

ORDINANCE NO. 5072

AN ORDINANCE OF THE CITY OF ALBANY, OREGON AUTHORIZING THE ISSUANCE AND NEGOTIATED SALE OF SECOND LIEN WATER REVENUE ADVANCE REFUNDING BONDS, SERIES 1993B, IN AN AMOUNT NOT TO EXCEED \$7,000,000; TO ADVANCE REFUND AND TO IRREVOCABLY CALL FOR REDEMPTION THE CITY'S SECOND LIEN WATER REVENUE BONDS, SERIES 1989, DATED AUGUST 1, 1989; SECOND LIEN WATER REVENUE BONDS, SERIES 1990, DATED MAY 1, 1990, AND THE SECOND LIEN WATER REVENUE BONDS, SERIES 1992, DATED APRIL 1, 1992; APPOINTING AN UNDERWRITER, BOND COUNSEL AND EXPERT ADVISOR; DESIGNATING AN AUTHORIZED REPRESENTATIVE; AUTHORIZING EXECUTION OF A BOND PURCHASE AGREEMENT AND ESCROW AGREEMENT; APPOINTING A PAYING AGENT AND BOND REGISTRAR AND AN ESCROW AGENT; APPROVING OF PRELIMINARY ADVANCE REFUNDING PLAN TO BE FILED WITH THE OREGON STATE TREASURER FOR APPROVAL; AND DECLARING AN EMERGENCY.

WHEREAS, Oregon Revised Statutes Section 288.605 to 288.695 inclusive, authorizes a city to issue advance refunding bonds to refund outstanding bonds. The City of Albany, Oregon (the "City"), is advised that debt service savings may be achieved by advance refunding the outstanding principal of the following bonds:

(a) City of Albany, Oregon Second Lien Water Revenue Bonds, Series 1989, dated August 1, 1989 and issued in the aggregate principal amount of \$3,500,000 (the "Series 1989 Prior Bonds"). The Series 1989 Prior Bonds were issued for the purpose of financing the acquisition and installation of new transmission pipeline; transmission pipeline rehabilitation; upgrading of the Maple Street Pumping Station; and Water Treatment Plant - Phase I Improvements, and to pay engineering fees, attorney's fees and other costs related to the issuance of these Bonds. The Series 1989 Prior Bonds are first subject to optional redemption on August 1, 1999 and on any interest payment date thereafter, at par value, in the principal amount of \$2,320,000 (the "Series 1989 Refunded Bonds"); and

(b) City of Albany, Oregon Second Lien Water Revenue Bonds, Series 1990, dated May 1, 1990 and issued in the aggregate principal amount of \$1,500,000 (the "Series 1990 Prior Bonds"). The Series 1990 Prior Bonds were issued to complete the financing of the acquisition and installation of new transmission pipeline; transmission pipeline rehabilitation; upgrading of the Maple Street Pumping Station; and Water Treatment Plant - Phase I Improvements and to pay engineering fees, attorney's fees and other costs relating to these Bonds. The Series 1990 Prior Bonds are first subject to optional redemption on August 1, 2000, and on any interest payment date thereafter, at par value in the principal amount of \$1,000,000 (the "Series 1990 Refunded Bonds"); and

(c) City of Albany, Oregon Second Lien Water Revenue Bonds, Series 1992, dated April 1, 1992 and issued in the aggregate principal amount of \$3,000,000 (the "Series 1992 Prior Bonds"). The Series 1992 Prior Bonds were issued for the purpose of the design and construction of an eight (8) million gallon water storage reservoir and to pay engineering fees, attorney's fees and other costs relating to these Bonds. The Series 1992 Prior Bonds are first subject to optional redemption on October 1, 2001, and on any interest payment date thereafter, at par value in the principal amount of \$2,135,000 (the "Series 1992 Refunded Bonds"); and

WHEREAS, the proceeds of the Second Lien Water Revenue Advance Refunding Bonds, Series 1993B will be used for the following purposes:

(a) The payment of interest accruing on the Series 1989 Refunded Bonds, to and including August 1, 1999, and on August 1, 1999 the refunding of the principal amounts of the Series 1989 Refunded Bonds maturing August 1, 2000 through August 2009 in the aggregate principal amount of \$2,320,000, and to pay a portion of the costs of issuance of the Series 1993B Bonds; and

