

**A RESOLUTION AUTHORIZING THE)
ISSUANCE AND NEGOTIATED SALE)
OF A FULL FAITH AND CREDIT)
FINANCING AGREEMENT AND)
NOTES TO REFINANCE OUTSTANDING)
OBLIGATIONS OF THE CITY;)
DESIGNATING AN AUTHORIZED)
REPRESENTATIVE, FINANCIAL)
ADVISOR, AND SPECIAL COUNSEL;)
AND RELATED MATTERS)**

RESOLUTION NO. 2020-18

WHEREAS, the City of Lebanon, Linn County, Oregon (the “City”), is authorized pursuant to the Constitution and the laws of the State of Oregon, specifically Oregon Revised Statutes (“ORS”) Sections 271.390 and 287A.315 to enter into financing agreements to finance and refinance real or personal property that the City determines is needed and pledge its full faith and credit; and

WHEREAS, the Charter of the City does not (1) prohibit the City from entering into a financing agreement and pledging its full faith and credit as security for the financing agreement, nor (2) require a non-appropriation clause to be included in the financing agreement; and

WHEREAS, on or about October 27, 2010 the City issued its Wastewater Revenue and Refunding Bonds, Series 2010 in the original principal amount of \$7,010,000 (the “2010 Bonds”) to provide funds to (1) refund the City’s Wastewater Revenue Bonds, Series 2000, (2) make improvements to the City’s wastewater system; and (2) pay costs related to the 2010 Bonds (the “2010 Project”); and

WHEREAS, the 2010 Bonds maturing on March 1, 2025, and on any date thereafter may be redeemed at the option of the City at any time on or after March 1, 2020, in whole or in part; and

WHEREAS, the City desires to authorize and enter into a financing agreement to refund all or a portion of the 2010 Bonds and pay costs incidental thereto.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

Section 1. Authorization. The Council of the City hereby authorizes:

The City authorizes the issuance and negotiated sale of a full faith and credit financing agreement, together with a note (collectively, the “Financing Agreement”) with a lender in an amount not to exceed an amount sufficient to refund all or a portion of the 2010 Bonds and pay related costs of the Financing Agreement.

Section 2. Security.

A. All of the payments under the Financing Agreement 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 payments under the Financing Agreement shall be a full faith and credit obligation of the City, not subject to appropriation. The Financing Agreement will not be secured by any lien or security interest on any property, real or personal.

Section 3. Designation of Authorized Representative.

The City hereby authorizes the City Manager, the Finance Director, or their designee (each an “Authorized Representative”) to act as the authorized representative on behalf of the City and determine the terms of the Financing Agreement as delegated in Section 4 below.

Section 4. Delegation of Final Terms of Financing Agreement and Additional Documents.

The Authorized Representative is authorized, on behalf of the City, to:

A. select a lender, negotiate the terms of the Financing Agreement, and enter into a commitment letter or purchase agreement related to the Financing Agreement;

B. establish the maturity and interest payment dates, dated date, principal amounts, prepayment provisions, interest rates, denominations, fees, covenants, financial reporting requirements, whether to obtain insurance or some other form of guaranty or security for the payment of the Financing Agreement, whether the Financing Agreement will be issued on a taxable or tax-exempt basis, and such other provisions and all other terms of the Financing Agreement as the Authorized Representative determines to be in the best interest of the City, and to execute and deliver the Financing Agreement;

C. designate the Financing Agreement as a “qualified tax-exempt obligation” pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), so long as the City and all subordinate entities do not reasonably expect to issue more than \$10,000,000 of tax-exempt obligations during the calendar year in which the Financing Agreement is entered into;

D. approve, execute and deliver a Tax Certificate; and

E. appoint consultants necessary or desirable in connection with the refinancing, 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 enter into the Financing Agreement in accordance with this Resolution and take any other actions that the Authorized Representative determines are

necessary or desirable to finance the Project with the Financing Agreement in accordance with this Resolution.

Section 6. Compliance with Internal Revenue Code.

