purpose, more than 95% of the net proceeds of the Bonds will be used for local governmental activities of the City, and the aggregate face amount of all tax-exempt obligations which will be issued by the City during the calendar year 1997 is not reasonably expected to exceed \$5,000,000.

SECTION 13. DESIGNATION OF AUTHORIZED REPRESENTATIVE. The City authorizes the Finance Director or his designee (the "Authorized Representative"), to act on behalf of the City and determine the terms of the Bonds as specified in Section 14.

SECTION 14. DELEGATION FOR ESTABLISHMENT OF TERMS AND COMPETITIVE SALE OF THE BONDS. The Authorized Representative is hereby authorized pursuant to ORS 288.520(4) to:

- a. establish the date of the competitive sale of the Bonds, the maturity and interest payment dates, dated date, principal amounts and redemption provisions;
- b. advertise the Bonds for public sale and authorize publication of a Notice of Bond Sale as provided by law; such Notice shall specify that the City reserves the right to reject any and all bids, and in other respects the Notice of Bond Sale shall comply with the provisions of Chapter 287 and 288 of Oregon Revised Statutes. The true interest cost on the Bonds shall not exceed eight percent (8.0%) per annum;
- c. approve and authorize the preparation and distribution of the preliminary and final official statements for the Bonds;
- d. approve, execute and deliver a Continuing Disclosure Certificate pursuant to SEC Rule 15c2-12, as amended (17 CFR Part 240, § 240.15c2-12);

- e. determine whether the Bonds shall be book-entry certificates and to take such actions as are necessary to qualify the Bonds for the Book-Entry System of DTC;
- f. approve, execute and deliver the Bond closing documents and certificates;
- g. 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
- h. execute and deliver a certificate specifying the action taken pursuant to this Section 14, and any other certificates, documents or agreements that the Authorized Representative determines are necessary and desirable to issue, sell and deliver the Bonds in accordance with this Resolution.

SECTION 15. APPOINTMENT OF BOND COUNSEL. The City appoints the law offices of Ater Wynne Hewitt Dodson & Skerritt, LLP, to serve as bond counsel for the Bonds.

SECTION 16. APPOINTMENT OF FINANCIAL ADVISOR. The City appoints Regional Financial Advisors, Inc. to serve as financial advisor to the City for the Bonds.

SECTION 17. 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 18. ESTABLISHMENT OF FUNDS AND ACCOUNTS. The following funds and accounts shall be created into which the proceeds of the Bonds shall be deposited, which funds and accounts shall be continually maintained, except as otherwise provided, so long as the Bonds remain unpaid.

- a. **Debt Service Account.** The City shall maintain the Debt Service Account in the City's Bancroft Bond Redemption 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 Account.
- b. **Improvement Fund.** The City shall maintain the Improvement Fund for the purpose of accounting for and paying all costs of the Project including reimbursing the City for prior expenditures and the costs related to the preparation, authorization, issuance and sale of the Bonds. Any interest earnings on moneys invested from the Improvement Fund shall be retained in the Improvement Fund. The City's share of any liquidated damages or other moneys paid by defaulting contractors or their sureties will be deposited into the Improvement 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 Improvement Fund shall be deposited to the Debt Service Account for payment of debt service.

SECTION 19. CONTINUING DISCLOSURE. The City shall undertake in a Continuing Disclosure Certificate for the benefit of registered Bondowners to provide to each Nationally Recognized Municipal Securities Information Repository ("NRMSIRs"), and if and when one is established, the State Information Depository ("SID"), on an annual basis on or before 270 days after the end of each fiscal year, commencing with the fiscal year ending June 30, 1997, the information required pursuant to paragraph (b)(5)(i)(A)(B) and (D) of the Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. § 240.15c2-12 (the "Rule"). In addition, the City will undertake for the benefit of the registered Bondowners to provide in a timely manner to the NRMSIRs or to the Municipal Securities Rulemaking Board ("MSRB") notices of certain material events required to be delivered pursuant to paragraph (b)(5)(i)(C) of the Rule.

SECTION 20. RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the purchase and acceptance of any or all of the Bonds by those who shall own the Bonds 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 2 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.

ADOPTED by the City Council this 28th day of May, 1997.