(b) The payment of interest accruing on the Series 1990 Refunded Bonds, to and including August 1, 2000, and on August 1, 2000 the refunding of the principal amounts of the Series 1990 Refunded Bonds maturing August 1, 2001 through August 1, 2010 in the aggregate principal amount of \$1,000,000, and to pay a portion of the costs of issuance of the Series 1993B Bonds; and

(c) The payment of interest accruing on the Series 1992 Refunded Bonds, to and including October 1, 2001 and on October 1, 2001, the refunding of the principal amounts of the Series 1992 Refunded Bonds maturing October 1, 2002 through and including October 1, 2012 in the aggregate principal amount of \$2,135,000, and to pay a portion of the costs of issuance of the Series 1993B Bonds.

The Series 1993B Bonds shall not be a general obligation of the City nor payable from any taxes levied by the City. The Bonds are secured by, and payable from a second lien on the Net Revenue of the Water System owned and operated by the City and the deposits and funds of the City known as the Debt Service Activity Account and the Debt Service Reserve Account. The City's outstanding advance refunding General Obligation Bonds, Series 1985, dated May 1, 1985 originally issued in the principal amount of \$9,370,000 and the City's outstanding Advance Refunding General Obligation Bonds, Series 1987, dated January 1, 1987 and originally issued in the amount of \$9,095,000 (the "Prior Lien Bonds") are secured by a first lien on the Net Revenues of the Water System. The lien of the Prior Lien Bonds is superior to the lien on the Series 1993B Bonds. The Second Lien Water Revenue Advance Refunding Bonds, Series 1993B are payable from the same source of funds as the Series 1989 Refunded Bonds, the Series 1990 Refunded Bonds and the Series 1992 Refunded Bonds, now, therefore

THE PEOPLE OF THE CITY OF ALBANY DO ORDAIN AS FOLLOWS:

Section 1. Issuance of Second Lien Water Advance Refunding Bonds, Series 1993B.
The City Council of the City authorizes the issuance and negotiated sale of not to exceed

\$7,000,000 of its Second Lien Water Revenue Advance Refunding Bonds, Series 1993B (the "Bonds"). The Bonds shall be issued in denominations of \$5,000 each, or integral multiples thereof, as negotiable water revenue bonds of the City and shall bear interest at a true effective rate not to exceed six percent (6.00%) per annum payable semiannually. The City authorizes the City Manager or the Finance Director (the "Authorized Representative") to determine and designate the dated date, the maturity dates, the principal serial maturities, term bond maturity or maturities, with or without premium, the optional redemption dates and premiums, if any, but not later than ten (10) years from date of issuance of the Bonds or six (6) months after October 1, 2001, which ever is later, and to determine the interest payment dates, underwriter's discount at not greater than one and one-quarter percent (1.25%) of the face amount of the Bonds, original issue discount, if any, municipal bond insurance, if any, and to determine such other provisions as are deemed necessary and desirable for the sale and issuance of the Bonds.

Section 2. Title and Execution of Bonds. The Bonds shall be entitled "City of Albany, Oregon Second Lien Water Revenue Advance Refunding Bonds, Series 1993B" and shall bear the manual or the facsimile signature of the Mayor of the City and shall be attested by the manual or facsimile signature of the City Recorder of the City. The Bonds shall be initially issued in book-entry form as a single typewritten bond for each single maturity and issued in the registered name of the nominee of the Depository Trust Company, New York in book-entry-only form. The Bonds will be issued without certificates being made available to the bond holder except in the event that the book-entry-only form is discontinued in which event the Bonds will be issued with certificates to be executed, delivered and transferred as herein provided.

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

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

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

all times comply with the Depository's operational arrangements for the book-entry-only system. The Authorized Representative may take all other action to qualify the Bonds for the Depository's book-entry-only system.

In the event (a) the Depository determines not to continue to act as securities depository for the Bonds, or (b) the City determines that the Depository shall no longer so act, then the City will discontinue the book-entry-only system with the Depository. If the City fails to identify another qualified securities depository to replace the depository, the Bonds shall no longer be a book-entry-only issue but shall be registered in the registration books maintained by the Paying Agent and the Bond Registrar in the name of the Registered Owner as appearing on the registration books of the Paying Agent and Bond Registrar and thereafter in the name or names of the owners of the Bonds transferring or exchanging Bonds in accordance with the provisions of Section 9 herein.

