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July 3, 2014

Ladies and Gentlemen:

**Subject: \$4,000,000 City of Lincoln City, Oregon  
Financing Agreement (Urban Renewal Projects);  
Our File No.: 38348**

We are pleased to enclose for your records a transcript of the documents prepared and executed in connection with the above-referenced financing.

On behalf of our attorneys and paralegals, we wish to take this opportunity to thank all participants for their contribution in making the closing of this issue a success. We have enjoyed working with each of you on this issue and look forward to the next time.

Sincerely,

HAWKINS DELAFIELD & WOOD LLP

A handwritten signature in blue ink that reads "G. Mersereau". The signature is fluid and cursive.

Gülgün Mersereau

GUM:acg  
Enclosure

**TRANSCRIPT DISTRIBUTION LIST**

**\$4,000,000**

**City of Lincoln City, Oregon**

**Financing Agreement (Urban Renewal Projects)**

**Dated June 17, 2014**

**Issuer**

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Financial Planner  
City of Lincoln City  
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Lincoln City, OR 97367  
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Email: ront@lincolncity.org

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**LEGAL CLOSING MEMORANDUM AND INDEX**

**\$4,000,000  
City of Lincoln City, Oregon  
Financing Agreement (Urban Renewal Projects)  
Dated June 17, 2014**

Closing will be held on June 17, 2014 in the offices of Hawkins Delafield & Wood LLP, Special Counsel, 200 S.W. Market Street, Suite 350, Portland, Oregon. There will be no preclosing.

Listed below are the required closing documents. Beside each document is the name of the party responsible for providing that document to Special Counsel before the closing. All documents should be originals or true copies of originals.

The following abbreviations are used to indicate parties responsible for providing documents:

LC City of Lincoln City, Oregon, Borrower  
URA Urban Renewal Agency of City of Lincoln City, Urban Renewal Agency  
Key Key Government Finance, Inc., Lender  
S&R Schulkin Rein PLLC, Lender's Counsel  
E&FA Economic & Financial Analysis, Financial Advisor  
HDW Hawkins Delafield & Wood LLP, Special Counsel

**BASIC DOCUMENTS**

- HDW 1. Transcript Certification.
- HDW 2. Financing Agreement (Urban Renewal Projects).
- HDW 3. Intergovernmental Agreement between City and Urban Renewal Agency.

**CITY'S DOCUMENTS**

- LC 4. Minutes of April 28, 2014 City Council meeting at which Resolution No. 2014-07 was adopted, authorizing financing.
- LC 5. Resolution No. 2014-07.
- HDW 6. General Certificate of City.
- HDW 7. Tax Certificate.
- HDW 8. IRS Form 8038-G, with evidence of filing.
- HDW 9. Receipt for Proceeds.

**URBAN RENEWAL AGENCY'S DOCUMENTS**

- URA 10. Minutes of April 28, 2014 Agency Board meeting at which Resolution No. UR 2014-06 was adopted, authorizing indebtedness.
- URA 11. Resolution No. UR 2014-06.
- HDW 12. General Certificate of Agency.

## **RECENT AMENDMENTS TO THE URBAN RENEWAL PLAN**

- URA 13. Minutes of February 10, 2014 Agency Board meeting at which Resolution No. UR 2014-02 was adopted, approving minor amendment to plan and directing staff to proceed with substantial amendment to plan.
- URA 14. Resolution No. UR 2014-02.

## **LENDER'S DOCUMENTS**

- HDW 15. Certificate of Assistant Secretary, evidencing authorized signer.
- HDW 16. Qualified Investor Letter.
- HDW 17. Certificate Regarding No Reoffering.
- HDW 18. Receipt for Financing Agreement.

## **OPINIONS AND MISCELLANEOUS**

- E&FA 19. MDAC Form 2 (bond sale information) as filed with Oregon State Treasury (post-closing).
- HDW 20. Opinion of Special Counsel.
- HDW 21. Reliance opinion of Special Counsel addressed to Lender.
- E&FA 22. Final pricing numbers.

**TRANSCRIPT CERTIFICATION**

**\$4,000,000**

**City of Lincoln City, Oregon**

**Financing Agreement (Urban Renewal Projects)**

**Dated June 17, 2014**

On behalf of City of Lincoln City, Oregon, I hereby certify that the attached documents are true copies or duplicate originals of the City's documents that were assembled at the closing of the above-captioned Financing Agreement (Urban Renewal Projects) on June 17, 2014 at the offices of Hawkins Delafield & Wood LLP, in Portland, Oregon.

Dated as of the 17th day of June, 2014.

**City of Lincoln City, Oregon**

  
\_\_\_\_\_  
Ron Tierney, Financial Planner

## **FINANCING AGREEMENT**

**\$4,000,000**

**City of Lincoln City, Oregon**

**Financing Agreement (Urban Renewal Projects)**

**Dated June 17, 2014**

This Financing Agreement (Urban Renewal Projects) is entered into between City of Lincoln City, Oregon (the "City") and Key Government Finance, Inc. (the "Lender") as of this 17<sup>th</sup> day of June, 2014.

### **1. Definitions.**

For purposes of this Financing Agreement, the following capitalized terms shall have the following meanings, unless the context clearly requires otherwise:

"Banking Day" means any day except a Saturday, a Sunday or any other day on which commercial banks in Oregon are authorized or required by law to close.

"City" means City of Lincoln City, Oregon.

"City Official" means the City Manager, the Financial Planner, the Finance Director or the person designated by the City Manager to act as City Official under the Resolution.

"Closing Date" means June 17, 2014.

"Code" means the United States Internal Revenue Code of 1986, as amended.

"Default Rate" means the Interest Rate plus 500 basis points (5.00%).

"Event of Default" means the occurrence of any of the following: (i) a failure to pay within 10 days after the due date thereof any principal or interest that is required to be paid under this Financing Agreement; (ii) a final determination by the Internal Revenue Service that interest on this Financing Agreement is includable in gross income under the Code; (iii) a failure by the City to comply with any of its obligations or to perform any of its duties under this Financing Agreement, other than a failure described in clauses (i) or (ii) of this definition, which failure continues and is not cured for a period of more than 60 days after the Lender has made written demand on the City to cure such failure.

"Financing Agreement" means this Financing Agreement (Urban Renewal Projects).

"Fiscal Year" means the period beginning on July 1 of each year and ending on the next succeeding June 30, or as otherwise defined by Oregon Law.

"Interest Rate" means a fixed annual interest rate of one and sixty-four hundredths percent (1.64%) per annum, calculated on the basis of a 360-day year consisting of twelve 30-day months.

“Lender” means Key Government Finance, Inc., or its successors.

“Maturity Date” means June 1, 2018.

“Outstanding Balance” means, at any time, the Principal Amount, less the sum of all principal repayments that have been received by the Lender.

“Principal Amount” means \$4,000,000.

“Projects” means the following projects described in the Agency’s Year 2000 Development Plan: improvements to the sewer system; improvements to the water system; land and improvements for parks; beach access improvements; sidewalks; or road improvements.

“Resolution” means the City’s Resolution No. 2014-07 adopted April 28, 2014, authorizing this Financing Agreement.

“Securities Act” means the Securities Act of 1933, as amended.

“Special Counsel” means Hawkins Delafield & Wood LLP.

## **2. Loan.**

- 2.1. The Lender shall advance the Principal Amount to the City on the date of this Financing Agreement.
- 2.2. The Outstanding Balance shall bear interest at the Interest Rate from the date of this Financing Agreement. Interest is payable semiannually on June 1 and December 1 of each year, commencing December 1, 2014.
- 2.3. The City shall repay the Principal Amount in the following installments on the following dates:

<u>Date</u>	<u>Principal</u>
6/1/2015	\$975,575
6/1/2016	990,703
6/1/2017	1,008,041
6/1/2018	1,025,681

- 2.4. All unpaid principal, plus accrued interest, shall be paid no later than the Maturity Date.

## **3. Prepayment.**

- 3.1. Prepayment in Part. On each June 1, the City may prepay up to 20% of the original amount of the Financing Agreement, or \$800,000, without premium.
- 3.2. Prepayment in Whole. The City may prepay the Outstanding Balance in whole on any Banking Day subject to a prepayment penalty equal to 1.5% of the Outstanding Balance. If the prepayment in whole occurs on June 1 of any year, the prepayment penalty shall be

equal to 1.5% of the Outstanding Balance less the \$800,000 permitted to be prepaid without penalty on each June 1 by the prior sentence (1.5% x (Outstanding Balance-\$800,000)).

- 3.3. All prepayments in this section require 60 days' written notice to the Lender. Prepayments by the City to the Lender shall be applied, first, to pay accrued interest on the principal amount that is prepaid, second, to any prepayment premium, and third, to the principal installments described in Section 2.3 in inverse order of maturity.

#### **4. Security for Financing Agreement.**

Pursuant to ORS 287A.315, the City hereby pledges its full faith and credit and taxing power within the limitations of Sections 11 and 11b of Article XI of the Oregon Constitution to pay the principal and interest due to the Lender under this Financing Agreement. The City shall pay the amounts due under this Financing Agreement from any and all of its legally available taxes, revenues and other funds. This pledge of the City's full faith and credit and taxing power shall not entitle the Lender to any lien on, or pledge of, specific properties or revenues of the City.

#### **5. Accounting and Billing.**

Upon written request by Borrower, the Lender shall provide the City with a written accounting of all payments and other transactions relating to this Financing Agreement quarterly. The Lender shall send the City a bill for the amount due on each Financing Agreement payment date not later than seven (7) Banking Days prior to that payment date.

#### **6. Use of Financing Agreement Proceeds.**

The City shall apply the amount it receives under this Financing Agreement: 1) to transfer to the Agency pursuant to an Intergovernmental Agreement committing the Agency to finance the Projects, so long as the Projects are described in the Plan, located in the urban renewal area, and are owned by the City or the Agency; and 2) to pay costs related to this Financing Agreement.

#### **7. Tax-Exemption.**

- 7.1. The City agrees to comply with all representations in the Tax Certificate for this Financing Agreement. The City further covenants for the benefit of the Lender to comply with all provisions of the Code that are required for interest paid pursuant to this Financing Agreement to be excluded from gross income for federal income tax purposes.
- 7.2. The City hereby designates this Financing Agreement as a "qualified tax-exempt obligation" under Section 265(b) of the Code.
- 7.3. Interest paid pursuant to this Financing Agreement is exempt from State of Oregon personal income taxes.



## **8. Representations of the City.**

By executing this Financing Agreement in the space provided below, the City represents to the Lender that:

- 8.1. The City is duly created and existing under the laws of the State of Oregon, has all necessary power and authority to enter into this Financing Agreement and perform its duties under this Financing Agreement.
- 8.2. The adoption of the Resolution, the execution of this Financing Agreement and the performance of the City's obligations under this Financing Agreement does not conflict in any material respect with, or constitute a material breach of or default under, any law, court decree, administrative regulation, resolution or other agreement to which the City is a party or by which it is bound.
- 8.3. There is no action, suit, proceeding or investigation at law or in equity before or by any court or governmental agency having jurisdiction over the City that is pending or, to the best of the knowledge of the City, is threatened against the City to restrain or enjoin the execution of this Financing Agreement, the adoption of the Resolution, or the collection and application of the funds as contemplated by the Resolution and this Financing Agreement, that, if such matter were adversely decided against the City would, in the reasonable judgment of the City, have a material and adverse effect on the ability of the City to pay the amounts due under this Financing Agreement.
- 8.4. The City hereby certifies, recites and declares that all things, conditions and acts required by the Constitution and Statutes of the State of Oregon and by this Financing Agreement to exist, to have happened and to have been performed precedent to and in the execution and the delivery of this Financing Agreement, do exist, have happened and have been performed in due time, form and manner, as required by law, and that this Financing Agreement is a valid and binding obligation of the City that is enforceable against the City in accordance with its terms, except to the extent that enforceability may be limited by (i) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other laws affecting creditors' rights generally; (ii) the application of equitable principles and the exercise of judicial discretion in appropriate cases; (iii) common law and statutes affecting the enforceability of contractual obligations generally; and (iv) principles of public policy concerning, affecting or limiting the enforcement of rights or remedies against governmental entities such as the City.

## **9. Covenants of the City.**

The City covenants for the benefit of the Lender that:

- 9.1. While this Financing Agreement is in effect and until full and final payment of the Outstanding Balance and all accrued and unpaid interest and fees the City shall provide the Lender with:

- (a) A complete copy of the City's unaudited financial statements for each Fiscal Year, within 180 days following the end of each Fiscal Year.
- (b) A complete copy of the City's audited annual financial statements for each Fiscal Year, within 270 days following the end of each Fiscal Year.
- (c) A complete copy of the City's budget for each Fiscal Year promptly after it is adopted by the City Council.
- (d) Such other information as the Lender may reasonably request.

### **10. Fees, Costs and Expenses.**

#### 10.1. Lender Fees and Charges.

- (a) The City will pay up to \$1,500 for fees and costs of the Lender's counsel in connection with this Financing Agreement.
- (b) The Lender will not charge the City any other fees or costs in connection with this Financing Agreement.

#### 10.2. Costs of Enforcement. If either party incurs any expenses in connection with enforcing this Financing Agreement, or if the Lender takes collection action under this Financing Agreement, the losing party shall pay to the prevailing party, on demand, the prevailing party's reasonable costs and reasonable attorneys' fees, whether at trial, on appeal, in any bankruptcy or insolvency proceeding or otherwise, including any allocated costs of in-house counsel.

#### 10.3. Other Fees and Costs. The City shall pay the fees and costs of Special Counsel, and any other expenses and costs that the City incurs in connection with this Financing Agreement.

### **11. Default.**

- 11.1. Upon the occurrence of any Event of Default the Lender may exercise any remedy available at law or in equity. However, the amounts due from the City under this Financing Agreement shall not be subject to acceleration.
- 11.2. In addition, and upon the occurrence and continuation for more than 90 days of an Event of Default described in clause (i) of the definition of "Event of Default," the Outstanding Balance shall bear interest at the Default Rate until such Event of Default is remedied.
- 11.3. All rights, powers and remedies of the Lender may be exercised at any time after the occurrence of an Event of Default, are cumulative and shall not be exclusive, and shall be in addition to any other rights, powers or remedies provided by law or equity.

11.4. The Lender may waive any Event of Default, but no such waiver shall extend to a subsequent Event of Default.

## **12. Defeasance.**

12.1. The City shall be obligated to pay any Financing Agreement principal or interest payments that are defeased pursuant to this Section solely from the money and Government Obligations deposited in escrow in accordance with this Section with an escrow agent or independent trustee as provided in this section, and the City shall have no further obligation to make those payments from any source except the amounts deposited in the escrow. This Financing Agreement shall be deemed defeased if the City:

(a) irrevocably deposits money or noncallable Government Obligations in escrow with an independent trustee or escrow agent that are calculated to be sufficient for the payment of the portion of this Financing Agreement that is to be defeased without reinvestment; and

(b) files with the escrow agent or trustee a verification from an independent, certified public accountant to the effect that calculation, described above, is correct.

## **13. Conditions to the Obligations of the Lender.**

13.1. The Lender may refuse to advance funds under this Financing Agreement unless the Lender has received:

(a) An opinion of Special Counsel to the effect that:

(i) the Financing Agreement is a valid and legally binding full faith and credit obligation of the City that is enforceable against the City in accordance with its terms subject to customary exceptions;

(ii) interest paid pursuant to this Financing Agreement is excludable from gross income under the Code;

(iii) the City has designated this Financing Agreement as a qualified tax-exempt obligation under Section 265(b) of the Code; and

(iv) interest paid pursuant to this Financing Agreement is exempt from State of Oregon personal income tax.

(b) The certificate of a City Official to the effect that:

(i) There is no action, suit, proceeding or investigation at law or in equity before or by any court or governmental agency having jurisdiction over the City that is pending or, to the best of the knowledge of the City, is threatened against the City to restrain or enjoin the execution of this Financing Agreement, the adoption of the Resolution, or the collection and

application of the funds as contemplated by the Resolution and this Financing Agreement, that, if such matter were adversely decided against the City, would, in the reasonable judgment of the City, have a material and adverse effect on the ability of the City to pay the amounts due under this Financing Agreement.

- (ii) The adoption of the Resolution and the execution and delivery of this Financing Agreement do not and will not conflict in any material respect with or constitute on the part of the City a breach of or default under any law, charter provision, court decree, administrative regulation, resolution or other agreement or instrument to which the City is a party or by which it is bound.

(c) Such additional legal opinions, certificates, proceedings, instruments or other documents as the Lender, its counsel or Special Counsel may reasonably request to evidence compliance by the City with the legal requirements for execution and delivery of this Financing Agreement and the due performance or satisfaction by the City of all agreements then to be performed and all conditions then to be satisfied by the City.

#### **14. Disclosure; Assignment.**

- 14.1. No official statement or other disclosure document has been prepared in connection with this Financing Agreement and the City has no obligation in connection with this Financing Agreement to provide any disclosure regarding operating information or material events to the Municipal Securities Rulemaking Board or any dissemination agent. The City is obligated to provide information to the Lender in connection with this Financing Agreement only as specifically stated in this Financing Agreement.
- 14.2. The Lender may not assign its rights and obligations under this Financing Agreement without the prior, written consent of the City.
- 14.3. The City may not assign its rights and obligations under this Financing Agreement without the prior written consent of the Lender.

#### **15. Jury Waiver.**

The City and the Lender each agree to irrevocably waive all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to the Financing Agreement or the actions of the City or the Lender in the negotiation, administration, performance or enforcement thereof.