CITY OF ALBANY, OREGON

By: 
Mayor

ATTEST:

By: 
City Recorder

EXHIBIT A

SCHEDULE OF LOCAL IMPROVEMENT DISTRICT IMPROVEMENTS

<u>PROJECT NAME</u>	<u>BONDED AMOUNT</u>	<u>ASSESSING ORDINANCE/ DATE</u>
Springhill/Sewer In-Lieu of Assessment	\$ 37,860.19	5133/6-22-94
5th Street LID	29,351.66	5161/11-30-94
Price Road LID	1,415,303.50	Res. 3593/2-14-96
Pebblebrook LID	361,353.74	5267/1-8-97
Howard Street LID	20,386.79	5198/9-13-95
Timber/Dogwood LID	121,087.66	5248/8-26-96
Hickory Road LID	<u>1,030,000.00</u>	Res. 3515/5-24-95
TOTAL	<u>\$3,015,343.53</u>	

EXHIBIT B

[FORM OF BOND]

No. R-

\$ _____

UNITED STATES OF AMERICA
STATE OF OREGON
COUNTIES OF LINN AND BENTON

CITY OF ALBANY

LIMITED TAX ASSESSMENT BOND
SERIES 1997

DATED DATE INTEREST RATE PER ANNUM MATURITY DATE CUSIP NUMBER

June 1, 1997 _____ % June 1, _____ _____

REGISTERED OWNER: _____ CEDE & CO. _____

PRINCIPAL AMOUNT: _____ DOLLARS _____

THE CITY OF ALBANY, OREGON (the "City"), for value received, acknowledges itself indebted and hereby promises to pay to the registered owner hereof, or registered assigns, the principal amount indicated above on the above maturity date together with interest thereon from the date hereof at the rate per annum indicated above. Interest is payable semiannually on the first day of June and the first day of December in each year until maturity or prior redemption, commencing December 1, 1997, to the registered owner at the address appearing on the Bond Register as of the close of business on the fifteenth day of the calendar month immediately preceding the applicable interest payment date. The City's paying agent and registrar, which is currently the principal corporate trust office of Norwest Bank Minnesota, N.A., in Minneapolis, Minnesota (the "Registrar"), will cause principal and interest payments to be received by Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), or its registered assigns in same-day funds on each payment date. Such payments shall be made payable to the order of "Cede & Co."

ADDITIONAL PROVISIONS OF THIS BOND APPEAR ON THE REVERSE SIDE; THESE PROVISIONS HAVE THE SAME EFFECT AS IF THEY WERE PRINTED HEREIN.

This Bond is one of a series of Limited Tax Assessment Bonds, Series 1997, in the aggregate principal amount of \$3,000,000 (the "Bonds"), issued by the City to finance certain sewer improvements and street improvements (the "1997 Project") within certain local improvement districts as specified in the City's authorizing Resolution No. _____ adopted by the City on May 28, 1997 (the "Resolution"), to reimburse the City for prior expenditures and to pay all bond issuance costs incidental thereto pursuant to Oregon Revised Statutes Sections 223.205 and 223.210 to 223.295, inclusive, and the City's Resolution.

The Bonds may be subject to redemption prior to maturity as stated in the Resolution.

Official notice of any such redemption shall be given by the Registrar on behalf of the City by mailing a copy of an official redemption notice by first-class mail at least 30 days and not more than 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 as otherwise required by law; provided that so long as the 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 the Letter of Representations executed among the City, the Registrar and DTC, and the Registrar shall not be required to give any other notice of redemption otherwise required in the Resolution, except for publishing notice as required by law.

The Bonds are initially issued as a book-entry-only security issue with no certificates provided to the Bondowners. Records of Bond ownership will be maintained by the Registrar and DTC and its Participants.

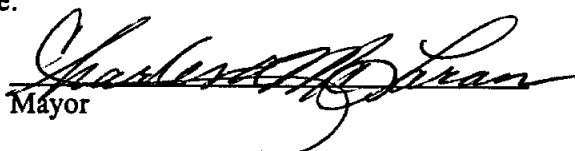
Should the book-entry-only security system be discontinued, the Bonds shall be issued in the form of fully registered Bonds without coupons in the denominations of \$5,000 or any integral multiple thereof. Such Bonds may be exchanged for Bonds of the same aggregate principal amount, but different authorized denominations, as provided in the Resolution.

