

A RESOLUTION APPROVING AN AGREEMENT)
BETWEEN THE CITY OF LEBANON AND THE)
STATE OF OREGON ECONOMIC AND)
COMMUNITY DEVELOPMENT DEPARTMENT)
SPECIAL PUBLIC WORKS FUND LOAN)
AGREEMENT FOR PROJECT NUMBER B07002)
PROJECT NAME: PROJECT MUSTANG HERD)
INFRASTRUCTURE IMPROVEMENTS)

RESOLUTION NO. 10
for 2009

WHEREAS, the City of Lebanon has approved the "Project Mustang Herd", which provided for the construction of water, sewer, storm drainage and street improvements within the city that facilitated the construction of the Pace American, Lane Manufacturing and "Flexible Manufacturing" facilities on Oak Street in the city; and

WHEREAS, the City of Lebanon and the State of Oregon, acting through the Economic and Community Development Department Special Public Works Fund desire to enter into an agreement whereby the City has or will borrow funds for the construction of public facilities for "Project Mustang Herd"; and

WHEREAS, the City Council has considered a form of loan agreement for Project Number B07002 whereby the City will borrow funds from the State for such project; and

WHEREAS, the City Council has considered said loan agreement at a duly called and regular city council meeting with appropriate notice.

NOW, THEREFORE, the people of the City of Lebanon resolve as follows:

Section 1. The City Council approves the form of the loan agreement between the City and the State of Oregon Economic and Community Development Department Special Public Works Fund Loan Agreement for Project B07002, Project Name: Project Mustang Herd Infrastructure Improvements.

Section 2. The City Council authorizes the City Manager and all other appropriate City officials to execute documents necessary and appropriate to complete the loan transaction as indicated herein.

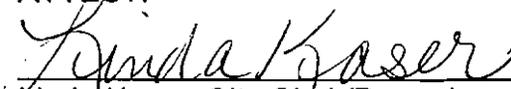
Section 3. This resolution shall be effective immediately upon its passage.

Passed by a vote of 4 for and 0 against this 8th day of April, 2009 by the City Council for the City of Lebanon.



Bob Elliott, Council President

ATTEST:



Linda Kaser, City Clerk/Recorder

REVISED PROMISSORY NOTE

Loan Amount: \$1,779,833

(Dated) May 27, 2009

Lebanon, Oregon

FOR VALUE RECEIVED, the City of Lebanon (hereinafter "Recipient") unconditionally promises to pay in lawful money of the United States of America to the order of the STATE OF OREGON, ACTING BY AND THROUGH ITS ECONOMIC AND COMMUNITY DEVELOPMENT DEPARTMENT, at its principal office at 775 Summer Street NE, Suite 200, Salem, Oregon 97301-1280 (hereinafter "State"), the Loan Amount stated above, together with interest on the outstanding principal balance from the date hereof until paid at the Note Rate. Interest shall be computed on the basis of a 360-day year, consisting of twelve (12) thirty-day (30-day) months.

Capitalized terms not otherwise defined in this Note shall have the meanings assigned to them by that certain loan agreement dated as of MAY 27, 2009, between the State and Recipient (as amended from time to time the "Loan Agreement").

The Recipient shall use all or a portion of the Loan Amount to pay the principal (\$1,710,409) of and accrued interest (\$129,424) on an interim financing loan previously obtained from the State. The State is funding the Loan, as well as other loans, with the proceeds of State Bonds. The State has sold the State Bonds at a premium and has allocated a proportionate share of the premium (\$63,973.55) to the Recipient to be used towards payment of the interim financing. As a result, the loan amount the Recipient is borrowing is less than the amount necessary to pay off the interim financing.

Unless earlier prepayment is received hereunder or under the terms of the Loan Agreement, principal and interest shall be payable at the times and in the amounts specified on the Payment Schedule attached to this Note (which is by this reference incorporated herein). All payments hereunder shall be made directly to the Trustee for the account of the State. Each payment made by Recipient hereunder shall be applied in accordance with the terms of the Loan Agreement.

