

**A RESOLUTION AUTHORIZING THE )  
 ISSUANCE AND NEGOTIATED SALE OF (1) )  
 GENERAL OBLIGATION ADVANCE )  
 REFUNDING BONDS TO ADVANCE REFUND )  
 ALL OR A PORTION OF THE CITY'S )  
 OUTSTANDING GENERAL OBLIGATION )  
 BONDS, SERIES 2007, AND (2) FULL FAITH )  
 AND CREDIT REFUNDING OBLIGATIONS TO )  
 REFUND A FINANCING AGREEMENT DATED )  
 DECEMBER 27, 2007; DESIGNATING AN )  
 AUTHORIZED REPRESENTATIVE, )  
 UNDERWRITER AND BOND COUNSEL; )  
 AUTHORIZING EXECUTION AND DELIVERY OF )  
 A FINANCING AGREEMENT AN ESCROW )  
 AGREEMENT; AND RELATED MATTERS. )**

**RESOLUTION NO. 2015-30**

**WHEREAS**, Oregon Revised Statutes ("ORS") Sections 287A.360 to 287A.380 authorize the issuance of bonds to refund outstanding bonds. The City of Lebanon, Linn County, Oregon (the "City") is advised it may be desirable to advance refund all or a portion of the City's outstanding General Obligation Bonds, Series 2007 (the "Series 2007 Bonds"); and

**WHEREAS**, the Series 2007 Bonds are dated June 13, 2007, and were in the original principal amount of \$19,970,000. The Series 2007 Bonds maturing on and after June 1, 2018, are subject to redemption at the option of the City, in whole or in part on any date, on and after June 1, 2017, and if in part, with maturities to be selected by the City and by DTC, upon not less than 30 days prior written notice, at a redemption price equal to 100% of the principal amount of the Series 2007 Bonds to be redeemed, plus accrued interest thereon to the redemption date; and

**WHEREAS**, the proceeds of the Series 2007 Bonds were used to finance capital construction and capital improvements, and to currently refinance existing bonded debt of the City and Urban Renewal Agency, pursuant to an Intergovernmental Agreement, and to pay the costs of issuance of the Series 2007 Bonds; and

**WHEREAS**, the proceeds of the General Obligation Refunding Bonds, Series 2015 (the "Series 2015 Bonds") will be for the purpose of providing funds sufficient to (i) advance refund all or a portion of the Series 2007 Bonds, and (ii) pay the costs of issuance of the Series 2015 Bonds. The Series 2015 Bonds will be issued as general obligations of the City, payable from ad valorem taxes levied upon all taxable property within the City without limitation as to rate or amount to the extent funds from other legally available resources are not available. The Series 2007 Bonds are payable from these same sources of funds; and

**WHEREAS**, the City is authorized by its Charter and Oregon Revised Statutes ("ORS") Section 271.390 to enter into financing agreements to finance or refinance real or personal property which the City determines is needed; and

**WHEREAS**, on December 27, 2007 the City entered into a Financing Agreement with Siemens Public, Inc. in the original amount of \$4,311,575 (the "Siemens Agreement") to finance the incorporation of the Cannibal Solids Reduction Process into the City's Wastewater Treatment Plant. The Siemens Agreement is subject to prepayment, provided there is no Default (as defined in the Siemens Agreement) then existing, in whole, but not in part, on any June 27<sup>th</sup> or December 27<sup>th</sup> on or after December 27, 2012, at a price equal to 102% of the principal amount then outstanding, plus accrued and unpaid interest thereon through the date fixed for repayment; and

**WHEREAS**, present value savings may be achieved by refunding all or a portion of the Series 2007 Bonds or the Siemens Agreement, or both; and

**WHEREAS**, the advance refunding of the Series 2007 Bonds and the current refunding of the Siemens Agreement is collectively referred to herein as the "Refunding Project."

