

A RESOLUTION OF THE CITY OF LEBANON,)
LINN COUNTY, OREGON RELATING TO THE)
URBAN RENEWAL BONDS (NW LEBANON)
URBAN RENEWAL AREA) SERIES 2000)

RESOLUTION NO. 73
FOR 2000

WHEREAS, Oregon Revised Statutes ("ORS") 457.435 provides that for each existing urban renewal plan that includes a provision for the division of ad valorem taxes under ORS 457.420 to 457.460, the municipality that activated the urban renewal agency that is carrying out the plan shall adopt an ordinance choosing one of the options listed in ORS 457.435(2) as the method of collecting ad valorem property taxes sufficient to pay, when due, indebtedness issued or incurred to carry out the plan as permitted by Section 11(16), Article XI of the Oregon Constitution; and

WHEREAS, on May 27, 1998, the City adopted Ordinance Bill No. 8 for 1998 (Ordinance 2224) selecting Option One as described in ORS 457.435(2)(a) as the method for collecting ad valorem property taxes sufficient to pay, when due, indebtedness issued or incurred to carry out the Northwest Lebanon Urban Renewal Plan ("Plan"); and

WHEREAS, Option One permits the Agency to collect a special levy if the amount received from the Divide the Taxes Revenues is insufficient to meet the budgeted obligations of the Plan, including amounts due on indebtedness issued or incurred to carry out the Plan; and

WHEREAS, on July 26, 2000 the Urban Renewal Agency of the City of Lebanon, Oregon (the "Agency") adopted Resolution No. 71 for 2000 (the "Resolution") authorizing the issuance and negotiated sale of Urban Renewal Bonds (Northwest Lebanon Urban Renewal Area), Series 2000 in the aggregate principal amount not to exceed \$6,000,000 (the "Bonds") and,

WHEREAS, in the Resolution the Agency has covenanted that:

1. so long as the Bonds are Outstanding, when the Agency finalizes its budget for a fiscal year, the Agency shall reasonably estimate the Divide the Taxes Revenues that the Agency will receive in that Fiscal Year;
2. if the amount of that estimate is less than 125% of Annual Debt Service plus any deficiency in the Reserve Account, the Agency shall notify the Linn County Assessor to impose a Special Levy for that Fiscal Year in an amount which the Agency reasonably estimates will result in the Agency receiving 125% of the Annual Debt Service, plus any deficiency in the Reserve Account, but not to exceed the Maximum Tax Increment Revenues; and
3. if the Tax Increment Revenues received in any Bond Year are less than 125% of the Annual Debt Service which is scheduled to be paid in that Bond Year, plus any deficiency in the Reserve Account, the Agency shall promptly certify to the Linn

County Assessor for collection in future Fiscal Years such amount as is necessary to make up any deficiency for previous Bond Years.

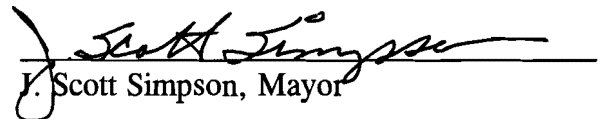
Capitalized terms not defined herein shall have the meaning assigned to such terms in the Resolution.

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

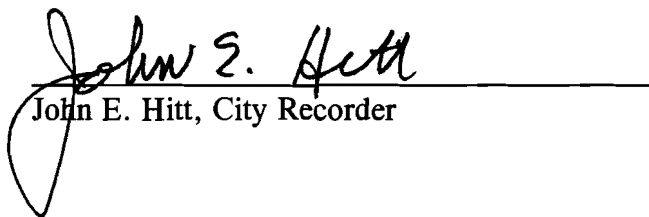
Section 1. NO REDUCTION OF CERTIFICATION

The City shall not limit for any Fiscal Year the amount of funds to be certified to the county assessor and received by the Agency from the Northwest Lebanon Urban Renewal Area, nor prevent the Agency from making a special levy as permitted by ORS 457.435(2)(a), nor take any action which would inhibit the Agency from complying with the tax collection covenants contained in the Resolution for the purpose of paying indebtedness or other obligations of the Agency with respect to the Area.

Passed by the Council by a vote of 5 for and 0 against and approved by the Mayor this 23rd day of August, 2000.


J. Scott Simpson, Mayor

ATTEST:


John E. Hitt, City Recorder