

**BEFORE THE CITY COUNCIL OF THE
CITY OF ADAIR VILLAGE, OREGON**

IN THE MATTER OF AUTHORIZING)
A LOAN FROM THE SAFE DRINKING)
WATER LOAN FUND)

RESOLUTION NO. 16 -- #2

BY ENTERING INTO A FINANCING CONTRACT
WITH THE OREGON INFRASTRUCTURE FINANCE AUTHORITY

The “City Council” of the City of Adair Village (the “Recipient”) finds:

A. The Recipient is a community or nonprofit non-community water system as defined in Oregon Administrative Rule 123-049-0010.

B. The Safe Drinking Water Act Amendments of 1996, Pub.L. 104-182, as amended (the “Act”), authorize any community or nonprofit non-community water system to file an application with the Oregon Infrastructure Finance Authority of the Business Development Department (“the IFA”) to obtain financial assistance from the Safe Drinking Water Revolving Loan Fund.

C. The Recipient has filed an application with the IFA to obtain financial assistance for a “safe drinking water project” within the meaning of the Act, and the IFA has approved the Recipient’s application for financial assistance from the Safe Drinking Water Revolving Loan Fund.

D. The Recipient is required, as a prerequisite to the receipt of financial assistance from the IFA, to enter into a Financing Contract with the IFA, substantially in the form attached hereto as Exhibit A.

E. Notice relating to the Recipient’s consideration of the adoption of this Resolution was published in full accordance with the Recipient’s charter and laws for public notification.

NOW THEREFORE, BE IT RESOLVED by the Governing Body of the Recipient as follows:

1. Financing Loan Authorized. The Governing Body authorizes, upon advice from the City Attorney, the City Administrator to execute the Financing Contract and the Promissory Note (the “Financing Documents”) and such other documents as may be required to obtain financial assistance including a loan from the IFA on the condition that the principal amount of the loan from the IFA to the Recipient is not more than \$2,840,000 (with \$515,000 eligible for principal forgiveness if contract conditions are met), and the interest rate is not more than 1.98%. The proceeds of the loan from the IFA must be applied solely to the “Costs of the Project” as such term is defined in the Financing Contract.

2. Security. Amounts payable by the Recipient are payable from the sources described in Section 4 of the Financing Contract and the Oregon Revised Statutes Section 285A.213(5) which include:


- (a) Revenue from any water system project of the Recipient, including special assessment revenue;
- (b) Amounts withheld under subsection 285A.213(6);
- (c) The general fund of the Recipient;
- (d) Any combination of sources listed in paragraphs (a) to (c) of this subsection; or
- (e) Any other source.

3. Additional Documents. The City Administrator is hereby authorized to enter into any agreements and to execute any documents or certificates which may be required to obtain financial assistance from the IFA for the Project pursuant to the Financing Documents.

4. Tax-Exempt Status. The Recipient covenants not to take any action or omit to take any action if the taking or omission would cause interest paid by the Recipient 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 Administrator of the Recipient may enter into covenants on behalf of the Recipient to protect the tax-exempt status of the interest paid by the Recipient pursuant to the Financing Documents and may execute any Tax Certificate, Internal Revenue Service forms or other documents as may be required by the IFA or their bond counsel to protect the tax-exempt status of such interest.


DATED this 5 day of April, 2016.

The City of Adair Village



City Administrator

ATTEST:



Mayor