Any transfer of this Bond must be registered, as provided in the Resolution, upon the Bond Register kept for that purpose at the principal corporate trust office of the Registrar. Upon registration, a new registered Bond or Bonds, of the same series and maturity and in the same aggregate principal amount shall be issued to the transferee as provided in the Resolution. The City and the Registrar may treat the person in whose name this Bond is registered as its absolute owner for all purposes, as provided in the Resolution.

The Bondowner may exchange or transfer this Bond only by surrendering it, together with a written instrument of transfer which is satisfactory to the Registrar and duly executed by the registered owner or his duly authorized attorney, at the principal corporate trust office of the Registrar in the manner and subject to the conditions set forth in the Resolution.

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 and the Code of the City; that the issue of which this Bond is a part, and all other obligations of such City, are within every debt limitation and other limit prescribed by such Constitution and Statutes; and the Bonds are secured by the assessments against the benefitted properties, collections of unbonded assessments, foreclosure of improvement liens and the statutory obligation of the City to appropriate from its annual budget such funds as are reasonably necessary to pay the principal and interest on the Bonds less proceeds from all assessment payments and other available funds. The City covenants to levy an ad valorem tax upon all taxable property within the limitations of Article XI, Section 11 of the Oregon Constitution.

IN WITNESS WHEREOF, the City Council of the City of Albany, Oregon has caused this Bond to be signed by the facsimile signature of its Mayor and attested by the facsimile signature of its City Recorder as of the date indicated above.


Mayor

ATTEST:

City Recorder

THIS BOND SHALL NOT BE VALID UNLESS
PROPERLY AUTHENTICATED BY THE REGISTRAR
IN THE SPACE INDICATED BELOW.

DATED: June __, 1997.

CERTIFICATE OF AUTHENTICATION

This is one of the City's Limited Tax Assessment Bonds, Series 1997, issued pursuant to the Resolution described herein.

Norwest Bank Minnesota, N.A., as Registrar

By _____
Authorized Officer

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____

(Please insert social security or other identifying number of assignee)

this Bond and does hereby irrevocably constitute and appoint _____ as attorney to transfer this Bond on the books kept for registration thereof with the full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of this Bond in every particular, without alteration or enlargement or any change whatever.

NOTICE: The signatures to this Assignment must be guaranteed by a financial institution that is a member of the Securities Transfer Agents Medallion Program ("STAMP"), the Stock Exchange Medallion Program ("SEMP") or the New York Stock Exchange, Inc. Medallion Securities Program ("MSP").

Signature Guaranteed

(Bank, Trust Company or Brokerage Firm)

Authorized Officer

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM -- tenants in common

TEN ENT -- as tenants by the entireties

JT TEN -- as joint tenants with right of survivorship and not as tenants in common

OREGON CUSTODIANS use the following

_____ CUST UL OREG _____ MIN as custodian for
(as custodian for) (name of minor)

OR UNIF TRANS MIN ACT

(under the Oregon Uniform Transfer to Minors Act)

Additional abbreviations may also be used though not in the list above.

EXHIBIT C

FORM OF OFFICIAL NOTICE OF BOND SALE

**\$3,000,000
CITY OF ALBANY, OREGON
LIMITED TAX ASSESSMENT BONDS
SERIES 1997**

NOTICE IS HEREBY GIVEN that sealed bids and faxed bids (see "Form of Bid" below) will be received on behalf of the City of Albany, Oregon (the "City") for the purchase of the captioned Series 1997 Bonds (the "Bonds") until 10:00 a.m. (Prevailing Pacific Time) on

Tuesday, June 10, 1997,

at the offices of Ater Wynne Hewitt Dodson & Skerritt, LLP, 222 S.W. Columbia Street, Suite 1800, Portland, Oregon 97201, Conference Room 18 West, at which time they will be publicly reviewed and announced.

The bids shall be considered and acted upon by the City after the review of the bids as required pursuant to ORS 287.026.

The City reserves the right to revise terms and conditions, postpone the Bond sale to a later date or cancel the sale based upon market or other conditions. Notice of such revisions, change or cancellation, and any rescheduled sale date, will be given at least 24 hours in advance by Thomson Municipal News. Any rescheduled sale date may be postponed or rescheduled in the same manner.