**NOW, THEREFORE, BE IT RESOLVED:**

**Section 1. Issuance of Series 2015 Bonds.** The Council of the City authorizes the issuance and sale of the Series 2015 Bonds. The Series 2015 Bonds shall be issued in denominations of \$5,000 each, or integral multiples thereof, as negotiable general obligation bonds of the City and shall bear interest at a true effective rate not to exceed five percent (5.0%) per annum, payable semiannually, and issued in an aggregate amount not greater than the amount necessary to refund that portion of the Series 2007 Bonds being refunded and pay costs of issuance of the Series 2015 Bonds. The City authorizes the City Manager or the Finance Director, or their designee (the "Authorized Representative"), to determine and designate the principal amount, the dated date, interest rates, maturity dates, optional redemption dates and premiums, if any, principal serial maturities, term bond maturity or maturities, with or without premium, denominations, interest payment dates, applicable discount or premium, whether to obtain bond insurance or some other form of guaranty or security for the payment of the Series 2015 Bonds, to obtain one or more ratings for the Series 2015 Bonds, and such other provisions as are deemed necessary and desirable for the sale and issuance of the Series 2015 Bonds and to determine if all, a portion or none of the Series 2007 Bonds are to be refunded.

**Section 2. Title and Execution of Series 2015 Bonds.** The Series 2015 Bonds shall be entitled "City of Lebanon, Linn County, Oregon, General Obligation Refunding Bonds, Series 2015", or such other name designated by the Authorized Representative, and shall bear the manual or facsimile signature of the Mayor of the City and the manual or facsimile signature of the City Clerk. The Series 2015 Bonds shall be initially issued in book-entry form as a single, typewritten bond for each maturity and issued in the registered name of the nominee of The Depository Trust Company. The Series 2015 Bonds will be issued without certificates being made available to the bondholders.

**Section 3. Issuance of Full Faith and Credit Obligations.** The Council of the City hereby authorizes the issuance and negotiated sale of Full Faith and Credit Refunding Obligations, Series 2015 (the "Series 2015 Obligations") by the escrow agent (as defined below), for and on behalf of the City, which may be issued in an aggregate amount not greater than the amount necessary to refund all of the outstanding Siemens Agreement

and pay costs of issuance of the Series 2015 Obligations. The Series 2015 Obligations shall be issued in denominations of \$5,000 each, or integral multiples thereof, as negotiable full faith and credit obligations of the City. The Obligations shall mature on a date set by the Authorized Representative.

A. Financing Agreement. The City authorizes the execution and delivery of one or more financing agreements (the "Financing Agreement") between the City and the escrow agent (the "Escrow Agent") to refinance the Siemens Agreement in a form satisfactory to the Authorized Representative.

B. Escrow Agreement. The City authorizes the execution and delivery of one or more escrow agreements between the City and the Escrow Agent (the "Escrow Agreement"), in a form satisfactory to the Authorized Representative, pursuant to which the Escrow Agent shall execute the Obligations representing the principal amount payable under the Financing Agreement, and evidencing the right of the Escrow Agent to receive the City's payments under the Financing Agreement (the "Financing Payments").

#### **Section 4. Security.**

A. Series 2015 Bonds. The Series 2015 Bonds shall be general obligations of the City. The full faith and credit of the City is pledged to the successive owners of the each of the Series 2015 Bonds for the punctual payment of such obligations when due. The City shall levy annually, as provided by law, a direct ad valorem tax upon all of the taxable property within the City in sufficient amount, without limitation, to pay the principal of and interest on the Series 2015 Bonds promptly as they become due and payable. The City covenants with the owners of the Series 2015 Bonds to pledge such ad valorem taxes in sufficient amount to pay the principal of and interest on the Series 2015 Bonds as they respectively become due and payable. Pursuant to ORS 310.145, the City hereby classifies the tax levy described in this section to be taxes imposed to pay the principal and interest on exempt bonded indebtedness and such taxes are not subject to the limits of sections 11 and 11b of Article XI of the Oregon Constitution.

B. Series 2015 Obligations. The Financing Payments for the Series 2015 Obligations shall be payable from the general, non-restricted revenues of the City and other funds which may be available for that purpose, including taxes levied within the restrictions of Sections 11 and 11b, Article XI of the Constitution of the State of Oregon. The obligation of the City to make Financing Payments shall be a full faith and credit obligation of the City, and is not subject to appropriation. The Owners of the Series 2015 Obligations shall not have a lien or security interest on the property financed with the proceeds of the Series 2015 Obligations.