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

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

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

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

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

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

Section 4. Payment of Bonds. If the book-entry system has been discontinued, then the principal of the Bonds shall be payable upon presentation of the Bonds at maturity at the principal corporate trust office of the Paying Agent in Portland, Oregon. Payment of each installment of interest due semiannually shall be made by check or draft of the Paying Agent mailed on each interest payment date to the registered owner thereof whose name and address appears on the registration books of the City maintained by the Paying Agent as of the close of business on the first day of the month next preceding any interest payment date.

Section 5. Form of Bonds. The Bond shall be issued substantially in the form as approved by the Authorized Representative and Bond Counsel.

Section 6. Appointment of Underwriter. The City Council appoints Kemper Securities, Inc. as the Underwriter of the Bonds.

Section 7. Appointment of Bond Counsel and Expert Advisor. The City Council appoints as bond counsel for the issuance of the Bonds the firm of Rankin Mersereau & Shannon of Portland, Oregon. In addition, Public Financial Management, Inc. is designated as Expert Advisor to evaluate the negotiated terms of the sale of the Bonds.

Section 8. Appointment of Paying Agent and Bond Registrar. First Interstate Bank of Oregon, N.A., Portland, Oregon is appointed as the Paying Agent and Bond Registrar for the Bonds. The Authorized Representative is authorized to negotiate and execute on behalf of the City the Paying Agent and Bond Registrar Agreement. This Agreement shall provide for compliance with Oregon Administrative Rule 170-61-010. The City requests and authorizes the Paying Agent and Bond Registrar to execute the Certificate of Authentication as of the date of delivery of the Bonds.

Section 9. Transfer of Bonds. If the book-entry system is discontinued the Bonds will be issued in certificate form. Then the Bonds are transferable, or subject to exchange, for fully registered Bonds in the denomination of \$5,000 each or integral multiples thereof by the registered owner thereof in person, or by the owner's attorney, duly authorized in writing, at the office of the Bond Registrar. The Bond Registrar shall maintain a record of the names and addresses of the registered owners of the Bonds. The records of the registered bond ownership are not public records within the meaning of Oregon Revised Statutes Section 192.410(4).

All bonds issued upon transfer of or in exchange for Bonds shall be valid obligations of the City evidencing the same debt and shall be entitled to the same benefits as the Bonds surrendered for such exchange or transfer. All fees, expenses and charges of the Paying Agent and Bond Registrar shall be payable by the City. The Bond Registrar shall not be required to transfer or exchange any Bond after the close of business on the first day of the month next preceding any interest payment date.

Section 10. Printing of Bonds. If the Bonds are not in book-entry form, the Authorized Representative is authorized to contract for the printing of the Bonds. The Authorized Representative may provide for the printing of, in addition to the original issue of Bonds, additional bonds to be printed in blank form as to registration and to be designated by appropriate number for the Bond Registrar for delivery to the registered owner upon transfer or exchange of Bonds. The additional bonds shall bear the dated date of the Bonds, shall be signed by the manual or facsimile signature of the Mayor of the City and shall be attested by the manual or facsimile signature of the City Recorder and the Paying Agent and Bond Registrar shall manually sign the Certificate of Authentication as of the date of delivery or transfer of the Bonds.

Section 11. Pledge of Revenues. The Bonds shall not be a general obligation of the City and shall not be payable from any taxes levied by the City. The Bonds are secured by the pledge of and payable from a second lien on the unobligated Net Revenue of the Water System owned and operated by the City and the deposits in funds of the City known as the Debt Service Activity Account and the Debt Service Reserve Account. The Bonds are issued on a parity of second lien on the unobligated Net Revenues of the water system with the non-callable Series 1989 Prior Bonds, the non-callable Series 1990 Prior Bonds and the non-callable Series 1992 Prior Bonds (the "Second Lien Bonds"). The City's outstanding Advance Refunding General Obligation Water Bonds, Series 1985, dated May 1, 1985, and the City's outstanding Advance Refunding General Obligation Water Bonds, Series 1987, dated January 1, 1987 originally issued in the amount of \$9,095,000 (the "Prior Lien Bonds") are secured by a first lien on the Net Revenues of the Water System. The lien of the Prior Lien Bonds is superior to the lien on the Second Lien Bonds and the Bonds.