ISSUE: The Bonds shall be issued in one series, in the aggregate principal amount of THREE MILLION DOLLARS (\$3,000,000), shall be in registered form, in principal denominations of \$5,000 or integral multiples thereof as specified by the successful bidder, and all shall be dated June 1, 1997. Interest is payable on the first days of June and December of each year until maturity or prior call and redemption, commencing December 1, 1997.

MATURITIES: The Bonds shall mature serially or come due through mandatory sinking fund payments on June 1 of the following years in the following principal amounts:

(June 1) Year	Principal Amount	(June 1) Year	Principal Amount
1998	\$ _____	2004	\$ _____
1999	_____	2005	_____
2000	_____	2006	_____
2001	_____	2007	_____
2002	_____	2008	_____
2003	_____	2009	_____

BASIS OF AWARD AND BIDDING CONSTRAINTS: Unless all bids are rejected, or in the event two or more tie bids are received and the Bonds are awarded to the tying bidder selected

by lot, the Bonds will be awarded to the bidder whose bid proposal will result in the lowest true interest cost to the City. True interest cost will be determined by doubling the semiannual interest rate, compounded semiannually, necessary to discount the debt service payments to June 1, 1997, the dated date of the Bonds, and to the price bid for the Bonds, excluding accrued interest to the date of delivery. Bidders are requested to state the total interest cost and the true interest cost to the City under the terms of the bid, which will be considered informative only. The purchaser must pay accrued interest, computed on a 360-day basis, from the date of the Bonds to the date of delivery.

The maximum effective rate of interest shall not exceed a true interest cost of eight percent (8%) per annum for the Bonds. Bidders must specify the rate or rates of interest which the Bonds shall bear. Bidders shall comply with the following bidding constraints for the Bonds: (1) each interest rate specified must be a multiple of one one-thousandths (0.001%) of one percent; (2) all Bonds maturing on the same date must bear the same rate of interest; (3) no Bond shall bear more than one rate of interest; and (4) each Bond shall bear interest from its date to its stated maturity date at the interest rate specified in the bid.

DISCOUNT: The price bid must not be less than ninety-eight and one-half percent (98.5%) of par value of the Bonds, including any original issue discount.

OPTIONAL DESIGNATIONS OF TERM BONDS AND MANDATORY SINKING FUND REDEMPTION: Bidders have the option of specifying in their bid proposal that all of the principal amount of the Bonds scheduled in any two or more consecutive years may, in lieu of maturing in each such year, be combined to comprise one or more maturities of the Bonds (the "Term Bonds") scheduled to mature in the latest year of each such combination. The Term Bonds so specified by the bidder shall be subject to mandatory sinking fund redemption at par in the principal amounts in each year during the combined period of such Term Bonds which would otherwise have been scheduled to mature in such years.

REGISTRATION AND BOOK-ENTRY SYSTEM: The Bonds will be issued in registered form. No Bond may be exchanged for bearer bonds.

The Bonds will be issued in book-entry form only and all bidders for the Bonds must be Participants of The Depository Trust Company, New York, New York, ("DTC") or affiliated with Participants of DTC ("DTC Participants"). The City will provide at its expense certificates for deposit with DTC (one certificate per maturity). DTC will be responsible for maintaining a book-entry system for recording the interests of DTC Participants for the transfer of the interests among DTC Participants. DTC Participants will be responsible for maintaining records regarding the beneficial ownership interests of the Bonds on behalf of the individual purchasers ("Beneficial Owners"). Individual purchases may be made in the principal amount of \$5,000, or any multiples thereof through book entries made on the books and records of DTC and DTC Participants.

REDEMPTION: [To be added prior to bond sale]

PAYMENT: Unless the book-entry system is discontinued, Bond principal and interest payments will be made by the City through the Registrar for the Bonds, which is currently First Trust National Association, by wire transfer or in clearinghouse funds to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to DTC Participants will be the

responsibility of DTC; transfer of principal and interest payments to Beneficial Owners by DTC Participants will be the responsibility of such DTC Participants.

AUTHORIZATION AND PURPOSE: The Bonds are authorized pursuant to Oregon Revised Statutes Sections 223.205 and 223.210 to 223.295, inclusive, (the "Act") and the City's authorizing Resolution No. _____ adopted by the City on May 28, 1997. The Bonds will be issued for the purpose of financing certain sewer improvements and street improvements (the "1997 Project") within certain local improvement districts within the City, to reimburse the City for prior expenditures and to pay all bond issuance costs incidental thereto.