**Section 5. Book-Entry-Only System.** Ownership of the Series 2015 Bonds and Series 2015 Obligations shall be recorded through entries on the books of banks and broker-dealer participants and correspondents that are related to entries on The Depository Trust Company book-entry-only system. The Series 2015 Bonds and Series 2015 Obligations shall be initially issued in the form of a separate single fully registered type-written bond for each maturity of the Series 2015 Bonds and Series 2015 Obligations (the "Global Certificates"). Each Global Certificate shall be registered in the name of Cede & Co. as nominee (the "Nominee") of The Depository Trust Company (the "Depository") as

the “Registered Owner”, and such Global Certificates shall be lodged with the Depository until redemption or maturity of the Series 2015 Bonds and Series 2015 Obligations. The Paying Agent shall remit payment for the maturing principal and interest on the Series 2015 Bonds and Series 2015 Obligations to the Registered Owner for distribution by the Nominee for the benefit of the bondholder (the “Beneficial Owner” or “Record Owner”) by recorded entry on the books of the Depository participants and correspondents. While the Series 2015 Bonds and Series 2015 Obligations are in book-entry-only form, the Series 2015 Bonds will be available in denominations of \$5,000 or any integral multiple thereof.

The City has filed with the Depository a Letter of Representation to induce the Depository to accept the Series 2015 Bonds and Series 2015 Obligations as eligible for deposit at the Depository. The Underwriter for the Series 2015 Bonds and Series 2015 Obligations is authorized to provide the Depository with the Preliminary Official Statement, together with the completed Depository’s underwriting questionnaire.

The execution and delivery of the Letter of Representations and the providing to the Depository of the Preliminary Official Statement and the underwriting questionnaire shall not in any way impose upon the City any obligation whatsoever with respect to persons having interests in the Series 2015 Bonds and Series 2015 Obligations other than the Registered Owners of the Series 2015 Bonds and Series 2015 Obligations as shown on the registration books maintained by the Paying Agent and Bond Registrar. The Paying Agent and Bond Registrar, in writing, shall accept the book-entry-only system and shall agree to take all action necessary to at all times comply with the Depository’s operational arrangements for the book-entry-only system. The Authorized Representative may take all other action to qualify the Series 2015 Bonds and Series 2015 Obligations for the Depository’s book-entry-only system.

In the event the Depository determines not to continue to act as securities depository for the Series 2015 Bonds or Series 2015 Obligations, or the City determines that the Depository shall no longer so act, then the City will discontinue the book-entry-only system with the Depository. If the City fails to identify another qualified securities depository to replace the Depository, the Series 2015 Bonds and Series 2015 Obligations shall no longer be a book-entry-only issue but shall be registered in the registration books maintained by the Paying Agent and Bond Registrar in the name of the Registered Owner as appearing on the registration books of the Paying Agent and Bond Registrar and thereafter in the name or names of the owners of the Series 2015 Bonds and Series 2015 Obligations transferring or exchanging Series 2015 Bonds and Series 2015 Obligations.

With respect to Series 2015 Bonds and Series 2015 Obligations registered in the registration books maintained by the Paying Agent and Bond Registrar in the name of the Nominee of the Depository, the City, and the Paying Agent and Bond Registrar shall have no responsibility or obligation to any participant or correspondent of the Depository or to any Beneficial Owner on behalf of which such participants or correspondents act as agent for the Registered Owner with respect to:

(i) the accuracy of the records of the Depository, the Nominee or any participant or correspondent with respect to any ownership interest in the Series 2015 Bonds and Series 2015 Obligations,

(ii) the delivery to any participant or correspondent or any other person, other than a Registered Owner as shown in the registration books maintained by the Paying Agent and Bond Registrar, of any notice with respect to the Series 2015 Bonds and Series 2015 Obligations, including any notice of redemption,

(iii) the selection by the Depository of the beneficial interest in Series 2015 Bonds and Series 2015 Obligations to be refunded in the event the City redeems the Series 2015 Bonds and Series 2015 Obligations in part, or