This Note is not prepayable except as provided for in Section 5 of the Loan Agreement, and a prepayment may be subject to the premium determined in accordance with the Payment Schedule to this Note.

If any Event of Default occurs, the outstanding balance of the Note, including principal, prepayment premium, if any, interest and other charges, if any, shall, at the option of the State, become immediately due and payable in accordance with Section 15 of the Loan Agreement. Failure or delay of the holder of this Note to exercise any option available to the State under the terms of this Note or the Loan Agreement shall not constitute a waiver of the right to exercise the option in the event of any continuing or subsequent default and shall not constitute a waiver of any subsequent breach of the same or of any other provision of this Note or the Loan Agreement.

All parties to this Note hereby waive presentment, dishonor, notice of dishonor, and protest. All parties hereto hereby consent to, and the holder hereof is hereby expressly authorized to make, without notice, any and all renewals, extensions, modifications or waivers of the time for or the terms of payment of any sum or sums due hereunder, or under any documents or instruments relating to or securing this Note, or of the performance of any covenants, conditions or agreements hereof or thereof, or the taking or release of collateral securing this Note. No liability of any party on this Note shall not be discharged by any action consented to above taken by any holder of this Note.

To the extent permitted by the Oregon Constitution and the Oregon Tort Claims Act, the prevailing party in any dispute arising from this Note shall be entitled to recover from the other its reasonable attorney fees, costs and expenses at trial and on appeal (which in the case of the State shall include without limitation the reasonable costs and expenses of the Issuer and the Trustee and the reasonable allocated costs of Department's Counsel, Bond Counsel and any other Counsel appointed by Department).

This Note is made with reference to, and is to be construed in accordance with, the laws of the State of Oregon without regard to principles of conflicts of law.

This Note is subject to, and is secured pursuant to, the terms and conditions of the Loan Agreement.

NOTICE TO RECIPIENT

Do not sign this Note before you read it.

This Note is subject to the terms of the Loan Agreement that provides for the payment of a penalty in certain cases of full or partial repayment of the Loan prior to the date provided for repayment in this Note and in the Loan Agreement.

This Note is subject to the terms of the Loan Agreement that authorizes Department to refuse in certain cases to accept full or partial repayment of the Loan prior to the date provided for repayment in this Note and in the Loan Agreement.

CITY OF LEBANON

By:

 _____

Title:

Mayor

REVISED PAYMENT SCHEDULE TO PROMISSORY NOTE

Recipient: City of Lebanon
 Loan Number: B07002
 Original Principal Amount: \$1,779,833
 Annual Interest Calculation Date: January 1
 Maturity Date: January 1, 2029

Interest Rate(s) and Payment Amounts and Dates					
Payment Date	Principal Amount	Interest Rate*	Interest Payment	Total Principal and Interest Payment	Outstanding Principal Balance
12/1/2009	60,740	3.000%	41,928.69	102,668.69	1,719,093.00
12/1/2010	61,062	3.000%	75,396.52	136,458.52	1,658,031.00
12/1/2011	61,394	3.000%	73,564.66	134,958.66	1,596,637.00
12/1/2012	66,735	3.500%	71,722.84	138,457.84	1,529,902.00
12/1/2013	67,146	3.500%	69,387.12	136,533.12	1,462,756.00
12/1/2014	72,571	4.000%	67,037.00	139,608.00	1,390,185.00
12/1/2015	73,074	4.000%	64,134.16	137,208.16	1,317,111.00
12/1/2016	78,597	4.000%	61,211.20	139,808.20	1,238,514.00
12/1/2017	79,141	4.000%	58,067.32	137,208.32	1,159,373.00
12/1/2018	84,707	4.250%	54,901.68	139,608.68	1,074,666.00
12/1/2019	85,332	4.500%	51,301.64	136,633.64	989,334.00
12/1/2020	91,022	4.000%	47,461.70	138,483.70	898,312.00
12/1/2021	91,663	5.000%	43,820.82	135,483.82	806,649.00
12/1/2022	97,496	5.000%	39,237.66	136,733.66	709,153.00
12/1/2023	103,371	4.000%	34,362.86	137,733.86	605,782.00
12/1/2024	109,105	5.000%	30,228.02	139,333.02	496,677.00
12/1/2025	115,061	5.250%	24,772.76	139,833.76	381,616.00
12/1/2026	121,114	5.000%	18,732.06	139,846.06	260,502.00
12/1/2027	127,169	5.250%	12,676.36	139,845.36	133,333.00
12/1/2028	133,333	4.500%	5,999.98	139,332.98	0.00