SECURITY: The Bonds are secured by the assessment installment payments received by the City from the owners of the benefitted property who have filed applications to pay the amount of the assessments and charges in installments, by the lien of the assessment upon the real property directly benefitted as docketed in the records of the City and the Bonds are payable from a limited ad valorem tax levied upon all taxable property within the City. The City covenants to levy the tax on all taxable property within the City, within the limitations of Article XI, Section 11 of the Oregon Constitution, which together with the general fund revenues of the City and the unpaid payments on the applications to pay the assessments levied upon the benefitted properties of the Project, and the proceeds of any assessment foreclosure, shall be sufficient to pay the principal and interest on the Bonds. The City shall include in the annual budget of the City amounts of the accruing interest and the annual maturing installments of principal due on the Bonds each fiscal year pursuant to Oregon Revised Statutes Section 223.245, less funds to be received from the final assessment payments.

LEGAL OPINION: The approving opinion of Ater Wynne Hewitt Dodson & Skerritt, LLP, of Portland, Oregon ("Bond Counsel") 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: In the opinion of Bond Counsel, assuming compliance by the City with the covenants relating to the tax-exempt status of the Bonds, interest on the Bonds is excluded from gross income for federal income tax purposes under existing laws (except for certain taxes on corporations). The Bonds are not "private activity bonds" under Section 141 of the Internal Revenue Code of 1986, as amended (the "Code").

In the opinion of Bond Counsel, interest on the Bonds is exempt from personal income taxation by the State of Oregon under present state law.

Bond Counsel expresses no opinion regarding other federal or state tax consequences arising with regard to the Bonds.

"QUALIFIED TAX-EXEMPT OBLIGATIONS": The Bonds are "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

INITIAL REOFFERING PRICES AND YIELDS: The successful bidder for the Bonds shall telecopy its initial reoffering prices and yields to the City (541-917-7511), the Financial Advisor (503-227-2510) and Bond Counsel (503-226-0079) within 24 hours after the bids are opened, and provide a certificate regarding such prices and yields satisfactory in form to the City and Bond Counsel at the time of closing.

INSURANCE: Proposals for the Bonds shall not be conditioned upon obtaining insurance or any other credit enhancement. If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of a bidder, any purchase of such insurance or commitment therefor shall be at the sole option and expense of the bidder and any increased costs of issuance of the Bonds (including ratings required by the insurer) resulting by reason of such insurance, unless otherwise paid, shall be paid by such bidder. Any failure of the Bonds to be so insured or of any such policy to be issued shall not in any manner relieve the successful bidder of its contractual obligations arising from the acceptance of its proposal for the purchase of the Bonds.

FORM OF BID: Bids may be submitted on the bid form furnished by the City in the Preliminary Official Statement, which is the City's preference, without alteration or qualification. Each bid must be signed and be unconditional. Each bid may be submitted in a sealed envelope addressed to the City and designated "Proposal for City of Albany, Oregon Bonds" or may be faxed to the City at the office of Bond Counsel (facsimile: 503-226-0079), attention Douglas E. Goe/Sherri C. Graves. Bidders choosing to fax bids are requested to notify the City's Financial Advisor of such intent at least one business day before the sale. Bidder's good faith deposit shall be provided to the City as herein specified. A bidder electing to fax its bid bears all risk and responsibility of disqualification if the City receives the bid after the stated deadline as well as for any malfunction or distortion in facsimile transmittal.

GOOD FAITH DEPOSIT: Each bid must be accompanied by a good faith deposit in the amount of SIXTY THOUSAND DOLLARS (\$60,000). The good faith deposit shall be in the form of a financial surety bond or a certified or cashier's check drawn on a bank doing business in the State of Oregon payable to the order of the City. The good faith deposit will be held by the City to secure the City from any loss resulting from the failure of the bidder to comply with the terms of its bid. The good faith deposit will be forfeited to the City as liquidated damages in the event the bidder to whom the Bonds are awarded withdraws its bid or fails to complete its purchase in accordance with the terms thereof. No interest will accrue to the bidder on the good faith deposit and no interest will be credited against the purchase price of the Bonds.

