

RESOLUTION NO. 5365

A RESOLUTION OF THE CITY OF ALBANY, OREGON AUTHORIZING THE ISSUANCE, NEGOTIATED SALE, EXECUTION AND DELIVERY IN ONE OR MORE SERIES OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2007, TO REFUND ON A CURRENT BASIS ALL OR A PORTION OF THE CITY'S \$3,700,000 GENERAL OBLIGATION BONDS, SERIES 1996 AND TO ADVANCE REFUND ALL OR A PORTION OF THE CITY'S \$9,850,000 GENERAL OBLIGATION BONDS, SERIES 1999; AUTHORIZING THE SUBMISSION OF AN ADVANCE REFUNDING PLAN TO THE OREGON STATE TREASURER; DESIGNATING AN AUTHORIZED REPRESENTATIVE OF THE CITY AND DELEGATION OF RESPONSIBILITIES; AUTHORIZING DISTRIBUTION OF PRELIMINARY AND FINAL OFFICIAL STATEMENTS; SPECIFYING PROVISIONS RELATING TO BOND INSURANCE; AND RELATED MATTERS.

WHEREAS, on October 24, 1996, the City of Albany, Oregon (the "City") issued its General Obligation Bonds, Series 1996, in the original aggregate principal amount of \$3,700,000 (the "1996 Bonds") which financed the costs of acquiring an emergency vehicle and equipment, and construction and equipping of two new City fire substations and a firefighter training facility, and which paid all bond issuance costs incidental thereto. The 1996 Bonds were authorized by the approving vote of the qualified voters residing in the City at a special election on March 12, 1996, and by Resolution No. 3690 adopted by the City on September 11, 1996; and

WHEREAS, on March 30, 1999, the City issued its General Obligation Bonds, Series 1999, in the original aggregate principal amount of \$9,850,000 (the "1999 Bonds") which financed the costs of street construction and rehabilitation related costs and which paid all bond issuance costs incidental thereto. The 1999 Bonds were authorized by the approving vote of the qualified voters residing in the City on November 3, 1998, and by Resolution No. 4071 adopted by the City on January 27, 1999; and

WHEREAS, the City is authorized pursuant to Oregon Revised Statutes ("ORS") Sections 288.160 and 288.605 through 288.695 (the "Act") to issue current and advance refunding bonds for the purpose of refunding all or a portion of its outstanding 1996 Bonds and 1999 Bonds; and

WHEREAS, pursuant to ORS 288.615(1)(c), the City may provide for the issuance of bonds without an election to refund outstanding bonds to effect a savings discounted to present value; and

WHEREAS, the City has directed Seattle-Northwest Securities Corporation to prepare an advance refunding plan, as required by ORS 288.620 for all or a portion of the City's outstanding 1999 Bonds; and

WHEREAS, the portion of the Refunding Bonds (as defined below) allocated to the current refunding of all or a portion of the City's 1996 Bonds (the "Current Refunding Bonds") and the portion of the Refunding Bonds allocated to the advance refunding of all or a portion of the City's 1999 Bonds (the "Advance Refunding Bonds" and together with the Current Refunding

Bonds, the "Refunding Bonds") will provide significant debt service savings to the City as may be required by law; and

WHEREAS, the City adopts this Resolution to provide the terms under which the general obligation refunding bonds may be issued, subject to changes in the municipal bond market providing the required present value savings to the City, and subject to the required approval of the Oregon State Treasurer.

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

Section 1. Submission of Advance Refunding Plan with State Treasurer. Seattle-Northwest Securities Corporation is hereby authorized, on behalf of the City, to submit an advance refunding plan (the "Refunding Plan") for the 1999 Bonds to the Oregon State Treasurer for review and approval.

Section 2. Authorization of General Obligation Refunding Bonds, Series 2007. Upon approval by the State Treasurer of the Refunding Plan prepared and submitted by Seattle-Northwest Securities Corporation on behalf of the City and for the above purposes, the City hereby authorizes the issuance, negotiated sale, execution, and delivery of General Obligation Refunding Bonds, Series 2007 in one or more series in an aggregate principal amount not exceeding the minimum principal amount necessary to refund all or a portion of the 1996 Bonds and all or a portion of the 1999 Bonds (collectively, the "Refunded Bonds") and to pay the costs relating to the issuance of the Refunding Bonds, pursuant to ORS 288.645.