The City covenants with the registered owners of the Bonds, for so long as the Bonds and any Additional Bonds are outstanding, that the City shall not issue water bonds secured by a pledge of the Net Revenue senior to or having a priority upon Net Revenue of the Water System superior to the second lien on such Net Revenues that secure the Second Lien Bonds, and the Bonds. The City closes out the lien of the Prior Lien Bonds on the Net Revenue and no additional obligations shall be issued with a lien prior to the second lien of the Second Lien Bonds, and the Bonds and any Additional Bonds.

Section 12. Rate Covenant. The City covenants and agrees that it shall fix, impose and collect water user fees and charges and shall revise its rate structure, from time to time, in such manner as shall be necessary for the Gross Revenues of the Water System to be sufficient at all times to pay the Maintenance and Operation Expenses of the Water System, including the administrative costs, and to provide Net Revenue not less than 1.25 times each fiscal year annual debt service on the Prior Lien Bonds, the Second Lien Bonds, and the Bonds. All use of the water system shall be subject to the full rates prescribed by the City, and no free use of the Water System will be permitted.

Section 13. Creation of Special Accounts. The City has authorized the creation of the Debt Service Activity Account and the Debt Service Reserve Account. The City shall set aside and pay in to the Debt Service Activity Account from the Net Revenues of the Water System, after first providing for payment of the principal of and interest due on the Prior Lien Bonds and on a parity of second lien, the Second Lien Bonds, additional amounts as follows:

Principal and Interest:

1. Interest. Monthly, one-sixth (1/6) of the amount required to pay the interest due on the Bonds on the next interest payment date.
2. Principal. Monthly, one-twelfth (1/12) of the amount required for the payment of principal of the Bonds to be retired on the next principal maturity or mandatory redemption date.

In determining the amounts required for the monthly deposits, the City may consider any other sums then on deposit in the Debt Service Activity Account, other than the Debt Service Reserve Account, for the payment of principal of and interest on the Bonds. The sums so deposited to the Debt Service Reserve Account for payment of the Bonds are pledged irrevocably to be used only to pay interest on and principal of the Bonds on each payment date. Net Revenue not so deposited monthly in the Debt Service Activity Account may be used and applied by the City for capital improvements to the Water System or for such other uses and purposes relating to the operation, maintenance and repair, restoration and enlargements, or for administrative expenses of the Water system, as the City deems necessary and proper.

Debt Service Reserve Account:

The City covenants to transfer and deposit from the Debt Service Reserve Account for the account of the Bonds funds presently on deposit in the Debt Service Reserve Account for the account of the Series 1989 Refunded Bonds, the Series 1990 Refunded Bonds and the Series 1992 Refunded Bonds, but in an amount not to exceed ten percent (10%) of the principal amount of the Bonds and to maintain at all times in the Debt Service Reserve Account in the Debt Service Activity Account an amount equal to the Maximum Annual Debt Service on the Bonds, but in an amount not to exceed ten percent (10%) of the principal amount of the Bonds.

Any Term Bonds shall be deemed to be amortized annually in the amount of principal subject to mandatory redemption. The deposits for the Bonds in the Debt Service Reserve Account are irrevocably pledged to the payment of the principal of and interest due on the Bonds. In the event sufficient funds are not available to pay the maturing principal or interest, the City may draw upon the Debt Service Reserve Account in the amount of any such deficiency. Any deficiency in the Debt Service Reserve Account shall be restored from the next available Net Revenue, and funds in the Debt Service Reserve Account may be applied upon the payment of the final maturity of the principal of and interest on the Bonds.

