



## RESOLUTION NO. 2021.08

**A RESOLUTION OF CITY OF BROWNSVILLE, LINN COUNTY, OREGON AUTHORIZING THE ISSUANCE AND NEGOTIATED SALE OF A FULL FAITH AND CREDIT OBLIGATION IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$187,974.27; DESIGNATING AN AUTHORIZED REPRESENTATIVE; AUTHORIZING EXECUTION AND DELIVERY OF A FINANCING AGREEMENT; AND RELATED MATTERS.**

**WHEREAS**, City of Brownsville, Linn County, Oregon (the “City”) is authorized pursuant to the Constitution and laws of the State of Oregon, namely Oregon Revised Statutes Sections 271.390, 287A.300 and 287A.315 (collectively, the “Act”) to enter into a financing agreement to finance and refinance the cost of real and personal property as more fully described in Exhibit A attached hereto (the “Project”) and pay the costs of issuance of such obligations; and

**WHEREAS**, it is advantageous for the City to authorize and enter into a financing agreement to refinance the Project as described below.

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF CITY OF BROWNSVILLE, LINN COUNTY, OREGON AS FOLLOWS:**

**Section 1. Authorization.** The Council hereby authorizes the execution and delivery of a financing agreement (the “Agreement”) to refinance the Project. The aggregate principal amount of the Agreement shall not exceed \$187,974.27, the final maturity shall not be later than eleven (11) years from date of issuance, and the rate of interest on the Agreement shall not exceed 2.894% per annum.

**Section 2. Payments.** The payments for the Agreement shall be payable from the general, non-restricted revenues of the City, excluding any revenues, receipts or taxes derived from the sale of marijuana, 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 shall be a full faith and credit obligation of the City, and is not subject to appropriation. The lender shall not have a lien or security interest on the property financed with the proceeds of the Agreement.

**Section 3. Designation of Authorized Representative.** Pursuant to ORS 287A.300(4), the City hereby authorizes the Mayor or City Administrator (the “Authorized Representative”) to act on behalf of the City and determine the remaining terms of the Agreement as specified in Section 4 of this Resolution.



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**Section 4. Delegation of Final Terms of the Agreement and Additional Documents.** The Authorized Representative is hereby authorized, on behalf of the City, to:

- a. establish the dated date, interest payment dates, interest rate (not to exceed the interest rate stated in Section 1 of this Resolution), principal payment dates and maturities, and final principal amount, not to exceed \$187,974.27 in the aggregate; and to establish prepayment provisions for the payments;
- b. prepare the Agreement which the Authorized Representative determines to be in the best interest of the City, and to execute and deliver the Agreement; and
- c. enter into any other agreements and to execute any other certificates or documents, and take any actions, which are necessary to finance the Project in accordance with this Resolution.

**Section 5. Maintenance of Tax-Exempt Status.** The City hereby covenants for the benefit of the lender to use proceeds of the Agreement and to otherwise comply with all provisions of the Internal Revenue Code of 1986, as amended (the "Code") which are required for the interest component of the payments payable under the Agreement to be excluded from gross income for federal income tax purposes, as provided in the Agreement. 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 Agreement to become an arbitrage bond under Section 148 of the Code.
- b. The City shall operate the facilities and equipment financed with the Agreement so that the Agreement does not become a private activity bond within the meaning of Section 141 of the Code.
- c. The City shall comply with appropriate reporting requirements.
- d. The City shall pay, when due, all rebates and penalties with respect to the Agreement which are required by Section 148(f) of the Code.

**Section 6. Bank Designation.** The City designates the Agreement for purposes of paragraph (3) of Section 265(b) of the Code as a "qualified tax-exempt obligation" since the Agreement does not constitute a private activity bond as defined in Section 141 of the Code, and 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 Agreement, have been or shall be issued by the City, including all subordinate entities of the City, if any, during the calendar year 2021.

**Section 7. Resolution to Constitute Contract.** In consideration of the purchase and acceptance of the Agreement, the provisions of this Resolution shall be part of the contract of the City with



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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 and in the closing documents executed in connection with the Agreement, including without limitation the City's covenants and pledges contained in Section 2 hereof, 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 lender.

**ADOPTED** by the Council of City of Brownsville, Linn County, Oregon  
this 26<sup>th</sup> day of January 2021.

**CITY OF BROWNSVILLE  
LINN COUNTY, OREGON**

By: \_\_\_\_\_  
**Mayor**

**ATTEST:**

By: \_\_\_\_\_  
**City Administrator**



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**EXHIBIT A**

Refinance the outstanding indebtedness with the State of Oregon, acting by and through its Economic and Community Development Department, dated April 19, 2005.