

RESOLUTION NO. 2017-65

A RESOLUTION OF THE CITY OF MCMINNVILLE, YAMHILL COUNTY, OREGON AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF GENERAL OBLIGATION BONDS; DESIGNATING AN AUTHORIZED REPRESENTATIVE; AUTHORIZING EXECUTION OF THE BONDS AND RELATED MATTERS

SECTION 1. FINDINGS

The City Council (the "Council") of the City of McMinnville, Yamhill County, Oregon (the "City") finds:

a. The City is authorized pursuant to the Oregon Constitution and Oregon Revised Statutes Chapters 287A to issue general obligation bonds to finance capital costs as set forth in the ballot title (the "Project"); and

b. On July 22, 2014, the City adopted Resolution No. 2014-35 authorizing submission to the voters of the City at a measure election on November 4, 2014, the question of contracting a general obligation bonded indebtedness in an amount not to exceed \$24,000,000 to finance capital costs as set forth in the ballot title and to pay bond issuance costs; and

c. The election was duly and legally held on November 4, 2014 and the general obligation bonds were approved by a majority of the qualified voters of the City voting at the election; and

d. On April 16, 2015, the City issued \$16,085,000 of this \$24,000,000 authorization; and

e. The City adopts this resolution to provide the terms under which the remaining \$7,915,000 of general obligation bonds will be sold and issued.

SECTION 2. BONDS AUTHORIZED

The City hereby authorizes the issuance of General Obligation Bonds (the "Bonds") in an aggregate principal amount not to exceed \$7,915,000 for the Project and bond issuance costs.

The Bonds shall mature over a period not exceeding fifteen (15) years from their date of issue. The Bonds shall be issued in fully registered form in the principal denominations of \$5,000 or any integral multiple thereof. The remaining terms of the Bonds shall be established as provided in Section 9 hereof.

SECTION 3. DESIGNATION OF AUTHORIZED REPRESENTATIVES

The Council designates the City Manager, Finance Director (each an "Authorized Representative") or a designee of the Authorized Representative to act on behalf of the City as specified in Section 9 hereof.

SECTION 4. SECURITY

Pursuant to ORS 287A.315, the City hereby pledges its full faith and credit and taxing power to pay the Bonds. The City hereby covenants for the benefit of the Owners to levy annually, as necessary, a direct ad valorem tax upon all of the taxable property within the City which is sufficient, after taking into consideration discounts taken and delinquencies that may occur in the payment of such taxes and other

legally available amounts, to pay all Bond principal and interest when due. This tax shall be in addition to all other taxes of the City, and this tax shall not be limited in rate, amount or otherwise, by Sections 11 or 11b of Article XI of the Oregon Constitution.

SECTION 5. FORM OF BONDS

The Bonds shall be issued in substantially the form as approved by the Authorized Representative. The Bonds may be printed or typewritten, and may be issued as one or more temporary Bonds which shall be exchangeable for definitive Bonds when definitive Bonds are available.

SECTION 6. EXECUTION OF BONDS

The Bonds shall be executed on behalf of the City by the Authorized Representative.

SECTION 7. BOOK-ENTRY SYSTEM

During any time that the Bonds are held in a book-entry only system (the "Book-Entry System"), the registered owner of all of the Bonds shall be The Depository Trust Company, New York, New York ("DTC"), and the Bonds shall be registered in the name of Cede & Co., as nominee for DTC. The City has entered into or shall enter into a Blanket Issuer Letter of Representations (the "Letter") wherein the City represents that it will comply with the requirements stated in DTC's Operational Arrangements as they may be amended from time to time.

SECTION 8. REDEMPTION

The Bonds may be subject to optional redemption or mandatory redemption prior to maturity as determined by the Authorized Representative as provided in Section 9 hereof.

SECTION 9. DELEGATION FOR ESTABLISHMENT OF TERMS AND SALE OF THE BONDS

The Authorized Representative is hereby authorized, on behalf of the City for a period of six (6) months from the adoption of this resolution and without further action of the Council, to:

- a. establish the principal and interest payment dates, principal amounts, interest rates, denominations, and all other terms for the Bonds, including determining whether the Bonds will be issued in one or more series;
- b. determine if the Bonds shall be placed with a bank or other financial institution or sold through the public markets and select a lender or underwriter and negotiate terms of a bond purchase agreement or conduct a competitive sale, as determined by the Authorized Representative;
- c. appoint a financial advisor and bond and disclosure counsel;
- d. appoint a registrar and paying agent for the Bonds, if required;
- e. take such actions as are necessary to qualify the Bonds for the book-entry only system of The Depository Trust Company, if required;
- f. enter into covenants regarding the use of the proceeds of the Bonds and the projects financed with the proceeds of the Bonds, to maintain the tax-exempt status of the Bonds;

- g. approve of and authorize the distribution of the preliminary and final official statements for the Bonds, if required;
- h. obtain one or more ratings on the Bonds if determined by the Authorized Representative to be in the best interest of the City, and expend Bond proceeds to pay the costs of obtaining such rating;
- i. apply, if available and deemed appropriate, and expend Bond proceeds to pay any insurance premium;
- j. approve, execute and deliver a Continuing Disclosure Certificate pursuant to SEC Rule 15c2-12, as amended (17 CFR Part 240, § 240.15c2-12), if required;
- k. make any clarifying changes or additional covenants not inconsistent with this Resolution;
- l. approve, execute and deliver the Bond closing documents and certificates; and
- m. execute and deliver a certificate specifying the action taken by the Authorized Representative pursuant to this Section 9 and any other certificates, documents or agreements that the Authorized Representative determines are desirable to issue, sell and deliver the Bonds in accordance with this Resolution.

