

RESOLUTION NO. 3546

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ALBANY, OREGON AUTHORIZING THE ISSUANCE AND SALE OF HOTEL/MOTEL TAX REVENUE BONDS, SERIES 1995, IN AN AMOUNT NOT TO EXCEED \$2,300,000 TO FINANCE THE CITY'S CONTRIBUTION TOWARDS THE COST OF CONSTRUCTION AND CAPITAL IMPROVEMENTS TO A NEW LINN COUNTY, OREGON FAIRGROUNDS AND EXPOSITION CENTER; DESIGNATING AN AUTHORIZED REPRESENTATIVE; AUTHORIZING THE BONDS TO BE SOLD ON A NEGOTIATED BASIS; DESIGNATING BOND COUNSEL, FINANCIAL ADVISOR AND PAYING AGENT AND BOND REGISTRAR; AND OTHER MATTERS.

WHEREAS, the City Council of the City of Albany, Oregon (the "City") on November 16, 1994 adopted Resolution No. 3435 authorizing the issuance of Construction and Capital Improvement Revenue Bonds in an amount not to exceed \$2,300,000 for the purpose of financing the construction and capital improvements to a new Linn County Fairgrounds and Exposition Center; and

WHEREAS, a Notice of Intent to Issue Construction and Capital Improvement Revenue Bonds was published in the *Albany Democrat-Herald* on November 29, 1994, and no petitions were filed within sixty (60) days following publication of the Notice of Intent; and

WHEREAS, pursuant to Oregon Revised Statutes Sections 288.805 to 288.945 (the "Uniform Revenue Bond Act"), the City Council hereby authorizes the issuance of the City of Albany, Oregon Hotel/Motel Tax Revenue Bonds, Series 1995 (the "Bonds"). The aggregate principal amount of the Bonds shall not exceed Two Million Three Hundred Thousand Dollars (\$2,300,000) and the true interest cost shall not exceed seven percent (7%). The Bonds shall be sold in a negotiated sale; and

WHEREAS, the City will levy a transient room tax on the City's hotels and motels, and pledge the unobligated net revenues from the City's transient room taxes to payment of the principal of and interest on the Bonds. The City will pledge its General Fund as additional security for the Bonds subject to annual appropriation. In addition, the City shall make a cash contribution from the City's available funds in an amount sufficient that, when taken together with the net proceeds available from the Bonds after paying all costs of issuance, underwriting fees and reserve account deposits, the City will have on hand in the Construction Account the required City contribution to the Project; and

WHEREAS, the City has entered into an Intergovernmental Agreement (Pursuant to Linn County Order #95-232) dated May 24, 1995 by and between the City and Linn County, Oregon for the purpose of furthering economic growth and efficiency in the cooperative effort of constructing and equipping a new Linn County Fairgrounds and Exposition Center; and

WHEREAS, net proceeds of the Bonds will be transferred to Linn County pursuant to the Intergovernmental Agreement and expended by the County to fund construction and capital improvements of a portion of the new Linn County, Oregon Fairgrounds and Exposition Center (the "Project"); and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ALBANY, OREGON:

SECTION 1. BONDS AUTHORIZED. The City Council of the City shall issue City of Albany, Oregon Hotel/Motel Tax Revenue Bonds, Series 1995, in an aggregate principal amount not to exceed \$2,300,000. The Bonds shall be sold in a negotiated sale as determined by the Authorized Representative in Section 19 hereof.

The Bonds shall mature in no more that fifteen (15) years from their initial dated date. The Bonds shall be issued in fully registered form in 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 12 hereof. The remaining terms of the Bonds shall be established as provided in Section 19 hereof.

SECTION 2. SECURITY, PLEDGE OF REVENUES. The Bonds shall not be a general obligation of the City. The Bonds shall be secured by and payable from the unobligated net revenues of the City's transient room taxes on hotels and motels within the City. So long as the Bonds are outstanding, the City shall fix rates and collect charges for transient room taxes adequate to provide sufficient revenues to pay, in addition to all other expenses and obligated indebtedness, principal of and interest on the Bonds. In addition, the City pledges available amounts in its General Fund as additional security for the Bonds subject to annual appropriation (the "Security").

SECTION 3. RATE COVENANT. The City covenants to not reduce its transient room tax rate such that it will not collect in each fiscal year transient room taxes in an amount less than 1.5 times each year's annual debt service.