#### **16. Miscellaneous.**

- 16.1. Any notices required to be given pursuant to this Financing Agreement shall be given to the following addresses:

City: City of Lincoln City  
801 S.W. Highway 101  
P.O. Box 50  
Lincoln City, Oregon 97367  
Attn.: Ron Tierney, Financial Planner  
Telephone: 541-996-1212

Lender: Key Government Finance, Inc.  
1000 S. McCaslin Blvd.  
Superior, Colorado 80027  
Attn.: Municipal Operations Manager  
Telephone: 720-304-1285

- 16.2. All representations, warranties, and agreements contained in this Financing Agreement shall survive the execution, delivery and payment of this Financing Agreement. This Financing Agreement shall constitute a contract between the City and the Lender. The Lender's extension of credit hereunder is expressly made in reliance on such contract. :
- 16.3. This Financing Agreement shall be governed and interpreted in accordance with the laws of the State of Oregon.
- 16.4. The Lender and the City each irrevocably consents to the personal jurisdiction of the state and federal courts located in the State of Oregon in any action brought under this Financing Agreement, and in any action based upon the transactions encompassed by this Financing Agreement, whether or not based in contract. Venue for any such action shall be in Lincoln County, Oregon.

#### **17. Severability and Waivers.**

If any part of this Financing Agreement is not enforceable, the rest of the Financing Agreement may be enforced. The Lender retains all rights, even if it makes a loan after default. If the Lender waives a default, it may enforce a later default. Any consent or waiver under this Financing Agreement must be in writing.

#### **18. Counterparts.**

This Financing Agreement may be executed simultaneously in several counterparts, each of which shall be an original and all of which shall constitute one and the same agreement.

19. Written Agreements.

**Under Oregon law, most agreements, promises and commitments made by the Lender concerning loans and other credit extensions which are not for personal, family or household purposes or secured solely by the borrower's residence must be in writing, express consideration and be signed by the Lender to be enforceable.**

*[The remainder of this page is left blank intentionally.]*

DATED as of the 17<sup>th</sup> day of June, 2014.

**Key Government Finance, Inc.**

By:   
Michael O'Hern, Designated Signer

**City of Lincoln City, Oregon**

By: \_\_\_\_\_  
Ron Tierney, Financial Planner

DATED as of the 17<sup>th</sup> day of June, 2014.

**Key Government Finance, Inc.**

By: \_\_\_\_\_  
Michael O'Hern, Designated Signer

**City of Lincoln City, Oregon**

By:  \_\_\_\_\_  
Ron Tierney, Financial Planner



**Intergovernmental Agreement  
to Make Financing Payments**

by and between the

**Urban Renewal Agency of the City of Lincoln City, Oregon**

and the

**City of Lincoln City, Oregon**

Dated as of June 17, 2014

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**Intergovernmental Agreement  
to Make Financing Payments**

This Intergovernmental Agreement to Make Financing Payments is dated as of June 17, 2014, and is entered into by and between the Urban Renewal Agency of the City of Lincoln City, Oregon (the “Agency”) and the City of Lincoln City, Oregon (the “City”). The parties hereby agree as follows:

**Section 1. Definitions and Recitals.**

(1) Definitions.

Unless the context clearly requires otherwise, capitalized terms used in this Intergovernmental Agreement that are defined in this Section 1(1) shall have the following meanings:

“Area” means the City’s Year 2000 Development Area described in the Plan.

“Financing Agreement” means the Financing Agreement (Urban Renewal Projects) between the City and Key Government Finance, Inc. in the principal amount of \$4,000,000 to finance the Projects, which is dated as of June 17, 2014.

“Financing Payments” means the principal and interest payments the City is required to make to Key Government Finance, Inc. under the Financing Agreement.

“Plan” means the Agency's Year 2000 Development Plan approved by City Ordinance No. 88-16, as that plan has been, and may in the future be, amended.

“Projects” means the following projects described in the Agency’s Year 2000 Development Plan: improvements to the sewer system; improvements to the water system; land and improvements for parks; beach access improvements; sidewalks; or road improvements.

“Tax Increment Revenues” means all revenues that the Agency collects for the Year 2000 Development Area under the provisions of Article IX, Section 1c of the Oregon Constitution and ORS Chapter 457.

(2) Findings.

- (A) The City has entered into the Financing Agreement to finance costs of the Projects and to pay costs of issuance.
- (B) The Projects are properly described as urban renewal projects in the Agency’s urban renewal plan.
- (C) The Agency is authorized to spend Tax Increment Revenues to pay for the costs of the Projects.
- (D) The Projects will assist the Agency in carrying out its urban renewal plan.

- (E) The Agency will only spend the proceeds it receives from the City on the Projects so long as the Projects are described in the Plan, located in the Area, and are owned by the City or the Agency.
- (F) The Agency has \$6,975,000 of unused maximum indebtedness available prior to executing this Intergovernmental Agreement.

## **Section 2. The Financing Payments.**

### (1) The Financing Payments.

The Agency hereby agrees to pay to the City, not less than one business day prior to the dates on which the City is required to pay the Financing Payments, amounts that are equal to the Financing Payments in a maximum principal amount of \$4,000,000. The amounts and dates of the Financing Payments are shown in Exhibit A.

### (2) Security for the Obligation of the Agency to Pay the Financing Payments.

This Intergovernmental Agreement shall constitute indebtedness of the Agency in a principal amount that is equal to the Financing Amount. The Agency is obligated to make the payments due under this Intergovernmental Agreement solely from the Tax Increment Revenues. Pursuant to ORS 287A.310, the Agency pledges the Tax Increment Revenues to pay the amounts described in Section 2.1. The pledge that secures this Intergovernmental Agreement shall be superior to all other pledges or commitments of Tax Increment Revenues that the Agency makes, unless the City agrees in writing to subordinate its claim against the Tax Increment Revenues or to grant a lien on the Tax Increment Revenues on parity.

## **Section 3. Prepayment.**

If the City exercises its option to prepay the Financing Payments in whole or in part, unless the Agency consents in advance and in writing, the Agency shall not be obligated to prepay the amounts due from it under this Intergovernmental Agreement.

## **Section 4. Estoppel.**

The Agency hereby certifies, recites and declares that all things, conditions and acts required by the Constitution and Statutes of the State of Oregon and by this Intergovernmental Agreement to exist, to have happened and to have been performed precedent to and in the execution and the delivery of this Intergovernmental Agreement, do exist, have happened and have been performed in due time, form and manner, as required by law, and that this Intergovernmental Agreement is a valid and binding obligation of the Agency that is enforceable against the Agency in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other laws or judicial decisions or principles of equity relating to or affecting the enforcement of creditors' rights or contractual obligations generally.

**Section 5. Title.**

Neither the City nor the owner of the Financing Agreement shall have a lien on or security interest in the Projects.

**Section 6. Miscellaneous.**

(1) Binding Effect.

This Intergovernmental Agreement shall inure to the benefit of and shall be binding upon the Agency and the City and their respective successors and assigns.

(2) Severability.

In the event any provisions of this Intergovernmental Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provisions hereof.

(3) Amendments.

This Intergovernmental Agreement may be amended only by a writing signed by both parties.

(4) Execution in Counterparts.

This Intergovernmental Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute the same instrument.

(5) Applicable Law.

This Intergovernmental Agreement shall be governed by and construed in accordance with the laws of the State of Oregon. Any action regarding this Intergovernmental Agreement or the transactions contemplated hereby shall be brought in an appropriate court of the State of Oregon in Washington County, Oregon.

(6) Rules of Construction.

References to section numbers in documents that do not specify the document in which the section is located shall be construed as references to section numbers in this Intergovernmental Agreement.

(7) Headings.

The headings, titles and table of contents in this Intergovernmental Agreement are provided for convenience and shall not affect the meaning, construction or effect of this Intergovernmental Agreement.

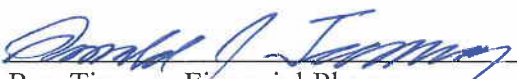
IN WITNESS WHEREOF, the Agency and the City have executed this Intergovernmental Agreement as of the date indicated above.

**For the Urban Renewal Agency of the City of  
Lincoln City, Oregon**



\_\_\_\_\_  
Ron Tierney, Financial Planner, City of  
Lincoln City, Oregon

**For the City of Lincoln City, Oregon**



\_\_\_\_\_  
Ron Tierney, Financial Planner

## EXHIBIT A

### Financing Payment Schedule

Interest at the rate of 1.64%, calculated on a 30/360 basis, is payable semi-annually on June 1 and December 1 commencing December 1, 2014. Principal is payable according to the following schedule:

<u>Date</u>	<u>Principal</u>
6/1/2015	\$975,575
6/1/2016	990,703
6/1/2017	1,008,041
6/1/2018	1,025,681



# Lincoln City Council

## Regular Meeting

~ Minutes ~

801 SW Hwy 101  
Lincoln City, OR 97367  
www.lincolncity.org

Cathy Steere  
541-996-1203

Monday, April 28, 2014

6:00 PM

Council Chambers

A. **CALL TO ORDER** - *Mayor Anderson called the meeting to order at 6:10 pm.*

B. **ROLL CALL**

Attendee Name	Title	Status	Arrived
Dick Anderson	Mayor	Present	6:00 PM
Gordon Eggleton	Councilor Ward 2	Present	6:00 PM
Gary Ellingson	Councilor Ward 3	Present	6:00 PM
Chester Noreikis	Councilor Ward 2	Present	6:00 PM
Henry Quandt	Councilor Ward 1	Present	6:00 PM
Roger Sprague	Councilor Ward 3	Present	6:00 PM
Wes Ryan	Councilor Ward 1	Present	6:00 PM

C. **PLEDGE OF ALLEGIANCE** - *Mayor Anderson led The Pledge of Allegiance.*

D. **\*\* AMENDMENTS TO AGENDA**

*Mayor Anderson apologized for the technical difficulties causing the late start. He added the need to amend the agenda as follows:*

- 1. Add under Item "F", Special Order of Business, "Intergovernmental Agreement"*
- 2. Add under Item "K", a Resolution No. 2014-08*

E. **COMMENTS FROM CITIZENS PRESENT ON AGENDA/NON-AGENDA ITEMS**

*Sherie Levit, spoke in support of medical marijuana dispensaries.*

*Debbie Williams, 2625 SW Dune Avenue, Lincoln City, OR - Commented in opposition to Ordinance 2014-07, Vacation Rental Dwelling Health and Safety Issues, and asked that the ordinance be given more time for public comment, and that the economic impact be considered.*

*Carolyn Plummer, Pacific Retreats Vacation Rentals, Lincoln City - Commented in opposition to the current draft of Ordinance 2014-07.*

*Don Williams, Lincoln City - Commented on his VRD in Lincoln City.*

*Randy Milett - Commented in support of medical marijuana dispensaries.*

*Kelly Milett - Commented in support of medical marijuana dispensaries.*

*Eric Edwards - Commented in support of medical marijuana.*

*Person unknown (No audio) - Commented in support of medical marijuana.*

F. **CONSENT AGENDA**

- Minutes of Meeting for April 14, 2014**



**MOTION:** Motion to approve Consent Agenda.

<b>RESULT:</b>	ADOPTED BY VOICE VOTE [UNANIMOUS]
<b>MOVER:</b>	Wes Ryan, Councilor Ward 1
<b>SECONDER:</b>	Roger Sprague, Councilor Ward 3
<b>AYES:</b>	Anderson, Eggleton, Ellingson, Noreikis, Quandt, Sprague, Ryan

**G. SPECIAL ORDER OF BUSINESS**

**1. Presentation: Child Abuse Prevention Month (Pam Salisbury)**

*Pam Salisbury, Director of the Children's Advocacy Center of Lincoln County, and Keith Kilian, Lincoln City Police Chief and Board Member of Children's Advocacy Center. Ms. Salisbury reports that in 2013, 51% of the kids referred to the center were from Lincoln City. The Center is responsible for doing evaluations, intervention, counseling, and referrals. Lincoln County has 64% more reports of abuse than the total state average. Ms. Salisbury and Chief Kilian urged more training for Lincoln City residents, businesses, and employees. More information is available by calling the Child Advocacy Center at 541-574-0841. Chief Kilian also announced a fundraiser golf tournament on Ollala Golf Course on June 14.*

**2. Presentation: Lincoln Community Land Trust (Bill Hall)**

*Bill Hall, Board President from Lincoln Community Land Trust, used a power point to provide information to request a 3-year commitment for \$30,000 a year to staff a full time position for the Lincoln Community Land Trust. He also asked that the county and city will consider making land and loan funds available to help make the position self-supporting by the 4th year.*

*Council asked about the number of houses sold, and Mr. Hall responded that only 2 were sold and both were in Lincoln City. Discussion was held as to a part-time as opposed to full time director, and how the suggested salary was determined. Council will discuss the request during the budget meeting scheduled for next week.*

**3. Intergovernmental Agreement with Urban Renewal Agency, and Resolution 2014-07.**

*Ron Tierney, Financial Planner, presented this item, and asked the City to approve Resolution 2014-07, and Exhibit A of that Resolution which is the Intergovernmental Agreement with the Urban Renewal Agency. The Resolution will be considered under "Resolutions".*

**H. DEPARTMENT/COMMITTEE REPORTS**

**4. Visitor and Convention Committee (VDD) Semi-Annual Report (Kusz/Bredimus)**

*Diane Kusz, and Dawn Bredimus, from Visitor and Convention Committee, reviewed the annual report, including the grant recipients for the year for profit and not-for-profit sponsored events. They reviewed suggested changes, and asked for approval to move forward with those. Mayor Anderson notes they will be taken under advisement, however the agenda is too packed to consider at this meeting. Discussion was also held as to the reporting requirements.*

**5. Grant and Marketing Partnership Fund Guidelines**

*See agenda item No. 4.*

**6. Public Arts Committee Presentation and Recommendations (Siberz)**

*Patti Siberz, Chair for Lincoln City Public Arts Committee, used a Power Point presentation to reflect pieces of art in Lincoln City. Ms. Siberz said the Arts Committee is helping with the Art project to disguise the vent-out fan at the Cultural Center. Councilor Ryan encourages the committee to continue and grow. Mayor Anderson asked if the committee has tried to reach for grants from outside the area, and Patti said no, but they hope to work on that in the future. Councilor Quandt led discussion as to rotating the art in the hallways in this building, and storage of the existing art when new art is brought in.*

**I. CITY MANAGER REPORTS/CITY ATTORNEY DISCUSSION**

**7. Setting Workshop Date – Voyage Lake L.I.D.**

*Mr. Hawker offered to hold a workshop on the Voyage Lake L.I.D. Council consensus is to hold it on June 2, 2014, from 3:00 pm to 5:00 pm.*

**8. Intergovernmental Agreement with Oregon Department of Transportation.**

*Ms. Bradley presented this item, describing the failure of the 18" culvert, and the emergency situation that exists as a result. The area of concern is 70' in length and involves a sink hole that has developed. She read the reasons outlined for justification of the emergency event, and asked Council to approve the Resolution.*

*Mayor Anderson asked for an explanation as to what the City is allowed to do with the emergency declaration. Mr. Appicello explained the process. Councilor Eggleton asked what type of pipe will replace the concrete pipe, and Ms. Bradley responded that it will be a PVC pipe. The pump station overflow situation was explained by Mr. Hawker.*

**MOTION:** *Motion to delegate to the City Manager to execute the agreement, and authorize the City Manager and City Attorney the authority to make changes as necessary.*

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Wes Ryan, Councilor Ward 1
<b>SECONDER:</b>	Chester Noreikis, Councilor Ward 2
<b>AYES:</b>	Anderson, Eggleton, Ellingson, Noreikis, Quandt, Sprague, Ryan

**9. Other City Manager / City Attorney Reports**

*Mr. Hawker responded to the citizen's complaint on opening the documents mentioned under comments from citizens heard earlier. Mr. Hawker invited the public to call in to the City Recorder, the City Manager or the "information line" for help and we will find someone to assist.*

**J. COUNCIL DELIBERATIONS**

**10. Deliberations: (Confirming next date for deliberations as June 23, 2014, 6:00 pm) - Vacation Rental Dwelling Legislative Amendments (Planning Files ZOA 2013-01 and CPA 2013-05 and Alternatives.**

*Mayor Anderson confirmed with Council that the next date for deliberations and legislative amendments is at the Council meeting set for June 23, 2014 at 6:00 pm.*

**K. ORDINANCES**

**11. Ordinance No. 2014-05: (Second Reading) – An Ordinance Amending the Lincoln City Municipal Code, Title 17 (Zoning), Chapter 17.52 (Supplementary Regulations and Exceptions), Amending Section 17.52.060 (Clear-Vision Requirement) and Section 17.52.070 (Measurement of Clear-Vision Areas); Updating and Clarifying Vision Triangle Definitions and Adding Exemptions.**

*City Attorney, Richard Appicello, completed second reading by title only, and notes the City received no testimony relating to this ordinance.*

**MOTION:** *Motion to approve second reading of Ordinance 2014-05 and adopt the proposed Ordinance.*

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Wes Ryan, Councilor Ward 1
<b>SECONDER:</b>	Henry Quandt, Councilor Ward 1
<b>AYES:</b>	Anderson, Eggleton, Ellingson, Noreikis, Quandt, Sprague, Ryan

**12. Ordinance No. 2014-06: (Second Reading) - An Ordinance Amending the Lincoln City Municipal Code, title 12 (Streets, Sidewalks, and Public Places), Chapter 12.16 (Park Use Regulations), Adding Permit Process for Use of City Facilities Consistent with Existing Policy.** *City Attorney, Richard Appicello, reviewed the proposed changes and completed second reading by title only. No public comments/testimony was received by the due date/time relating to this ordinance.*

**MOTION:** *Motion to approve second reading and adopt Ordinance 2014-06 as amended.*

*Councilor Sprague suggested an automatic renewal for annual events, submitting applications 30 days in advance as opposed to 10 days, and expressed concerns with "displaying" the permit at the event; i.e. how to display a permit at the park. City Attorney suggested an expedited renewal application. Discussed also was how to post the notice in the park. It was confirmed that the fees are established by separate resolution.*

*Councilor Ryan modified the motion to add an expedited renewal application, and Councilor Quandt modified the second.*

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Wes Ryan, Councilor Ward 1
<b>SECONDER:</b>	Henry Quandt, Councilor Ward 1
<b>AYES:</b>	Anderson, Eggleton, Ellingson, Noreikis, Quandt, Sprague, Ryan

**13. Ordinance No. 2014-07: (Second Reading) - An Ordinance Amending the Lincoln City Municipal Code, Title 5 (Business Taxes, Licenses and Regulations), Chapter 5.14 (Vacation Rental Dwelling License), Adding Approval Criteria, Including Health and Safety Standards, to the VRD License Provisions of the Code.**

*Mr. Appicello presented this item, explained the rule on changing ordinances, noting it does not apply to this ordinance as it is not a land-use ordinance. He said that the changes in this ordinance are not substantial from what was presented at the time of public hearing. Mayor Anderson suggested that it first reading is being repeated, and the next meeting will be second reading. Mr. Appicello completed first reading. Council reviewed and discussed the proposed recommended changes.*

**MOTION:** *Motion to approve first reading, and set second reading for May 12, 2014, and that written comments be authorized until noon on May 7, 2014.*

*Consensus is that option 2 was chosen. Councilor Ryan and Councilor Sprague amended their motion and second to include the Richard Townsend's recommendations regarding the language regarding occupancy should read, "Occupancy in excess of lodging house limitation shall only be permitted in Commercial zoning districts".*

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Wes Ryan, Councilor Ward 1
<b>SECONDER:</b>	Roger Sprague, Councilor Ward 3
<b>AYES:</b>	Anderson, Eggleton, Ellingson, Noreikis, Quandt, Sprague, Ryan

14. Ordinance No. 2014-08: (First Reading) - An Ordinance Amending the Lincoln City Municipal Code, Title 17, (Zoning); Amending Chapter 17.04 (Definitions), Section 17.04.020; Amending the List of Accessory Uses in the Following Zoning Districts: Chapter 176.16 (R-1), Chapter 17.20 (R-M), Chapter 17-28 (RC), Chapter 17.32 (GC), Chapter 17.40 (R-R), Chapter 17.50 (OP); Amending Chapter 17.80 (Provisions Applying Special Uses), Adding Section 17.80.110, Relating to Standards for Accessory Dwelling

MOTION: Motion to approve first reading by title only, and set second reading for May 12, 2014, 6:00 pm.

