

A RESOLUTION OF THE CITY OF LEBANON,)
OREGON RELATING TO CONTINUING)
DISCLOSURE

RESOLUTION NO. 61
FOR 1995

On November 10, 1994, the Securities and Exchange Commission published in final form an amendment to Rule 15c2-12 which takes effect on July 3, 1995 (the "Amended Rule"). The Amended Rule prohibits brokers, dealers and municipal securities dealers from (1) underwriting or placing any primary offering of municipal securities without first determining that the issuer of such securities or an "obligated person" (as defined in the Amended Rule) has contracted to provide annual financial information and notices of material events to the market, or (2) recommending a particular municipal security for purchase or sale by a customer unless they have procedures in place to monitor any disclosure distributed to the market regarding that security.

The City intends to issue its General Obligation Refunding Bonds, Series 1995 (the "Series 1995 Bonds") to currently refund the City's Advance Refunding General Obligation Bonds, Series 1986 after the effective date of the Amended Rule.

In order to enhance the marketability of the Series 1995 Bonds and future bond issues of the City, the City desires to comply with the provisions of the Amended Rule.

The Amended Rule requires that the obligation of the issuer of securities to provide annual financial information and notices of material events be contained in a written agreement or contract for the benefit of the holders of such securities.

In order to provide a uniform agreement as the basis for the City's obligation to provide annual financial information and notices of material events pursuant to the Amended Rule, the City desires to adopt this resolution setting forth its obligation to comply with the Amended Rule for all bond issues of the City arising after the date hereof.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF LEBANON, OREGON AS FOLLOWS:

SECTION 1. Purpose of this Resolution. This Resolution is being adopted to comply with the written undertaking requirement of Section (b)(5)(i) of the Rule for the benefit of the owners of the City's outstanding Bonds and in order to assist the Participating Underwriters in complying with the Rule.

SECTION 2. Definitions. The following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Resolution.

"Bonds" shall mean any series of bonds of the City that are subject to the provisions of the Rule and not within one of the exceptions to the Rule.

"Dissemination Agent" shall mean an agent of the City designated by the City and accepted by the agent in writing pursuant to Section 7 of this resolution.

"Material Events" shall mean any of the events listed in Section 5(a) of this Resolution.

"National Repository" shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule.

"Participating Underwriter" shall mean any of the original underwriters of any series of Bonds required to comply with the Rule in connection with offering of that series of Bonds.

"Repository" shall mean each National Repository and each State Repository.

"Rule" shall mean Rule 15c2-12 (17 CFR Part 240, Section 240.15c2-12) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State Repository" shall mean any public or private repository or entity designated by the State as a state repository for the purpose of the Rule. As of the date of this Resolution, there is no State Repository.

"Tax-exempt" shall mean that interest on any series of the Bonds is excluded from gross income for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating any other tax liability, including any alternative minimum tax or environmental tax.

SECTION 3. Provision of Annual Reports.

(a) The City shall, not later than March 1 of each year, commencing March 1, 1997, provide to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Resolution. The City may adjust the date for filing the Annual Report in the event the City's fiscal year changes by providing written notice of the change of fiscal year and the new filing date to each National Repository and State Repository; provided the new filing date shall not be later than 270 days after the end of the new fiscal year and providing further that the period between the final filing date for the former fiscal year and the initial filing date for the new fiscal year shall not exceed one year in duration. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Resolution; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report.

(b) If the City is unable to provide to the Repositories an Annual Report by the date required in subsection (a), the City shall send a notice to each Repository in substantially the form attached hereto as Exhibit A.

(c) The City shall determine each year prior to the date for providing the Annual Report the name and address of each National Repository and each State Repository, if any.

SECTION 4. Content of Annual Reports. The City's Annual Report shall contain or incorporate by reference the City's audited financial statements, updates of specific sections of the official statement issued in connection with the issuance of a series of Bonds and such other information determined by the City required to be submitted to satisfy the Rule.

Any or all of the information listed above may be incorporated by reference from other documents, including official statements of debt issues of the City or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The City shall clearly identify each such other document so incorporated by reference.

Unless otherwise required by law and subject to technical and economic feasibility, the City shall employ such methods of information transmission as shall be requested or recommended by the designated recipients of the City's information.

SECTION 5. Reporting of Material Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events, if material:

1. principal and interest payment delinquencies;
2. non-payment related defaults;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;
5. substitution of credit or liquidity providers, or their failure to perform;
6. adverse tax opinions or events affecting the tax-exempt status of any series of Bonds;
7. modifications to rights of security holders;
8. bond calls;
9. defeasances;
10. release, substitution, or sale of property securing repayment of the securities;
11. rating changes; and
12. failure by the City to provide the required financial information to the Repositories as provided herein.

(b) If a Material Event occurs while any Bonds are outstanding, the City shall promptly file a notice of such occurrence with the Repositories; provided, however, that any event described in subsection (a)(12) will always be deemed to be material. Each notice of a Material Event shall be so captioned and shall prominently state the date, title and CUSIP numbers of the series of Bonds to which such notice applies.

SECTION 6. Termination of Reporting Obligation. The City's obligations under this Resolution shall terminate with respect to a series of Bonds upon the defeasance, prior redemption or payment in full of all of such series of Bonds.

SECTION 7. Dissemination Agent. The City Administrator may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Resolution and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Resolution, the City may amend this Resolution, and any provision of this Resolution may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule, taking into account any subsequent change in or official interpretation of the Rule.

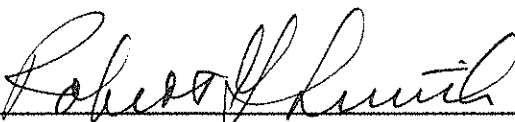
SECTION 9. Additional Information. Nothing in this Resolution shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Resolution or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Resolution. If the City chooses to include any information in any Annual Report or notice of occurrence of a Material Event in addition to that which is specifically required by this Resolution, the City shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

SECTION 10. Default. In the event of a failure of the City to comply with any provision of this Resolution, any Participating Underwriter or owner of any Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Resolution. A default under this Resolution shall not be deemed on event of default with respect to any outstanding Bonds, and the sole remedy under this Resolution in the event of any failure of the City to comply with this Resolution shall be an action to compel performance.

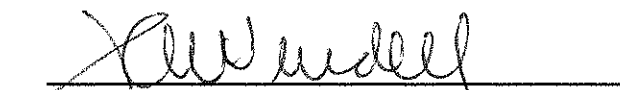
SECTION 11. Beneficiaries. This Resolution shall inure solely to the benefit of the City, the Dissemination Agent, if any, the Participating Underwriters and owners from time to time of the Bonds, and shall create no rights in any other person or entity.

PASSED by the Common Council of the City of Lebanon, Oregon on this 14th day of June, 1995.

ATTEST:



Mayor



City Recorder

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Lebanon, Oregon

Name of Bond Issues:

Dates of Issuance:

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Resolution No. 61 for 1995 adopted by the Issuer June 14, 1995. [The Issuer anticipates the Annual Report will be filed by _____.]

Dated this ____ day of _____, _____.

CITY OF LEBANON, OREGON

By _____
Title: _____