

Resolution No. 2642

TITLE: A RESOLUTION PROVIDING FOR THE (SPWF) ISSUANCE AND SALE OF THE CITY OF ALBANY, OREGON, CANFOR U.S.A. REVENUE BONDS, SERIES 1986 IN THE PRINCIPAL AMOUNT OF \$100,000 AND RELATED MATTERS.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Albany, Oregon, that:

Section 1. Findings. The City Council finds it advantageous to issue revenue bonds of the City of Albany to finance the costs of the Project defined below, and to sell such bonds to the State of Oregon, acting through its Intergovernmental Relations Division (IRD) pursuant to ORS 284.310 to 284.530.

Section 2. Definitions. As used in this Resolution, the following words shall have the following meanings:

- A. "Bonds" means the Bonds authorized under Section 3 hereof and any Parity Bonds or other parity obligations issued pursuant to Section 10 hereof.
- B. "Municipality" means the City of Albany, Oregon, a municipal corporation of the State of Oregon.
- C. "Operating Expenses" means all expenses incurred by the City of Albany for operations, maintenance and repair of the Project, including but not limited to administrative expenses, financial and auditing expenses, insurance premiums, claims (to the extent monies are not available from proceeds of insurance), taxes, legal and engineering expenses relating to operation and maintenance, payments and reserves for pension, retirement, health, hospitalization, and sick leave benefits, payments to reserve funds, and any other similar expenses to be paid to the extent properly and directly attributable to operations of the Project.
- D. "Owner" means the State of Oregon, acting through its Intergovernmental Relations Division.
- E. "Parity Bonds" means any revenue bonds or other obligations of the City of Albany issued under Section 10 hereof.
- F. "Project" means the infrastructure project described in the Contract between the State and the municipality.
- G. "Project Area" means all properties that are directly benefitted and served by the construction of the project.
- H. "Project Revenues" means all fees, charges and other revenues received by the City of Albany from its ownership or use, or the use by any other person, of the Project, and any earnings on the Construction Fund and the Bond Fund. Project Revenues do not include: (1) the proceeds of any grants; (2) the proceeds of any borrowing for capital improvements to the Project; (3) the proceeds of any liability insurance, and (4) the proceeds of any casualty insurance which the City of Albany intends to utilize for repair or replacement of the Project.

Section 3. The Series 1986 Bonds. Pursuant to the authority of ORS 284.310 to 284.530, the City of Albany hereby authorizes and directs the issuance of the City of Albany Canfor U.S.A. Revenue Bonds, Series 1986, in the aggregate principal amount of \$100,000 (the "Bonds"). The Bonds shall be dated July 15, 1986, shall be registered, installment form, and shall be typewritten. The outstanding principal amount of the Bonds shall bear interest at a rate of 5% per annum, calculated on the basis of 30-day months and a 360-day year. Bond principal and interest shall be paid in one payment per year installments of \$8,024, commencing July 15, 1987, with all unpaid principal, plus accrued interest, payable on July 15, 2006.

Principal and interest on the Bonds shall be payable by check or draft drawn on an account of the City of Albany and received by the Owner not later than the date on which principal and interest are due. The Bonds shall be special obligations of the City of Albany, and shall be payable solely from the Gross Revenues, as provided by this Resolution.

Section 4. Redemption. The Bonds may be redeemed by the City of Albany at any time, in whole or in part, at a price of par plus interest accrued to the redemption date. The City of Albany shall notify the Owner in writing not less than five days prior to the redemption date.

Section 5. Form of Bond. The Bonds shall be in substantially the following form:

SEE ATTACHED

Res. 2642 was
considered void by
the Oregon Economic
Development Dept.
on July 19, 1988.

STATE OF OREGON
CITY OF ALBANY, OREGON
CANFOR U.S.A. REVENUE BOND, SERIES 1986

THE City of Albany, in the County of Linn, State of Oregon, for value received acknowledges itself indebted and hereby promises to pay to the order of the State of Oregon, acting through its Intergovernmental Relations Division (the "Owner"), the principal amount of \$100,000, plus interest thereon at the rate of FIVE PERCENT (5%) per annum from the date hereof until paid. Bond principal and interest shall be paid in one payment equal annual installments of \$8,024, commencing July 15, 1987, with all unpaid principal, plus accrued interest, payable on July 15, 2006. The bond maturity schedule is to be paid as follows:

SEE ATTACHED

This revenue bond is not a general obligation or liability of the City of Albany, and is payable solely from the CANFOR U.S.A. Revenues as provided in Resolution No. 2642 of the City of Albany adopted 9/10 1986 (the "Resolution"). The City of Albany 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 of Albany has pledged to the payment of principal and interest on this bond following the Gross Revenues:

This bond may be redeemed by the City of Albany at any time at a price of par, plus interest accrued to the redemption date, upon five days prior written notice to the Owner.


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; that the issue of which this bond is a part, and all other obligations of such City of Albany are within every debt limitation and other limits prescribed by such Constitution and Statutes.