The Refunding Bonds shall be subject to a book-entry only system of ownership and transfer as provided for in Section 9 hereof. The remaining terms of the Refunding Bonds shall be established as provided in Section 14 hereof.

Section 3. Designation of Authorized Representative. The City Council designates each of the City Manager, the Interim Finance Director, the Finance Director, if appointed, or their designee (collectively, the "Authorized Representatives"), to act on behalf of the City and to determine the remaining terms of the Refunding Bonds as specified in Section 14 hereof.

Section 4. Security. The Refunding Bonds are general obligations of the City. The full faith and credit of the City are pledged to the successive owners of each of the Refunding Bonds for the punctual payment of such obligations, when due. The City covenants with the Bondowners to levy annually a direct ad valorem tax upon all of the taxable property within the City in an amount without limitation as to rate or amount, and outside of the limitations of sections 11 and 11b, Article XI of the Oregon Constitution, after taking into consideration discounts taken and delinquencies that may occur in the payment of such taxes, to pay interest accruing and the principal maturing on the Refunding Bonds promptly when and as they become due.

Section 5. Form of Refunding Bonds. The Refunding Bonds may be printed or typewritten, and may be issued as one or more temporary Refunding Bonds which shall be exchangeable for definitive Refunding Bonds when definitive Refunding Bonds are available. As book-entry only bonds, the Refunding Bonds shall be prepared by Bond Counsel; otherwise, the Refunding Bonds shall be printed by a financial printer to be selected by the Authorized Representative.

Section 6. Execution of Refunding Bonds. The Refunding Bonds shall be executed on behalf of the City with the manual or facsimile signature of the Mayor and attested to by the manual or facsimile signature of the Authorized Representative of the City. Additionally, the Refunding Bonds shall be authenticated by the manual signature of an authorized officer of the Bond Registrar (as defined below).

Section 7. Designation of Paying Agent, Bond Registrar, and Escrow Agent. The City designates The Bank of New York Trust Company, N.A., as Paying Agent and Bond Registrar (the "Registrar") for the Refunding Bonds and as Escrow Agent (the "Escrow Agent") for the Refunded Bonds.

Section 8. Authentication, Registration, Payment, Exchange, and Transfer. No Refunding 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 the Bondowner's name is listed on the Bond register.

(a) All Refunding Bonds shall be in registered form. The Registrar shall authenticate all Refunding Bonds to be delivered at closing of this bond issue, and shall additionally authenticate all Refunding Bonds properly surrendered for exchange or transfer pursuant to this Resolution.

(b) The ownership of all Refunding 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 Refunding Bond for all purposes.

(c) The Registrar shall mail or cause to be delivered the amount due under each Refunding Bond to the registered owner at the address appearing on the Bond register on the fifteenth day of the month preceding the payment date (the "Record Date"). If payment is so mailed, neither the City nor the Registrar shall have any further liability to any party for such payment.

(d) The Refunding Bonds may be exchanged for equal principal component amounts of Refunding Bonds of the same maturity which are in different authorized denominations, and Refunding Bonds may be transferred to other owners if the Bondowners submit the following to the Registrar:

(i) written instructions for exchange or transfer satisfactory to the Registrar, signed by the Bondowner or his attorney in fact and guaranteed or witnessed in a manner satisfactory to the Registrar; and

(ii) the Refunding Bonds to be exchanged or transferred.

(e) The Registrar shall not be required to exchange or transfer any Refunding Bonds submitted to it during any period beginning with a Record Date and ending on the next following payment date; however, such Refunding Bonds shall be exchanged or transferred promptly following that payment date.

(f) The Registrar shall not be required to exchange or transfer any Refunding Bonds which have been designated for redemption if such Refunding Bonds are submitted to the Registrar during the 15-day period preceding the designated redemption date.

(g) For purposes of this section, Refunding Bonds shall be considered submitted to the Registrar on the date the Registrar actually receives the materials described in subsection (e) of this Section 8.

(h) In the event any Refunding Bond is mutilated, lost, stolen or destroyed, the Registrar may issue a new Refunding Bond of like maturity, interest rate, and denomination if the asserted owner of such Refunding Bond provides to the Registrar and the City an affidavit, certificate, or other reliable proof that the Registrar or the City reasonably finds protects the City from conflicting claims for payment under the Refunding Bond. Pursuant to ORS 288.435, the Registrar may waive the requirements of ORS 288.420 and the City may waive the requirements of ORS 288.430 with respect to the Refunding Bond.

