**RESOLUTION NO. 19-20-02**

**A RESOLUTION OF YAMHILL FIRE PROTECTION DISTRICT, YAMHILL COUNTY, OREGON AUTHORIZING THE ISSUANCE AND NEGOTIATED SALE OF A FULL FAITH AND CREDIT OBLIGATION IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $1,000,000; DESIGNATING AN AUTHORIZED REPRESENTATIVE; AUTHORIZING EXECUTION AND DELIVERY OF A FINANCING AGREEMENT; AND RELATED MATTERS.**

**WHEREAS,** Yamhill Fire Protection District, Yamhill County, Oregon (the “District”) is authorized pursuant to the Constitution and laws of the State of Oregon, namely Oregon Revised Statutes Sections 271.390, 287A.300 and 287A.315 (collectively, the “Act”) to pledge its full faith and credit and enter into a financing agreement to finance the cost of real and personal property as more fully described below as the Project, and pay the costs of issuance of such obligations; and

**WHEREAS**, ORS 478.410 provides, in part, that (i) except for agreements to rent, lease or acquire real property, an agreement may not run for more than ten years or be subject to renewal, and (ii) total outstanding general obligation bonds, together with liabilities outstanding incurred under rental or lease-purchase agreements, and like agreements, may not exceed one and one-fourth percent (1.25%) of the real market value of all taxable property within the District; and

**WHEREAS**, the District Board of Directors submitted to the voters of the District at an election on May 21, 2019, Measure 36-200 which sought the authorization to impose a five-year capital improvement local option tax at the rate of $0.55 per $1000 of assessed value to fund the District’s efforts to replace and upgrade equipment, specifically replace a 1991 fire engine and replace self-contained breathing apparatus (the “Project”); and

**WHEREAS,** it is advantageous for the District to authorize and enter into a financing agreement to finance the Project as described below.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF YAMHILL FIRE PROTECTION DISTRICT, YAMHILL COUNTY, OREGON AS FOLLOWS**:

**Section 1. Authorization**. The Board hereby authorizes the execution and delivery of a financing agreement and note (the “Agreement”) to finance the Project. The principal amount of the Agreement shall not exceed $1,000,000, the final maturity shall not be later than five (5) years from date of issuance, and the rate of interest on the Agreement shall not exceed 2.250% per annum.

**Section 2. Payments**. The payments for the Agreement shall be payable from the general, non-restricted revenues of the District and other funds which may be available for that purpose, including taxes levied within the restrictions of Sections 11 and 11b, Article XI of the Constitution of the State of Oregon. The obligation of the District to make payments shall be a full faith and credit obligation of the District, and is not subject to appropriation. The lender shall not have a lien or security interest on the property financed with the proceeds of the Agreement.

**Section 3. Designation of Authorized Representative**. Pursuant to ORS 287A.300(4), the District hereby authorizes the President or the Fire Chief (the “Authorized Representative”) to act on behalf of the District and determine the remaining terms of the Agreement as specified in Section 4 of this Resolution.

**Section 4. Delegation of Final Terms of the Agreement and Additional Documents**.

The Authorized Representative is hereby authorized, on behalf of the District, to:

a. establish the dated date, interest payment dates, interest rate (not to exceed the interest rate stated in Section 1 of this Resolution), principal payment dates and maturities, fees, covenants, and final principal amount, not to exceed $1,000,000; and to establish prepayment provisions for the payments;

b. prepare the Agreement which the Authorized Representative determines to be in the best interest of the District, and to execute and deliver the Agreement; and

c. enter into any other agreements and to execute any other certificates or documents, and take any actions, which are necessary to finance the Project in accordance with this Resolution.

**Section 5. Maintenance of Tax-Exempt Status**. The District hereby covenants for the benefit of the lender to use proceeds of the Agreement and to otherwise comply with all provisions of the Internal Revenue Code of 1986, as amended (the “Code”) which are required for the interest component of the payments payable under the Agreement to be excluded from gross income for federal income tax purposes, as provided in the Agreement. The District makes the following specific covenants with respect to the Code:

a. The District will not take any action or omit any action if it would cause the Agreement to become an arbitrage bond under Section 148 of the Code.

b. The District shall operate the facilities and equipment financed with the Agreement so that the Agreement does not become a private activity bond within the meaning of Section141 of the Code.

c. The District shall comply with appropriate reporting requirements.

d. The District shall pay, when due, all rebates and penalties with respect to the Agreement which are required by Section 148(f) of the Code.

e. The Agreement will not be federally guaranteed.

**Section 6. Bank Designation**. The District designates the Agreement for purposes of paragraph (3) of Section 265(b) of the Code as a “qualified tax-exempt obligation” since the Agreement does not constitute a private activity bond as defined in Section 141 of the Code, and not more than $10,000,000 aggregate principal amount of obligations, the interest on which is excludable under Section 103(a) of the Code from gross income for federal income tax purposes (excluding, however, private activity bonds other than qualified 501(c)(3) bonds) including the Agreement, have been or shall be issued by the District, including all subordinate entities of the District, if any, during the calendar year 2019.

**Section 7. Resolution to Constitute Contract**. In consideration of the purchase and acceptance of the Agreement, the provisions of this Resolution shall be part of the contract of the District with the lender and shall be deemed to be and shall constitute a contract between the District and the lender. The covenants, pledges, representations and warranties contained in this Resolution and in the closing documents executed in connection with the Agreement, including without limitation the District’s covenants and pledges contained in Section 2 hereof, and the other covenants and agreements herein set forth to be performed by or on behalf of the District, shall be contracts for the equal benefit, protection and security of the lender.

**ADOPTED** by the Board of Directors of Yamhill Fire Protection District, Yamhill County, Oregon this 14th day of October 2019.

**YAMHILL FIRE PROTECTION DISTRICT**

**YAMHILL COUNTY, OREGON**

By

President

**ATTEST:**

By

 Secretary