IN WITNESS WHEREOF, (the persons authorized to sign bonds) has caused this bond to be signed by manual signature and attested by manual signature of its Secretary, and has caused its seal to be affixed hereto or printed hereon as of the date indicated above.

City of Albany, Oregon



Authorized Signature

ATTEST:


Recorder (Deputy)

Section 6. Creation of Funds. The City of Albany shall create and maintain the following funds as long as the Bonds are outstanding:

(a) The Construction Fund. Bond proceeds and grant proceeds and other money necessary to finance the project shall be deposited in the Construction Fund., Moneys in the Construction Fund shall be used solely to pay for the Cost of the Project. Earnings on the Construction Fund shall be credited to the Construction Fund. Any moneys remaining in the Construction Fund after the construction of the Project is complete shall be used to redeem Bond principal promptly upon such completion.

(b) The Bond Fund. Moneys in the Bond Fund shall be used only to pay Bond principal and interest. The Recipient shall deposit into the Bond Fund all project revenues due the fund from the Project as identified in Section 7. below. Earnings on the Bond Fund shall be retained in the Bond Fund.

Section 7. Pledge and Disposition of Gross/Net Revenues. The City of Albany hereby pledges Gross/Net Revenues to the payment of principal and interest on all Bonds. There Revenues shall be deposited to the Bond fund. Gross Revenues shall include the following:

(Example: \$300 of each \$500 sewer connection fee collected in benefitted areas.)

The City of Albany hereby covenants with the owners of the Bonds that it will, so long as any Bonds remain outstanding, make the following deposits into the bond fund.

Commencing on July 1, 1987, and on the first day of each month thereafter the City of Albany will deposit into the Bond Fund an amount such that, if the same amount we deposited on each succeeding month, there will be on deposit in the Bond Fund an amount sufficient to pay all Bond principal and interest due on the next Bond principal and interest payment date. Notwithstanding for foregoing, the City of Albany shall deposit into the Bond Fund from the Gross Revenues an amount sufficient to permit all principal and interest due on the Bonds to be paid on the date it is due.

Section 8. Rate Covenant. The City of Albany covenants that it will collect Project Revenues each fiscal year sufficient to make all payments required by Section 7 hereof, and to pay all costs of operating and maintaining the Project. If the Project Revenues fail to meet this level, the City of Albany shall promptly increase its fees and charges so that the Project Revenues are projected to meet the required level.

Section 9. General Covenants. The City of Albany hereby covenants and agrees with the Owner as follows:

(a) That it will, promptly cause the principal and interest on the Bonds to be paid as they become due.

(b) That it will maintain complete books and records relating to the operation of the Project and the Construction Fund and Bond Fund, in accordance with generally accepted accounting principles, and provide to the Owner such financial statements as the Owner may reasonably require.

(c) That it will not issue Bonds or other obligations having a claim superior to the claim of the Bonds upon the Project or CANFOR U.S.A. Revenues.

(d) The City of Albany will promptly deposit into the Construction and Bond Funds all moneys required to be so deposited.

(e) That it will operate the Project in a sound, efficient and economic manner, and will not enter into any agreements to provide free service or services except use of such facilities in case of emergency.

(f) Upon sale of any assets pledged as collateral or security, or to be used as revenue for payment of the bonds, municipality shall pay in full any amount due to be collected from sale of the assets.

Section 10. Parity Bonds. The City of Albany may not issue Bonds on a parity of lien with the Bonds without the prior written consent of the Owner.

Section 11. Default.

(a) The following events shall constitute a Default:

(1) Failure to pay Bond principal or interest when due; or

(2) Failure to perform any other obligation of the City of Albany imposed by this Resolution or the Bonds, but only if:

(i) the failure continues for a period of more than sixty (60) days after demand has been made on the City of Albany to remedy the failure; and

(ii) the City of Albany fails to take reasonable steps to remedy the failure within that sixty-day period; or

(3) Imposition of a receivership upon, or liquidation of, the Project Fund; or,

(4) Written admission by the City of Albany that the City of Albany is unable to pay its debts as they become due.

(b) Upon Default, any bond owner may exercise any remedy available at law or in equity. All outstanding bonds shall be immediately redeemable by the bond owner upon default.

Section 12. Insurance. The City of Albany covenants to maintain insurance, or a reasonable system of self insurance, appropriate, to the risks associated with operation of the CANFOR U.S.A. In the event the Project, or any portion thereof, is destroyed or condemned, any insurance or condemnation proceeds shall be applied to redeem outstanding Bonds.

Section 13. Sales, Leases and Encumbrances. The City of Albany may not sell or exchange or otherwise dispose of any property constituting a part of the Project unless such property is either worn out or obsolete or, in the opinion of the City of Albany, is no longer useful in the operation of the Project. Any proceeds of such sale, exchange or other disposition not used to replace the property so sold or exchanged shall be deposited in the Project Fund.