(iv) the payment to any participant, correspondent or any other person other than the Registered Owner of the Series 2015 Bonds and Series 2015 Obligations as shown in the registration books maintained by the Paying Agent and Bond Registrar, of any amount with respect to principal or interest on the Series 2015 Bonds and Series 2015 Obligations. Notwithstanding the book-entry-only system, the City may treat and consider the Registered Owner in whose name each Series 2015 Bond and Series 2015 Obligation is registered in the registration books maintained by the Paying Agent and Bond Registrar as the Registered Owner and absolute owner of such Series 2015 Bond and Series 2015 Obligation for the purpose of payment of principal and interest with respect to such Series 2015 Bond and Series 2015 Obligation, or for the purpose of giving notices of redemption and other matters with respect to such Series 2015 Bond and Series 2015 Obligation, or for the purpose of registering transfers with respect to such Series 2015 Bond and Series 2015 Obligations, or for all other purposes whatsoever. The City shall pay or cause to be paid all principal of and interest on the Series 2015 Bonds and Series 2015 Obligations only to or upon the order of the Registered Owner, as shown in the registration books maintained by the Paying Agent and Bond Registrar, or their representative attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligation with respect to payment thereof to the extent of the sum or sums so paid.

Upon delivery by the Depository to the City and to the Registered Owner of a Series 2015 Bond or Series 2015 Obligation of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee then the word "Nominee" in this Resolution shall refer to such new nominee of the Depository, and upon receipt of such notice, the City shall promptly deliver a copy thereof to the Paying Agent and Bond Registrar.

**Section 6. Transfer of Series 2015 Bonds and Series 2015 Obligations.** If the book-entry system is not utilized, the Series 2015 Bonds and Series 2015 Obligations will be issued in certificate form. Then the Series 2015 Bonds and Series 2015 Obligations are transferable, or subject to exchange, for fully registered Series 2015 Bonds and Series 2015 Obligations, respectively, in the denomination of \$5,000 each or integral multiples thereof by the registered owner thereof in person, or by the owner's attorney, duly authorized in writing, at the office of the Bond Registrar. The Bond Registrar shall maintain a record of the names and addresses of the registered owners of the Series 2015 Bonds and Series 2015 Obligations. The records of the registered bond ownership are not public records within the meaning of Oregon Revised Statutes 192.410(4).

All bonds issued upon transfer of or in exchange for Series 2015 Bonds and Series 2015 Obligations shall be valid obligations of the City evidencing the same debt and shall be

entitled to the same benefits as the Series 2015 Bonds and Series 2015 Obligations surrendered for such exchange or transfer. All fees, expenses and charges of the Paying Agent and Bond Registrar shall be payable by the City. The Bond Registrar shall not be required to transfer or exchange any Series 2015 Bond or Series 2015 Obligation after the close of business on record date of the month next preceding any interest payment date or transfer or exchange any Series 2015 Bond or Series 2015 Obligation called or being called for redemption.

**Section 7. Sale of the Series 2015 Bonds and Series 2015 Obligations.** The Series 2015 Bonds and Series 2015 Obligations shall be sold by negotiated sale. The Authorized Representative shall determine the requirements for the sale of the Series 2015 Bonds and Series 2015 Obligations, subject to the provisions of this Resolution that provide the most advantageous terms to the City. The Authorized Representative is authorized to negotiate and execute a purchase agreement setting forth the terms of the sale of the Series 2015 Bonds and Series 2015 Obligations.

**Section 8. Principal Amount.**

(A) The principal amount of the Series 2015 Bonds shall be in an amount sufficient to pay (a) the principal of and interest on the Series 2007 Bonds being refunded, and (b) the costs of issuance of the Series 2015 Bonds.

(B) The principal amount of the Series 2015 Obligations shall be in an amount sufficient to pay (a) the principal of and interest on the Siemens Agreement being refunded, and (b) the costs of issuance of the Series 2015 Obligations.

**Section 9. Payment of Series 2015 Bonds and Series 2015 Obligations.** If the book-entry system is not utilized, the principal of the Series 2015 Bonds and Series 2015 Obligations shall be payable upon presentation of the Series 2015 Bonds and Series 2015 Obligations at maturity at the principal corporate trust office of the Paying Agent. Payment of each installment of interest due each year shall be made by check or draft of the Paying Agent mailed on each interest payment date to the registered owner thereof whose name and address appears on the registration books of the City maintained by the Paying Agent as of the close of business on the record date as determined by the Authorized Representative.

