

RESOLUTION NO. 21-857-05

A RESOLUTION OF CITY OF JOHN DAY AUTHORIZING AND APPROVING CITY OF JOHN DAY OBTAINING A GRANT AND LOAN FROM STATE OF OREGON, ACTING BY AND THROUGH ITS OREGON BUSINESS DEVELOPMENT DEPARTMENT, PURSUANT TO THE TERMS AND CONDITIONS OF A CERTAIN WATER FUND WATER PROJECT FINANCING CONTRACT.

WHEREAS, ORS 285B.560 through ORS 285B.599 (the “Act”) authorizes any municipality to file an application with the Oregon Infrastructure Finance Authority of the Oregon Business Development Department (“OBDD”) to obtain financial assistance from the Water Fund; and

WHEREAS, City of John Day (“Recipient”) has filed an application with OBDD to obtain financial assistance for a “water project” within the meaning of the Act, and OBDD has approved Recipient’s application for financial assistance from the Water Fund pursuant to the Act; and

WHEREAS, Recipient is required, as a prerequisite to receiving financial assistance from OBDD, to enter into a certain Water Fund Water Project Financing Contract, Project No.: Y21006, substantially in the form attached hereto as Exhibit A (the “Contract”). The project under the Contract consists of Recipient’s completion of a USDA-approved preliminary engineering report and package treatment plant, all as more particularly described in Exhibit C to the Contract (the “Project”); and

WHEREAS, notice relating to Recipient’s consideration and adoption of this Resolution No. 21-857-05 (this “Resolution”) was provided in accordance with Recipient’s charter, laws, rules, and regulations; and

WHEREAS, by adoption of this Resolution, Recipient’s council (the “Council”) desires to authorize and approve (a) the Contract (and all necessary documents, certificates, instruments, and/or agreements) and the loan and grant transaction contemplated thereunder, and (b) the mayor signing and delivering the Contract (and all necessary documents, certificates, instruments, and agreements) to OBDD.

NOW, THEREFORE, BE IT RESOLVED, that City of John Day resolves as follows:

1. Findings. The above-stated findings contained in this Resolution are hereby adopted.
2. Loan and Grant Authorized and Approved. The Contract (and underlying loan and grant transaction) and all other necessary documents, certificates, instruments, and/or agreements required to obtain financial assistance from OBDD (individually and collectively, the “Financing Document(s)”) are hereby authorized and approved in all respects. Council authorizes Mayor Ron Lundbom (the “Authorized Officer”) to sign and deliver the Financing Documents for and on behalf of Recipient, each containing such terms and conditions as agreed upon between the Authorized Officer and OBDD provided (a) the grant from OBDD is no less \$750,000.00, and/or (b) the loan from OBDD does not exceed \$1,750,000.00 with an interest rate no more than 1.00% per annum. Loan and grant proceeds will be applied solely to the “Costs of the Project,” as such term is defined under the Contract.
3. Sources of Repayment; Security. Amounts payable by Recipient under the Contract are payable from the sources described in Section 4 of the Contract and ORS 285B.581(2), which includes the following: (a) revenue of or from the Project, including special assessment revenue; (b) amounts withheld under ORS 285B.599; (c) Recipient’s general fund; (d) any combination of sources listed in (a)-(c) of this

Section 3; and/or (e) any other lawful sources. Without otherwise limiting the authority and approval provided under Sections 2 and 3 of this Resolution, the Council authorizes and approves Recipient's (y) pledge of its full faith and credit and taxing powers for payment of all amounts due under the Contract, and (z) Recipient's pledge, assignment, and grant of such other security required under the Financing Documents, including, without limitation, Recipient's pledge of the Net Revenues (as defined and provided under Section B of Exhibit B to the Contract).

4. Tax-Exempt Status. Recipient will not take any action or omit to take any action if the act or omission will cause interest paid by Recipient pursuant to the Financing Documents not to qualify for exclusion from gross income provided under Section 103(a) of the Internal Revenue Code of 1986, as amended. Recipient may enter into covenants to protect the tax-exempt status of the interest paid by Recipient pursuant to the Financing Documents and may execute any tax certificate, Internal Revenue Service forms, and/or other documents as may be reasonably required by OBDD or its bond counsel to protect the tax-exempt status of such interest.

5. Miscellaneous. All pronouns contained in this Resolution and any variations thereof will be deemed to refer to the masculine, feminine, or neutral, singular or plural, as the identity of the parties may require. The singular includes the plural and the plural includes the singular. The word "or" is not exclusive. The words "include," "includes," and "including" are not limiting. The provisions of this Resolution are hereby declared severable. If any section, subsection, sentence, clause, and/or portion of this Resolution is for any reason held invalid, unenforceable, and/or unconstitutional, such invalid, unenforceable, and/or unconstitutional section, subsection, sentence, clause, and/or portion will (a) yield to a construction permitting enforcement to the maximum extent permitted by applicable law, and (b) not affect the validity, enforceability, and/or constitutionality of the remaining portion of this Resolution. This Resolution may be corrected by order of the Council to cure editorial and/or clerical errors.

APPROVED, ADOPTED, AND MADE EFFECTIVE by the Council on March 23, 2021.

Ron Lundbom, Mayor

ATTEST:

Nicholas Green, City Manager

Exhibit A
Water Fund Water Project Financing Contract
Project No.:Y21006

[attached]