SECTION 4. OTHER COVENANTS. The City further covenants not to invest the proceeds of the Bonds in any manner which would cause such proceeds to be arbitrage bonds within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended, and applicable regulations promulgated thereunder;

SECTION 5. CREATION OF SPECIAL ACCOUNTS. The City authorizes the creation of a Debt Service Account, a Reserve Account and a Construction Account, as follows:

(a) **Deposits to Debt Service Account.** The City shall deposit monthly into the Debt Service Account from the unobligated net revenues of the transient room taxes an amount, which together with any other moneys in the Debt Service Account, equals an amount not less than one-sixth (1/6) of the amount required to pay the interest due on the Bonds on the next interest payment date and a further amount not less than one-twelfth (1/12) of the amount required for the payment of principal of the

Bonds to be retired on the next principal maturity date. The sums so deposited are pledged irrevocably to be used only to pay the principal of and interest due on the Bonds and any Additional Bonds on each principal and interest payment date. Revenues not so deposited monthly in the Debt Service Account may be used and applied by the City for other expenses and obligated indebtedness or for such other uses and purposes as the City deems necessary and proper.

(b) Deposits to Reserve Account. Immediately upon the closing of the sale of the Bonds, the City shall deposit, from available cash funds of the City, to a Reserve Account for payment of the Debt Service on the Bonds, an amount equal to 10% of Bond proceeds (the "Reserve Requirement") or a sufficient surety bond in lieu of cash deposits issued in the amount of the Reserve Requirement, and the City does covenant to maintain the deposits in the Reserve Account until final maturity of the Bonds or earlier redemption thereof. Moneys in the Reserve Account shall be invested in legal investments with maturities of not greater than three (3) years. In the event the amount on deposit in the Reserve Account is more than the Reserve Requirement on any valuation date, any such excess may be transferred by the City to the fund or account of its choice.

If on any interest payment date, the balance in the Debt Service Account is insufficient to pay the maturing principal of or interest on the Bonds, then the City shall withdraw from the Reserve Account, for transfer to the Debt Service Account, sufficient moneys to provide sufficient funds to pay the maturing principal of or interest on the Bonds. Thereafter from the then available or next available funds, and within 30 days after the occurrence of any deficiency, the City shall commence making monthly deposits to the Reserve Account for not more than 12 consecutive months in amounts of not less than one-twelfth (1/12) of the deficiency until sufficient deposits have restored the Reserve Account to the required amount. In calculating the maximum annual debt service on the Bonds, Term Bonds shall be deemed to be amortized annually in the amount of any principal amount subject to mandatory redemption.

The amounts on deposit in the Reserve Account shall be valued by the City as of July 1 of each year, as of the date of issuance of any Additional Bonds hereunder, and as of the date of any withdrawal from the Reserve Account. All amounts on deposit in the Reserve Account which are allocable to a particular series of Bonds may be applied to the final payment (whether at maturity, by prior redemption or by means of a defeasance as provided in Section 15 hereof) of outstanding Bonds of that series.

(c) Deposits to Construction Account. Amounts deposited in the Construction Account are to be used to pay the City's costs of the Project and to pay costs of issuance of the Bonds.

SECTION 6. FIRST LIEN BONDS. The unobligated net revenues of the City's transient room taxes when received by the City shall immediately be subject to a lien of such pledge without any physical delivery or further act, and the lien of the pledge shall be superior to all other claims and liens whatsoever (except for the lien of the Bonds and any Additional Bonds) to the fullest extent permitted by ORS 288.594.

SECTION 7. ADDITIONAL BONDS. The City may issue additional limited tax revenue bonds (the "Additional Bonds") on a parity with the Bonds, and any other outstanding Additional Bonds, which shall be secured in respect to the obligated net revenues of the transient taxes in the same manner as the Bonds. Such Additional Bonds may be issued upon compliance with the following conditions:

- (a) No default is occurring or has occurred by the City on any outstanding bonds;
- (b) That no deficiency exists in the required moneys or surety bond on deposit in the Debt Service Account or the Reserve Account; and
- (c) Transient room taxes collected in the fiscal year prior to the issuance of the Additional Bonds equals or exceeds 100% of the maximum annual debt service on the Outstanding Bonds and any outstanding Additional Bonds issued prior to the proposed bonds.
- (d) Prior to the delivery of such Additional Bonds, the City's Finance Director shall prepare and have on file a certificate of the City Finance Director, dated not earlier than 90 days prior to the date of delivery of such Additional Bonds, showing that the transient room tax revenue determined and adjusted as hereafter provided for each fiscal year after the issuance of such Additional Certificates (the "Adjusted Net Revenue") will equal at least 1.25 times the amount required in any such year for the payment of the principal of and interest on all Bonds and any Additional Bonds then outstanding, including the Additional Bonds proposed to be issued.