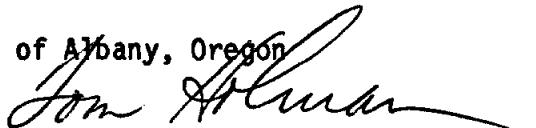
The City of Albany may not mortgage, grant security interests in, or otherwise encumber the Project or assets pledged as security in Section 7 without the prior written consent of the Owner.

Section 14. Amendment of Resolution. This Resolution may not be amended without the written consent of the Owner.

Section 15. Sale of Series 1986 Bonds.The Series 1986 Bonds shall be sold by negotiated sale to the State of Oregon, acting through its Intergovernmental Relations Division, upon such further terms the City of Albany may approve.

Passed by the City Council of the City of Albany, Oregon, this 10th day of September, 19 86.

City of Albany, Oregon



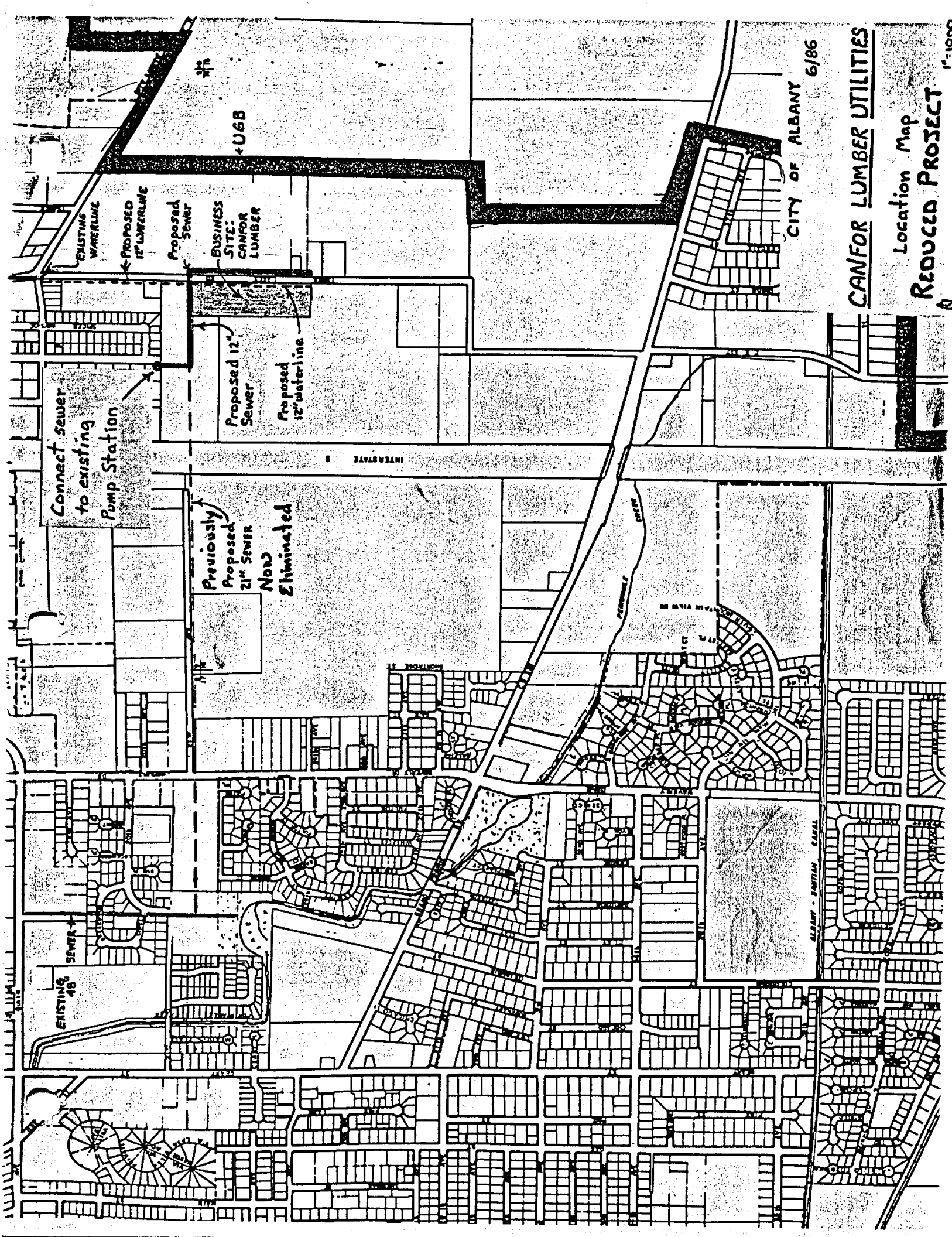
Mayor

ATTEST:



Recorder

Deputy



CITY OF ALBANY 6/86

CANFOR LUMBER UTILITIES

Location Map
REDUCED PROJECT
12-10000

Connect sewer
to existing
Pump Station

Previously
Proposed
21" SEWER
Now
Eliminated

BUSINESS
SITE:
CANFOR
LUMBER

Proposed 12"
Sewer

Proposed
12" water-line

EXISTING
WATERLINE

PROPOSED
12" WATERLINE

Proposed
Sewer

← U6B

EXISTING
SEWER
48"