**Section 10. Form of Series 2015 Bonds and Series 2015 Obligations.** The Series 2015 Bonds and Series 2015 Obligations shall be issued substantially in the forms as approved by the Authorized Representative and Bond Counsel.

**Section 11. Appointment of Paying Agent and Bond Registrar.** The City hereby appoints Zions First National Bank as Paying Agent and Bond Registrar for the Series 2015 Bonds and Series 2015 Obligations. The Authorized Representative is authorized to negotiate and execute on behalf of the City the Paying Agent and Bond Registrar Agreement. In addition, the City requests and authorizes the Paying Agent and Bond Registrar to execute the Certificate of Authentication as of the date of delivery of the Series 2015 Bonds and Series 2015 Obligations.

**Section 12. Delegation of Final Terms and Sale of Series 2015 Bonds and Series 2015 Obligations and Additional Documents.** The Authorized Representative is authorized, on behalf of the City, to:

- A. determine whether the Series 2015 Bonds and Series 2015 Obligations will be issued in one or more series;
- B. determine whether all, a portion of, or none of the Series 2007 Bonds and Siemens Agreement shall be refunded and take whatever action is necessary to refund one or both if the Authorized Representative determines a refunding is in the best interest of the City;
- C. negotiate the terms under which the Series 2015 Bonds and Series 2015 Obligations shall be sold, to enter into a Purchase Agreement for sale of the Series 2015 Bonds and Series 2015 Obligations, and to execute and deliver the Purchase Agreement;
- D. establish the maturity and interest payment dates, dated date, principal amounts, optional, extraordinary and/or mandatory redemption provisions, interest rates, denominations, and all other terms under which the Series 2015 Bonds and Series 2015 Obligations shall be issued, sold, executed, and delivered;
- E. negotiate the terms of and approve the Financing Agreement and the Escrow Agreement as the Authorized Representative determines to be in the best interest of the City, and to execute and deliver the Financing Agreement and the Escrow Agreement;
- F. determine whether the Series 2015 Bonds and Series 2015 Obligations shall be Book-Entry certificates and to take such actions as are necessary to qualify the Obligations for the Book-Entry System of DTC, including the execution of a Blanket Issuer Letter of Representations;
- G. seek to obtain a rating on the Series 2015 Bonds and Series 2015 Obligations, if determined by the Authorized Representative to be in the best interest of the City;
- H. determine whether to purchase municipal bond insurance or other credit enhancement for the Series 2015 Bonds and/or Series 2015 Obligations, negotiate and enter into agreements with providers of credit providers, and expend proceeds to pay credit enhancement fees;
- I. approve, execute and deliver a Tax Certificate;
- J. approve, execute and deliver a continuing disclosure certificate pursuant to SEC Rule 15c2-12, as amended (17 CFR Part 240, §240.15c2-12) for each series of Obligations;
- K. deem final, approve of and authorize the distribution of a preliminary and final Official Statement to prospective purchasers of the Series 2015 Bonds and Series 2015 Obligations;

L. engage the services of escrow agents or trustees and any other professionals whose services are desirable for the financing;

M. execute and deliver a certificate specifying the action taken pursuant to this Resolution, and any other documents, agreements or certificates that the Authorized Representative determines are necessary and desirable to issue, sell and deliver the Series 2015 Bonds and the Series 2015 Obligations in accordance with this Resolution and take any other actions which the Authorized Representative determines are necessary or desirable to refinance the Refunding Project in accordance with this Resolution.

**Section 13. Compliance with Internal Revenue Code.** The City hereby covenants for the benefit of the owners of the Series 2015 Bonds and the Series 2015 Obligations to use the proceeds of the Series 2015 Bonds and the Series 2015 Obligations and the projects refinanced with Series 2015 Bonds and the Series 2015 Obligations in the manner required, and to otherwise comply with, all provisions of the Code. The City makes the following specific covenants with respect to the Code:

A. The City will not take any action or omit any action if it would cause the Series 2015 Bonds or the Series 2015 Obligations issued on a tax-exempt basis to become arbitrage bonds under Section 148 of the Code.