OPTIONAL LOAN PREPAYMENT DATES AND PRICES

Optional Loan Prepayment Period (both dates inclusive)	Prepayment Price
January 1, 2017 through December 31, 2017	102%
January 1, 2018 through December 31, 2018	101%
January 1, 2019 and thereafter	100%

*This interest rate shall apply to the principal amount stated to the left, and interest shall accrue on such principal amount from the date of the Note until paid.

This Payment Schedule to the Note is revised pursuant to Section 4 of the Loan Agreement. This revised Payment Schedule is effective as of May 27, 2009.

GENERAL CERTIFICATE

STATE OF OREGON
ECONOMIC AND COMMUNITY DEVELOPMENT DEPARTMENT
OREGON BOND BANK

Municipality: Lebanon, Oregon

Loan Amount: \$1,779,833

Loan Closing Date: May 27, 2009

Authorized Officer

(Name and Title): Kenneth I. Toomb, Mayor

1. In General. This Certificate is being executed by the Municipality with respect to a loan (the "Loan") from the State of Oregon (the "State"), acting by and through its Economic and Community Development Department (the "Department") to the Municipality pursuant to a Loan Agreement (the "Loan Agreement") made and entered into as of the Loan Closing Date by and between the Department and the Municipality. The Loan is being made by the Department to finance a portion of the cost of the "project" described in Exhibit B to the Loan Agreement (the "Project") to be owned and operated by the Municipality. The Municipality has executed a Promissory Note (the "Note") to evidence its obligation to make payments due pursuant to the Agreement. The Loan is being made pursuant to the "Act" as such term is defined in the Loan Agreement.

2. Purpose. I understand that the State is issuing or may issue a series of its Oregon Bond Bank Revenue Bonds (the "State Bonds") on the Loan Closing Date to fund or refinance all or a portion of the Loan with the proceeds of the State Bonds. The Municipality is making the representations and covenants in this General Certificate in consideration for the Loan by the State to the Municipality.

3. Transcript Documents. On behalf of the Municipality, I hereby certify that the documents included in the transcript with this General Certificate are originals or true copies of the documents which were assembled for the closing of the Municipality's Loan.

4. Loan Agreement and Note. The Loan Agreement and the Note have been signed by the Authorized Officer. The Authorized Officer was, on the date on which the Authorized Officer signed the Loan Agreement and the Note, and is as of the date of this Certificate, the duly chosen, qualified and acting officer indicated therein and authorized to execute the same.

5. Litigation. No litigation of any nature is now pending or threatened restraining or enjoining the amounts due to the State or the Department pursuant to the Agreement or the Note, or in any manner questioning the proceedings and the authority by which the same is made, or affecting the validity of the Agreement or the Note, and that neither the corporate existence nor boundaries, nor the title of any of the present officers of the Municipality, including the Authorized Officer, to their respective offices is being contested.

6. Tax Exemption.

A. One of the purposes of this General Certificate is to provide the representations and covenants of the Municipality that are necessary for the Loan to qualify as a "state or local bond" within the meaning of Section 103(a) of the Internal Revenue Code of 1986, as amended (the "Code"). If the requirements of Section 103(a) of the Code are satisfied, the interest on the Loan is tax-exempt to the holder of the Loan. The Department requires that the Loan qualify under Section 103(a) of the Code in order for the Department to either pledge or allocate the

Loan to the State Bonds issued by the State or fund or refinance all or a portion of the Loan with the proceeds of State Bonds.