Discussion was held regarding where they can be established in relation to lot size.

FOLLOWUP: Staff is to bring back options regarding non-conforming lots.

RESULT: ADOPTED [UNANIMOUS]  
MOVER: Henry Quandt, Councilor Ward 1  
SECONDER: Wes Ryan, Councilor Ward 1  
AYES: Anderson, Eggleton, Ellingson, Noreikis, Quandt, Sprague, Ryan

15. Ordinance No. 2014-09: (First Reading) - An Ordinance Amending The Lincoln City Municipal Code Title 3 (Revenue and Finance), Chapter 3.04 (Transient Room Tax, Section 3.04.010 (Definitions), Section 3.04.050 (Exemptions), and Section 3.04.140 (Lien), Correcting and Clarifying TRT Definitions, Exemptions, and Lien Recording.

Mr. Appicello reviewed provisions in the proposed ordinance, and read the ordinance by title only.

MOTION: Motion to approve first reading of Ordinance 2014-09, set second reading for May 12, 2014, 6:00 pm, and authorize receipt of written comments into the record until noon on May 7, 2014.

RESULT: ADOPTED [UNANIMOUS]  
MOVER: Wes Ryan, Councilor Ward 1  
SECONDER: Henry Quandt, Councilor Ward 1  
AYES: Anderson, Eggleton, Ellingson, Noreikis, Quandt, Sprague, Ryan

16. Ordinance No. 2014-10: (First Reading) - An Ordinance Amending the Lincoln City Municipal Code, Title 17, (Zoning); Amending the List of Permitted Uses in the Following Zoning Districts: Chapter 17.16 (R-1), Chapter 17.20 (R-M), Chapter 17.40 (R-R); Amending Chapter 17.80 (Provisions Applying Special Uses), Adding a New Section 17.80.120 Relating to Cottage Housing Developments.

MOTION: Motion to approve first reading of Ordinance 2014-10, set second reading for May 12, 2014, 6:00 pm, and authorize receipt of written comments into the record until noon on May 7, 2014.

RESULT: ADOPTED [UNANIMOUS]  
MOVER: Roger Sprague, Councilor Ward 3  
SECONDER: Henry Quandt, Councilor Ward 1  
AYES: Anderson, Eggleton, Ellingson, Noreikis, Quandt, Sprague, Ryan

17. Ordinance No. 2014-11: (2nd Reading) - An Ordinance Declaring A Moratorium on Medical Marijuana Facilities and Declaring an Emergency.

Mr. Appicello reviewed the proposed options. Councilor Noreikis read the options to the public. Mr. Hawker had concerns with it being codified when it has an expiration date.

Section 9 will be modified to say, "provided however, this ordinance need not be codified, and the City Recorder is authorized to correct any cross references or typographical errors.

**MOTION:** Motion to declare an emergency based upon the findings set forth in Section 10 of the ordinance.

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Chester Noreikis, Councilor Ward 2
<b>SECONDER:</b>	Wes Ryan, Councilor Ward 1
<b>AYES:</b>	Anderson, Eggleton, Ellingson, Noreikis, Quandt, Sprague, Ryan

**MOTION:** Motion to approve second reading and adopt Ordinance 2014-11 with amendments as an emergency ordinance.

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Wes Ryan, Councilor Ward 1
<b>SECONDER:</b>	Gordon Eggleton, Councilor Ward 2
<b>AYES:</b>	Anderson, Eggleton, Ellingson, Noreikis, Quandt, Sprague, Ryan

18. Ordinance No. 2014-12: (First Reading) – An Ordinance Amending Ordinance 97-15, (As Amended), the Charter Communications Franchise, (Falcon Telecable) Extending the Existing Franchise Agreement to December 31, 2014.

**MOTION:** Motion to approve first reading of ordinance 2014-12, and set second reading for immediately following.

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Wes Ryan, Councilor Ward 1
<b>SECONDER:</b>	Roger Sprague, Councilor Ward 3
<b>AYES:</b>	Anderson, Eggleton, Ellingson, Noreikis, Quandt, Sprague, Ryan

**MOTION:** Motion to approve second reading, and for adoption of Ordinance 2014-12.

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Wes Ryan, Councilor Ward 1
<b>SECONDER:</b>	Roger Sprague, Councilor Ward 3
<b>AYES:</b>	Anderson, Eggleton, Ellingson, Noreikis, Quandt, Sprague, Ryan

19. Ordinance No. 2014-13: (First Reading) – An Ordinance Amending the Lincoln City Municipal Code Title 9 (Public Peace, Morals and Welfare), Chapter 9.10 (Noise Control), Amending Section 9.10.040 (Exceptions), Adding Exceptions For Authorized Special Events and Parades, Adding A New Section 9.10.045 (Noise Variance).

**MOTION:** Motion to adopt Ordinance 2014-13, and set second reading for May 12, 2014, and authorize receipt of written comments into the record until noon on May 7, 2014.

**FOLLOWUP:** Council requested that staff bring back some options for times.

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Henry Quandt, Councilor Ward 1
<b>SECONDER:</b>	Wes Ryan, Councilor Ward 1
<b>AYES:</b>	Anderson, Eggleton, Ellingson, Noreikis, Quandt, Sprague, Ryan

**L. RESOLUTIONS**

**20. Resolution 2014-07: A Resolution of the City of Lincoln City, Oregon Authorizing Financing of Capital Projects Described in the Urban Renewal Plan for the Year 2000 Development Area.**

**MOTION:** *Motion to adopt Resolution 2014-07.*

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Wes Ryan, Councilor Ward 1
<b>SECONDER:</b>	Chester Noreikis, Councilor Ward 2
<b>AYES:</b>	Anderson, Eggleton, Ellingson, Noreikis, Quandt, Sprague, Ryan

**21. Resolution 2014-08: A Resolution Declaring an Emergency, and Exempting US Hwy 101/35th Street formal repair project from competitive bidding**

*The agenda was amended to add this item. Mr. Appicello read the resolution title.*

**MOTION:** *Motion to approve Resolution 2014-08.*

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Wes Ryan, Councilor Ward 1
<b>SECONDER:</b>	Henry Quandt, Councilor Ward 1
<b>AYES:</b>	Anderson, Eggleton, Ellingson, Noreikis, Quandt, Sprague, Ryan

**M. ADDITIONAL COMMENTS FROM CITIZENS PRESENT ON NON-AGENDA ITEMS**

*None*


**N. ANNOUNCEMENTS OR COMMENTS BY CITY COUNCIL**

*Council Sprague announced there is a power outage scheduled for 11:00 pm on April 29, 2014 until 7:00 am on April 30, 2014. This will involve 625 meters. He also expressed his appreciation for the Shakespeare book giveaway at the library.*

*Councilor Quandt received mail that the medical marijuana dispensary will be going into the (now vacated) Villages at Cascade head office, and asked about items still remaining that they believe belong to the City.*

*Mayor Anderson announced the first Budget Committee meeting is Monday, May 5, 2014, City Hall. There are 2 vacant positions on the committee. There is a date on hold of May 1, 2014, for a Special Meeting should there be a protest. Mr. Hawker added that the budget is online, and if anyone has problems locating it, to give the City a call. There is also a copy in the library and on the 3rd floor at the information desk. May 6, 2014, Senator Roblan will be at the Community College.*

**O. ADJOURNMENT - Mayor Anderson adjourned the meeting at 10:00 pm.**



**DICK ANDERSON, MAYOR**

1 RESOLUTION NO. 2014-07

2 A RESOLUTION OF THE CITY OF LINCOLN CITY, OREGON AUTHORIZING  
3 FINANCING OF CAPITAL PROJECTS DESCRIBED IN THE URBAN RENEWAL  
4 PLAN FOR THE YEAR 2000 DEVELOPMENT AREA.

5 WHEREAS, the City is authorized by Oregon Revised Statutes Section 271.390 to enter  
6 into financing agreements to finance or refinance real or personal property which the City  
7 Council determines is needed; and

8 WHEREAS, it is desirable to obtain up to \$4,000,000 of financing to finance projects  
9 described in the Year 2000 Development Plan, including infrastructure improvements within the  
10 Year 2000 Development Area (the "Projects"); and,

11 WHEREAS, the Urban Renewal Agency of the City of Lincoln City is projected to have  
12 sufficient tax increment revenues to pay the amounts due from the City in connection with the  
13 financing of the Projects, and will enter into an intergovernmental agreement with the City to use  
14 tax increment revenues to pay those amounts;

15 NOW, THEREFORE, the City of Lincoln City resolves as follows:

16 **Section 1. Determination of Need.** The City Council hereby determines that the Projects are  
17 needed.

18 **Section 2. Financing Agreement Authorized.** The City Council hereby authorizes the City to  
19 obtain up to \$4,000,000 in principal amount of financing for the Projects pursuant to  
20 ORS 271.390. Proceeds of the financing may be used to finance the Projects and to pay costs  
21 related to the financing.

22 **Section 3. Delegation.** The City Manager, Financial Planner or the Finance Director of the City  
23 or a person designated by the City Manager to act under this Resolution (each of whom is  
24 referred to herein as a "City Official") is hereby authorized, on behalf of the City and without  
25 further action by the City Council, to:

- 26 (1) Negotiate, execute and deliver a financing agreement (the "Financing Agreement") in an  
27 aggregate principal amount that does not exceed \$4,000,000 to finance the Project and  
28 pay costs related to the financing. Subject to the limitations of this Resolution, the  
29 Financing Agreement may be in such form and contain such terms as the City Official  
30 may approve.
- 31 (2) Determine the final principal amount, interest rates, payment dates, prepayment rights  
32 and all other terms of the financing.
- 33 (3) Negotiate, execute and deliver a note to evidence amounts due under the Financing  
34 Agreement.

- 1 (4) Select a commercial bank or investor with which to negotiate, execute and deliver the  
2 Financing Agreement.
- 3 (5) Covenant for the benefit of the owner of the Financing Agreement to comply with all  
4 provisions of the Internal Revenue Code of 1986, as amended (the "Code") which are  
5 required for the interest paid under the Financing Agreement to be excluded from gross  
6 income for federal income tax purposes;
- 7 (6) Designate the Financings Agreement as a "qualified tax-exempt obligation" pursuant to  
8 Section 265(b)(3) of the Code, if applicable;
- 9 (7) Execute and deliver any other certificates or documents and take any other actions which  
10 the City Official determines are desirable to carry out this Resolution.

11 **Section 4. Payments from Tax Increment Revenues.** The City Official is authorized to enter  
12 into an intergovernmental agreement with the Urban Renewal Agency of the City of Lincoln  
13 City, under which the Agency agrees to provide tax increment revenues in sufficient amounts to  
14 pay all amounts due from the City under the Financing Agreement. The intergovernmental  
15 agreement shall be in substantially the form attached to this resolution as Exhibit A, but with any  
16 changes the City Official may approve.

17 **Section 5. Security.** Pursuant to ORS 287A.315, the City Official may pledge the City's full  
18 faith and credit and taxing power within the limitations of Sections 11 and 11b of Article XI of  
19 the Oregon Constitution to pay the amounts due under the Financing Agreement. The City is not  
20 authorized to levy additional taxes to pay the amounts due under the Financing Agreement. In  
21 addition, the City Official may pledge or assign any amounts that the City receives under the  
22 intergovernmental agreement described in Section 4 of this Resolution to pay the amounts due  
23 from the City under the Financing Agreement.

24 **Section 6. Effective Date.** This resolution is effective immediately upon adoption.

25 Dated this 28<sup>th</sup> day of April, 2014.

26 City of Lincoln City, Lincoln County, Oregon

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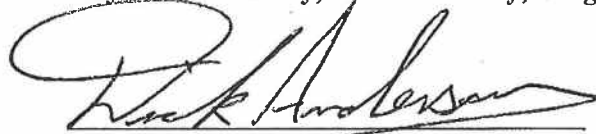
Attest:

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City Recorder

  
Mayor



**Exhibit A**  
**FORM OF INTERGOVERNMENTAL AGREEMENT**

**Attached**

**Intergovernmental Agreement  
to Make Financing Payments**

by and between the

**Urban Renewal Agency of the City of Lincoln City, Oregon**

and the

**City of Lincoln City, Oregon**

Dated as of [Closing Date], 2014

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**Intergovernmental Agreement  
to Make Financing Payments**

This Intergovernmental Agreement to Make Financing Payments is dated as of [Closing Date], 2014, and is entered into by and between the Urban Renewal Agency of the City of Lincoln City, Oregon (the "Agency") and the City of Lincoln City, Oregon (the "City"). The parties hereby agree as follows:

**Section 1. Definitions and Recitals.**

(1) Definitions.

Unless the context clearly requires otherwise, capitalized terms used in this Intergovernmental Agreement which are defined in this Section 1(1) shall have the following meanings:

"Area" means the City's Year 2000 Development Area described in the Plan.

"Financing Agreement" means the Financing Agreement between the City and [Insert Name of Lender] in the principal amount of \$4,000,000 to finance the Projects, which is dated as of [Closing Date], 2014.

"Financing Payments" means the principal and interest payments the City is required to make to [Insert Name of Lender] under the Financing Agreement.

"Plan" means the Agency's Year 2000 Development Plan approved by City Ordinance No. 88-16, as that plan has been, and may in the future be, amended.

"Projects" means the projects described in the Year 2000 Development Plan, including infrastructure improvements within the Area.

"Tax Increment Revenues" means all revenues which the Agency collects for the Year 2000 Development Area under the provisions of Article IX, Section 1c of the Oregon Constitution and ORS Chapter 457.

(2) Findings.

(A) The City has entered into the Financing Agreement to finance costs of the Projects and to pay costs of issuance.

(B) The Projects are properly described as urban renewal projects in the Agency's urban renewal plan.

(C) The Agency is authorized to spend Tax Increment Revenues to pay for the costs of the Projects.

(D) The Projects will assist the Agency in carrying out its urban renewal plan.

(E) The Agency has \$6,975,000 of unused maximum indebtedness available prior to executing this Intergovernmental Agreement.

## **Section 2. The Financing Payments.**

### **(1) The Financing Payments.**

The Agency hereby agrees to pay to the City, not less than one business day prior to the dates on which the City is required to pay the Financing Payments, amounts that are equal to the Financing Payments in a maximum principal amount of \$4,000,000. The amounts and dates of the Financing Payments are shown in Exhibit A.

### **(2) Security for the Obligation of the Agency to Pay the Financing Payments.**

This Intergovernmental Agreement shall constitute indebtedness of the Agency in a principal amount that is equal to the Financing Amount. The Agency is obligated to make the payments due under this Intergovernmental Agreement solely from the Tax Increment Revenues. Pursuant to ORS 287A.310, the Agency pledges the Tax Increment Revenues to pay the amounts described in Section 2.1. The pledge that secures this Intergovernmental Agreement shall be superior to all other pledges or commitments of Tax Increment Revenues that the Agency makes, unless the City agrees in writing to subordinate its claim against the Tax Increment Revenues or to grant a lien on the Tax Increment Revenues on parity.

## **Section 3. Prepayment.**

If the City exercises its option to prepay the Financing Payments in whole or in part, unless the Agency consents in advance and in writing, the Agency shall not be obligated to prepay the amounts due from it under this Intergovernmental Agreement.

## **Section 4. Estoppel.**

The Agency hereby certifies, recites and declares that all things, conditions and acts required by the Constitution and Statutes of the State of Oregon and by this Intergovernmental Agreement to exist, to have happened and to have been performed precedent to and in the execution and the delivery of this Intergovernmental Agreement, do exist, have happened and have been performed in due time, form and manner, as required by law, and that this Intergovernmental Agreement is a valid and binding obligation of the Agency which is enforceable against the Agency in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other laws or judicial decisions or principles of equity relating to or affecting the enforcement of creditors' rights or contractual obligations generally.

Intergovernmental Agreement

**Section 5. Title.**

Neither the City nor the owner of the Financing Agreement shall have a lien on, or security interest in the Projects.

**Section 6. Miscellaneous.**

(1) Binding Effect.