(i) 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 9. Book-Entry System. During any time that the Refunding Bonds are held in a book-entry only system (the "Book-Entry System"), the registered owner of all of the Refunding Bonds shall be The Depository Trust Company, New York, New York ("DTC"), and the Refunding Bonds shall be registered in the name of Cede & Co., as nominee for DTC. The City has entered into a Blanket City Letter of Representations (the "Letter") wherein the City represents that it will comply with the requirements stated in DTC's Operational Arrangements as they may be amended from time to time.

Under the Book-Entry System, the Refunding Bonds shall be initially issued in the form of a single fully registered certificate, one for each maturity of the Refunding Bonds. Upon initial issuance, the ownership of such Refunding 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 Refunding 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 Refunding Bonds, selecting the Refunding Bonds or portions thereof to be redeemed, if any, giving notice as required under this Resolution, registering the transfer of Refunding 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 Refunding 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 Refunding 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 Refunding 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 Refunding 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 Refunding Bonds to the extent of the sum or sums so paid. So long as the Refunding Bonds are held in the Book-Entry System, no person other than DTC shall receive an authenticated Refunding 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 Refunding 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 Refunding 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 Refunding 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 Refunding 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 Refunding Bonds to any DTC Participant having Refunding Bonds credited to its DTC account, or (b) to arrange for another securities depository to maintain custody of certificates evidencing the Refunding Bonds.

Section 10. Optional and Mandatory Redemption. The Refunding Bonds may be subject to optional redemption and mandatory redemption prior to maturity as determined by the Authorized Representative pursuant to Section 14 hereof.

Section 11. Notice of Redemption. Official notice of redemption shall be given by the City's 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 Refunding Bond or Refunding 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 DTC's Operational Arrangements, and the Registrar shall not be required to give any other notice of redemption otherwise required herein.

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 Refunding Bonds are to be redeemed, the identification of the Refunding Bonds to be redeemed; (4) that on the redemption date the redemption price will become due and payable upon each such Refunding 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 Refunding 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 Refunding 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 Refunding Bonds or portions of Refunding Bonds which are to be redeemed on that date.

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

Section 12. Tax-Exempt Status. The City covenants to use the proceeds of the Refunding Bonds, and the facilities financed or refinanced with the Refunded 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 Refunded Bonds and the Refunding 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 Refunding Bonds; and
- (b) to operate the facilities financed or refinanced with the proceeds of the Refunding Bonds so that the Refunded Bonds and the Refunding 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 Refunding Bonds.

Section 13. Designation of Bond Counsel and Underwriter. The City designates Orrick, Herrington & Sutcliffe LLP, in Portland, Oregon, as bond counsel to the City for the Refunding Bonds and Seattle-Northwest Securities Corporation as underwriter (the "Underwriter") for the Refunding Bonds.

Section 14. Delegation for Establishment of Terms and Sale of the Refunding Bonds. The Authorized Representative is hereby authorized, on behalf of the City and without further action of the City Council, to:

- (a) assure that the net present value savings required under Oregon law in connection with the advance refunding of the 1999 Bonds are at least equal to the minimum savings required by law, and that the true interest cost on the Refunding Bonds does not exceed 5.00% per annum;
- (b) select all or any portion of the maturities of the Refunded Bonds to be refunded, irrevocably call for redemption those maturities of the Refunded Bonds selected for refunding with the proceeds of the Refunding Bonds on the earliest date those maturities are subject to redemption and cause notice of redemption to be given as required by the terms of the Refunded Bonds;
- (c) establish the principal and interest payment dates, principal amounts, optional and mandatory redemption provisions, if any, interest rates, and denominations and all other terms for the Refunding Bonds;
- (d) negotiate the terms with the Underwriter under which the Refunding Bonds shall be sold; execute and deliver a bond purchase agreement for the sale of the Refunding Bonds which incorporates those terms;
- (e) appoint and enter into a contract with a financial advisor to evaluate the terms of the Refunding Plan as may be required by law and the reasonableness of the terms, conditions and costs of the Advance Refunding Bonds;
- (f) approve, execute, and deliver an escrow deposit agreement (the "Escrow Deposit Agreement") and such other agreements as may be required to fund the escrow account with non-callable direct and general obligations of the United States of America or float agreements, debt service deposit agreements, forward investment agreements, guaranteed investment contracts or other investment agreements to the extent they meet the requirements of ORS 294.052;
- (g) if necessary or desirable, appoint a certified public accounting firm or other qualified firm to act as verification agent to produce a report demonstrating the ability of the escrow account to meet all future debt service and related costs relative to the advance refunding of the 1999 Bonds and the current refunding of the 1996 Bonds;