If the good faith deposit is in the form of a check, the check of the successful bidder will be cashed immediately and payment for the balance of the purchase price of the Bonds shall be made at the closing. Checks of unsuccessful bidders will be returned by the City promptly after award of the successful bid. Each bidder is requested to include its name on its check to ensure accurate identification.

If the good faith deposit is in the form of a financial surety bond, such financial surety bond must be from an insurance company licensed to issue such bond in the State of Oregon, and such bond must be submitted to the Financial Advisor prior to the opening of the bids and must identify the bidder. If the successful bidder submitted a financial surety bond, then not later than 24 hours following the award, the successful bidder must submit its good faith deposit to the City in the form of a cashier's check or by electronic wire transfer to the City's bank (the bank name and account number will be provided to the successful bidder by the City) in immediately available funds in the amount of \$60,000; and payment for the balance of the purchase price of the Bonds shall be made at the closing. If the City has not received such \$60,000 by that time, the City may draw upon the financial surety bond to satisfy the good faith deposit requirement.

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

CLOSING AND DELIVERY: Closing will occur in Portland, Oregon. Delivery of the Bonds will be made without cost to the successful bidder or bidders to DTC in New York, New York, on or about June 26, 1997. Payment for the Bonds must be made in funds immediately available to the City.

OFFICIAL STATEMENT: The City has prepared an official statement relating to the Bonds, a copy of which will be furnished upon request to Liz Johnston, Regional Financial Advisors, Inc., 733 S.W. Vista Avenue, Portland, Oregon 97205, Telephone: 503-227-2009 ("Financial Advisor"); or Gary Holliday, Finance Director, City of Albany, Oregon, 333 Broadalbin S.W., Albany, Oregon 97321-0144, Telephone: 541-917-7500.

CONTINUING DISCLOSURE: The City will execute a Continuing Disclosure Certificate, constituting an undertaking to provide ongoing disclosure for the benefit of the Bondowners on or before the date of delivery of the Bonds as required by Securities and Exchange Commission Rule 15c2-12 (the "Rule"), in substantially the form shown in Appendix B to the preliminary official statement.

COMPLIANCE WITH SEC RULES: The City agrees to provide the successful bidder with a sufficient number of copies of the final official statement for the Bonds as necessary for the bidder to comply with applicable rules of the Securities and Exchange Commission at the expense of the City, and such additional copies as the successful bidder may request in its bid form at the expense of the bidder, not later than the seventh business day following the date on which bids are due. Bidders should expect that the final official statements will not be available prior to the seventh business day following the date on which bids are due, and should not issue confirmations which request payment prior to that date. The successful bidder must provide the reoffering yields or prices for printing on the cover of the final official statement to the Financial Advisor within 24 hours after the bids are opened. Time is of the essence in the successful bidder's performance of this obligation. This provision will constitute a contract with the successful bidder upon acceptance of its bid by the City, in compliance with Section 240.15c2-12(b)(3) in Chapter II of Title 17 of the Code of Federal Regulations.

CUSIP: The deposit of the Bonds with The Depository Trust Company under a book-entry system requires the assignment of CUSIP identification numbers prior to delivery. The City shall cause CUSIP identification numbers to be printed on the Bonds at the expense of the City, but neither the failure to print such number on any Bond, nor any error with respect thereto, will constitute cause for a failure or refusal by the successful bidder to acknowledge delivery of and pay for the Bonds.

NO LITIGATION: At the time of payment for the delivery of said Bonds, the City will furnish the successful bidder a certificate that there is no litigation pending affecting the validity of the Bonds.

FURTHER INFORMATION: Additional information regarding this sale may be obtained from Regional Financial Advisors, Inc. 733 S.W. Vista Avenue, Portland, Oregon 97205, Telephone 503-227-2009, or Gary Holliday, Finance Director, City of Albany, 333 Broadalbin S.W., Albany, Oregon 97321-0144, Telephone: 541-917-7500.