Section 14. Additional Bonds. The City reserves the right to issue Additional Bonds having a parity of lien and pledge equal to that of the Second Lien Bonds and the Bonds on the Net Revenues of the Water System and on the Debt Service Activity Account and the Debt Service Reserve Account. The City reserves the right to issue Additional Bonds for the purposes of making additions, enlargements, replacements, extensions, and improvements to the Water System upon compliance with the following conditions:

1. At the time of issuance of the Additional Bonds there shall be no deficiency in the moneys required to be on deposit in the Debt Service Activity Account or the Debt Service Reserve Account.
2. Proceeds of the Additional Bonds shall be deposited in the Debt Service Reserve Account in an amount sufficient to cause the balance of such account to be equal to the Maximum Annual Debt Service on the Outstanding Second Lien Bonds, the non-callable portion of the Series 1989 Prior Bonds, the non-callable portion of the Series 1990 Prior Bonds and the non-callable portion of the Series 1992 Prior Bonds, the Bonds and the Additional Bonds, but such deposit shall not exceed ten percent (10%) of the proceeds of the Additional Bonds.
3. At the time that Additional Bonds are issued, the City shall obtain and have on file a certificate from a professional engineer (who may be the City Engineer) or a certified public accountant determining that the Net Revenue in any twelve (12) consecutive months within the twenty-four (24) months immediately preceding the issuance of such Additional Bonds was equal to or exceeded 1.25 times the Maximum Annual Debt Service.

In determining whether the City complies with the conditions for the issuance of Additional Bonds, the following adjustments may be made in the computation of Net Revenues:

- a. any rate change that has taken place or previously been approved and is effective may be reflected in the computation of Net Revenue;
- b. any increase in Net Revenue estimated to result from any additions, betterments and improvements to and extensions of the Water System which became operational during such 12-month period or were under construction at the time of such certificate may be included in the determination; and
- c. additional revenue derived from water users added to the Water System during or subsequent to the 12-month term may be added to the computation of Net Revenues.

4. An ordinance must be adopted by the City Council containing provisions incorporating and making binding upon the registered owners of the Additional Bonds all provisions of this Ordinance which describes the rights and obligations of the registered owners of the Bonds.

Section 15. Other Covenants. The City further covenants:

- a. 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 148 of the Internal Revenue Code of 1986, as amended, and applicable regulations promulgated thereunder.
- b. Not to dispose of or transfer its title to the Water System.
- c. To operate and maintain the Water System in good condition and repair.

- d. To insure the Water System presently existing or hereafter constructed and installed against loss by fire and other hazards included within the term "extended coverage," and other casualties in an amount not less than the full replacement cost of the Water System without deduction for depreciation.
- e. To maintain complete books and records relating to the operation of the Water System and its financial affairs and to cause such books and records to be audited annually at the end of each fiscal year and an audit report prepared. At all reasonable times the registered owners of the Bonds, or their designated representatives shall have the right to inspect the Water System and the records, accounts and data of the City relating thereto.
- f. Not to create or permit any lien or encumbrance on the Water System or the Net Revenue of the Water System which might impair the security of the Bonds.

Section 16. Covenant as to Arbitrage. The proceeds of the Bonds shall be used and invested in such manner that the Bonds shall not become "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and the applicable regulations. The City covenants that, within its lawful powers, it will not do, and will refrain from doing, anything in the issuance of the Bonds and in the investment and expenditure of the proceeds which would result in the interest on the Bonds becoming taxable for federal income tax purposes.

Section 17. Compliance With Refunding Plan. The City shall enter into an Escrow Deposit Agreement with the Escrow Agent for the establishment of an Escrow Deposit Fund to which shall be deposited sufficient proceeds from the Bonds to acquire Government Obligations to provide funds to be deposited into the following special segregated accounts of the Escrow Deposit Fund in sufficient amounts for each account as follows:

(a) The payment of interest accruing on the Series 1989 Refunded Bonds maturing, to and including August 1, 1999, and on August 1, 1999 the refunding of the principal amount of the Series 1989 Refunded Bonds maturing August 1, 2000 through August 1, 2009 in the aggregate principal amount of \$2,320,000, and to pay a portion of the costs of issuance of the Series 1993B Bonds; and

(b) The payment of interest accruing on the Series 1990 Refunded Bonds maturing, to and including August 1, 2000, and on August 1, 2000 the refunding of the principal amount of the Series 1990 Refunded Bonds maturing August 1, 2001 through August 1, 2010 in the aggregate principal amount of \$1,000,000, and to pay a portion of the costs of issuance of the Series 1993B Bonds; and

(c) The payment of interest accruing on the Series 1992 Refunded Bonds, to and including October 1, 2001, and on October 1, 2001 the refunding of the principal amounts of the Series 1992 Refunded Bonds maturing October 1, 2002 through and including October 1, 2012 in the aggregate principal amount of \$2,135,000, and to pay a portion of the costs of issuance of the Series 1993B Bonds.