B. The Municipality understands that the Department is and will be relying upon the representations and covenants in this General Certificate in connection with the issuance of State Bonds and that the Department's counsel is and will be relying upon the covenants in this General Certificate in rendering their opinion that the interest paid on the Loan and on the State Bonds is excludable from gross income pursuant to Section 103(a) of the Code. The facts, estimates and expectations stated in this General Certificate are known by the Municipality to be correct, complete and reasonable. The Municipality has covenanted in subsection (e) of Section 12 of the Loan Agreement to comply with the requirements of the Code that relate to the exclusion of the interest on the Loan and the State Bonds from gross income for purposes of federal income taxation under Section 103(a) of the Code. The Municipality incorporates these covenants into this General Certificate by reference.

7. The Project. On the basis of the facts, estimates and circumstances of which the Municipality has knowledge and which are in existence on the date of this General Certificate, the Municipality hereby certifies the Project will be owned and operated by the Municipality, and used for its governmental purposes. No use will be made of the Project that would cause the Loan to be considered to be a "private activity bond" within the meaning of Section 141(a) of the Code. The Municipality does not expect that any proceeds of the Loan will be used by anyone other than the State of Oregon, the Municipality, a member of the general public or another governmental unit. The Municipality hereby covenants that no use will be made of the Project by anyone other than the State of Oregon, the Municipality, a member of the general public or another governmental unit except with the prior approval of the Department and the Department's counsel. No proceeds of the Loan will be loaned by the Municipality to any person without the prior approval of the Department and the Department's counsel.

8. Arbitrage and Rebate Compliance.

A. The Municipality acknowledges that the treatment of the Loan as a tax-exempt "state or local bond" for purposes of Section 103(a) of the Code depends, in part, upon compliance with the arbitrage limitations imposed by Section 148 of the Code, including the rebate requirement described below. The Municipality hereby agrees and covenants that it shall not permit at any time or times any of the proceeds of the Loan to be used in a manner that would cause the Loan to be treated as an "arbitrage bond" for purposes of Section 148 of the Code. The Municipality further agrees and covenants that it will do and perform all acts and things necessary to ensure that the requirements of Section 148 of the Code are met.

B. The Municipality is a governmental unit with general taxing powers and the Loan is not a private activity bond within the meaning of Section 141(a) of the Code. All of the proceeds of the Loan will be used for local governmental activities of the Municipality. The Municipality does not expect to issue more than \$5,000,000 of tax-exempt obligations (including the Loan, but excluding any private activity bonds) during the current calendar year. Accordingly, the Municipality expects that the exception to arbitrage rebate for governmental units issuing \$5,000,000 or less of tax-exempt obligations in a calendar year will apply to the Loan.

C. Even though the Municipality expects that the exception to arbitrage rebate described in paragraph B) of this Section 9 will apply, the Municipality will calculate and pay any arbitrage rebate due pursuant to Section 148(f) of the Code if it is determined that any funds or investments are subject to arbitrage rebate.

9. Expenditure of Loan Proceeds. The Municipality has entered into, or will enter into within six months after the Loan Closing Date, a substantial binding obligation to a third party to spend Loan proceeds in an amount at least equal to five percent of the Loan Amount. The Municipality will proceed to construct or acquire the Project with due diligence. The Municipality reasonably expects to spend all of the proceeds of the Loan including all investment earnings thereon within three years after the Loan Closing Date.

10. Debt Service Fund.

A. All amounts deposited in any fund established by the Municipality to provide for the payment of amounts due pursuant to the Loan Agreement will be spent within a thirteen-month period beginning on the date of deposit, and any amount received from the investment of money held in any such fund will be spent within a one-year period beginning on the date of receipt.

B. Any fund established by the Municipality as described in paragraph (A) of this Section 11 will be a fund that is used primarily to achieve a proper matching of revenues and principal and interest payments within each bond year. Such fund will be completely depleted at least once each year except for an amount not in excess of the greater of (i) one-twelfth of the debt service on the Loan for the previous year, or (ii) the previous year's earnings on such fund.

C. Other than any debt service fund described in paragraphs A and B of this Section 11 there is, and will be no other funds or accounts established, or to be established, by or on behalf of the Municipality (i) which are reasonably expected to be used, or to generate earnings to be used, directly or indirectly to pay debt service on the Loan, or (ii) which are reserved or pledged as collateral for payment of debt service on the Loan and for which there is reasonable assurance that amounts therein will be available to pay such debt service if the Municipality encounters financial difficulties.