This Intergovernmental Agreement shall inure to the benefit of and shall be binding upon the Agency and the City and their respective successors and assigns.

(2) Severability.

In the event any provisions of this Intergovernmental Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provisions hereof.

(3) Amendments.

This Intergovernmental Agreement may be amended only by a writing signed by both parties.

(4) Execution in Counterparts.

This Intergovernmental Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute the same instrument.

(5) Applicable Law.

This Intergovernmental Agreement shall be governed by and construed in accordance with the laws of the State of Oregon. Any action regarding this Intergovernmental Agreement or the transactions contemplated hereby shall be brought in an appropriate court of the State of Oregon in Washington County, Oregon.

(6) Rules of Construction.

References to section numbers in documents which do not specify the document in which the section is located shall be construed as references to section numbers in this Intergovernmental Agreement.

(7) Headings.

The headings, titles and table of contents in this Intergovernmental Agreement are provided for convenience and shall not affect the meaning, construction or effect of this Intergovernmental Agreement.

Intergovernmental Agreement

IN WITNESS WHEREOF, the Agency and the City have executed this Intergovernmental Agreement as of the date indicated above.

**For the Urban Renewal Agency of the City of  
Lincoln City, Oregon**

\_\_\_\_\_  
Authorized Signer

**For the City of Lincoln City, Oregon**

\_\_\_\_\_  
Authorized Signer

**EXHIBIT A**

**FINANCING PAYMENT SCHEDULE**

Interest at the rate of \_\_\_\_\_%, calculated on a \_\_\_\_\_ basis, is payable semi-annually on \_\_\_\_\_ and \_\_\_\_\_ commencing \_\_\_\_\_, 20\_\_.

<u>Date</u>	<u>Principal</u>
( _____ )	Payment (\$)



**GENERAL CERTIFICATE OF CITY**

**\$4,000,000**

**City of Lincoln City, Oregon**

**Financing Agreement (Urban Renewal Projects)**

**Dated June 17, 2014**

On behalf of the City of Lincoln City, Oregon (the “City”), I hereby certify as follows regarding the above-captioned Financing Agreement (Urban Renewal Projects) (the “Financing Agreement”) between the City and Key Government Finance, Inc. (the “Lender”):

1. I am the Financial Planner and I am authorized by Resolution No. 2014-07 adopted by the City Council on April 28, 2014 (the “Resolution”) to execute all documents on behalf of the City pertaining to the Financing Agreement. Pursuant to the authority granted by the Resolution, I have, or a duly authorized representative of the City has, taken the actions outlined in Section 3 of the Resolution, as applicable.

2. The City Council meets in regular session at least once each month. The City Council met in regular session on April 28, 2014, the date of adoption of the Resolution; a quorum of City Council members was present and voting. A motion was made to approve the Resolution at the meeting, the motion passed, and the Resolution was properly adopted by the City Council. The Resolution has not been amended and remains in full force and effect. The meeting was called and held in compliance with the laws of the State of Oregon and the rules and procedures of the City. The City Council has adopted policies to implement the provisions of ORS 192.640 regarding public meeting notice, and has complied with those policies for all meetings related to the Financing Agreement.

3. At the time of adoption of the Resolution, the names of City Councilors and their respective positions and terms of office were as follows:

<b>Name</b>	<b>Position</b>	<b>Term Expires</b>
Dick Anderson	Mayor	12/31/2014
Henry Quandt	Ward 1	12/31/2014
Wes Ryan	Ward 1	12/31/2016
Chester Noreikis	Ward 2	12/31/2016
Gordon Eggleton	Ward 2	12/31/2014
Gary Ellingson	Ward 3	12/31/2014
Roger Sprague	Ward 3	12/31/2016

4. The projects financed with the proceeds of the Financing Agreement will be consistent with the City’s acknowledged land use regulations and the statewide goals of the Land Conservation and Development Commission of the State of Oregon.

5. The City has complied and will comply with the applicable provisions of the Oregon Local Budget Law which are applicable to the Financing Agreement.

6. The representations and warranties of the City in the Financing Agreement are true and correct in all material respects on this date.

7. Pursuant to ORS 271.390, the estimated weighted average life of the Financing Agreement does not exceed the estimated dollar weighted average life of the projects to be financed with the Financing Agreement. The projects financed with the proceeds of the Financing Agreement are real or personal property.

8. Proceeds of the Financing Agreement will be used solely as described in the Resolution and the Financing Agreement.

9. The following certifications are made pursuant to Section 13.1(b) of the Financing Agreement.

(i) There is no action, suit, proceeding or investigation at law or in equity before or by any court or governmental agency having jurisdiction over the City that is pending or, to the best of the knowledge of the City, is threatened against the City to restrain or enjoin the execution of the Financing Agreement, the adoption of the Resolution, or the collection and application of the funds as contemplated by the Resolution and the Financing Agreement, which, if such matter were adversely decided against the City would, in the reasonable judgment of the City, have a material and adverse effect on the ability of the City to pay the amounts due under the Financing Agreement.

(ii) The adoption of the Resolution and the execution and delivery of the Financing Agreement do not and will not conflict in any material respect with or constitute on the part of the City a breach of or default under any law, charter provision, court decree, administrative regulation, resolution or other agreement or instrument to which the City is a party or by which it is bound.

10. The City has complied in all material respects with all agreements and satisfied all conditions on its part to be performed or satisfied regarding the issuance of the Financing Agreement at or prior to the delivery of the Financing Agreement to the Bank on this date.

Dated as of the 17th day of June, 2014.

**City of Lincoln City, Oregon**

  
Ron Tierney, Financial Planner

*[General Certificate of City]*

## TAX CERTIFICATE

**\$4,000,000**  
**City of Lincoln City, Oregon**  
**Financing Agreement (Urban Renewal Projects)**  
**Dated June 17, 2014**

THIS TAX CERTIFICATE is executed by City of Lincoln City, Oregon (the “City”) as of June 17, 2014, to establish the facts and circumstances that are necessary to determine that its \$4,000,000 Financing Agreement (Urban Renewal Projects) (the “Agreement”) between the City and Key Government Finance, Inc. (the “Bank”) is not an “arbitrage bond” within the meaning of Section 148 of the Code and is not a “private activity bond” under Section 141 of the Code. This Tax Certificate is intended to be relied upon as a certification described in Treas. Regs. §1.148-2(b)(2).

In making its representations and certifications in this Tax Certificate and in establishing its expectations regarding uses of Gross Proceeds of the Agreement to assure compliance with Sections 103 and 141 to 150 of the Code, the City has relied on representations and certifications of other parties. Based on the various roles and responsibilities of such other parties with respect to the certified matters, the City believes that such reliance is reasonable and prudent. The City is unaware of any facts or circumstances that would cause it to question the accuracy or reasonableness of any such certification.

The representations of the City expressed in this Tax Certificate may be relied upon by Special Counsel in connection with the rendering of any opinion with respect to the Agreement.

Capitalized terms that are used, but are not defined, in body of this Tax Certificate are defined in Section 9 of this Tax Certificate.

### **SECTION 1. Basic Facts and Expectations**

#### **1.1 General Representations about the City and the Agreement.**

- (A) Due Inquiry. The undersigned is a duly authorized officer of the City, executes this Tax Certificate on behalf of the City, has made due inquiry with respect to and is fully informed as to matters set out in this Tax Certificate, and makes the certifications herein in good faith. To the best of the undersigned’s knowledge and belief, such facts, estimates and circumstances are true, correct, and complete, and the expectations of the City stated herein are reasonable.
- (B) Authorization for Issuance. The Agreement is a full faith and credit obligation of the City payable from any and all of its legally available taxes, revenues and other funds. The Agreement is issued under the provisions of the Constitution and laws of the State of Oregon, including Oregon Revised Statutes Sections 271.390, 287A.315, and Resolution No. 2014-07 adopted by the City Council on April 28, 2014.
- (C) The City. The City is duly organized and existing under and by virtue of the laws of the State of Oregon. The City has the authority to exercise the power of eminent domain in furtherance of its governmental purposes, police power, and the power to levy taxes within its jurisdiction; as such, the City constitutes a political subdivision of the State of Oregon.

- (D) Purpose of the Agreement. The Agreement is being issued for the following purposes:
- (1) to finance improvements to the sewer system; improvements to the water system; land and improvements for parks; beach access improvements; sidewalks; and road improvements (collectively, the “Projects”); and
  - (2) to pay certain legal and financing costs of issuance of the Agreement.

The City covenants to use the proceeds of the Agreement solely for the above-described purposes, unless it consults with Special Counsel to determine that the desired use of proceeds for other than the above-described purposes will not adversely affect the exclusion from gross income of interest on the Agreement for federal income tax purposes.

- (E) Issue Price. The Bank is delivering good funds in exchange for the Agreement on the date hereof. In preparing this Tax Certificate, the City has relied upon certain information provided by the Bank in its Certificate Regarding No Reoffering dated June 17, 2014 and executed in connection with the issuance of the Agreement. Based on the Certificate Regarding No Reoffering, the issue price of the Agreement is \$4,000,000.

## 1.2 Funds and Accounts Created.

- (A) Debt Service Account. The City may establish a debt service account (the “Debt Service Account”). If created, the Debt Service Account will be used primarily to achieve a proper matching of revenues of the City and payment of debt service on the Agreement within each Bond Year, and amounts deposited to the Debt Service Account will be depleted during each Bond Year, except for a reasonable carryover amount, if any, not to exceed the greater of (i) the earnings on the funds for the immediately preceding Bond Year, or (ii) one-twelfth (1/12<sup>th</sup>) of the principal and interest payments on the Agreement for the immediately preceding Bond Year. The Debt Service Account (to the extent amounts deposited therein will be expended within twelve (12) months of receipt to pay debt service on the Agreement or redeem the Agreement) is referred to herein as the “*Bona Fide Debt Service Fund*”.
- (B) No Negative Pledges. There are no amounts held under any agreement to maintain amounts at a particular level for the direct or indirect benefit of the holders of the Agreement or guarantor of the Agreement, if any, excluding for this purpose amounts in which the City (or a substantial beneficiary) may grant rights that are superior to the rights of the holders of the Agreement or guarantor of the Agreement, if any, and amounts that do not exceed reasonable needs for which they are maintained and as to which the required level is tested no more frequently than every six (6) months and that may be spent without any substantial restriction other than a requirement to replenish the amount by the next testing date.
- (C) No Other Funds or Accounts. Except as set forth in this Section 1.2, the City has not created or established nor intends to create or establish any sinking fund, debt service reserve fund, pledged fund, or similar fund, including without limitation, any arrangement under which money, securities or obligations pledged directly or indirectly to secure the Agreement or any contract securing the Agreement or any arrangement providing for compensating balances to be maintained by the City with any holder of the Agreement.

**SECTION 2. Sources and Uses of Proceeds**

2.1 Sale Proceeds Received by the City.

(A) The Sale Proceeds actually or constructively received by the City from the sale of the Agreement are as follows:

Principal Amount of Agreement	\$4,000,000.00
<b>Sale Proceeds of Agreement</b>	<b>\$4,000,000.00</b>

(B) The Agreement is dated as of the Date of Issue and the City will not receive any accrued interest on the Agreement.

2.2 Uses of Sale Proceeds.

(A) The Sale Proceeds received by the City from the sale of the Agreement will be allocated to the following uses in the following amounts:

Project	\$3,973,700.00
Bank's Legal Fee	1,500.00
Special Counsel Fee (estimated)	13,000.00
Financial Advisor	11,000.00
MDAC Fee	<u>800.00</u>
<b>Total Uses of Sale Proceeds</b>	<b>\$4,000,000.00</b>

(B) No Overissuance. The amount of Sale Proceeds of the Agreement, together with anticipated investment earnings thereon, does not exceed the expected total amount necessary for the governmental purposes described above (*i.e.*, financing the costs of the Projects and paying the costs of issuance of the Agreement.).

**SECTION 3. Expenditure of Agreement Proceeds**

3.1 Tax Accounting for Expenditures of Agreement Proceeds. In general, any reasonable, consistently applied accounting method may be used to account for expenditures of proceeds of the Agreement. Reasonable accounting methods for allocating funds from different sources to expenditures for the same governmental purpose, include any of the following methods if consistently applied: a specific tracing method; a gross proceeds spent first method; a first-in, first-out method; or a ratable allocation method.

3.2 Segregated Accounts, Investment Records, and Documentation of Expenditures. The City will segregate or account for the Agreement proceeds apart from other funds of the City and will maintain necessary investment and expenditure records in order to demonstrate the investment and expenditure of Agreement proceeds and assure compliance with the Federal tax requirements for the Agreement.

3.3 Allocations of Proceeds to Expenditures. Any allocation of Agreement proceeds must be made, if at all, before the later of 18 months after the later of the date on which an expenditure is paid or, in the case of an expenditure for a Project, the date the Project is placed in service, and in any event, not later than the date sixty (60) days after the fifth anniversary of the Date of Issue or the date sixty (60) days after the retirement of the Agreement, if earlier.

- 3.4 Expected Timing of Expenditures. The City reasonably expects (i) to spend or enter into binding contracts to spend at least 5% of the Net Sale Proceeds of the Agreement on costs of Capital Projects by December 17, 2014; (ii) to allocate at least 85% of the Net Sale Proceeds of the Agreement to costs of Capital Projects by June 17, 2017; and (iii) that the completion of the Projects and allocation of the Net Sale Proceeds of the Agreement to costs of Capital Projects will proceed with due diligence.
- 3.5 Related Parties and Expenditures. The costs of the Projects to be paid from the Gross Proceeds of the Agreement do not include payments to be made to Related Parties. The City understands that any payment of Gross Proceeds of the Agreement to a Related Party of the City is not an expenditure of those Gross Proceeds for federal tax purposes. Accordingly, the City will continue to track investments of proceeds of the Agreement and expenditures of the proceeds of the Agreement until paid to parties that are not Related Parties of the City.
- 3.6 No Refunding. No proceeds of the Agreement will be used to pay principal, interest, premium, or prepayment penalties due on any borrowing.
- 3.7 No Working Capital. Except for De Minimis Working Capital Items, no Working Capital Expenditures of the City or any Related Party are being financed directly or indirectly with Proceeds of the Agreement.
- 3.8 Limits on Reimbursing Pre-issuance Expenditures. Proceeds of the Agreement will be applied to reimburse the City for expenditures paid prior to the Date of Issue only if the expenditures are described in paragraphs (A), (B), (C) or (D) below:
- (A) Preliminary Expenditures. Preliminary expenditures such as architectural, engineering, surveying, soil testing, bond issuance costs and similar costs that, in the aggregate, are not in excess of 20% of the Sale Proceeds of the Agreement. The costs of land acquisition, site preparation and similar costs incident to commencement of construction are not preliminary expenditures.
- (B) De Minimis Expenditures. Expenditures for issuance costs and for an amount not in excess of the lesser of \$100,000 or 5% of the Proceeds of the Agreement.
- (C) Reimbursement Resolution. Expenditures that are described in a reimbursement resolution or other declaration of official intent that satisfy the requirements of Treas. Regs. §1.150-2 and that are paid no earlier than 60 days prior to the adoption by the City of such resolution or declaration of official intent can be reimbursed with the Proceeds of the Agreement if Proceeds are allocated to reimburse such expenditure no later than 18 months after the later of (i) the date on which the expenditure was paid or (ii) the date on which the property financed in whole or in part by the expenditure was placed in service. Expenditures do not qualify for reimbursement under this paragraph (C) if the period of time between the date on which an expenditure is paid and the date Proceeds are allocated to the expenditure exceeds three years.
- (D) Recent Expenditures. Expenditures that are paid within 60 days prior to the Date of Issue.

The City reasonably expects to allocate \$0 of the Sale Proceeds of the Agreement to reimburse itself for expenditures paid prior to the Date of Issue. All such reimbursements comply with the requirements described in this Section 3.8.

## SECTION 4. Arbitrage and Yield Restriction

- 4.1 Arbitrage and Rebate Compliance. The City acknowledges that the continued non-inclusion of interest on the Agreement depends, in part, upon compliance with the arbitrage limitations imposed by Section 148 of the Code, including the yield restriction requirements described in Section 4.3 below and the rebate requirements described in Section 5 below. The City hereby agrees and covenants that it shall not permit at any time or times any of the Proceeds of the Agreement or other funds of the City to be used directly or indirectly, to acquire any asset or investment, the acquisition of which would cause the Agreement to be an “arbitrage bond” for purposes of Section 148 of the Code. The City further agrees and covenants that it shall do and perform all acts and things necessary in order to assure that the arbitrage and rebate requirements of Section 148 of the Code are met. To that end, the City shall take the actions described in Sections 4 and 5 of this Tax Certificate with respect to the investment of Proceeds on deposit in the funds and accounts established in connection with the Agreement.
- 4.2 Arbitrage Yield. The yield on the Agreement has been calculated by D.A. Davidson & Co., as financial advisor to the City, to be 1.640112% using the economic accrual method required by Treas. Regs. §1.148-4(a). The Agreement is a fixed yield issue, and the Agreement yield will not be affected by subsequent unexpected events, unless the City enters into a “qualified hedge” meeting the requirements of Treas. Regs. §1.148-4(h) or into any transaction transferring, waiving or modifying any right that is part of the terms of the Agreement. The City will consult with Special Counsel prior to entering into any of the foregoing transactions.
- 4.3 Yield Restriction.
- (A) Investment Restrictions. The City will not invest the Gross Proceeds of the Agreement in Investments at yields that are “materially higher” ( $\frac{1}{8}\%$ ) than the Agreement yield except as set forth in this Section. Proceeds of the Agreement and the amounts on deposit in the funds and accounts relating to the Agreement may be invested as follows:
- (1) Temporary Period for Projects Fund. Proceeds of the Agreement used to finance the cost of the Projects may be invested without Yield Restriction until June 17, 2017 (the three year anniversary of the Agreement), thereafter, shall be invested at a yield not in excess of the yield on the Agreement plus one-eighth of one percentage point ( $\frac{1}{8}\%$ ). Investment earnings on obligations acquired with such proceeds may be invested without Yield Restriction for a period not exceeding three (3) years from the date hereof or one (1) year from the receipt thereof, whichever is longer, and, thereafter, shall be invested at a yield not in excess of the yield on the Agreement plus one-eighth of one percentage point ( $\frac{1}{8}\%$ ). Proceeds derived from the sale of the Agreement that are used to reimburse the City for certain expenditures relating to the Projects are treated as immediately expended for federal income tax purposes and are not considered invested.
- (2) Temporary Period for Costs of Issuance. Proceeds of the Agreement used to pay costs of issuance may be invested without Yield Restriction until expended, for a period not to exceed thirteen (13) months from the date hereof. Investment earnings on such amounts that are retained in such fund may be invested without Yield Restriction for a period not to exceed one (1) year from the date of receipt of the amount earned.

