

A RESOLUTION AUTHORIZING SHORT TERM) RESOLUTION NO. 27
BORROWING BY MUNICIPAL CORPORATIONS,) FOR 1996
QUASI-MUNICIPAL CORPORATIONS AND CIVIL)
SUBDIVISIONS PURSUANT TO ORS 287.442)

RESOLVED, for the purpose of meeting current expenses for which provision has been made pursuant to ORS 294.443 in the duly adopted budget of the City, Joseph A. Windell, City Recorder and Judith L. Wendland, Finance Director, acting for and on behalf of this City at its act and deed, be and they hereby are authorized and empowered;

(a) To borrow from Key Bank of Oregon, such sum or sums of money as in their judgement should be borrowed for the pupose of meeting current budgeted expenses of the said City, not exceeding the aggregate amount of \$1,000,000 to bear interest at the rate of 81.75 % of the one year LIBOR .

(b) To execute and deliver to said bank the promissory note or notes of the said City, payable on a business day on or before August 1, 1997 on forms which may be submitted or approved by said bank.

(c) To provide to said bank such further evidences and documents as it shall require and to do and perform such other acts and things and to execute and deliver such other documents as may in their discretion appear reasonably necessary or proper in order to carry into effect any of the provision hereof.

BE IT FURTHER RESOLVED that, concurrently with any borrowing authorized by these resolutions, there be created a special fund to be known as the short-term note sinking fund in which revenues shall be placed and from which notes issued pursuant to these resolutions shall be

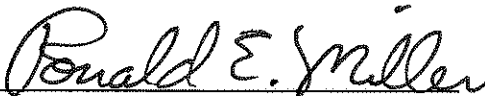
paid as provided by ORS 287.442(5).

BE IT FURTHER RESOLVED that any note or notes issued pursuant to these resolutions is or are hereby designated as "qualified tax-exempt obligations" pursuant to section 265(b)(3) of the Internal Revenue Code of 1986.

The City of Lebanon covenants not to so designate tax-exempt obligations in the current calendar year 1996 in an aggregate amount of more than \$10,000,000. The City of Lebanon (including all entities thereof, if any) does not reasonably expect to issue more than \$10,000,000 of tax-exempt obligations during calendar year 1996.

IT IS FURTHER CERTIFIED that the foregoing resolutions have been entered in the records of the said City and are in full force and effect and constitute all of the action of the said Lebanon City Council now in effect relating to the subject matter thereof.

Passed by the Council by a vote of 5 for and 0 against and approved this 10th day of July, 1996.


Ronald E. Miller, Mayor Pro Tem

ATTEST:


Joseph A. Windell, City Administrator