B. The City shall operate the projects refinanced with the Series 2015 Bonds and the Series 2015 Obligations so that the Series 2015 Bonds and the Series 2015 Obligations issued on a tax-exempt basis do not become "private activity bonds" within the meaning of Section 141 of the Code.

C. The City shall comply with appropriate Code reporting requirements.

D. The City shall pay, when due, all rebates and penalties with respect to the Series 2015 Bonds and the Series 2015 Obligations issued on a tax-exempt basis which are required by Section 148(f) of the Code.

The covenants contained in this Section 13 and any covenants in the closing documents for the Series 2015 Bonds and the Series 2015 Obligations shall constitute contracts with the owners of the Series 2015 Bonds and the Series 2015 Obligations, respectively, and shall be enforceable by them. The Authorized Representative may enter into covenants on behalf of the City to protect the tax-exempt status of the Series 2015 Bonds and the Series 2015 Obligations.

**Section 14. Escrow Deposit Agreement and Escrow Agent.** The City shall enter into an Escrow Deposit Agreement for the establishment of an Escrow Deposit Fund to which shall be deposited sufficient proceeds from the Series 2015 Bonds to acquire Government Obligations to provide funds sufficient to pay the principal of and interest on the Series 2007 Bonds and the Siemens Agreement which are being refunded. The Authorized Representative is authorized to designate an Escrow Agent to administer the Escrow Deposit Fund and to execute the Escrow Deposit Agreement for and on behalf of the City.



**Section 15. Irrevocable Call and Redemption.**

A. The City does irrevocably call for redemption at par value the principal of the Series 2007 Bonds being refunded, plus accrued and unpaid interest thereon through the date fixed for repayment. The irrevocable call and redemption of the Series 2007 Bonds being refunded is subject to the sale and delivery of the Series 2015 Bonds.

B. The City does irrevocably call for redemption at a price equal to 102% of the principal amount then outstanding, plus accrued and unpaid interest thereon through the date fixed for repayment, the outstanding principal of the Siemens Agreement. The irrevocable call and redemption of the Siemens Agreement being refunded is subject to the sale and delivery of the Series 2015 Bonds.

C. Any notice of optional redemption may state that the optional redemption is conditional upon receipt by the Registrar of moneys sufficient to pay the redemption price of such Series 2015 Bonds and Series 2015 Obligations or upon the satisfaction of any other condition, and/or that such notice may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before payment of such redemption price if any such condition so specified is not satisfied or if any such other event occurs. Notice of such rescission or of the failure of any such condition shall be given by the Registrar to the Owners as promptly as practicable upon the failure of such condition or the occurrence of such other event.

**Section 16. Effect of Refunding.** The City determines that, upon deposit into the Escrow Deposit Fund of Government Obligations in an amount calculated to be sufficient to pay the principal of and interest on the Series 2007 Bonds and Siemens Agreement being refunded, such deposit shall fully defease the Series 2007 Bonds and Siemens Agreement being refunded.

**Section 17. Advance Refunding Plan.** The City authorizes and ratifies the preparation of a preliminary and final advance refunding plan and its submission to the State Treasurer for approval pursuant to ORS 287A.370.

**Section 18. Appointment of Verification Agent.** The Authorized Representative is authorized to appoint a verification agent to confirm that the funding the Escrow Deposit Fund is sufficient to pay when due the principal and interest on the Series 2007 Bonds and Siemens Agreement which are being refunded, to the redemption date or the final maturities, as the case may be.

**Section 19. Appointment of Bond Counsel.** The City appoints Mersereau Shannon LLP as Bond Counsel to the City for the issuance of the Series 2015 Bonds and the Series 2015 Obligations.

**Section 20. Appointment of Underwriter.** The City appoints KeyBanc Capital Markets Inc. as the underwriter for the issuance of the Series 2015 Bonds and the Series 2015 Obligations.