- (3) Temporary Period for Bona Fide Debt Service Fund. Amounts deposited in the *Bona Fide Debt Service Fund* may be invested without Yield Restriction for a period not to exceed thirteen (13) months from the date of deposit of such amounts to such funds. Earnings on such amounts that are retained in such fund may be invested without Yield Restriction for a period not to exceed one (1) year from the date of receipt of the amount earned.
- (4) Temporary Period for Investment Earnings. Investment earnings received on investment of Gross Proceeds of the Agreement, other than the investment earnings described in Section 4.3(A)(1) above, may be invested without Yield Restriction for a period not to exceed one (1) year from the date of receipt.
- (5) Minor Portion. Amounts described in this Section 4.3 that are subject to Yield Restriction as described above may be invested without Yield Restriction to the extent such amounts, in the aggregate, do not exceed the lesser of five percent (5%) of the Sale Proceeds of the Agreement or \$100,000 (the "Minor Portion").
- (B) Yield Restricted Moneys. Proceeds of the Agreement and investment earnings thereon that must be Yield Restricted pursuant to this Section 4.3 will either (i) be invested at a yield not materially higher ( $\frac{1}{8}\%$ ) than the yield on the Agreement or (ii) be invested in Tax-Exempt Obligations that do not constitute investment-type property.
- (C) Yield Reduction Payments. Notwithstanding the provisions of this Section 4.3 that require the City to invest Proceeds of the Agreement and investment earnings thereon at a yield not in excess of the yield on the Agreement, the yield on certain Investments acquired with Proceeds of the Agreement will not be considered to be higher than the applicable yield limitation above if the City makes Yield Reduction Payments. The City covenants to consult with Special Counsel or its arbitrage consultant prior to making any Yield Reduction Payments with respect to the Agreement.
- (D) Fair Market Value Investments. All Investments of Gross Proceeds will be made on an arm's-length, Fair Market Value basis. In the event the City acquires an Investment Contract with any of the Proceeds of the Agreement, the City and the provider of the Investment Contract will make certain representations in compliance with Treas. Regs. §1.148-5(d) and (e). As of the date hereof, the City has not invested, and does not expect to invest, any proceeds of the Agreement pursuant to an Investment Contract.

## **SECTION 5. Rebate**

- 5.1 Calculation of Rebate Amount. Section 148(f) of the Code requires the payment/rebate to the United States of the excess of the amount earned on the investment of Gross Proceeds in Nonpurpose Investments over the amount that would have been earned on such investments had the amount so invested been invested at a rate equal to the yield on the Agreement, together with any income attributable to such excess. Except as provided below, all of the funds and accounts established in connection with the Agreement, and all other amounts treated as Gross Proceeds, to the extent funded with proceeds of the Agreement, are subject to this requirement. In order to meet the rebate requirement, the City agrees and covenants that subject to any applicable exceptions described in Sections 5.2 below, the City shall perform, or engage Hawkins Delafield & Wood LLP or another nationally-recognized firm to perform, the necessary and appropriate rebate and/or penalty calculations that may be required to be made from time to time with respect



to the Agreement, as set forth in Section 148(f) of the Code, to determine the Rebate Amount on each Computation Date.

5.2 Rebate Exceptions. In connection with the rebate requirement the following exceptions may apply to the Agreement:

- (A) Bona Fide Debt Service Fund Rebate Exception. Amounts earned on moneys in the *Bona Fide* Debt Service Fund shall not be taken into account for a Bond Year in determining the Rebate Amount because the average annual debt service on the Agreement does not exceed \$2,500,000.
- (B) Six-Month Exception to Rebate. An issue is treated as meeting the rebate requirement of Section 148 of the Code if the Gross Proceeds of the bond issue are allocated to expenditures for the governmental purposes of the issue within the six (6) month period beginning on the Date of Issue, and the rebate requirement is met with respect to amounts not required to be spent within six (6) months (excluding earnings on the *Bona Fide* Debt Service Fund). An additional six (6) months during which Gross Proceeds of the issue may remain unexpended is permitted, if the amount which remains unexpended does not exceed the lesser of \$100,000 or five percent (5%) of the proceeds of the issue. For purposes of this exception, the term Gross Proceeds does not include amounts in the *Bona Fide* Debt Service Fund; amounts in a Reasonably Required Reserve or Replacement Fund; amounts that, as of the Date of Issue of the Agreement, are not reasonably expected to be Gross Proceeds but that become Gross Proceeds after the end of the six (6) month spending period; amounts representing Sale Proceeds or Investment Proceeds derived from payments under any purpose investment of the Agreement; and amounts representing repayments of grants financed by the Agreement. Moreover, expenditures for the governmental purpose of the Agreement include payments for interest on, but not principal of, the Agreement.
- (C) Eighteen-Month Exception to Rebate. An issue is treated as meeting the rebate requirement if the Gross Proceeds of the Agreement are allocated to expenditures for a governmental purpose of the bond issue in accordance with the following schedule measured from the Date of Issue of the Agreement:
  - (1) Fifteen percent (15%) within six (6) months;
  - (2) Sixty percent (60%) within twelve (12) months; and
  - (3) One hundred percent (100%) within eighteen (18) months.

The spending requirements for the first two (2) spending periods will be measured by including in the amount of gross proceeds investment earnings reasonably expected to be received in respect of such amounts based on the reasonable expectations of the City on the Date of Issue of the Agreement. The spending requirement with respect to the third and final spending period is measured by reference to actual earnings. In addition, the rebate requirement must be satisfied with respect to Gross Proceeds of the Agreement that are not eligible to be included in the Eighteen-Month Exception to Rebate.

Gross Proceeds, for purposes of this exception to the rebate requirement, does not include amounts in the *Bona Fide* Debt Service Fund; amounts in a Reasonably Required Reserve or Replacement Fund; amounts that, as of the Date of Issue, are not reasonably

expected to be Gross Proceeds but that become Gross Proceeds after the end of the eighteen (18) month spending period; amounts representing Sale or Investment Proceeds derived from payments under any purpose investment of the issue; and amounts representing repayments of grants financed by the Agreement.

Expenditures for a governmental purpose of a bond issue include payments for interest, but not principal, on the issue, and for principal or interest on another issue of obligations, unless such payments would cause the issue to be a refunding issue.

The Eighteen-Month Exception to Rebate will be considered satisfied if the City exercises due diligence to complete the Projects and the amount of the unexpended proceeds does not exceed the lesser of three percent (3%) of the issue price of the Agreement or \$250,000. The final spending requirement will be considered satisfied if the amount of Gross Proceeds remaining unexpended as of the eighteen (18) month anniversary date is a Reasonable Retainage amount and such amount is allocated to expenditures within thirty (30) months of the Date of Issue of the Agreement.

(D) Exception for Available Construction Proceeds of Construction Bonds Spent Within Two (2) Years.

(1) Two-Year Construction Bond Exception to Rebate. A Construction Issue is treated as meeting the rebate requirement if those proceeds are allocated to expenditures for governmental purposes of the bond issue in accordance with the following schedule, measured from the Date of Issue of the Agreement:

- (a) Ten percent (10%) within six (6) months;
- (b) Forty-five percent (45%) within twelve (12) months;
- (c) Seventy-five percent (75%) within eighteen (18) months; and
- (d) One hundred percent (100%) within twenty-four (24) months.

The Two-Year Construction Bond Exception to Rebate is deemed satisfied if the City exercises due diligence to complete the Projects and the unexpended amount does not exceed the lesser of three percent (3%) of the issue price of the Agreement or \$250,000. The fourth spending requirement is considered satisfied if the unexpended amount is attributable to a Reasonable Retainage and if such amount is allocated to expenditures within three (3) years of the Date of Issue. Expenditures for the governmental purpose of an issue include payments for interest, but not principal, on the issue, and for principal or interest on another issue of obligations, unless those payments cause the issue to be a refunding issue.

For purposes of determining compliance with the spending requirements as of the close of each of the first three (3) spending periods, Available Construction Proceeds include the amount of future earnings that the City reasonably expected as of the Date of Issue of the Agreement. The spending requirement with respect to the fourth and final spending period is measured by reference to actual earnings.

- (2) Bifurcated Issue. If an election has been made to bifurcate the issue into a Construction Issue and a non-Construction Issue, the two (2) portions will be treated as separate issues for purposes of computing the Rebate Amount. An issue may not be bifurcated into a Construction Issue and an issue which satisfies the Eighteen-Month Exception to Rebate. In addition, an issue may not be bifurcated to include Construction Expenditures in the non-Construction Issue. An issue which comprises both refunding bonds and new money bonds is considered to be bifurcated by operation of law.
- (3) Elections With Respect to the Two-Year Construction Bond Exception With Respect to the Agreement allocable to the Project:
- (a) The City reasonably expects that at least seventy-five percent (75%) of the Available Construction Proceeds will be applied in respect of Construction Expenditures for property which is owned by a governmental entity.
  - (b) The City does not elect to bifurcate the Agreement into a Construction Issue and a non-Construction Issue.
  - (c) The City does not elect to pay the one and one-half percent (1½%) penalty at the close of each semi-annual spending period in respect of which the spending requirement has not been satisfied.
  - (d) The City does not elect to pay the three percent (3%) penalty with respect to any unexpended Available Construction Proceeds remaining upon the completion of the Projects.

5.3 Payment to United States. In connection with the rebate requirement the City shall make the following payments:

- (A) The City will compute the Rebate Amount as of each Computation Date. The Computation Date is June 1, 2018. The date that the Agreement is discharged will be the final Computation Date and the final rebate installment payment must be made with respect to the final Computation Date.
- (B) For each Computation Date, except the final Computation Date, the City will make a rebate installment payment in an amount which is at least equal to 90% of the Rebate Amount for the Agreement when added to the future value of all previous rebate payments made for the Agreement.
- (C) For the final Computation Date the City will make a rebate installment payment in an amount that, when added to the future value of all previous rebate payments made for the Agreement, equals 100% of the Rebate Amount for the Agreement. Future value will be determined in compliance with the applicable provisions of the Code.
- (D) Each rebate installment payment shall be made within 60 days after its Computation Date to the Internal Revenue Service Center, Ogden, Utah 84201. Each rebate payment will be accompanied by IRS Form 8038-T.

- (E) Yield Reduction Payments, if any, shall be made at the same time and in the same manner as the payment of the Rebate Amount as described in this section 5.3.

## **SECTION 6. Federal Guarantee Prohibition**

- 6.1 No Impermissible Federal Guarantees. The Agreement is not “federally guaranteed” and the City will not cause or allow the Agreement to become “federally guaranteed.” Unless otherwise excepted under Section 149(b) of the Code, the Agreement will be considered “federally guaranteed” if:
  - (A) The payment of principal and interest with respect to the Agreement is guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof);
  - (B) Five percent or more of the Proceeds of the Agreement is
    - (1) To be used in making loans, the payment of principal or interest with respect to which are to be guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof); or
    - (2) To be invested (directly or indirectly) in federally insured deposits or accounts; or,
  - (C) The payment of principal of or interest on the Agreement is otherwise indirectly guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof).
- 6.2 Exceptions described in Code Section 149(b) include, but are not limited to: (i) any guarantee by the Federal Housing Administration, the Veterans’ Administration, Fannie Mae, Freddie Mac, or Ginnie Mae; (ii) any guarantee related to investments of Gross Proceeds of the Agreement during an initial temporary period until needed for the governmental purpose of the Agreement, investments as part of a *Bona Fide* Debt Service Fund, investments of a Reasonably Required Reserve or Replacement Fund, investments in bonds issued by the United States Treasury, investments in refunding escrow funds or certain other investments permitted under the Treasury Regulations; or (iii) any guarantee (other than an investment in a Federally insured deposit or account referenced in Code Section 149(b)(3)(C)(ii)) of private activity bonds for a qualified residential rental projects under Section 142(a)(7) of the Code, a housing program obligation under Section 11(b) of the United States Housing Act of 1937, or a qualified mortgage bond or a qualified veterans’ mortgage bond under Section 143 of the Code.

## **SECTION 7. Private Use Limitation**

- 7.1 Ownership/Lease/Sale. While the Agreement remains outstanding, the Projects will be owned by the City or another state or local governmental unit and will not be owned by or leased to any person who is not a state or local governmental unit. The Projects will not be sold or otherwise disposed of, in whole or in part, to a transferee that is not a Related Party to or an agent of the City prior to the final maturity date of the Agreement.
- 7.2 No Private Loans. None of the proceeds of the Agreement is or will be used, directly or indirectly, to make loans to persons other than a state or local governmental unit while the Agreement remains outstanding. The City will not make any private loans from the proceeds of

the Agreement after the Date of Issue unless the City has received the written opinion of Special Counsel that such private loan will not adversely affect the exclusion from gross income of interest on the Agreement for federal income tax purposes.

7.3 Limitations on Private Use. At all times while the Agreement remains outstanding, less than the lesser of \$15,000,000 or ten percent (10%) of either: (a) the aggregate amount of the proceeds of the Agreement is used or expected to be used, directly or indirectly, in a trade or business carried on by a person other than a state or local governmental unit (“Private Use”) or (b) the present value debt service on the Agreement during the term thereof is, under the terms of the Agreement or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for Private Use or in payments in respect of property used or to be used for Private Use or is to be derived from payments, whether or not to the City, in respect of property or borrowed money used or to be used for Private Use. Payments by a person for use of proceeds do not include the portion of any payment that is properly allocable to the payment of ordinary and necessary expenses (as defined under Section 162 of the Code) directly attributable to the operation and maintenance of the financed property used by that person. For this purpose, general overhead and administrative expenses are not directly attributable to those operations and maintenance.

7.4 Unrelated/Related Disproportionate Use. At all times while the Agreement remains outstanding, less than the lesser of \$15,000,000 or five percent (5%) of either: (a) the proceeds of the Agreement were or will be used, directly or indirectly, in the trade or business of a person other than a state or local governmental unit that is unrelated or related and disproportionate to the governmental use of the property being financed, including any private loan financing described in Section 7.2 which meets this test or (b) the present value debt service on the Agreement during the term thereof is, under the terms of the Agreement or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for Private Use or in payments in respect of property used or to be used for Private Use or is to be derived from payments, whether or not to the City, in respect of property or borrowed money used or to be used for Private Use. For purposes of this Tax Certificate, proceeds of the Agreement is allocable to a disproportionate related Private Use to the extent that the proceeds of the Agreement which are to be used to finance property used by a nongovernmental person in a trade or business which is related to the governmental use of the property exceeds the proceeds of the Agreement which are to be used for the governmental use to which such Private Use relates.

7.5 Private Use Defined.

(A) For purposes of Section 7 of this Tax Certificate, Private Use consists of any contract or other arrangement including, without limitation, leases, management contracts, guarantee contracts, take or pay contracts, put or pay contracts, output contracts, research contracts, or naming rights contracts which provides for use of any portion of the Projects by a person or persons who are not state or local governments on a basis different than the general public. The City will not enter into any such contract or arrangement unless the City has obtained an opinion from Special Counsel that such contract or arrangement does not adversely affect the exclusion from gross income of interest on the Agreement for federal income tax purposes.

(B) Use by State or Local Governmental Units. The Projects may be used by or on behalf of a state or local governmental unit provided that there is no transfer or flow-through of such use to any person or entity carrying on any trade or business that does not constitute General Public Use (as defined in subsection (c) below).

- (C) General Public Use. The Projects may be used by any person or entity, including any person or entity carrying on any trade or business, if such use constitutes “General Public Use.” General Public Use is any arrangement providing for use that is available to the general public at either (i) no charge, or (ii) on the basis of rates that are generally applicable and uniformly applied. For this purpose, rates may be treated as generally applicable and uniformly applied even if (i) different rates apply to different classes of users, such as volume purchasers, if the differences in rates are customary and reasonable, or (ii) a specially negotiated rate arrangement is entered into, but only if the user is prohibited by federal law from paying the generally applicable rates, and the rates established are as comparable as reasonably possible to the generally applicable rates.
- (D) No Priority Rights or Other Preferential Benefits. No portion of the Projects will be used by any person or entity under any arrangement that conveys priority rights or other preferential benefits.
- (E) 200 Days General Public Use Arrangements. The Projects may be used by any person or entity under any arrangement that is available to members of the general public and that does not otherwise convey priority rights or other preferential benefits if the term of the use under the arrangement, including all renewal options, is not greater than 200 days. For this purpose, a right of first refusal to renew use under the arrangement is not treated as a renewal option if (i) the compensation for the use under the arrangement is redetermined at generally applicable, fair market value rates that are in effect at the time of renewal, and (ii) the use of the financed property under the same or similar arrangements is predominantly by natural persons who are not engaged in a trade or business.
- (F) 50 Days Negotiated Arm’s-length Use Arrangements. The Projects may be used by any person or entity under any arrangement (other than as an owner) for a term (including renewal options) not longer than 50 days, provided the arrangement is negotiated at arm’s-length, the compensation paid for the use is at fair market value and the Projects are not being financed for the principal purpose of such private trade or business use.
- (G) 100 Days Limited General Public Use Arrangements. The Projects may be used by any person or entity under any arrangement for use (other than as an owner) for a term (including renewal options) of not longer than 100 days, provided that the arrangement would be General Public Use except that it is not available on the same basis for use by natural persons because generally applicable and uniformly applied rates are not reasonably available to natural persons not engaged in a trade or business and the Projects are not being financed for the principal purpose of such private trade or business use.
- (H) Incidental Use Arrangements. The Projects or any portion thereof may be used by any person or entity where the use is incidental if, except for vending machines, pay telephones, kiosks and similar uses, the use does not involve the transfer of possession and control of space separated from other areas of the facility by walls, partitions, barriers and the like, the nonpossessory use is not functionally related to any other use of such facility by the same person (other than a different nonpossessory use) and all nonpossessory uses do not in the aggregate exceed 2½% of the Projects or such facility.