The City does designate and appoint First Interstate Bank of Oregon, N.A., Portland, Oregon as the Escrow Agent to administer the Escrow Deposit Fund. The Authorized Representative is authorized to execute the Escrow Deposit Agreement for and on behalf of the City.

Section 18. Irrevocable Call and Redemption of Refunded Bonds. The City does irrevocably call and redeem:

(a) On August 1, 1999, at par value, the Series 1989 Refunded Bonds maturing August 1, 2000 through and including August 1, 2009 in the principal amount of \$2,320,000; and

(b) On August 1, 2000, at par value, the Series 1990 Refunded Bonds maturing August 1, 2001 through and including August 1, 2010 in the principal amount of \$1,000,000; and

(c) On October 1, 2001, the Series 1992 Refunded Bonds maturing October 1, 2002 through and including October 1, 2012 in the principal amount of \$2,135,000.

These irrevocable calls and the redemption of the Bonds as above described are subject to the sale and delivery of the Series 1993B Bonds and the full funding of the Escrow Fund to refund, pay and discharge the Series 1989 Refunded Bonds, the Series 1990 Refunding Bonds, and the Series 1992 Refunded Bonds all as provided in the Escrow Deposit Agreement.

Section 19. Effect of Refunding on Refunded Bonds. The City determines that, upon deposit into the respective accounts of the Escrow Deposit Fund of Government Obligations in an amount calculated sufficient to pay the accruing interest on the Series 1989 Refunded Bonds to and including August 1, 1999 and to pay the principal thereof maturing August 1, 2000 through August 1, 2009; to pay the accruing interest on the Series 1990 Refunded Bonds to and including August 1, 2000 and to pay the principal on the Series 1990 Refunded Bonds maturing August 1, 2001 to and including August 1, 2010; and to pay the accruing interest on the Series 1992 Refunded Bonds to and including October 1, 2001 and to pay the principal on the Series 1992 Refunded Bonds maturing October 1, 2002 to and including October 1, 2012 then, such deposits shall fully defease the principal amount of the Series 1989 Refunded Bonds, the Series 1990 Refunded Bonds, and the Series 1992 Refunded Bonds. The funds on deposit in the respective accounts of the Escrow Deposit Fund for the redemption and payment of the principal of the Series 1989 Refunded Bonds, the Series 1990 Refunded Bonds and the Series 1992 Refunded Bonds shall fully defease the principal amounts of the Series 1989 Refunded Bonds, the Series 1990 Refunded Bonds and the Series 1992 Refunded Bonds. In addition, such principal amounts shall be deemed fully defeased for the purpose of any statutory debt limitation.

Section 20. 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 21. Closing of the Sale and Delivery of the Bonds. The Authorized Representative is authorized to execute such additional documents, including a Certificate as to Arbitrage, and any and all other things or acts necessary for the sale and delivery of the Bonds as herein authorized. Such acts of the Authorized Representative are for and on behalf of the City and are authorized by the City Council of the City.

Section 22. Approval of Preliminary Advance Refunding Plan. The City Council does approve of the Preliminary Advance Refunding Plan as submitted by Kemper Securities, Inc., as the Underwriter and does authorize the filing of the Advance Refunding Plan with the Oregon State Treasurer for review and approval.

Section 23. Emergency. It is hereby declared that the City must proceed promptly with the sale and delivery of the Series 1993B Bonds in order that current market interest rates may be obtained through the private negotiated sale for the City to maximize its debt service savings to be achieved by the Refunding as herein set forth. Therefore, this Ordinance is necessary for the immediate preservation of the public peace, health and safety and this Ordinance shall be in full force and effect from and after its passage by the City Council and approval by the Mayor.


ADOPTED by the City Council this 25th day of August, 1993.

APPROVED by the Mayor this 25th day of August, 1993.

By 

Mayor

ATTEST:

By 

City Recorder