RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ALBANY, STATE OF CALIFORNIA, AUTHORIZING THE ISSUANCE AND SALE OF PARCEL TAX BONDS FOR THE PURPOSE OF FINANCING THE COSTS OF ACQUIRING AND CONSTRUCTING STORM DRAIN IMPROVEMENT PROJECTS, APPROVING AN OFFICIAL STATEMENT, AND RELATED MATTERS

WHEREAS, the City is a charter city and municipal corporation, duly established and authorized to exercise all municipal affairs powers under and pursuant to the provisions of the Constitution of the State of California; and

WHEREAS, on June 6, 2006, an election was held on the question of whether a parcel tax should be levied on taxable real property in the City for the purpose of funding necessary improvements such as the repair and rehabilitation of streets and storm drains, including the payment of principal and interest on lease financings and similar instruments which fund such projects (the "Parcel Tax Measure"); and

WHEREAS, at said election more than the requisite two-thirds of those voting approved the Parcel Tax Measure; and

WHEREAS, the City, after due investigation and deliberation, has determined that it is in the interests of the City at this time to provide for the issuance of its City of Albany Parcel Tax Bonds, Election of 2006, Series A (Storm Drain Projects) (the "Bonds") pursuant to this Resolution and the Indenture (as defined in Section 5) for the purpose of acquiring and constructing storm drain system improvements (the "Storm Drain Projects"), funding a reserve fund for the Bonds (if necessary), and to pay costs of issuance incurred in connection with the issuance and sale of the Bonds; and

WHEREAS, the City Council of the City wishes at this time to authorize all proceedings relating to the issuance of the Bonds, and to approve the execution and delivery of all agreements and documents relating thereto.
NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Albany, as follows:

1. **Adoption of Authorizing Procedures.** The City Council hereby authorizes the Bonds to be issued pursuant to the powers of the City with respect to municipal affairs in accordance with Section 1.05 of the City Charter and Section 5 of Article XI of the California Constitution. The Bonds shall be issued and sold in accordance with the procedures specified in Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, which are hereby adopted as the procedures to be followed in the issuance and sale of the Bonds, with full force and effect as though the City were an "Authority" under and as defined therein.

2. **Issuance of Bonds.** The City Council hereby authorizes and approves the issuance of a series of bonds, to be denominated "City of Albany Parcel Tax Bonds, Election of 2006, Series A (Storm Drain Projects)", so long as the principal amount of the Bonds does not exceed $3,700,000.

3. **Purposes.** The purposes for which the Bonds are proposed to be issued are to provide funds to acquire and construct the Storm Drain Projects, fund a reserve fund for the Bonds, and pay costs of issuance in connection therewith.

4. **Parcel Tax Bonds.** The Bonds shall be payable exclusively from tax revenues received by the City under the Parcel Tax Measure ("Parcel Tax Revenues"). Such revenues constitute a trust fund for the security and payment of the principal or redemption price of and interest on the Bonds. The general fund of the City is not liable and the credit or taxing power of the City is not pledged for the payment of the principal or redemption price of and interest on the Bonds, other than Parcel Tax Revenues. The owners of the Bonds may not compel the exercise of the taxing power by the City or the forfeiture of its property, the principal or redemption price of and interest on the Bonds are not a debt of the City, nor a legal or equitable pledge, charge, lien or encumbrance, upon any of its
property, or upon any of its income, receipts, or revenues except the Parcel Tax
Revenues.

5. Approval of Indenture of Trust. The Bonds shall be issued pursuant to
and secured by the Indenture of Trust, dated as of March 1, 2009, between U.S.
Bank National Association, hereby appointed to act as trustee on the Bonds (the
"Trustee") and the City (the "Indenture"), which is hereby referred to and
incorporated herein by reference. The Indenture, in substantially the form on file
with the City Clerk, is hereby approved by the City Council. The City
Administrator and the Finance Director (each, an "Authorized Officer") is hereby
authorized and directed, for and in the name of the City, to execute and deliver the
Indenture in such form, together with such changes, insertions and omissions as
may be approved by the City Attorney, Bond Counsel, and the Authorized Officer,
such execution to be conclusive evidence of such approval; and the City Clerk is
hereby authorized and directed to attest such Indenture and affix the seal of the
City thereto. The City Council hereby authorizes the delivery and performance of
the Indenture.

6. Bonds. The Bonds shall be dated, shall bear interest at the rates, shall
mature on the dates, shall be issued in the form, shall be subject to redemption, and
shall otherwise be issued on the terms and conditions, all as set forth in the
Indenture and in accordance with this Resolution.

