

## RESOLUTION No. 2013-3060

---

---

**A RESOLUTION AUTHORIZING A LOAN FROM THE OREGON  
TRANSPORTATION INFRASTRUCTURE FUND BY ENTERING INTO A  
LOAN AGREEMENT WITH THE OREGON DEPARTMENT OF  
TRANSPORTATION**

---

---

**RECITALS:**

The City Council (the “Governing Body”) of the City of Newberg (the “Municipality”) finds:

1. ORS 367.010 to 367.060 (the “Act”) authorizes any municipality to file an application with the Oregon Department of Transportation (the “Department”) to obtain financial assistance from the Oregon Transportation Infrastructure Fund.
2. The Municipality is a “municipality” within the meaning of the Act.
3. The Municipality has filed an application with the Department to obtain financial assistance for a “transportation project” within the meaning of the Act.
4. The Oregon Transportation Commission has approved the Municipality’s application for financial assistance from the Oregon Transportation Infrastructure Fund pursuant to Oregon Administrative Rules, Chapter 731, Division 30.
5. The Municipality is required, as a prerequisite to the receipt of financial assistance from the Department, to enter into a Loan Agreement with the Department in substantially the form attached hereto as Exhibit “A” to this Resolution.
6. The project described in Exhibit “A” to the Loan Agreement (the “Project”) is a “transportation project” within the meaning of the Act.

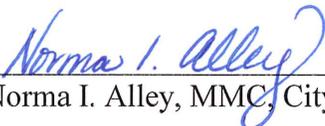
**THE CITY OF NEWBERG RESOLVES AS FOLLOWS:**

1. Loan Authorized. The Governing Body authorizes the city manager to execute the Loan Agreement and the Promissory Note attached as Exhibit “D” to the Loan Agreement (the “Financing Documents”), and such other agreements, documents or certificates as may be required to obtain a loan from the Department on the condition that the principal amount of the loan from the Department to the Municipality is not in excess of \$2,211,200 and the interest rate on such loan is not in excess of 2.58% percent per annum. The proceeds of the loan from the Department shall be applied solely to the “Costs of the Project” as such term is defined in the Loan Agreement. The Loan Agreement is attached as Exhibit “A” to this Resolution and by this reference incorporated.
2. Security. Repayment of the Municipality’s obligations under the Financing Documents is secured by a pledge of those funds set out in Section 2.10(b) of the Loan Agreement.

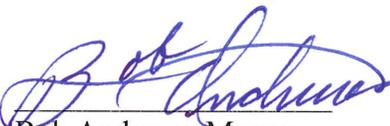
3. Tax-Exempt Status. The Municipality covenants not to take any action or omit to take any action if the taking or omission would cause interest paid by the Municipality pursuant to the Financing Documents not to qualify for the exclusion from gross income provided by Section 103(a) of the Internal Revenue Code of 1986, as amended. The city manager of the Municipality may enter into covenants on behalf of the Municipality to protect the tax-exempt status of the interest paid by the Municipality pursuant to the Financing Documents and may execute any General Certificate, Internal Revenue Service forms or other documents as shall be required by the Department or its bond counsel to protect the tax-exempt status of such interest.
4. Reimbursement Bonds. The Municipality may reimburse expenditures for the Project with amounts received from the Department pursuant to the Financing Documents. Additionally, the Municipality understands that the Department may fund or reimburse itself for the funding of amounts paid to the Municipality pursuant to the Financing Documents with the proceeds of bonds issued by the State of Oregon pursuant to ORS 367.655 and ORS 367.700 to 367.750. This Resolution shall constitute "official intent" within the meaning of Section 1.150-2 of the Income Tax Regulations promulgated by the United States Department of the Treasury with respect to the funding or the reimbursement for the funding of the Costs of the Project with the proceeds of the Municipality's loan pursuant to the Financing Documents and with the proceeds of any bonds issued by the State of Oregon pursuant to ORS 367.655 and ORS 367.700 to 367.750.
5. Authority of City Manager. The Governing Body authorizes and fully delegates the authority to the city manager to negotiate and agree to any amendments or changes in the Loan Agreement that the city manager deems necessary or appropriate. The Governing Body further authorizes the city manager to execute any document in order to finalize the Loan Agreement and/or the terms and conditions of such an agreement. This authority is fully delegated to the city manager without the necessity of obtaining any further consent of the Governing Body.

➤ **EFFECTIVE DATE** of this resolution is the day after the adoption date, which is: June 18, 2013.

**ADOPTED** by the City Council of the City of Newberg, Oregon, this 17<sup>th</sup> day of June, 2013.

  
\_\_\_\_\_  
Norma I. Alley, MMC, City Recorder

**ATTEST** by the Mayor this 20<sup>th</sup> day of June, 2013.

  
\_\_\_\_\_  
Bob Andrews, Mayor