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KAREN J. LABRETTON  
COUNTY CLERK

IN THE COUNTY COURT OF THE STATE OF OREGON

IN AND FOR THE COUNTY OF WASCO

IN THE MATTER OF AN ORDINANCE )  
AUTHORIZING WASCO COUNTY, OREGON, )  
TO BORROW MONEYS FROM THE SPECIAL ) O R D I N A N C E  
PUBLIC WORKS FUND BY ENTERING INTO)  
A LOAN CONTRACT WITH THE OREGON )  
ECONOMIC DEVELOPMENT DEPARTMENT. )

WHEREAS, the County Court of Wasco County, Oregon, finds as follows:

A. Wasco County is a "municipality" within the meaning of Oregon Revised Statutes 285.700(1);

B. Oregon Revised Statutes 285.700 through 285.750 (the "Act") authorizes any municipality to file an application with the Oregon Economic Development Department ("the Department") to obtain financial assistance from the Special Public Works Fund;

C. Wasco County has filed an application with the Department to obtain financial assistance for an "infrastructure project" within the meaning of the Act;

D. The Department has approved Wasco County's application for financial assistance from the Special Public Works Fund pursuant to the Act;

E. Wasco County is required, as a prerequisite to the receipt of financial assistance from the Department, to enter into a Financial Assistance Award Contract and a Loan Agreement with the Department in substantially the form attached hereto as Exhibits "A" and "B";

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1 - ORDINANCE

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1 F. The project described in Exhibit "A" to the Loan Agreement  
2 (the "Project") is an "infrastructure project" within the meaning of  
3 the Act which is needed by and is in the public interest of Wasco  
4 County;

5 G. Notice relating to Wasco County's consideration of the  
6 adoption of this Ordinance was published at least once in a newspaper  
7 of general circulation within the County of Wasco. Such notice was  
8 published at least 14 days in advance of the adoption of this  
9 Ordinance.

10 NOW, THEREFORE, THE COUNTY COURT OF WASCO COUNTY ORDAINS AS  
11 FOLLOWS:

12 1. LOAN AUTHORIZED. The Wasco County Court authorizes the  
13 County Judge to execute the Financial Assistance Award Contract, Loan  
14 Agreement, the Promissory Note attached as Exhibit "F" to the Loan  
15 Agreement (the "Financing Documents") and such other documents as may  
16 be required to obtain financial assistance including a loan from the  
17 Department on the condition that the principal amount of the loan  
18 from the Department to Wasco County is not in excess of \$954,841.00  
19 and the interest rate on such loan is not in excess of 6.25 percent  
20 (6.25%). The proceeds of the loan from the Department shall be  
21 applied solely to the "Costs of the Project" as such term is defined  
22 in the Loan Agreement.

23 2. SECURITY. Amounts payable by Wasco County shall be payable  
24 from the sources described in Section 3.09 of the Loan Agreement and  
25 the Oregon Revised Statutes Section 385.723(2) which include:

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- a. any sources of funds that are legally available to Wasco County,
- b. the revenues, if any, of the Project, including special assessment revenues, if any, and
- c. Wasco County's general fund, including the tax and other general revenues of Wasco County, subject only to the restrictions of Article XI, Sections 10, 11 and 11b of the Constitution of the State of Oregon. Wasco County acknowledges its current intention to make all payments due pursuant to the Financing Documents and, to the extent that funds are appropriated to make such payments, the full faith and credit of Wasco County are pledged to such payments.

3. ADDITIONAL DOCUMENTS. The County Judge 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 Department for the Project pursuant to the Financial Assistance Award Contract and the Loan Agreement.

4. TAX-EXEMPT STATUS. Wasco County covenants not to take any action or omit to take any action if the taking or omission would cause interest paid by Wasco County pursuant to the Loan Agreement not to qualify for the exclusion from gross income provided by Section 103(a) of the Internal Revenue Code of 1986, as amended. The County Judge of Wasco County may enter into covenants on behalf of Wasco County to protect the tax-exempt status of the interest paid by

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Wasco County pursuant to the Loan Agreement and may execute any Tax Certificate, Internal Revenue Service forms or other documents as shall be required be the Department or their bond counsel to protect the tax-exempt status of such interest.

5. REIMBURSEMENT BONDS. Wasco County may reimburse expenditures for the Project with amounts received from the Department pursuant to the Financing Documents. Additionally, Wasco County understands that the Department may fund or reimburse itself for the funding of amounts paid to Wasco County pursuant to the Financing Documents with the proceeds of bonds issued by the State of Oregon pursuant to the Act. This Ordinance 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 Wasco County's loan pursuant to the Financing Documents and with the proceeds of any bonds issued by the State of Oregon pursuant to the Act.

6. DECLARATION OF EMERGENCY. Wasco County declares that an emergency exists in order that there be no delay in financing the Project as provided in this Ordinance. Therefore, this Ordinance shall be in force and effect from and after passage by Wasco County.

Regularly passed and adopted by a unanimous vote of all members of the County Court of the County of Wasco, State of Oregon, present on this day.

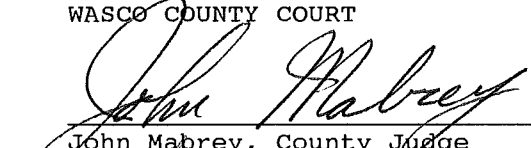
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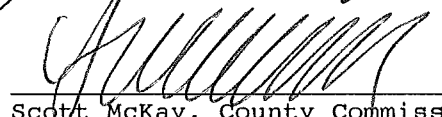
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DONE AND DATED this 17th day of July, 1996.

WASCO COUNTY COURT



John Mabrey, County Judge

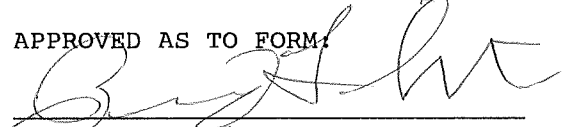


Scott McKay, County Commissioner



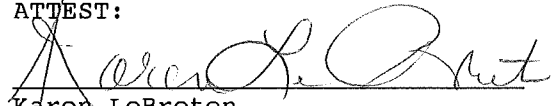
Dan Ericksen, County Commissioner

APPROVED AS TO FORM:



Bernard L. Smith  
Wasco County District Attorney

ATTEST:



Karen LeBreton  
Wasco County Clerk

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