**Section 21. Resolution to Constitute Contract.** In consideration of the purchase and acceptance of any or all of the Series 2015 Bonds and the Series 2015 Obligations by

those who shall own the same from time to time (the “Owners”), the provisions of this Resolution shall be part of the contract of the City with the Owners and shall be deemed to be and shall constitute a contract between the City and the Owners. The covenants, pledges, representations and warranties contained in this Resolution or in the closing documents executed in connection with the Series 2015 Bonds and the Series 2015 Obligations and the other covenants and agreements herein set forth to be performed by or on behalf of the City shall be contracts for the equal benefit, protection and security of the respective Owners of such obligations, all of which shall be of equal rank without preference, priority or distinction of any of such obligations over any other similar obligation, except as expressly provided in or pursuant to this Resolution.

**Section 22. Designation as Qualified Tax-Exempt Obligations.** The Authorized Representative is hereby authorized to designate the Series 2015 Bonds and Series 2015 Obligations for purposes of paragraph (3) of Section 265(b) of the Code as “qualified tax-exempt obligations” so long as the Series 2015 Bonds and Series 2015 Obligations do not constitute a private activity bond as defined in Section 141 of the Code, and that not more than \$10,000,000 aggregate principal amount of obligations, the interest on which is excludable under Section 103(a) of the Code from gross income for federal income tax purposes (excluding, however, private activity bonds other than qualified 501(c)(3) bonds) including the Series 2015 Bonds and Series 2015 Obligations, have been or shall be issued by the City, including all subordinate entities of the City, if any, during the calendar year in which the Series 2015 Bonds and Series 2015 Obligations are issued.

**Section 23. Continuing Disclosure.** The City covenants and agrees to comply with and carry out all of the provisions of the Continuing Disclosure Agreement to be entered into in connections with the Series 2015 Bonds and Series 2015 Obligations. Notwithstanding any other provision of this Resolution, failure by the City to comply with the Continuing Disclosure Agreement will not constitute an event of default; however, any Owner 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 Section and the Continuing Disclosure Certificate.

**Section 24. Preliminary and Final Official Statement.** The City shall prepare or cause to be prepared a preliminary official statement for the Series 2015 Bonds and Series 2015 Obligations which shall be available for distribution to prospective purchasers of the Series 2015 Bonds and Series 2015 Obligations. The Authorized Representative is authorized to deem such preliminary official statement final pursuant to Rule 15c2-12 of the Securities and Exchange Commission. In addition, the City shall prepare, or cause to be prepared, a final official statement for delivery to the purchasers of the Series 2015 Bonds and Series 2015 Obligations no later than the seventh (7th) business day after the sale of the Series 2015 Bonds and Series 2015 Obligations. After determining that the final official statement does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained in the official statement not misleading in the light of the circumstances under which they are made, the Authorized Representative is authorized to certify the accuracy of the official statement on behalf of the City.

**Section 25. Closing of the Sale and Delivery of the Series 2015 Bonds and Series 2015 Obligations.** The Authorized Representative is authorized to determine and execute all the documents, including a tax certificate, and perform any and all other things

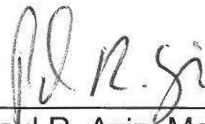
or acts necessary for the sale and delivery of the Series 2015 Bonds and Series 2015 Obligations and redemption of the Series 2007 Bonds and Siemens Agreement being refunded, as herein authorized. Such acts of the Authorized Representative are for and on behalf of and are authorized by the Council of the City.

**Section 26. Post Issuance Compliance Procedures.** The Authorized Representative shall establish post issuance compliance procedures to ensure that the interest on the Series 2015 Bonds and Series 2015 Obligations remains exempt from federal income tax and the obligation of the City to provide continuing disclosure as described in the Continuing Disclosure Certificate is met.

**Section 27. Effective Date.** Pursuant to ORS 221.310(3), this resolution shall become effective upon passage by the Council.

Passed by the Lebanon City Council and executed by the Mayor on this 12<sup>th</sup> day of August, 2015 by a vote of 4 yeas and 0 nays.

CITY OF LEBANON, OREGON

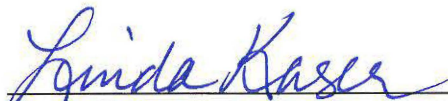


Paul R. Aziz, Mayor

Bob Elliott, Council President



ATTESTED BY:



Linda Kaser, City Clerk