The Adjusted Net Revenue shall be the transient room tax revenue for a period of any twelve (12) consecutive months out of the twenty-four (24) months immediately preceding the date of delivery of such proposed Additional Bonds as adjusted to take into consideration changes in transient room tax revenue estimated to occur under one or more of the following conditions for each year after such delivery for so long as any Bonds and Additional Bonds, including the Additional Bonds to be issued, shall be outstanding.

- (1) any increase or decrease in transient room tax revenue which would result if any change in rates or charges adopted prior to the date of such certificate and subsequent to the beginning of such twelve (12) month period had been in force during the full twelve (12) month period;
- (2) the additional transient room tax revenue which would have been received if any additional owners and operators of facilities subject to the transient room tax prior to the date of such certificate and subsequent to the beginning of such twelve (12) month period were operators for the entire period.

The certificate shall have attached thereto, audited financial statements of the City (unless such an audit is not available for a twelve-month period within the preceding twenty-four (24) months), and certified by the Finance Director of the City, showing income and expenses for the period upon which the same is based.

Nothing in this Resolution prevents the City from issuing certificates or other obligations which are a charge upon the transient room tax revenue of the City junior or inferior to the payments required by this Resolution to be made out of such revenue into the Debt Service Account to pay and secure the payment of the Bonds.

SECTION 8. FORM OF BONDS. The Bonds shall be issued in substantially the form attached hereto as Exhibit A. 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 9. 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 10. APPOINTMENT OF REGISTRAR. The City appoints the principal corporate trust office of First Interstate Bank of Oregon, N.A., as 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 11. 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. 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 12. 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 shall enter into a Blanket 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. Upon initial issuance, the ownership of such Bonds shall be registered by the Registrar on the registration books in the name of Cede & Co., as nominee of DTC. The City and the Registrar may treat DTC (or its nominee) as the sole and exclusive registered owner of the Bonds registered in its name for the purposes of payment of the principal of, redemption price of, and premium, if any, or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, if any, giving notice as required under this Resolution, registering the transfer of Bonds, obtaining any consent or other action to be taken by the owners and for all other purposes whatsoever; and neither the Registrar nor the City shall be affected by any notice to the contrary. The Registrar shall not have any responsibility or obligation to any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the registration books of the Registrar as being a registered owner, with respect to the accuracy of any records maintained by DTC or any Participant; the payment by DTC or any Participant of any amount in respect of the principal or redemption price of or interest on the Bonds; any notice or direction which is permitted or required to be given to or received from owners under this Resolution; the selection by DTC or any DTC Participant of any person to receive payment in the event of a partial redemption of the Bonds; or any consent given or other action taken by DTC as owner; nor shall any DTC Participant or any such person be deemed to be a third party beneficiary of any owners' rights under this Resolution. The Registrar shall pay from moneys available hereunder all principal of and premium, if any, and interest on the Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal of and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. So long as the Bonds are held in the Book-Entry System, no person other than DTC shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the Registrar to make payments of principal of and premium, if any, and interest pursuant to this Resolution. Upon delivery by DTC to the Registrar of DTC's written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions of this Resolution with respect to transfers of Bonds, the term "Cede & Co.," in this Resolution shall refer to such new nominee of DTC.

At any time it determines that it is in the best interests of the owners, the City may notify the Registrar, and the Registrar will subsequently notify DTC, whereupon DTC will notify the DTC Participants, of the availability through DTC of Bond certificates. In such event, the Registrar shall issue, transfer and exchange, at the City's expense, Bond certificates as requested in writing by DTC in appropriate amounts. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the Registrar and discharging its responsibilities with respect thereto under applicable law. If DTC resigns as securities depository for the Bonds, Bond certificates shall be delivered pursuant to this section. Under such circumstances (if there is no successor securities depository), the Registrar shall be obligated to deliver Bond certificates as described in this Resolution, provided that the expense in connection therewith shall be paid by the City. In the event Bond certificates are issued, the provisions of this Resolution shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of, premium, if any, and interest on such Bonds. Whenever DTC requests the Registrar to do so, the Registrar will cooperate with DTC in taking appropriate action after written notice (a) to make

available one or more separate certificates evidencing the Bonds to any DTC Participant having Bonds credited to its DTC account, or (b) to arrange for another securities depository to maintain custody of certificates evidencing the Bonds.