7.6 Management and Operations Contracts. The City will manage and operate the Projects. The City has not been a party to any management contract with any person or entity for management services to be provided to the City at or with respect to the Projects. The City will not enter into

any such contract unless it consults with Special Counsel to determine that such contract either (i) satisfies the requirements of a “qualified management contract,” the rules for which are currently embodied in Revenue Procedure 97-13, or (ii) does not otherwise adversely affect the exclusion of interest on the Agreement from gross income for federal income tax purposes.

- 7.7 Monitoring and Measurement of Private Activity. The City covenants to monitor the amount of Private Use at the Projects to ensure that the aggregate amount of such Private Use at the Projects will not exceed the applicable limits described in this Section 7. The City has established or will establish procedures for monitoring the amount of Private Use at each of the Projects.
- 7.8 Change in Use. While the City does not expect that any of the property financed with the proceeds of the Agreement will be used in a manner that could cause the Agreement to become a private activity bond, in the event that circumstances change and a use is made of the property that could result in the Agreement becoming a private activity bond, the City will consult with its Special Counsel and will take any remedial actions required by Treas. Regs. §1.141-12.

## **SECTION 8. General Representations**

- 8.1 Single Issue. There are no other tax exempt obligations of the City that (a) have sale dates within 15 days of the sale date of the Agreement, (b) are sold pursuant to the same plan of financing together with the Agreement, and (c) are reasonably expected to be paid out of substantially the same source of funds as the Agreement. The entire Agreement is being sold at the same time, pursuant to the same plan of financing and reasonably expected to be paid from substantially the same source of funds. Accordingly, the Agreement is a single issue of obligations for federal income tax purposes relating to the exclusion from gross income of interest on the Agreement. No other bonds of the City will be treated as part of the same issue as the Agreement for purposes of complying with federal tax law requirements.
- 8.2 No Hedge. The City has not entered into, and does not expect to enter into in the future, a contract to modify the City's risk of interest rate changes with respect to a portion or all of the Agreement, including an interest rate swap, an interest rate cap, a futures contract, a forward contract, or an option.
- 8.3 No Replacement Proceeds. No portion of the Proceeds of the Agreement will be used as a substitute for other funds which will otherwise be used to acquire, directly or indirectly, securities, obligations, annuity contracts or other investment type property that are Materially Higher Yield Investments.
- 8.4 No Hedge Bonds. The Agreement is not a “hedge bond,” as defined in Section 149(g) of the Code, because the City reasonably expects to spend at least 85% of the Net Sale Proceeds of the Agreement within three years from the Date of Issue and will not invest more than 50% of the Proceeds of the Agreement in nonpurpose investments having a substantially guaranteed yield for four years or more.
- 8.5 No Abusive Arbitrage Device. The Agreement is not being issued for a term longer than reasonably necessary to carry out the legitimate governmental purposes thereof, nor are the Agreement being issued earlier or in greater amounts than reasonably necessary to accomplish such governmental purposes. The Agreement is not and will not be part of a transaction or series of transactions that attempts to circumvent the provisions of Section 148 of the Code, and the Treasury Regulations promulgated thereunder, enabling the City or any Related Party to exploit

the difference between tax-exempt and taxable interest rates to gain a material financial advantage.

- 8.6 No Early Issuance. The Date of Issue has been determined solely on the basis of bona fide financial reasons, in accordance with ordinary financial practices in financing similar expenditures, and has not been determined with a view to prolonging the period between the issuance of the Agreement and expenditure of the proceeds thereof.
- 8.7 No Other Replacement Proceeds. No portion of the proceeds of the Agreement will be used as a substitute for other moneys that were otherwise to be used to finance the Projects and that have been or will be used to acquire directly or indirectly any Investment producing a Yield in excess of the Yield on the Agreement. In addition, the term of the Agreement is not longer than is reasonably necessary for the governmental purpose of the issue, based on the ability of the City to meet all its financial obligations including payment of debt service on the Agreement and the anticipated revenues of the City. In addition, the weighted average maturity of the Agreement does not exceed 120% of the average reasonably expected economic life of the Projects financed by the Agreement.
- 8.8 Document Retention. The City will retain all records necessary to establish the uses and investment of the Gross Proceeds of the Agreement until the date that is four (4) years after the latest of the date of final maturity of the Agreement, or the final maturity or redemption date of any obligations, or series of obligations, that refinance the Agreement. Such records include, but are not limited to, the transcript for the Agreement, including this Tax Certificate, the IRS Form 8038-G, all investment records applicable to the investment of Gross Proceeds of the Agreement before expenditure, all construction contracts and invoices detailing the costs paid from the Gross Proceeds of the Agreement, all records evidencing timing and expenditure of Gross Proceeds of the Agreement, any rebate calculations or refund requests filed with respect to the Agreement, including all Forms 8038-T and 8038-R, and all contracts related to use of the Projects financed with Gross Proceeds of the Agreement, including leases, management contracts, and services contracts that relate to the uses of the Projects.
- 8.9 No Pooling. The City does not expect to use and will not use the Proceeds of the Agreement to make or finance loans to two or more ultimate borrowers.
- 8.10 Registered Form. The Agreement is being issued in registered form in accordance with Section 149(a) of the Code.
- 8.11 Bank Qualification. The City hereby designates the Agreement as a “qualified tax-exempt obligation” pursuant to Section 265(b)(3)(B) of the Code because the City reasonably expects that the amount of tax-exempt obligations to be issued by the City (and any subordinate entities to the City) during calendar year 2014 will not exceed \$10,000,000.
- 8.12 Survival of Defeasance. Notwithstanding anything in this Tax Certificate or any other provisions of the Resolution to the contrary, the obligation to remit the Rebate Amount to the Treasury and to comply with all other requirements contained in this Tax Certificate shall survive the defeasance or payment in full of the Agreement.
- 8.13 Compliance with Code. The City covenants to comply with the applicable provisions of the Code relating to the Agreement. The City covenants that it shall at all times do and perform all acts and things necessary in order to assure that interest paid on the Agreement shall, for purposes of federal income taxation, be not included in gross income. The City acknowledges that the



covenants and conditions set forth in this Tax Certificate are based upon the Code and Treasury Regulations as they exist on the date hereof and that the Code or Treasury Regulations may be subsequently interpreted or modified by the federal government in a manner which is inconsistent with the covenants set forth herein. The City agrees that any such subsequent modification or interpretation of the Code or Treasury Regulations will be deemed a requirement that must be met pursuant to the general tax covenant set forth above. The City shall not be required to comply with the requirements of this Tax Certificate to the extent that, in the opinion of Special Counsel, compliance with such requirements is not necessary to maintain the tax-exempt status of the Agreement.

## **SECTION 9. Definitions**

**“Available Construction Proceeds”** means an amount equal to the Sale Proceeds of the Agreement, plus all investment earnings received from the investment of the Sale Proceeds of the Agreement prior to being spent, less the amount of the proceeds of the Agreement used to pay the costs of issuance of the Agreement, the amount of Sale Proceeds deposited into a Reasonably Required Reserve or Replacement Fund, and the investment earnings on the Sale Proceeds deposited into a Reasonably Required Reserve or Replacement Fund.

**“Bona Fide Debt Service Fund”** means an account that will be used primarily to achieve a proper matching of revenues with principal and interest requirements on the Agreement within each Bond Year and that will be completely depleted at least once each Bond Year except for a reasonable carryover amount that will not exceed the greater of: (a) the earnings on the Bona Fide Debt Service Fund for the immediately preceding Bond Year, or (b) one-twelfth of the principal and interest payments on the Agreement for the immediately preceding Bond Year.

**“Bond Year”** means each one year period that ends on June 17, unless the City elects a different Bond Year. The first Bond Year ends June 17, 2015.

**“Capital Expenditure”** shall mean any cost of a type that is properly chargeable to capital account (or would be so chargeable with a proper election) under general federal income tax principles. For example, costs incurred to acquire, construct, or improve land, buildings, and equipment generally are Capital Expenditures. Whether an expenditure is a Capital Expenditure is determined at the time the expenditure is paid with respect to the property; future changes in law do not affect whether an expenditure is a Capital Expenditure.

**“Capital Project”** shall mean all Capital Expenditures, plus related De Minimis Working Capital Items that carry out the governmental purposes of an issue.

**“Code”** means the Internal Revenue Code of 1986, as amended, and the regulations and rulings issued under that Code.

**“Computation Date”** means June 1, 2018, or any earlier date on which the entire Agreement is discharged.

**“Computation Period”** means the period between Computation Dates. The Computation Period begins on June 17, 2014, and ends on June 1, 2018.

**“Constructed Personal Property”** means Tangible Personal Property or Specially Developed Computer Software if:

(a) A substantial portion of the property is completed more than six months after the earlier of the date construction or rehabilitation commenced and the date the City entered into an acquisition contract;

(b) Based on the reasonable expectations of the City or representations of the person constructing the property, with the exercise of due diligence, completion of construction or rehabilitation (and delivery to the City) could not have occurred within that six-month period; and

(c) If the City itself builds or rehabilitates the property, not more than 75% of the capitalizable cost is attributable to property acquired by the City (such as components, raw materials, and other supplies).

**“Construction Expenditures”** means expenditures that, on or before the date the property financed by the expenditures is placed in service, are capitalizable to the cost of Real Property or Constructed Personal Property. Construction Expenditures do not include expenditures for acquisitions of interests in land or other existing Real Property. Expenditures are not for the acquisition of an interest in existing real property other than land if the contract between the seller and the City requires the seller to build or install the property (such as under a "turnkey contract"), but only to the extent that the property has not been built or installed at the time the parties enter into the contract.

**“Construction Issue”** shall mean for purposes of the Two-Year Construction Bond Exception to Rebate, the Agreement, if at least seventy-five percent (75%) of the Available Construction Proceeds of the Agreement is spent on Construction Expenditures.

**“Date of Issue”** means June 17, 2014.

**“De Minimis Working Capital Items”** shall mean Working Capital Expenditures eligible for the de minimis exception in Treas. Regs. §1.148-6(d)(3)(ii)(A), and includes:

(A) issuance costs of an issue and qualified administrative costs as defined in Treas. Regs. § 1.148-5(e)(2)(i) or (ii), or Treas. Regs. §1.148-5(e)(3)(ii)(A);

(B) qualified guarantee fees and payments for qualified hedges for the Agreement;

(C) interest on an issue for a period starting on the Date of Issue and ending on the date that is the later of three years from the Date of Issue or one year after the date on which any financed Project is placed in service;

(D) certain Rebate Amounts and Yield Reduction Payments;

(E) other costs that do not exceed five percent (5%) of the Sale Proceeds of an issue and that are directly related to any Capital Expenditures financed with the issue;

(F) principal or interest on an issue paid from unexpected excess Sale Proceeds or Investment Proceeds; or

(G) principal or interest on an issue paid from investment earnings on a reserve or replacement fund that are deposited in a *Bona Fide* Debt Service Fund.

**“Fair Market Value”** is the price at which a willing buyer would purchase the Investment from a willing seller in a bona fide arm’s length transaction, except for specified investments as described in Treas. Regs. §1.148-5(d)(6), including United States Treasury Obligations, certificates of deposit, guaranteed investment contracts, and Investments for yield restricted defeasance escrows, for which special rules for determining fair market value apply.

**“Gross Proceeds”** shall mean Sale Proceeds, Investment Proceeds, Transferred Proceeds and Replacement Proceeds but does not include “qualified administrative costs” as that term is defined in Treas. Regs. §1.148-5(e).

**“Investment”** means any security, obligation, annuity contract, investment-type property and any tax-exempt obligation that is a specified private activity bond as defined in Section 57(a)(5)(C) of the Code. Investment-type property is property held primarily for the production of income.

**“Investment Contract”** shall mean a Nonpurpose Investment that has specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate, and also includes any agreement to supply investments on two or more future dates (*e.g.*, a forward supply contract).

**“Investment Proceeds”** means any amounts actually or constructively received from investing proceeds of an issue.

**“Materially Higher Yield Investment”** means an Investment having a yield more than one-eighth of one percentage point above the Agreement yield except that the Investment yield for amounts to provide for payment of principal or interest on other obligations of the City and for any Replacement Proceeds is materially higher if it is more than one-thousandth of one percent above the Agreement yield. If yield restricted Investments in the same class are subject to different definitions of materially higher, the applicable definition of materially higher that produces the lowest permitted yield applies to all Investments in the class. If an Investment is a tax-exempt obligation, but is not investment-type property, there is no yield limitation.

**“Net Sale Proceeds”** means the Sale Proceeds less any portion of those proceeds invested in the Minor Portion or invested in any Reasonably Required Reserve or Replacement Fund.

**“Nonpurpose Investment”** shall mean any Investment in which Gross Proceeds of an issue are invested and which is not acquired to carry out the governmental purpose for which such issue was issued.

**“Proceeds”** means any Sale Proceeds, Investment Proceeds, and Transferred Proceeds of the Agreement.

**“Real Property”** means land and improvements to land, such as buildings or other inherently permanent structures, including interests in real property. For example, real property includes wiring in a building, plumbing systems, central heating or air-conditioning systems, pipes or ducts, elevators, escalators installed in a building, paved parking areas, roads, wharves and docks, bridges and sewage lines.

**“Reasonable Retainage”** means an amount not in excess of 5% of the proceeds of the Agreement allocable to the Projects retained for reasonable business purposes, such as ensuring or promoting compliance with the terms of constructions contracts in circumstances in which the amount is not yet payable or in which the City reasonably determines that a dispute exists regarding completion or payment.

**“Reasonably Required Reserve or Replacement Fund”** shall have the meaning used in Treas. Regs. §1.148-2(f)(2) and generally shall mean the portion of a reserve or replacement fund that is eligible to be invested without yield restriction. The amounts invested without yield restriction as part of such a Reasonably Required Reserve or Replacement Fund for Agreement is subject to a size limitation equal to the least of the following: (i) 10% of the stated principal amount (or, for any bond issue having more than a de minimis amount of original issue discount or premium, the issue price of such bond issue); (ii) 100% of the maximum annual principal and interest on the Agreement; or (iii) 125% of the average annual debt service on the Agreement.

**“Rebate Amount”** means the amount required to be paid to the United States in accordance with Section 148(f) of the Code.

**“Related Party or Related Parties”** means, in reference to governmental units or 501(c)(3) organizations, members of the same controlled group within the meaning of Treas. Regs. §1.150-1(e) of the Income Tax Regulations, and in reference to any person that is not a governmental unit or a 501(c)(3) organization, a related person as defined in Section 144(a)(3) of the Code.

**“Replacement Proceeds”** means any amounts that have a sufficiently direct nexus to the Agreement or to the governmental purposes of the Agreement to conclude that the amounts would have been used for that governmental purpose if the Proceeds of the Agreement were not used for that purpose. Replacement Proceeds include, but are not limited to, sinking funds, pledged funds and other amounts that have a nexus to the governmental purposes of the Agreement to the extent that these funds or amounts are held by or derived from a substantial beneficiary of the Agreement. Replacement Proceeds also include amounts that arise to the extent that the City reasonably expects as of June 17, 2014, that the term of the Agreement will be longer than is reasonably necessary for the governmental purposes of the Agreement and there will be available amounts during the period that the Agreement remain outstanding longer than necessary.

**“Sale Proceeds”** means any amounts actually or constructively received from the sale of the Agreement including amounts used to pay underwriter’s discount or compensation and accrued interest other than pre-issuance accrued interest.

**“Special Counsel”** means Hawkins Delafield & Wood LLP, or any other nationally recognized bond counsel.

**“Specially Developed Computer Software”** means any programs or routines used to cause a computer to perform a desired task or set of tasks, and the documentation required to describe and maintain those programs, provided that the software is specially developed to meet the individual needs of the City and the software is functionally related and subordinate to real property or other constructed personal property.

**“Tangible Personal Property”** means tangible property other than real property, including interests in tangible personal property. For example, tangible personal property includes machinery that is not a structural component of a building, subway cars, fire trucks, automobiles, office equipment, testing equipment and furnishings.

**“Tax-Exempt Obligation”** shall mean any obligation issued by any Governmental Unit the interest on which is not included in gross income for purposes of federal income taxation under Section 103 of the Code

**“Transferred Proceeds”** means any Proceeds of a prior issue that cease to be Proceeds of that prior issue and become Proceeds of the issue that refunds it on a date on which all or part of outstanding principal amount of the prior issue is discharged with Proceeds of the refunding issue.

**“Working Capital Expenditure”** shall mean any cost of a type that does not constitute a Capital Expenditure. Generally, current operating expenses are Working Capital Expenditures.

**“Yield Reduction Payments”** shall mean payments made to the United States with respect to any Nonpurpose Investment allocated to the Agreement for the purpose of reducing the yield on such Investments, such payments to be made (a) at the same time and the same manner as Rebate Amounts are required to be paid and (b) with respect to Investments that are allocable (i) to Gross Proceeds of the Agreement that previously qualified for a temporary investment period available for Project, restricted working capital expenditures, pooled financings or Investment Proceeds, or (ii) to the Agreement during any Computation Period in which at least five percent (5%) of the value of the Agreement is a variable yield bonds.

**“Yield-Restricted”** or **“Yield Restriction”** shall mean required to be invested at a yield that is not materially higher than the yield on the Agreement under Section 148 of the Code and Treas. Regs. §1.148-2.