- (h) take such actions as are necessary to qualify the Refunding Bonds for the book-entry only system of DTC;
- (i) enter into covenants regarding the use of the proceeds of the Refunding Bonds and the projects financed or refinanced with the proceeds of the Refunding Bonds, to maintain the tax-exempt status of the Refunded Bonds and the Refunding Bonds;
- (j) approve of and authorize the distribution of preliminary and final official statements for the Refunding Bonds and deem as "final" as of its date, the Preliminary Official Statement, in substantially the form presented to the Authorized Representative;
- (k) obtain one or more ratings on the Refunding Bonds if determined by the Authorized Representative to be in the best interest of the City, and expend Refunding Bond proceeds to pay the costs of obtaining such rating;
- (l) obtain municipal bond insurance on the Refunding Bonds if determined by the Authorized Representative to be in the best interest of the City, execute and deliver any agreements and/or covenants required in connection with such insurance, and expend Refunding Bond proceeds to pay any bond insurance premium;
- (m) approve, execute, and deliver a Continuing Disclosure Undertaking pursuant to SEC Rule 15c2-12, as amended (17 CFR Part 240, § 240.15c2-12) pursuant to Section 19 hereof;
- (n) under Section 265(b) of the Code, designate all or any portion of the Refunding Bonds as "qualified tax-exempt obligations" under Section 265(b) of the Code, if determined by the Authorized Representative to be in the best interest of the City and to the extent permitted under the Code;
- (o) approve, execute, and deliver the Refunding Bond closing documents and certificates; execute and deliver a certificate specifying the action taken by the Authorized Representative pursuant to this Section 14, and any other certificates, documents, or agreements that the Authorized Representative determines are desirable to issue, sell, and deliver the Refunding Bonds in accordance with this Resolution.

Section 15. Defeasance. The City may defease the Refunding Bonds by setting aside, with a duly appointed escrow agent, in a special escrow account irrevocably pledged to the payment of the Refunding 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 Refunding Bonds until their maturity date or any earlier redemption date. Refunding 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 16. Refunding Escrow. The net proceeds of the Refunding Bonds shall be placed in an irrevocable refunding escrow. The Authorized Representative and the Escrow Agent shall execute and deliver an escrow deposit agreement as may be approved by the Authorized Representative.

The Escrow Agent and the Authorized Representative are hereby authorized to subscribe for and purchase non-callable direct and general obligations of the United States of America (the "Escrowed Securities") to be placed in the escrow, on behalf of the City, which, together with interest earnings thereon, will be sufficient to pay all installments of principal and interest on the Refunded Bonds. The Authorized Representative may authorize the City and the Escrow Agent to enter into agreements with securities providers for the purchase of float agreements, debt service deposit agreements, forward investment agreements, guaranteed investment contracts or other investment agreements to the extent they meet the requirements of ORS 294.052.

Section 17. Redemption of the Refunded Bonds.

(a) 1999 Bonds. Issuance of the Advance Refunding Bonds is contingent upon the City's receiving actual cumulative debt service savings of not less than the amount required by Oregon law. Contingent solely on the issuance of the Advance Refunding Bonds and the deposit of the net proceeds with the Escrow Agent, the Authorized Representative is hereby authorized to irrevocably call for redemption all or a portion of the City's outstanding 1999 Bonds that are to be refunded with the proceeds of the Advance Refunding Bonds on the earliest date they are subject to redemption.

(b) 1996 Bonds. The Current Refunding Bonds are not subject to the debt service savings requirements under Oregon law that are applicable to the Advance Refunding Bonds, and the City may issue the Current Refunding Bonds regardless of whether the City is able to satisfy the debt service savings requirement necessary for issuance of the Advance Refunding Bonds. Contingent solely on the issuance of the Current Refunding Bonds and the deposit of the net proceeds with the Escrow Agent, the Authorized Representative is hereby authorized to irrevocably call for redemption all or a portion of the City's outstanding 1996 Bonds that are to be refunded with the proceeds of the Current Refunding Bonds on the earliest date they are subject to redemption.