City of Albany, Oregon
Gary Holliday
Finance Director

Published: May 29, 1997

Page 5. - Official Notice of Bond Sale

FORM OF SUMMARY OF NOTICE OF BOND SALE

\$3,000,000
CITY OF ALBANY, OREGON
LIMITED TAX ASSESSMENT BONDS
SERIES 1997

NOTICE IS HEREBY GIVEN that sealed bids and faxed bids (see "Form of Bid" in Notice) will be received on behalf of the City of Albany, Oregon (the "City") for the purchase of the captioned bonds (the "Bonds") until 10:00 a.m. (Prevailing Pacific Time) on,

Tuesday, June 10, 1997,

at the offices of Ater Wynne Hewitt Dodson & Skerritt, LLP, 222 S.W. Columbia Street, Suite 1800, Portland, Oregon 97201, Conference Room 18-West, at which time they will be publicly reviewed and announced. The bids shall be considered and acted upon by the City after the reviewing of the bids as required pursuant to ORS 287.026.

The City reserves the right to revise terms and conditions, postpone the Bond sale to a later date or cancel the sale based upon market or other conditions. Notice of such revision, change or cancellation, and any rescheduled sale date, will be given at least 24 hours in advance by Thomson Municipal News. Any rescheduled sale date may be postponed or rescheduled in the same manner.

The Bonds shall be issued as fully registered certificates in book-entry form only. The Bonds shall be dated June 1, 1997, shall be in the denominations, bear interest payable at such times, mature in the years and in the amounts, and shall bear such other details as set forth in the Official Notice of Bond Sale herein referred to (the "Notice"). The Bonds may be subject to redemption. Bidders have the option to designate part or all of the Bonds as term Bonds in the manner set forth in the Notice. The Bonds will be awarded to the bidder complying with the terms of the Notice and offering to purchase the Bonds at the lowest true interest cost, calculated from the dated date of the Bonds.

In the opinion of Ater Wynne Hewitt Dodson & Skerritt, LLP, Bond Counsel, assuming compliance by the City with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Bonds is excluded from gross income for federal income taxation purposes. The Bonds are not "private activity bonds" under Section 141 of the Code. The Bonds are "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

Bids for the Bonds may be submitted in a sealed envelope or may be faxed, at bidder's risk, to the City at the office of Bond Counsel (facsimile: 503-226-0079), attention: Douglas E. Goe/Sherri Graves. Bidders choosing to fax bids are requested to notify the City's Financial Advisor of such intent at least one business day before the sale. Each bidder's good faith deposit in the amount of \$60,000 shall be in the form of a financial surety bond or a certified or cashier's check drawn on a bank doing business in the State of Oregon payable to the order of the City. The good faith deposit will be held by the City to secure the City from any loss resulting from the failure of the bidder to comply with the terms of its bid. The good faith deposit will be forfeited to the City as liquidated damages in the event the bidder to whom the Bonds are awarded withdraws its bid or fails to complete its purchase in accordance with the terms thereof. No interest will accrue to the bidder on the good faith deposit and no interest will be credited against the purchase price of the Bonds.

If the good faith deposit is in the form of a certified or cashier's check, the check of the successful bidder will be cashed immediately and payment for the balance of the purchase price of the Bonds shall be made at the closing. Checks of unsuccessful bidders will be returned by the City promptly after award of the successful bid. Each bidder is requested to include its name on its check to ensure accurate identification.

If the good faith deposit is in the form of a financial surety bond, such financial surety bond must be from an insurance company licensed to issue such bond in the State of Oregon, and such bond must be submitted to the Financial Advisor prior to the opening of the bids and must identify the bidder. If the successful bidder submitted a financial surety bond, then not later than 24 hours following the sale, the successful bidder must submit its good faith deposit to the City in the form of a cashier's check or by electronic wire transfer to the City's bank (the bank name and account number will be provided to the successful bidder by the City) in immediately available funds in the amount of \$60,000; and payment for the balance of the purchase price of the Bonds shall be made at the closing. If the City has not received such \$60,000 by that time, the City may draw upon the financial surety bond to satisfy the good faith deposit requirement.

A complete copy of the Notice is printed in the Preliminary Official Statement for the Bonds, which is available from Regional Financial Advisors, Inc., 733 S.W. Vista Avenue, Portland, Oregon 97205, Telephone: 503-227-2009 ("Financial Advisor"); or Gary Holliday, Finance Director, City of Albany, Oregon, 333 Broadalbin, S.W., Albany, Oregon 97321-0144, Telephone: 541-917-7500. Reference should be made to the Notice for complete information relating to the Bonds.

**CITY OF ALBANY, OREGON
GARY HOLLIDAY, FINANCE DIRECTOR**

Published: May 29, 1997.