The City hereby covenants for the benefit of the lender to use the Financing Agreement proceeds and the Project financed with Financing Agreement proceeds in the manner required, and to otherwise comply with all provisions of the Code, so that interest paid on the Financing Agreement will not be includable in gross income of the lender for federal income tax purposes. 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 Financing Agreement to become an arbitrage bond under Section 148 of the Code.
- B. The City shall operate the 2010 Project so that the Financing Agreement does not become a “private activity bond” 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 Financing Agreement that are required by Section 148(f) of the Code.

The covenants contained in this Section 6 and any covenants in the closing documents for the Financing Agreement shall constitute a contract with the lender, and shall be enforceable by it. The Authorized Representative may enter into covenants on behalf of the City to protect the tax-exempt status of the Financing Agreement.

Section 7. Appointment of Special Counsel.

The City appoints Mersereau Shannon LLP as special counsel to the City for the Financing Agreement.

Section 8. Appointment of Financial Advisor.

The City appoints PFM Financial Advisors LLC as financial advisor for the Financing Agreement.

Section 9. Resolution to Constitute Contract.

In consideration of the purchase and acceptance of the Financing Agreement, the provisions of this Resolution shall be part of the contract of the City with the lender and shall be deemed to be and shall constitute a contract between the City and the lender. The covenants, pledges, representations and warranties contained in this Resolution, in the Financing Agreement or in the closing documents executed in connection with the Financing Agreement and the other covenants and agreements herein set forth to be performed by or on behalf of the City shall be

contracts for the benefit, protection and security of the lender and shall be enforceable by the lender.

Section 10. Effective Date.

This resolution shall take effect immediately upon its adoption by the Council.

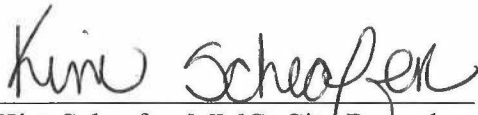
Passed by the Lebanon City Council and executed by the Mayor on this 12th day of August 2020 by a vote of 6 yeas and 0 nays.



Paul R. Aziz, Mayor

Jason Bolen, Council President

ATTEST:


Kim Scheafer, MMC, City Recorder

A RESOLUTION AUTHORIZING THE) RESOLUTION NO. 2020-19
ISSUANCE AND NEGOTIATED SALE)
OF A FULL FAITH AND CREDIT)
FINANCING AGREEMENT AND)
NOTES TO REFINANCE OUTSTANDING)
OBLIGATIONS OF THE CITY;)
DESIGNATING AN AUTHORIZED)
REPRESENTATIVE, FINANCIAL)
ADVISOR, AND SPECIAL COUNSEL;)
AND RELATED MATTERS)

WHEREAS, the City of Lebanon, Linn County, Oregon (the “City”), is authorized pursuant to the Constitution and the laws of the State of Oregon, specifically Oregon Revised Statutes (“ORS”) Sections 271.390 and 287A.315 to enter into financing agreements to finance and refinance real or personal property that the City determines is needed and pledge its full faith and credit; and

WHEREAS, the Charter of the City does not (1) prohibit the City from entering into a financing agreement and pledging its full faith and credit as security for the financing agreement, nor (2) require a non-appropriation clause to be included in the financing agreement; and

WHEREAS, on or about February 22, 2006, the City entered into the Clean Water State Revolving Fund Loan Agreement No. R56200 with the State of Oregon acting by and through its Department of Environmental Quality, as amended (the “DEQ Loan”), currently outstanding in the principal amount of \$478,852, to provide funds to (1) make improvements to the City’s wastewater system; and (2) pay costs related to the DEQ Loan (the “DEQ Project”); and

WHEREAS, the DEQ Loan may be prepaid, in whole or in part, at the option of the City on any business day with 24 hours prior written notice; and

WHEREAS, the City desires to authorize and enter into a financing agreement to refund all or a portion of the DEQ Loan and pay costs incidental thereto.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

Section 1. Authorization. The Council of the City hereby authorizes:

The City authorizes the issuance and negotiated sale of a full faith and credit financing agreement, together with a note (collectively, the “Financing Agreement”) with a lender in an amount not to exceed an amount sufficient to refund all or a portion of the DEQ Loan and pay related costs of the Financing Agreement.