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Dated as of the 17th day of June, 2014.

**City of Lincoln City, Oregon**

  
\_\_\_\_\_  
Ron Tierney, Financial Planner

**Information Return for Tax-Exempt Governmental Obligations**

► Under Internal Revenue Code section 149(e)  
 ► See separate instructions.

OMB No. 1545-0720

Caution: If the issue price is under \$100,000, use Form 8038-GC.

<b>Part I Reporting Authority</b>		If Amended Return, check here <input type="checkbox"/>	
1 Issuer's name <b>City of Lincoln City, Oregon</b>		2 Issuer's employer identification number (EIN) <b>93-0523629</b>	
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a	
4 Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	5 Report number (For IRS Use Only)	
<b>P. O. Box 50</b>		<b>3</b>	
6 City, town, or post office, state, and ZIP code <b>Lincoln City, OR 97367</b>		7 Date of issue <b>6/17/2014</b>	
8 Name of issue <b>Financing Agreement (Urban Renewal Projects)</b>		9 CUSIP number <b>none</b>	
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) <b>Ron Tierney, Financial Planner</b>		10b Telephone number of officer or other employee shown on 10a <b>541-996-1212</b>	

<b>Part II Type of Issue (enter the issue price).</b> See the instructions and attach schedule.	
11 Education	11
12 Health and hospital	12
13 Transportation	13
14 Public safety	14
15 Environment (including sewage bonds)	15
16 Housing	16
17 Utilities	17
18 Other. Describe ► <b>Urban renewal projects</b>	18 <b>4,000,000.00</b>
19 If obligations are TANs or RANs, check only box 19a <input type="checkbox"/>	
If obligations are BANs, check only box 19b <input type="checkbox"/>	
20 If obligations are in the form of a lease or installment sale, check box <input type="checkbox"/>	

<b>Part III Description of Obligations.</b> Complete for the entire issue for which this form is being filed.					
	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	06/01/2018	\$ 4,000,000.00	\$ 4,000,000.00	2.477 years	1.6401%

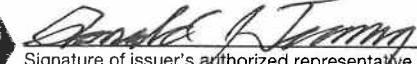
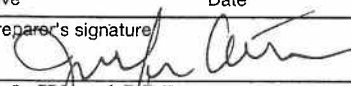
<b>Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)</b>				
22	Proceeds used for accrued interest		22	0
23	Issue price of entire issue (enter amount from line 21, column (b))		23	4,000,000.00
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	26,300.00	
25	Proceeds used for credit enhancement	25	0	
26	Proceeds allocated to reasonably required reserve or replacement fund	26	0	
27	Proceeds used to currently refund prior issues	27	0	
28	Proceeds used to advance refund prior issues	28	0	
29	Total (add lines 24 through 28)	29	26,300.00	
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	3,973,700.00	

<b>Part V Description of Refunded Bonds.</b> Complete this part only for refunding bonds.		
31	Enter the remaining weighted average maturity of the bonds to be currently refunded	years
32	Enter the remaining weighted average maturity of the bonds to be advance refunded	years
33	Enter the last date on which the refunded bonds will be called (MM/DD/YYYY)	
34	Enter the date(s) the refunded bonds were issued (MM/DD/YYYY)	

For Paperwork Reduction Act Notice, see separate instructions.

**Part VI Miscellaneous**

<b>35</b>	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5) . . . . .	<b>35</b>	0
<b>36a</b>	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions) . . . . .	<b>36a</b>	0
<b>b</b>	Enter the final maturity date of the GIC ▶ _____		
<b>c</b>	Enter the name of the GIC provider ▶ _____		
<b>37</b>	Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units . . . . .	<b>37</b>	0
<b>38a</b>	If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the following information:		
<b>b</b>	Enter the date of the master pool obligation ▶ _____		
<b>c</b>	Enter the EIN of the issuer of the master pool obligation ▶ _____		
<b>d</b>	Enter the name of the issuer of the master pool obligation ▶ _____		
<b>39</b>	If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box . . . . .		<input checked="" type="checkbox"/>
<b>40</b>	If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box . . . . .		<input type="checkbox"/>
<b>41a</b>	If the issuer has identified a hedge, check here <input type="checkbox"/> and enter the following information:		
<b>b</b>	Name of hedge provider ▶ _____		
<b>c</b>	Type of hedge ▶ _____		
<b>d</b>	Term of hedge ▶ _____		
<b>42</b>	If the issuer has superintegrated the hedge, check box . . . . .		<input type="checkbox"/>
<b>43</b>	If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box . . . . .		<input checked="" type="checkbox"/>
<b>44</b>	If the issuer has established written procedures to monitor the requirements of section 148, check box . . . . .		<input checked="" type="checkbox"/>
<b>45a</b>	If some portion of the proceeds was used to reimburse expenditures, check here <input type="checkbox"/> and enter the amount of reimbursement . . . . . ▶ _____		
<b>b</b>	Enter the date the official intent was adopted ▶ _____		

<b>Signature and Consent</b>	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.			
	 Signature of issuer's authorized representative	6/17/2014 Date	Ron Tierney, Financial Planner Type or print name and title	
<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed
	Jennifer B Cordova		6/17/2014	PTIN P01240398
	Firm's name ▶ Hawkins Delafield & Wood LLP	Firm's EIN ▶ 13-5513990		
Firm's address ▶ 200 SW Market Street, Suite 350 Portland, OR 97201	Phone no. 503-402-1320			



*Hawkins*  
DELAFIELD & WOOD LLP

PHONE (503) 402-1320  
FAX (503) 402-1331

200 SW MARKET STREET, SUITE 350  
PORTLAND, OR 97201  
WWW.HAWKINS.COM

NEW YORK  
WASHINGTON  
NEWARK  
HARTFORD  
LOS ANGELES  
SACRAMENTO  
SAN FRANCISCO  
PORTLAND

Jennifer Córdova  
Phone: (503) 402-1326  
Fax: (503) 402-1331  
E-mail: [jcordova@hawkins.com](mailto:jcordova@hawkins.com)

June 30, 2014

**Via Certified Mail**  
**Return Receipt Requested -- 7013 0600 0002 1626 7669**

Internal Revenue Service  
Internal Revenue Service Center  
Ogden, UT 84201

Re: \$4,000,000 City of Lincoln City, Oregon  
Financing Agreement (Urban Renewal Projects);  
Our File No.: 38348  
Taxpayer ID No.: 93-0523629

Dear Sir or Madam:

Enclosed is an original, executed IRS Form 8038-G for filing in connection with the above-referenced financing.

Sincerely yours,



Jennifer Córdova

JBC:acg  
Enclosure

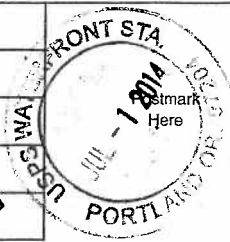
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Sent To Internal Revenue Service  
 Street, Apt. No.; or PO Box No. IRS Center  
 City, State, ZIP+4 Ogden, UT 84201

**RECEIPT FOR PROCEEDS**

**\$4,000,000**

**City of Lincoln City, Oregon**

**Financing Agreement (Urban Renewal Projects)**

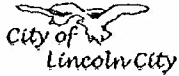
**Dated June 17, 2014**

On behalf of the City of Lincoln City, Oregon, I hereby authorize distribution of funds and confirm receipt of funds as described in the Closing Memorandum that was prepared by Key Government Finance, Inc. for the above-captioned Financing Agreement (Urban Renewal Projects).

Dated as of the 17th day of June, 2014.

**City of Lincoln City, Oregon**

  
\_\_\_\_\_  
Ron Tierney, Financial Planner



# Urban Renewal Agency of the City of Lincoln City

801 SW Hwy 101  
Lincoln City, OR 97367  
www.lincolncity.org

## Regular Meeting

~ Minutes ~

Cathy Steere  
541-996-1203

Monday, April 28, 2014

5:30 PM

Council Chambers

### A. CALL TO ORDER

*Chair Sprague called the meeting to order at 5:30 pm.*

### B. ROLL CALL

Attendee Name	Title	Status	Arrived
Dick Anderson	Agency Member	Present	5:00 PM
Gary Ellingson	Agency Member	Present	5:00 PM
Chester Noreikis	Agency Member	Present	5:00 PM
Gordon Eggleton	Agency Member	Present	5:00 PM
Henry Quandt	Agency Member	Present	5:00 PM
Roger Sprague	Chair	Present	5:00 PM
Wes Ryan	Agency Member	Present	5:00 PM

### C. COMMENTS FROM CITIZENS PRESENT - *None*

### D. MINUTES OF MEETING

#### 1. April 14, 2014

*Motion To: Motion to approve Minutes of Meeting for April 14, 2014.*

<b>RESULT:</b>	<b>ADOPTED BY VOICE VOTE [UNANIMOUS]</b>
<b>MOVER:</b>	Dick Anderson, Mayor
<b>SECONDER:</b>	Henry Quandt, Agency Member
<b>AYES:</b>	Anderson, Ellingson, Noreikis, Eggleton, Quandt, Sprague, Ryan

### E. SPECIAL ORDER OF BUSINESS / PRESENTATIONS

2. Intergovernmental Agreement – between City of Lincoln City & Urban Renewal Agency  
*Ron Tierney, Financial Planner, presented this item providing detailed information regarding the water bonds. The resolution will be considered under item "G. Resolutions".*

### F. PUBLIC HEARINGS/PUBLIC COMMENT

*None*

### G. RESOLUTIONS

3. **UR 2014-06: A RESOLUTION OF THE URBAN RENEWAL AGENCY OF THE CITY OF LINCOLN CITY, OREGON AUTHORIZING INDEBTEDNESS FOR CAPITAL PROJECTS DESCRIBED IN THE URBAN RENEWAL PLAN FOR THE YEAR 2000 DEVELOPMENT AREA.**

*Motion To: Motion to approve Resolution UR 2014-06 as presented.*

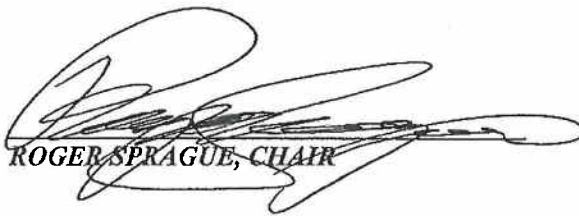
<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Wes Ryan, Agency Member
<b>SECONDER:</b>	Gary Ellingson, Agency Member
<b>AYES:</b>	Anderson, Ellingson, Noreikis, Eggleton, Quandt, Sprague, Ryan

**H. AGENCY MEMBER COMMENTS**

*None*

**I. ADJOURNMENT**

*Chair Sprague adjourned the meeting at 5:45 pm.*



**ROGER SPRAGUE, CHAIR**



1 pay up to \$4,000,000 in principal amount, plus interest, to finance the Projects and pay costs of  
2 issuance of the financing. The intergovernmental agreement shall constitute indebtedness of the  
3 Agency that is payable solely from the tax increment revenues of Year 2000 Development Area  
4 and interest earnings on those tax increment revenues. The intergovernmental agreement shall be  
5 in substantially the form attached to this resolution as Exhibit A but with such changes as are  
6 approved pursuant to Section 2.

7 **Section 2. Delegation.** The City Manager, Financial Planner or the Finance Director of the City  
8 or a person designated by the City Manager to act under this Resolution is hereby authorized, on  
9 behalf of the Agency and without further action by the Agency Board to negotiate the final terms  
10 of and execute the intergovernmental agreement described in Section 1 of this resolution, and to  
11 execute any documents and take any other actions that are desirable to assist the City in financing  
12 the Projects.

13 **Section 3. Resolution No. UR 14-03 Rescinded.** The Agency hereby rescinds Resolution No.  
14 UR 14-03.

15 **Section 4. Effective Date.** This resolution is effective immediately upon adoption.

16 ADOPTED this 28<sup>th</sup> day of April, 2014.

17 URBAN RENEWAL AGENCY OF THE CITY OF  
18 LINCOLN CITY, OREGON

19  
20 BY \_\_\_\_\_  
21

22   
23 Authorized Officer  
24  
25

**Exhibit A**

**FORM OF INTERGOVERNMENTAL AGREEMENT**



**Intergovernmental Agreement  
to Make Financing Payments**

by and between the

**Urban Renewal Agency of the City of Lincoln City, Oregon**

and the

**City of Lincoln City, Oregon**

Dated as of [Closing Date], 2014

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**Intergovernmental Agreement  
to Make Financing Payments**

This Intergovernmental Agreement to Make Financing Payments is dated as of [Closing Date], 2014, and is entered into by and between the Urban Renewal Agency of the City of Lincoln City, Oregon (the "Agency") and the City of Lincoln City, Oregon (the "City"). The parties hereby agree as follows:

**Section 1. Definitions and Recitals.**

(1) Definitions.

Unless the context clearly requires otherwise, capitalized terms used in this Intergovernmental Agreement which are defined in this Section 1(1) shall have the following meanings:

"Area" means the City's Year 2000 Development Area described in the Plan.

"Financing Agreement" means the Financing Agreement between the City and [Insert Name of Lender] in the principal amount of \$4,000,000 to finance the Projects, which is dated as of [Closing Date], 2014.

"Financing Payments" means the principal and interest payments the City is required to make to [Insert Name of Lender] under the Financing Agreement.

"Plan" means the Agency's Year 2000 Development Plan approved by City Ordinance No. 88-16, as that plan has been, and may in the future be, amended.

"Projects" means the projects described in the Year 2000 Development Plan, including infrastructure improvements within the Area.

"Tax Increment Revenues" means all revenues which the Agency collects for the Year 2000 Development Area under the provisions of Article IX, Section 1c of the Oregon Constitution and ORS Chapter 457.

(2) Findings.

(A) The City has entered into the Financing Agreement to finance costs of the Projects and to pay costs of issuance.

(B) The Projects are properly described as urban renewal projects in the Agency's urban renewal plan.

(C) The Agency is authorized to spend Tax Increment Revenues to pay for the costs of the Projects.

(D) The Projects will assist the Agency in carrying out its urban renewal plan.

(E) The Agency has \$6,975,000 of unused maximum indebtedness available prior to executing this Intergovernmental Agreement.

## **Section 2. The Financing Payments.**

### **(1) The Financing Payments.**

The Agency hereby agrees to pay to the City, not less than one business day prior to the dates on which the City is required to pay the Financing Payments, amounts that are equal to the Financing Payments in a maximum principal amount of \$4,000,000. The amounts and dates of the Financing Payments are shown in Exhibit A.

### **(2) Security for the Obligation of the Agency to Pay the Financing Payments.**

This Intergovernmental Agreement shall constitute indebtedness of the Agency in a principal amount that is equal to the Financing Amount. The Agency is obligated to make the payments due under this Intergovernmental Agreement solely from the Tax Increment Revenues. Pursuant to ORS 287A.310, the Agency pledges the Tax Increment Revenues to pay the amounts described in Section 2.1. The pledge that secures this Intergovernmental Agreement shall be superior to all other pledges or commitments of Tax Increment Revenues that the Agency makes, unless the City agrees in writing to subordinate its claim against the Tax Increment Revenues or to grant a lien on the Tax Increment Revenues on parity.

## **Section 3. Prepayment.**

If the City exercises its option to prepay the Financing Payments in whole or in part, unless the Agency consents in advance and in writing, the Agency shall not be obligated to prepay the amounts due from it under this Intergovernmental Agreement.

## **Section 4. Estoppel.**

The Agency hereby certifies, recites and declares that all things, conditions and acts required by the Constitution and Statutes of the State of Oregon and by this Intergovernmental Agreement to exist, to have happened and to have been performed precedent to and in the execution and the delivery of this Intergovernmental Agreement, do exist, have happened and have been performed in due time, form and manner, as required by law, and that this Intergovernmental Agreement is a valid and binding obligation of the Agency which is enforceable against the Agency in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other laws or judicial decisions or principles of equity relating to or affecting the enforcement of creditors' rights or contractual obligations generally.

**Section 5. Title.**

Neither the City nor the owner of the Financing Agreement shall have a lien on, or security interest in the Projects.

**Section 6. Miscellaneous.**

**(1) Binding Effect.**

This Intergovernmental Agreement shall inure to the benefit of and shall be binding upon the Agency and the City and their respective successors and assigns.

**(2) Severability.**

In the event any provisions of this Intergovernmental Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provisions hereof.

**(3) Amendments.**

This Intergovernmental Agreement may be amended only by a writing signed by both parties.

**(4) Execution in Counterparts.**

This Intergovernmental Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute the same instrument.

**(5) Applicable Law.**

This Intergovernmental Agreement shall be governed by and construed in accordance with the laws of the State of Oregon. Any action regarding this Intergovernmental Agreement or the transactions contemplated hereby shall be brought in an appropriate court of the State of Oregon in Washington County, Oregon.

**(6) Rules of Construction.**

References to section numbers in documents which do not specify the document in which the section is located shall be construed as references to section numbers in this Intergovernmental Agreement.

**(7) Headings.**

The headings, titles and table of contents in this Intergovernmental Agreement are provided for convenience and shall not affect the meaning, construction or effect of this Intergovernmental Agreement.

Intergovernmental Agreement

IN WITNESS WHEREOF, the Agency and the City have executed this Intergovernmental Agreement as of the date indicated above.

**For the Urban Renewal Agency of the City of  
Lincoln City, Oregon**

\_\_\_\_\_  
Authorized Signer

**For the City of Lincoln City, Oregon**

\_\_\_\_\_  
Authorized Signer

**EXHIBIT A**

**FINANCING PAYMENT SCHEDULE**

Interest at the rate of \_\_\_\_\_%, calculated on a \_\_\_\_\_ basis, is payable semi-annually on \_\_\_\_\_ and \_\_\_\_\_ commencing \_\_\_\_\_, 20\_\_.