SECTION 13. OPTIONAL AND MANDATORY REDEMPTION. The Bonds shall be subject to redemption as determined by the Authorized Representative pursuant to Section 19 hereof.

SECTION 14. 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 Letter of Representations executed between the City and DTC (as defined below), 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. The City shall give written notice to the Bond Registrar of its intention to redeem Bonds at least 45 days prior to the redemption date.

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 15. DEFEASANCE. In the event that the City shall (i) cause to be irrevocably deposited with the Registrar, cash or noncallable, direct obligations of, or obligations guaranteed by, the United States ("Government Obligations"), or both, in an amount sufficient without reinvestment, to pay when due (whether at maturity or on prior redemption) the principal of, premium (if any) and interest on all or any portion of the Bonds; and (ii) shall irrevocably instruct the Registrar in writing to apply such cash or Government Obligations to the payment when due of the principal of, premium (if any) and interest on all or such designated portion of the Bonds; and (iii) if some or all of the Bonds are to be redeemed prior to maturity, shall irrevocably instruct the Registrar in writing to call the Bonds or such portion of the Bonds designated for redemption on such date or dates and in such principal amounts as the City shall specify; then upon such deposit all or such portion of the Bonds which has been defeased pursuant to the terms hereof shall be deemed to have been paid in full and no longer be outstanding under this Resolution for any purpose other than the subsequent transfer and exchange of such Bonds as provided herein and the payment when due of the principal of and interest on such Bonds out of the cash or Government Obligations so deposited, and the Bonds so defeased shall thereafter be secured solely and only by the cash or Government Obligations so deposited and the Bonds so defeased shall no longer be secured by the lien on any security for the Bonds pledged, granted or provided for by this Resolution.

SECTION 16. TAX-EXEMPT STATUS AND COVENANT AS TO ARBITRAGE. The City covenants to cause the proceeds of the Bonds to 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 cause Linn County through the Intergovernmental Agreement 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 17. 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 during the calendar year of 1995.

SECTION 18. DESIGNATION OF AUTHORIZED REPRESENTATIVE. The City authorizes the City Manager, the Finance Director or the Financial Services Coordinator, or any other person designated by the City Council (the "Authorized Representative"), to act on behalf of the City and determine the terms of the Bonds as specified in this Resolution.

SECTION 19. DELEGATION FOR ESTABLISHMENT OF TERMS AND NEGOTIATED SALE OF THE BONDS. The Authorized Representative is authorized pursuant to ORS 288.520(4) to:

- a. establish the maturity and interest payment dates, dated date, principal amounts, optional and/or mandatory redemption provisions, interest rates, and denominations and all other terms for the Bonds;
- b. establish the terms of a negotiated sale;
- c. approve and authorize the preparation and distribution of preliminary and final official statements for the Bonds;
- d. select an underwriter to purchase the Bonds on terms advantageous to the City based on the advice of the City's Financial Advisor for the Bonds and execute and deliver a bond purchase agreement with such underwriter;
- e. obtain a rating on the Bonds, if available and to the benefit of the City;
- f. 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;
- g. apply for municipal bond insurance for the Bonds, if in the best interests of the City, and expend Bond proceeds or other moneys available to the City to pay any bond insurance premium;
- h. approve, execute and deliver the Bond closing documents and certificates, including but not limited to, a continuing disclosure certificate as required by SEC Rule 15c2-12;
- i. 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;
- j. execute and deliver a Tax Certificate specifying the action taken pursuant to this Resolution, and any other certificates, documents or agreements that the Authorized Representative determines are desirable to issue, sell and deliver the Bonds in accordance with this Resolution;

SECTION 20. APPOINTMENT OF BOND COUNSEL AND FINANCIAL ADVISOR. The City appoints Ater Wynne Hewitt Dodson & Skerritt to serve as Bond Counsel for the Bonds. Additionally, the City appoints Regional Financial Advisors, Inc. as the Financial Advisor for the Bonds.