SECTION 10. DEFAULT AND REMEDIES.

The occurrence of one or more of the following shall constitute an Event of Default under this Resolution and the Bonds:

- a. Failure by the City to pay Bond principal, interest or premium when due (whether at maturity, or upon redemption after a Bond has been properly called for redemption);
- b. Failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed for the benefit of Owners of Bonds, for a period of sixty (60) days after written notice to the City by the Owners of fifty-one (51%) percent or more of the principal amount of Bonds then Outstanding specifying such failure and requesting that it be remedied; provided however, that if the failure stated in the notice cannot be corrected within such sixty (60) day period, it shall not constitute an Event of Default so long as corrective action is instituted by the City within the sixty (60) day period and diligently pursued, and the default is corrected as promptly as practicable after the written notice referred to in this paragraph; or,
- c. The City is adjudged insolvent by a court of competent jurisdiction, admits in writing its inability to pay its debts generally as they become due, files a petition in bankruptcy, or consents to the appointment of a receiver for the payments.

The Owners of fifty-one (51%) percent or more of the principal amount of Bonds then Outstanding may waive any Event of Default and its consequences, except an Event of Default as described in (a) of this Section.

Upon the occurrence and continuance of any Event of Default hereunder the Owners of fifty-one (51%) percent or more of the principal amount of Bonds then Outstanding may take whatever action may appear necessary or desirable to enforce or to protect any of the rights of the Owners of Bonds, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Resolution or the Bonds or in aid of the exercise of any power granted in this

Resolution or in the Bonds or for the enforcement of any other legal or equitable right vested in the Owners of Bonds by the Resolution or the Bonds or by law. However, the Bonds shall not be subject to acceleration.

No remedy in the Resolution conferred upon or reserved to Owners of Bonds is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Resolution or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. To entitle the Owners of Bonds to exercise any remedy reserved to them, it shall not be necessary to give any notice other than such notice as may be required by this Resolution or by law.

SECTION 11. DEFEASANCE

The City may defease the Bonds by setting aside, with a duly appointed escrow agent, in a special escrow account irrevocably pledged to the payment of the Bonds to be defeased, cash or direct obligations of the United States in an amount which, in the opinion of an independent certified public accountant, is sufficient without reinvestment to pay all principal and interest on the defeased Bonds until their maturity date or any earlier redemption date. Bonds which have been defeased pursuant to this Section shall be deemed paid and no longer outstanding, and shall cease to be entitled to any lien, benefit or security under this Resolution except the right to receive payment from such special escrow account.

SECTION 12. ESTABLISHMENT OF FUNDS AND ACCOUNTS

The following funds and accounts shall be created into which the proceeds of the Bonds for capital costs shall be deposited, which funds and accounts shall be continually maintained, except as otherwise provided, so long as the Bonds remain unpaid.

a. Debt Service Account. The City shall maintain the debt service account in the City's debt service fund for the payment of principal, premium, if any, and interest on the Bonds as they become due. All accrued interest, if any, and all taxes levied and other moneys available for the payment of the Bonds shall be deposited to the debt service account.

b. Project Fund. The City shall maintain the project fund for the purpose of accounting for and paying all costs of the projects and the costs related to the preparation, authorization, issuance, and sale of the Bonds. Any interest earnings on moneys invested from the project fund shall be retained in the project fund. The City's share of any liquidated damages or other moneys paid by defaulting contractors or their sureties will be deposited into the project fund to assure the completion of the projects.

Upon completion of the projects and upon payment in full of all costs related thereto, any balance remaining in the project fund shall be deposited to the Debt Service Account for payment of debt service.

SECTION 13. RESOLUTION TO CONSTITUTE CONTRACT

In consideration of the purchase and acceptance of any or all of the Bonds by those who shall own the Bonds 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 Bonds, including without limitation the City's covenants and pledges contained in Section 4 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 Owners, all of which shall be of equal rank without preference, priority or

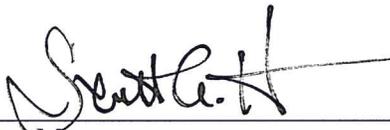
distinction of any of such Bonds over any other thereof, except as expressly provided in or pursuant to this Resolution.

ADOPTED by the Common Council of the City of McMinnville at the regular meeting held the 10th day of October, 2017 by the following votes:

Ayes: Drabkin, Garvin, Jeffries, Menke, Stassens, Ruden

Nays: _____

Approved this 10th day of October, 2017.

By:  _____
Mayor

Approved as to form:

By:  _____
City Attorney