Section 18. Provisions Related to Bond Insurance. "Bond Insurer" means the provider of a Bond Insurance Policy. "Bond Insurance Policy" means a municipal bond insurance policy insuring the payment of principal of and interest on all or a portion of the Refunding Bonds. The provisions of this Section 18 shall apply to the Bond Insurer in the event and to the extent provided in an Authorized Representative's closing certificate with respect to the Refunding Bonds insured by such Bond Insurer, so long as (i) its Bond Insurance Policy is in effect, (ii) the Bond Insurer has not asserted that its Bond Insurance Policy is not in effect, (iii) the Bond Insurer is not in default thereunder, (iv) the Bond Insurer is not insolvent, and (v) the Bond Insurer has not waived any such rights; provided, that, notwithstanding the foregoing, such rights shall continue with respect to amounts previously paid and due and owing the Bond Insurer.

(a) Any amendment to this Resolution requiring the consent of Owners of the Refunding Bonds or the portion thereof secured by a Bond Insurance Policy (the "Insured

Bonds”) shall also require the prior written consent of the Bond Insurer with respect to such Insured Bonds.

(b) Any amendment not requiring the consent of Owners of the Insured Bonds shall require the prior written consent of the Bond Insurer with respect to such Insured Bonds if its rights shall be materially and adversely affected by such amendment.

(c) The Bond Insurer with respect to the Insured Bonds shall have the right to institute any suit, action, or proceeding at law or in equity under the same terms as an Owner of such Insured Bonds in accordance with this Resolution.

(d) The Bond Insurer shall, to the extent it makes any payment of principal of, or interest on, the Insured Bonds it insures, become subrogated to the rights of the recipients of such payments in accordance with the terms of its Bond Insurance Policy.

(e) Principal and/or interest paid by a Bond Insurer under its Bond Insurance Policy shall not be deemed paid for purposes of this Resolution, and the Insured Bonds with respect to which such payments were made shall remain Outstanding and continue to be due and owing until paid by the City in accordance with this Resolution.

(f) In the event of any defeasance of the Insured Bonds, the City shall provide the applicable Bond Insurer with copies of all documents as required to be delivered to the Registrar under this Resolution and any Supplemental Resolutions thereto.

(g) The City shall not discharge this Resolution unless all amounts due or to become due to the Bond Insurer have been paid in full or duly provided for.

Section 19. Notices to the Insurer; Payment Procedures.

(a) The City shall send or cause to be sent to the Insurer copies of notices required to be sent to Owners, the Escrow Agent or the registrar pursuant to this Resolution or the Escrow Deposit Agreement.

(b) The City shall observe and perform any payment procedures under the Bond Insurance Policy required by the Insurer as a condition to the issuance and delivery of such Bond Insurance Policy.

Section 20. 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, 2007, 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.

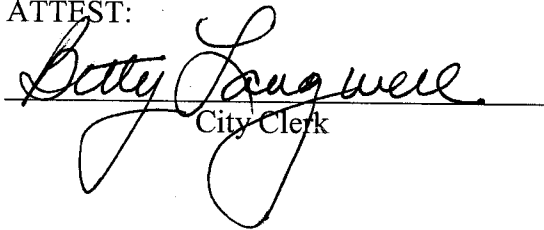
Section 21. Resolution to Constitute Contract. In consideration of the purchase and acceptance of any or all of the Refunding Bonds by those who shall own the Refunding Bonds from time to time (the "Owners"), the provisions of this Resolution shall be part of the contract of the City with the Owners and shall be deemed to be and shall constitute a contract between the City and the Owners. The covenants, pledges, representations, and warranties contained in this Resolution or in the closing documents executed in connection with the Refunding Bonds, including without limitation the City's covenants and pledges contained in Section 4 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 Owners, all of which shall be of equal rank without preference, priority, or distinction of any of such Refunding Bonds over any other thereof, except as expressly provided in or pursuant to this Resolution.

Section 22. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption by the City Council and execution by the Mayor.

DATED AND EFFECTIVE THIS 10th DAY OF JANUARY 2007.


Mayor

ATTEST:


City Clerk