SECTION 21. PRELIMINARY AND FINAL OFFICIAL STATEMENT. The City shall cause the preparation of the preliminary official statement for the Bonds which will be available for distribution to prospective investors. In addition, an official statement shall be prepared and ready for delivery to the purchasers of the Bonds no later than the seventh (7th) business day after the sale of the Bonds. When advised 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 22. 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 herein, 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 owners of the Bonds and any Additional Bonds, all of which shall be of equal rank without preference, priority or distinction of any of such Bonds or Additional Bonds over any other thereof, except as expressly provided in or pursuant to this Resolution.

DATED this 13th day of September, 1995.

CITY OF ALBANY, OREGON

By Wayne M. Fisk
Council President

ATTEST:

By Noem C. Willhite
City Recorder (Deputy)

EXHIBIT A

Form of 1995 Bond

No. R- _____

\$ _____

UNITED STATES OF AMERICA
LINN AND BENTON COUNTIES

CITY OF ALBANY, OREGON

HOTEL/MOTEL TAX REVENUE BOND
SERIES 1995

DATED DATE	INTEREST RATE PER ANNUM	MATURITY DATE	CUSIP NUMBER
	_____ %		_____

REGISTERED OWNER: ----- CEDE & CO. -----

PRINCIPAL AMOUNT: ----- DOLLARS -----

THE CITY OF ALBANY in Linn and Benton Counties, 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 _____ and the first day of _____ in each year until maturity or prior call and redemption, commencing _____ 1, 199_. Interest payments shall be made to the registered owner hereof whose name appears on the registration books 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 First Interstate Bank of Oregon, N.A. (the "Registrar"), will make principal and interest payments to the registered owner. Principal and interest payments shall 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 Revenue Bond is not a general obligation of the City, and is payable solely from the Security as provided in Resolution No. _____ of the City adopted _____, 1995 (the

"Resolution"). The City covenants and agrees with the owner of this Bond that it will keep and perform all of the covenants in this Bond and in the Resolution. The City has pledged, among other things, the unobligated net revenues of the transient room taxes on the City's hotels and motels, to the payment of principal, interest and premium, if any, on this Bond. In addition, the City pledges available amounts in its General Fund as additional security for the Bonds subject to annual appropriation.

This Bond is one of a series of Hotel/Motel Tax Revenue Bonds, Series 1995, in the aggregate principal amount of \$2,300,000 (the "Bonds"), issued by the City for the purpose of financing the City's contribution towards the cost of construction and capital improvements to a new Linn County, Oregon Fairgrounds and Exposition Center, pursuant to an Intergovernmental Agreement with Linn County, Oregon, in full and strict accordance and compliance with all of the provisions of the Constitution and Statutes of the State of Oregon and the City's Charter.

Optional Redemption. The Bonds maturing on and after _____ 1, 200_ are subject to redemption prior to maturity at the option of the City in whole or in part on any interest payment date on and after _____ 1, 200_ (with maturities to be selected by the City and by lot within a maturity) at the following Redemption Prices, expressed as a percentage of the principal amount of the Bonds (or portions thereof) to be redeemed, plus accrued interest to the date of redemption:

Redemption Periods

Redemption Prices

Mandatory Redemption. The Bonds of this issue maturing _____ 1, ___ are subject to mandatory redemption by lot by the City on _____ 1 of the following years in the following principal amounts at a price of par plus accrued interest to the date of redemption:

Year

Amount

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 Blanket Letter of Representations executed between the City and DTC, and the Registrar shall not be required to give any other notice of redemption otherwise required in the Resolution.

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.

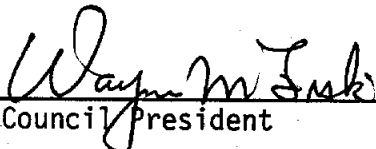
Should the book-entry only security system be discontinued, the Bonds shall be issued in the form of fully registered Bonds without coupons in the denominations of \$5,000 or any integral multiple thereof. Such Bonds may be exchanged for Bonds of the same aggregate principal amount, but different authorized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

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



Council President

City Recorder

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

DATED:

CERTIFICATE OF AUTHENTICATION

This is one of the City's Hotel/Motel Tax Revenue Bonds, Series 1995, issued pursuant to the Resolution described herein.

First Interstate Bank of Oregon, 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.**

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.