11. Reimbursement of Prior Expenditures. None of the proceeds of the Loan will be applied to reimburse the Municipality for any expenditure paid prior to the funding of the Loan by the Department other than expenditures described in paragraphs A., B., C. or D. below:

A. Preliminary expenditures such as architectural, engineering, surveying, soil testing, bond issuance costs and similar costs can be reimbursed with the proceeds of the Loan to the extent that such preliminary expenditures are not in excess of 20 percent of the principal amount of the Loan. The costs of land acquisition, site preparation and similar costs incident to commencement of construction are not considered to be "preliminary expenditures" for the purposes of the preceding sentence.

B. Expenditures equal to the lesser of (i) 5% of the principal amount of the Loan or (ii) \$100,000.

C. Expenditures that are described in a reimbursement resolution or ordinance and paid after the adoption by the Municipality of such resolution or ordinance, that satisfies the requirements of Section 1.150-2 of the Income Tax Regulations can be reimbursed with the proceeds of the Loan if the Loan is funded no later than 18 months after the later of (i) the date on which the expenditure was paid or (ii) the date on which the property financed in whole or in part by the expenditure was placed in service. In no event shall the period of time between the date on which an expenditure is made and the Loan Closing Date exceed 3 years. The 18-month period referred to above shall be a 3-year period if the Municipality issues less than \$5 million of tax exempt obligations in the calendar year in which the Loan Closing Date occurs.

D. Expenditures that are paid within 60 days prior to the Loan Closing Date or within 60 days prior to the adoption by the Municipality of any reimbursement resolution or ordinance that describes such expenditures.

E. The Municipality will not refund the Loan without (a) the prior approval of the Department and (b) an opinion from the Department's bond counsel to the effect that the issuance of refunding bonds by the Municipality will not adversely affect the exclusion from gross income for federal and State income tax purposes of the interest on the State Bonds and the Loan.

12. Miscellaneous.

A. This General Certificate is being executed and delivered pursuant to the Act and Section 103 and Sections 141 through 150 of the Code and the Income Tax Regulations proposed or promulgated thereunder and in effect on the Loan Closing Date.

B. The proceeds of the Loan, together with any investment earnings thereon, are not expected to exceed the amount necessary for the acquisition or construction of the Project.

C. The undersigned officer is one of the officers of the Municipality charged with responsibility for issuing the Loan. The representations contained in this General Certificate are made for the benefit of the State of Oregon, the Department, any subsequent holder of the Loan, the Department's counsel and any holder of any State Bonds, and may be relied upon by such persons in determining whether the Loan (i) is a "state or local bond" within the meaning of Section 103(a), (ii) constitutes an issue of "arbitrage bonds" within the meaning of Section 148 of the Code or (iii) constitutes an issue of "private activity bonds" within the meaning of Section 141(a). To the best of the knowledge and belief of the undersigned, the Municipality's expectations are reasonable, and there are no other facts, estimates, or circumstances that would materially change the foregoing conclusions.

IN WITNESS WHEREOF, this General Certificate has been executed on behalf of the Municipality as of the Loan Closing Date.

Signature: Robert Elliott
Authorized Officer

Title: Mayor
(Signed by Council President for Mayor pursuant to Chapter IV,
Section 18 of the Lebanon City Charter.)

MORLEY, THOMAS & McHILL, LLC

Attorneys at Law

William R. Thomas
Thomas A. McHill

80 Maple St.
Lebanon, OR 97355-3218
Phone: (541) 258-3194
Fax: (541) 258-7575

Jessica K. Meyer
John "Tré" Kennedy (of Counsel)
Laurence Morley (1915-1999)

May 27, 2009

Oregon Economic and Community Development Department
755 Summer Street NE, Suite 200
Salem, Oregon 97301-1280

Ladies and Gentlemen:

I have acted as counsel to the City of Lebanon (the "Municipality"), which has entered into a Loan Agreement (as hereinafter defined) with the Oregon Economic and Community Development Department ("Department") pursuant to Sections ORS 285B.410 through ORS 285B.482 of the Oregon Revised Statutes (the "Act"), and have acted as such in connection with the authorization, execution and delivery by the Municipality of the Loan Agreement.