7. Sale of Bonds. The Bond Purchase Agreement, between the City and
Wulff, Hansen & Co. (the "Underwriter"), in substantially the form on file with the
City Clerk and made a part hereof as though set forth in full herein, is hereby
approved by the City Council. The Authorized Officer is hereby authorized and
directed, for and in the name of the City, to execute and deliver the Bond Purchase
Agreement in such form, together with such changes, insertions and omissions
which are approved by the City Attorney, Bond Counsel and the Authorized
Officer and which are in accordance with the provisions of this Resolution, such
execution to be conclusive evidence of such approval; and the City Clerk is hereby
authorized and directed to attest such Bond Purchase Agreement; subject to the
requirement that the maximum interest rate on the Bonds shall be 6.25%, and the
Underwriter’s discount on the purchase of the Bonds may not exceed 1.75%. The
City Council hereby approves the negotiated sale of the Bonds to the Underwriter
pursuant to such Bond Purchase Agreement.

8. **Official Statement.** The City Council hereby approves the preliminary
Official Statement describing the financing, in substantially the form on file with
the City Clerk, together with any changes therein or additions thereto deemed
advisable by the Authorized Officer. The City Council approves and authorizes
the distribution by the Underwriter of the preliminary Official Statement to
prospective purchasers of the Bonds, and authorizes and directs the Authorized
Officer, on behalf of the City, to deem "final" pursuant to Rule 15c2-12 under the
Securities Exchange Act of 1934 (the "Rule") the preliminary Official Statement
prior to its distribution by the Underwriter.

The Authorized Officer is authorized and directed to cause the preliminary Official
Statement to be brought into the form of a final Official Statement and to execute
said final Official Statement, dated as of the date of the sale of the Bonds, and a
statement that the facts contained in the final Official Statement, and any
supplement or amendment thereto (which shall be deemed an original part thereof
for the purpose of such statement) were, at the time of sale of the Bonds, true and
correct in all material respects and that the final Official Statement did not, on the
date of sale of the Bonds, and does not, as of the date of delivery of the Bonds,
contain any untrue statement of a material fact with respect to the City or omit to
state material facts with respect to the City required to be stated where necessary to
make any statement made therein not misleading in the light of the circumstances
under which it was made. The Authorized Officer shall take such further actions
prior to the signing of the final Official Statement as are deemed necessary or
appropriate to verify the accuracy thereof. The execution of the final Official
Statement, which shall include such changes and additions thereto deemed
advisable by the Authorized Officer and such information permitted to be excluded from the preliminary Official Statement pursuant to the Rule, shall be conclusive evidence of the approval of the final Official Statement by the City.

The final Official Statement, when prepared, is approved for distribution in connection with the offering and sale of the Bonds.

9. Continuing Disclosure. The City Council hereby approves the Continuing Disclosure Certificate, in substantially the form attached to the Preliminary Official Statement as Appendix F, together with any changes therein or additions thereto deemed advisable by the Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof. The Authorized Officer is hereby separately authorized and directed to execute, and the City Clerk is hereby authorized and directed to attest the final form of the Continuing Disclosure Certificate, for and in the name and on behalf of the City. The City Council hereby authorizes the delivery and performance of the Continuing Disclosure Certificate.

10. Documents in Substantially Final Form; Further Authority. The documents on file with the City Clerk and herein approved are in substantially final form; that is, they are final as to important business terms such as the parity bond restrictions, governing limitations on future issues of bonds secured by Parcel Tax Revenues, but do not contain the numbers resulting from the sale of the Bonds, which numbers will be inserted once the Bonds are sold. This resolution is intended to be a “parameters resolution”, in which the City Council approves a bond issue at a not to exceed principal amount, interest rate and discount, payable solely from Parcel Tax Revenues, to finance storm drain projects. The Authorized Officer is authorized to accept on behalf of the City a municipal bond insurance policy and to restrict Authorized Investments in accordance with the terms of said policy.

The officers of this City are hereby authorized and directed to execute all documents and take such actions as they may deem necessary or advisable in order
to carry out and perform the purposes of this Resolution, and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

11. **Delivery of Bonds.** The Bonds shall be delivered to the purchaser thereof. This City shall execute and the Trustee shall authenticate and deliver the Bonds upon receipt of the purchase price and shall credit the proceeds as provided in the Indenture.

12. **Effective Date.** This Resolution shall take effect immediately upon adoption.

[Signature]

MARGE ATKINSON
MAYOR
RESOLUTION NO. 09-7

PASSED AND APPROVED BY THE COUNCIL OF THE CITY OF ALBANY, this 16th day of March, 2009, by the following votes:

AYES: Council Members Javandel, Lieber, Thomsen, Wile & Mayor Atkinson

NOES: None

ABSENT: None


JACQUELINE L. BUCHOLZ, CMC
CITY CLERK

The City of Albany is dedicated to maintaining its small town ambience, responding to the needs of the community, and providing a safe, healthy environment now and in the future.