Section 2. Security.

A. All of the payments under the Financing Agreement 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 payments under the Financing Agreement shall be a full faith and credit obligation of the City, not subject to appropriation. The Financing Agreement will not be secured by any lien or security interest on any property, real or personal.

Section 3. Designation of Authorized Representative.

The City hereby authorizes the City Manager, the Finance Director, or their designee (each an “Authorized Representative”) to act as the authorized representative on behalf of the City and determine the terms of the Financing Agreement as delegated in Section 4 below.

Section 4. Delegation of Final Terms of Financing Agreement and Additional Documents.

The Authorized Representative is authorized, on behalf of the City, to:

A. select a lender, negotiate the terms of the Financing Agreement, and enter into a commitment letter or purchase agreement related to the Financing Agreement;

B. establish the maturity and interest payment dates, dated date, principal amounts, prepayment provisions, interest rates, denominations, fees, covenants, financial reporting requirements, whether to obtain insurance or some other form of guaranty or security for the payment of the Financing Agreement, and such other provisions and all other terms of the Financing Agreement as the Authorized Representative determines to be in the best interest of the City, and to execute and deliver the Financing Agreement;

C. designate the Financing Agreement as a “qualified tax-exempt obligation” pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), so long as the City and all subordinate entities do not reasonably expect to issue more than \$10,000,000 of tax-exempt obligations during the calendar year in which the Financing Agreement is entered into;

D. approve, execute and deliver a Tax Certificate; and

E. appoint consultants necessary or desirable in connection with the refinancing, 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 enter into the Financing Agreement in accordance with this Resolution and take any other actions that the Authorized Representative determines are necessary or desirable to finance the Project with the Financing Agreement in accordance with this Resolution.

Section 6. Compliance with Internal Revenue Code.

The City hereby covenants for the benefit of the lender to use the Financing Agreement proceeds and the Project financed with Financing Agreement proceeds in the manner required, and to otherwise comply with all provisions of the Code, so that interest paid on the Financing Agreement will not be includable in gross income of the lender for federal income tax purposes. 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 Financing Agreement to become an arbitrage bond under Section 148 of the Code.
- B. The City shall operate the DEQ Project so that the Financing Agreement does not become a “private activity bond” 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 Financing Agreement that are required by Section 148(f) of the Code.

The covenants contained in this Section 6 and any covenants in the closing documents for the Financing Agreement shall constitute a contract with the lender, and shall be enforceable by it. The Authorized Representative may enter into covenants on behalf of the City to protect the tax-exempt status of the Financing Agreement.

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Section 9. Resolution to Constitute Contract.

In consideration of the purchase and acceptance of the Financing Agreement, the provisions of this Resolution shall be part of the contract of the City with the lender and shall be deemed to be and shall constitute a contract between the City and the lender. The covenants, pledges, representations and warranties contained in this Resolution, in the Financing Agreement or in the closing documents executed in connection with the Financing Agreement and the other covenants and agreements herein set forth to be performed by or on behalf of the City shall be contracts for the benefit, protection and security of the lender and shall be enforceable by the lender.

Section 10. Effective Date.

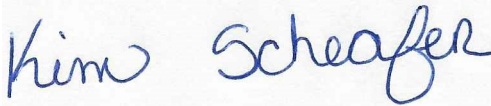
This resolution shall take effect immediately upon its adoption by the Council.

Passed by the Lebanon City Council and executed by the Mayor on this 9th day of September 2020 by a vote of 4 yeas and 0 nays.



Paul R. Aziz, Mayor	<input checked="" type="checkbox"/>
Jason Bolen, Council President	<input type="checkbox"/>

ATTEST:



Kim Scheafer, MMC, City Recorder