In so acting I have examined the Constitution and laws of the State of Oregon and the Municipality's Charter. I have also examined originals, or copies certified or otherwise identified to my satisfaction, of the following:

- A. The Loan Agreement for Project B07002, Project Name: Project Mustang Herd Infrastructure Improvements, dated May 27, 2009, by and between Department and the Municipality and the Promissory Note dated May 27, 2009, in the principal amount of \$1,779,833 executed by the Municipality (collectively, the "Loan Agreement");
- B. Proceedings of the governing body of the Municipality relating to the approval of the Loan Agreement and the execution, issuance and delivery thereof on behalf of the Municipality, and the authorization of the undertaking and completion of the Project (as defined in the Loan Agreement); and
- C. All outstanding instruments relating to bonds, notes or other indebtedness of or relating to the Municipality.

I have also examined and relied upon originals, or copies certified or otherwise authenticated to my satisfaction, of such other records, documents, certificates and other instruments, and made such investigation of law as in my judgment I have deemed necessary or appropriate to enable me to render the opinions expressed below.

Based upon the foregoing, I am of the opinion that:

1. The Municipality is a duly formed and operating Oregon city described in ORS 285B.410 (8), with the legal right to own and operate the Project.
2. The Municipality has full legal right and authority to execute and deliver the Loan Agreement and to observe and perform its duties, covenants, obligations and agreements thereunder and to undertake and complete the Project.
3. Amounts due to Department pursuant to the Promissory Note are payable from the sources described in Section 7 of the Loan Agreement.
4. The Resolution of the Municipality, Resolution Number 10, approving the Loan Agreement and authorizing their execution, issuance and delivery on behalf of the Municipality, and authorizing the Municipality to undertake and complete the Project has been duly and lawfully adopted and authorized in accordance with the Municipality's Charter, the Act and other applicable Oregon law, and the Resolution was adopted in accordance with the Municipality's Charter and applicable Oregon law, and at which quorums were present and acting throughout.
5. The Loan Agreement has been duly authorized, executed and delivered by the authorized officers of the Municipality and constitute the legal, valid and binding obligation of the Municipality enforceable in accordance with their respective terms; subject, however, to the effect of, and to restrictions and limitations imposed by or resulting from bankruptcy, insolvency, moratorium, reorganization, debt adjustment or other similar laws affecting creditors' rights generally or other laws, judicial decisions and principles of equity relating to the enforcement of contractual obligations generally.
6. To the best of my knowledge, after such investigation as I have deemed appropriate, the authorization, execution and delivery of the Loan Agreement by the Municipality, the observation and performance by the Municipality of its duties, covenants, obligations and agreements thereunder and the consummation of the transactions contemplated therein and the undertaking and completion of Project do not and will not contravene any existing law or any existing order, injunction, judgment, decree, rule or regulation of any court or governmental or administrative agency, authority or person having jurisdiction over the Municipality or its property or assets or result in a breach or violation of any of the terms and provisions of, or constitute a default under, any existing bond ordinance, resolution, trust agreement, indenture, mortgage, deed of trust or other agreement to which the Municipality is a party or by which it, the Project, or its property or assets is bound.
7. To the best of my knowledge, after such investigation as I have deemed appropriate, all approvals, consents or authorizations of, or registrations of or filings with, any governmental or public agency, authority or person required to date on the part of the Municipality in connection

with the authorization, execution, delivery and performance of the Loan Agreement and the undertaking and completion of the Project have been obtained or made.

8. To the best of my knowledge, after such investigation as I have deemed appropriate, there is no litigation or other proceeding pending or threatened in any court or other tribunal of competent jurisdiction (either state or federal) questioning the creation, organization or existence of the Municipality or of the validity, legality or enforceability of the Loan Agreement or the undertaking or completion of the Project.

This opinion is rendered on the basis of the laws of the State of Oregon, including the Act, as enacted and construed on the date hereof. I express no opinion as to any matter not set forth in the numbered paragraphs herein.

Very truly yours,

MORLEY, THOMAS & MCHILL, LLC

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end, positioned over the printed name.

Thomas A. McHill

CERTIFICATE AS TO INCUMBENCY

OREGON ECONOMIC AND COMMUNITY DEVELOPMENT DEPARTMENT
OREGON BOND BANK

I, Linda Kaser, the City Clerk/Recorder for the City of Lebanon, do hereby certify as follows:

The names of the officers of said Municipality, their respective positions, and the dates of expiration of their terms of office are as follows:

<u>Name of Officer</u>	<u>Position</u>	<u>Expiration Date of Current Term</u>
Kenneth I. Toomb	Mayor	12/31/10
Bob Elliott	Council President	12/31/10
Floyd Fisher	Councilor	12/31/10
Tim Fox	Councilor	12/31/10
Rebecca Grizzle	Councilor	12/31/12
Don Thoma	Councilor	12/31/12
Ray Weldon	Councilor	12/31/12

Dated this 8th day of May, 2009.



Signature

City Clerk/Recorder

Title

**CERTIFICATE OF REGULAR MEETINGS,
QUORUM COMPLIANCE, ORDINANCE ENACTMENT PROCEDURE COMPLIANCE;
AND POLICY IMPLEMENTED IN ACCORDANCE WITH ORS 192.640.**

OREGON ECONOMIC AND COMMUNITY DEVELOPMENT DEPARTMENT
OREGON BOND BANK

STATE OF OREGON)
) ss.
County of LINN)

I, Linda Kaser, being duly sworn on oath depose and say that:

I am the duly appointed, qualified and acting City Clerk/Recorder of the City of Lebanon, Oregon, a municipal corporation and political subdivision of the State of Oregon ("the Municipality"). In my capacity as City Clerk, I have the care, custody and control of the official records of the Municipality.

I state as follows from the records of the Municipality:

A. The governing body of the Municipality ordinarily meets in regular session on the second and fourth Wednesday of each month at the hour of 7:00 p.m. The meetings have been established in due and proper form pursuant to 2.04.060 of the Municipality.

B. A quorum, as defined by Chapter IV, Section 14 of the Lebanon City Charter, was present throughout each of the following regular meetings of the governing body of the Municipality:

January 10, 2007: A RESOLUTION OF THE CITY OF LEBANON AUTHORIZING A LOAN FROM THE SPECIAL PUBLIC WORKS FUND BY ENTERING INTO AN INTERIM LOAN CONTRACT AND A PERMANENT LOAN CONTRACT WITH THE OREGON ECONOMIC AND COMMUNITY DEVELOPMENT DEPARTMENT. The motion passed unanimously by roll call vote.

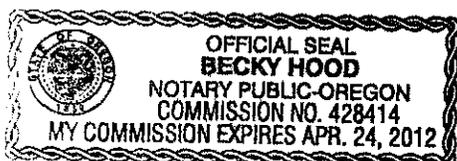
April 8, 2009: A RESOLUTION APPROVING AN AGREEMENT BETWEEN THE CITY OF LEBANON AND THE STATE OF OREGON ECONOMIC AND COMMUNITY DEVELOPMENT DEPARTMENT SPECIAL PUBLIC WORKS FUND LOAN AGREEMENT FOR PROJECT NUMBER: B07002, PROJECT NAME: PROJECT MUSTANG HERD INFRASTRUCTURE IMPROVEMENTS. The motion passed unanimously by roll call vote.

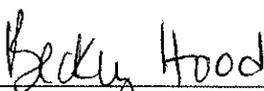
C. The governing body has adopted the following policy to implement the provisions of ORS 192.640: As required by State Law ORS 192.610 to 192.690.



City Clerk/Recorder for the City of
Lebanon, Oregon

SUBSCRIBED AND SWORN to before me on this 8th day of May, 2009.





Notary Public for Oregon
My commission expires: Apr. 24, 2012