<u>Date</u>	<u>Principal</u>
( )	Payment (\$)

**GENERAL CERTIFICATE OF AGENCY**

**\$4,000,000**

**City of Lincoln City, Oregon**

**Financing Agreement (Urban Renewal Projects)**

**Dated June 17, 2014**

On behalf of the Urban Renewal Agency of the City of Lincoln City, Oregon (the "Agency"), I hereby certify as follows regarding the Intergovernmental Agreement (the "IGA") executed by the Agency related to the above-captioned Financing Agreement (Urban Renewal Projects) dated as of June 17, 2014 (the "Financing Agreement"):

1. I am the duly appointed, qualified and acting Financial Planner of the City of Lincoln City, Oregon, and am authorized under Resolution No. UR 2014-06 adopted by the Agency on April 28, 2014 (the "Resolution") to act on behalf of the Agency with respect to the IGA.

2. The City Council of the City of Lincoln City, Oregon serves as the Board of the Agency (the "Agency Board"). The Agency Board meets in regular session at least once each month. The Agency Board met in regular session on April 28, 2014, the date of adoption of the Resolution; a quorum of Agency Board members was present and voting. A motion was made to approve the Resolution at the meeting, the motion passed, and the Resolution was properly adopted by the Agency Board. The Resolution has not been amended and remains in full force and effect. The meeting was called and held in compliance with the laws of the State of Oregon and the rules and procedures of the City. The Agency Board has adopted policies to implement the provisions of ORS 192.640 regarding public meeting notice, and has complied with those policies for all meetings related to the Financing Agreement.

3. The Year 2000 Development Urban Renewal Area (the "Area") has been legally authorized and is a validly formed urban renewal district in accordance with state law. Since the substantial Amendment to the Agency's Year 2000 Development Plan for the Area (the "Plan") in 2009, the only amendment to the Plan that has been adopted has been through Resolution No. UR 2014-02. The Agency does not anticipate any amendments to the Plan other than as described in that resolution.

4. All governmental action necessary or appropriate in accordance with the requirements of Oregon Revised Statutes Chapter 457 for the Agency to incur indebtedness and to continue to levy and collect Tax Increment Revenues has been taken or has occurred.

5. The Agency has \$6,975,000 of unused maximum indebtedness available prior to executing the IGA. Executing the IGA will not cause the Agency to exceed the maximum indebtedness limit in the Plan.

6. Proceeds of the Financing Agreement will be used solely as described in the Resolution and the IGA.

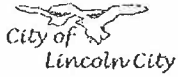


Dated as of the 17th day of June, 2014.

**Urban Renewal Agency of the  
City of Lincoln City, Oregon**

  
\_\_\_\_\_  
Ron Tierney, Financial Planner, City of  
Lincoln City, Oregon

*[General Certificate of Agency]*



# Urban Renewal Agency of the City of Lincoln City

801 SW Hwy 101  
Lincoln City, OR 97367  
www.lincolncity.org

## Regular Meeting

~ Minutes ~

Cathy Steere  
541-996-1203

Monday, February 10, 2014

5:30 PM

Council Chambers

### A. CALL TO ORDER

*Chair Sprague called the meeting to order at 5:30 pm.*

### B. ROLL CALL

Attendee Name	Title	Status	Arrived
Dick Anderson	Agency Member	Present	5:30 PM
Gary Ellingson	Agency Member	Present	5:30 PM
Chester Noreikis	Agency Member	Present	5:30 PM
Gordon Eggleton	Agency Member	Excused	
Henry Quandt	Agency Member	Present	5:30 PM
Roger Sprague	Agency Member	Present	5:30 PM
Wes Ryan	Agency Member	Present	5:30 PM

### C. COMMENTS FROM CITIZENS PRESENT

*None*

### D. MINUTES OF MEETING

- Minutes for January 27, 2014 meeting will be available for consideration at the next Urban Renewal Agency meeting.

### E. SPECIAL ORDER OF BUSINESS / PRESENTATIONS

#### 2. Underlewy Plan – Minor Amendment & Bond

*Ms. Alison Robertson, Assistant Director, presented this item, explaining the proposed changes to the Urban Renewal Plan consisting of extending the sunset date, and information on the tax collection. The underlewy plan would not exceed 10 years. The changes to the Urban Renewal Plan are considered minor amendments. A resolution follows for consideration. Ms. Robertson reviewed the documents included in the packet.*

*Member Anderson let the agency members know that the agency and staff made presentations to all of the taxing districts. Most were very pleased with the plan, with one exception which was the fire district.*

*Chair Sprague asked for the rules of order to be suspended to move to agenda items under section "G" which are resolutions for approval.*

**Motion To:** Motion to suspend the orders of business to move to agenda items under "G".

<b>RESULT:</b>	<b>ADOPTED BY VOICE VOTE [UNANIMOUS]</b>
<b>MOVER:</b>	Henry Quandt
<b>SECONDER:</b>	Dick Anderson
<b>AYES:</b>	Anderson, Ellingson, Noreikis, Quandt, Sprague, Ryan
<b>EXCUSED:</b>	Gordon Eggleton

**3. West Devils Lake Road (WDLR) Lift Station Upgrade**

*Resume the orders of the day at 05:40 pm.*

*Mr. Hawker presented this item noting the estimated cost is \$1,300,000. He said he would like to look at the design to be sure it is current and complete the DEQ approval process. Due to the replacement of the wet well, the high groundwater and high flows, this can only be completed in dry weather. He proposes to award the initial design of this project in the amount of \$22,800.00. Agency consensus is to proceed with the project.*

**4. Update: Lincoln City Cultural Center – Kitchen Upgrade**

*Ms. Robertson presented this item, noting the kitchen upgrade is necessary which will allow the center to make the kitchen available for caterers, farmers markets, vendors, and others to make the food available for public consumption. The exhaust and intake fan would be on the front of the building, and the project was put on hold due to issues with protecting the historical facade of the building. The final plan is yet to be approved that will resolve the issue. This item will be brought back for Agency consideration.*

**5. Update: Urban Renewal Projects**

*Ms. Robertson updated Agency on current renewal projects:*

- 1. Economic Development (new tools that came on board, energy efficiency loan program, business expansion loan program, new grant program)*
- 2. Rehabilitation facade improvement loan program*
- 3. Urban Renewal Agency and City Council Joint Workshop to talk about how Urban Renewal can be a funding mechanism for infrastructure improvements needed on the north end*
- 5. Enterprise Zone reshape*
- 6. Website updates and contribute to other city pages with the community links for transportation and housing.*
- 7. LINC bus transit*
- 8. Hwy 101 traffic counters at north and south ends of the City*
- 9. RRFB lighting project at 33rd Street*
- 10. Electric vehicle charging stations*
- 11. NW 15th Street interpretive signage*
- 12. Providing funds to Public Works to rebuild sidewalks and access ramps to N. 22nd Street intersection*
- 13. The utility underground design from NW 2nd to SW Ebb*
- 14. S. 1st Street traffic signal upgrade*
- 15. Agency is providing funds for sidewalk for SE 16th to 19th with bus shelter*
- 16. Design for SW 35th Street public parking lot*
- 17. SW Keel sewer construction to extend the sewer line.*

**F. PUBLIC HEARINGS/PUBLIC COMMENT - None**

**G. RESOLUTIONS**

6. Resolution UR 2014-02 - A Resolution of the Urban Renewal Agency of the City of Lincoln City, Oregon, Approving A Minor Amendment to the Year 2000 Plan, Directing Staff to Commence With Revenue Sharing in July 2014 and Directing Staff to Proceed With Preparation of a Substantial Amendment to the Year 2000 Plan.

*Orders of the day were suspended to move to this agenda item.*

*Mr. Tierney, Financial Planner, advised that the resolution is basically the same resolution as was in the packet at the last meeting. The resolution has been reviewed by the Urban Renewal Advisor Elaine Howard, her attorney, and our bond counsel.*

*Chair Sprague read the title of the Resolution.*

**Motion To:** Motion to approve Resolution UR 2014-02.

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Dick Anderson
<b>SECONDER:</b>	Henry Quandt
<b>AYES:</b>	Anderson, Ellingson, Noreikis, Quandt, Sprague, Ryan
<b>EXCUSED:</b>	Gordon Eggleton

7. Resolution UR 2014-03 - A Resolution of the Urban Renewal Agency of the City of Lincoln City, Oregon Authorizing Urban Renewal Bonds in an Aggregate Principal Amount of No More Than \$4,000,000.

**Motion To:** Motion to approve Resolution UR 2014-03.

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Dick Anderson
<b>SECONDER:</b>	Wes Ryan
<b>AYES:</b>	Anderson, Ellingson, Noreikis, Quandt, Sprague, Ryan
<b>EXCUSED:</b>	Gordon Eggleton

**H. AGENCY MEMBER COMMENTS**

*None*

**I. ADJOURNMENT**

*Chair Sprague adjourned the meeting at 5:57 pm.*



**ROGER SPRAGUE, Chair**

**RESOLUTION NO. UR 2014-02**

A RESOLUTION OF THE URBAN RENEWAL AGENCY OF THE CITY OF LINCOLN CITY, OREGON APPROVING A MINOR AMENDMENT TO THE YEAR 2000 PLAN, DIRECTING STAFF TO COMMENCE WITH REVENUE SHARING IN JULY 2014 AND DIRECTING STAFF TO PROCEED WITH PREPARATION OF A SUBSTANTIAL AMENDMENT TO THE YEAR 2000 PLAN

WHEREAS, the Urban Renewal Agency of the City of Lincoln City (the "Agency") has prepared a Minor Amendment to the Amended and Restated Year 2000 Development Plan (the "Year 2000 Plan"); and

WHEREAS, the Minor Amendment attached to this Resolution as Exhibit A would amend the Year 2000 Plan to extend the last date to issue debt from June 30, 2014 to June 30, 2024, to extend the date to take division of taxes to June 30, 2024, to add language to the Year 2000 Plan to include the potential of assisting in the development of workforce housing, and to make other modernizing changes to the Year 2000 Plan as necessary; and

WHEREAS, these actions are all minor amendments as specified in Section 1200 - Future Amendments to the Plan as all amendments that do not add land in excess of 1% of the area in July 2009 and do not increase the maximum indebtedness of the Plan are considered minor amendments; and

WHEREAS, a minor amendment requires approval by the Agency by resolution; and

WHEREAS, the Agency desires to institute revenue sharing in July 2014 through an under levy of tax increment revenues as provided in ORS 457.455(1), with approximately 80% of the tax increment revenues being returned to the impacted taxing districts and the remaining approximately 20% being distributed to the urban renewal agency; and

WHEREAS, the Agency desires to direct staff to proceed with preparation of a substantial amendment to adjust the boundary to include additional parcels to the Year 2000 Plan boundary to provide for development of underdeveloped areas in Lincoln City and to make other changes to the Year 2000 Plan as necessary to implement the projects for the property to be added; and

WHEREAS, the Minor Amendment has been prepared in conformance with the requirements of the Year 2000 Plan and ORS 457; and

WHEREAS, the Agency consulted and conferred with the taxing districts regarding the revenue sharing provision through an under levy and notified them of the January 27, 2014 meeting to discuss the issue with the Agency; and the Agency has not received any written recommendations from these districts; and

1 BE IT RESOLVED BY THE URBAN RENEWAL AGENCY OF THE CITY OF LINCOLN  
2 CITY, OREGON, as follows:

3  
4 **Section 1.** Approval of Minor Amendment. The Agency hereby approves the Minor  
5 Amendment attached hereto as Exhibit A, which amends the Year 2000 Plan, Section  
6 701, to extend the last date to issue debt to June 30, 2024 and extend the last date to  
7 take division of taxes to June 30, 2024, and Section 600, Project 19 Economic  
8 Development, to include the potential of assisting in the development of workforce  
9 housing, and makes other housekeeping changes to the Year 2000 Plan.

10  
11 **Section 2.** Revenue Sharing through an Under Levy. The Agency hereby directs  
12 Agency staff to institute revenue sharing through an under levy as allowed in ORS  
13 457.455(1) starting in Tax Year 2014-2015, with approximately 80% of the tax  
14 increment revenues being returned to the impacted taxing districts and the remaining  
15 approximately 20% being distributed to the Agency.

16  
17 **Section 3.** Substantial Amendment. The Agency hereby directs Agency staff to  
18 proceed with preparation of a substantial amendment to adjust the boundary to include  
19 additional parcels to the Year 2000 Plan boundary to provide for development of  
20 underdeveloped areas in Lincoln City and to make other changes to the Year 2000 Plan  
21 as necessary to implement the projects for the property to be added.

22  
23 **Section 4.** Effective Date. This resolution shall be effective upon its adoption.

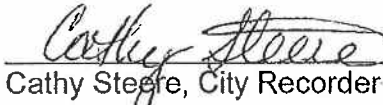
24  
25 ADOPTED this 10<sup>th</sup> day of February, 2014.

26  
27  
28 URBAN RENEWAL AGENCY OF THE CITY  
29 OF LINCOLN CITY, OREGON

30  
31  
32 BY 

33 Roger Sprague, Chair

34 ATTEST:

35   
36 \_\_\_\_\_  
37 Cathy Steere, City Recorder

38  
39  
40 Attachment:

41 Exhibit A: Proposed Minor Amendment to Year 2000 Plan

1 Exhibit A: Amendments to Plan and Report

2  
3 List of Amendments in the 2014 Minor Amendment to Lincoln's City's Year 2000 Plan  
4 (Plan). Deletions are shown in ~~crossout~~, additions in *italics*.

5  
6 1) Section 701

7 The Agency shall not issue indebtedness which matures after June 30, ~~2014~~ 2024, if  
8 the indebtedness is payable from tax increment revenues of the Area. The division of  
9 taxes and the tax increment financing process described in ORS 457.420 through  
10 457.450, shall be terminated not later than June 30, ~~2014~~ 2024, which is the end of the  
11 ~~twenty-third~~ *twenty-third* ~~thirty-fifth~~ (~~25<sup>th</sup>~~ *35<sup>th</sup>*) fiscal year of collecting tax increment after the City  
12 Council's approval of this Original Plan, unless the division of taxes and the tax  
13 increment process must be extended to pay previously issued indebtedness. Provided,  
14 however, the Agency may terminate the tax increment collection process earlier should  
15 all indebtedness of the Agency be retired earlier.

16  
17 The Agency will finance the Plan, and the projects undertaken with respect to the Plan,  
18 through tax increment financing, including division of taxes and special levy, as  
19 authorized by the Oregon Constitution and ORS Chapter 457. The ad valorem taxes, if  
20 any, levied by a taxing district in which all or a portion of an Area is located, shall be  
21 divided as provided in section 1c, Article IX of the Oregon Constitution, and

22 ORS 457.420 to 457.460.

23  
24  
25 2) Section 600 Project 19. Economic Development

26  
27 *(c) Within the funding limitations of the Agency, partner in development of*  
28 *Workforce Housing in the Area.*

29  
30 3) Modernize the Plan, including adding reference to the 2009 amendment to the  
31 Plan at the beginning of the Plan.  
32

1 Amendments to the Report on Lincoln's City's Year 2000 Plan (Report). Due to the  
2 2014 Minor Amendment

3 **SECTION VII. THE ESTIMATED AMOUNT OF TAX INCREMENT REVENUES**  
4 **REQUIRED AND THE ANTICIPATED YEAR IN WHICH INDEBTEDNESS WILL**  
5 **BE RETIRED**  
6

7 Table 15 is replaced with the following table. This table shows the anticipated 20% of  
8 tax increment revenues allocated to the Agency through the use of an under levy. It  
9 indicates the potential placement of a bonds of approximately \$4 million in 2014 and \$3  
10 million 2017, showing the debt service payments for the bonds, allowing the Agency to  
11 reach its maximum indebtedness of \$43 million in FY2023/24. The bond amounts may  
12 be adjusted depending on what makes the most economic sense at the time of bond  
13 placement.  
14

15 Table 15 shows that the anticipated revenues are sufficient to cover the debt service  
16 payments for new debt even with the under levy. The table indicates that this funding is  
17 expected to terminate in FY 2023/24.  
18

19 **SECTION VIII. FINANCIAL ANALYSIS OF THE PLAN**  
20

21 Table 16 indicates the estimated tax increment revenues to the Agency after the under  
22 levy. Table 16 supplements Table 16 of the existing Report.



**Table 15 - Tax Increment Revenues with Under Levy**

CITY OF LINCOLN CITY										
URBAN RENEWAL FINANCING										
DEBT SERVICE FUND										
	Projected					2020-2021				
	2014-15					2020-2021				
	\$ 500,000	\$ 510,000	\$ 520,200	\$ 530,604	\$ 541,216	\$ 552,040	\$ 563,081	\$ 574,343	\$ 585,830	\$ 597,546
PRIOR TAXES	125,000			25,000						
Total Taxes	\$ 625,000	\$ 610,000	\$ 570,200	\$ 555,604	\$ 566,216	\$ 577,040	\$ 588,081	\$ 599,343	\$ 610,830	\$ 622,546
RELEASE OF BOND RESERVES										
INTEREST	\$ 4,000	\$ 3,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
TOTAL REVENUES	\$ 629,000	\$ 613,000	\$ 572,200	\$ 557,604	\$ 568,216	\$ 579,040	\$ 590,081	\$ 601,343	\$ 612,830	\$ 624,546
EXPENDITURES:										
EXISTING DEBT										
NEW DEBT: (DECEMBER)										
SERIES 2002 (5M)										
SERIES 2003 (3M)										
SERIES 2004 (5M)										
Series 2014	\$ 1,076,000	\$ 1,076,000	\$ 1,076,000	\$ 1,076,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Series 2017				\$ -	\$ 554,000	\$ 554,000	\$ 554,000	\$ 554,000	\$ 554,000	\$ 554,000
Du Jour Financing										
BOND RESERVES										
TOTAL EXPENDITURES	\$ 1,076,000	\$ 1,076,000	\$ 1,076,000	\$ 1,076,000	\$ 554,000	\$ 554,000	\$ 554,000	\$ 554,000	\$ 554,000	\$ 554,000
EXCESS REVENUE (EXPENDITURES)	\$ (447,000)	\$ (463,000)	\$ (503,800)	\$ (518,396)	\$ 14,216	\$ 25,040	\$ 36,081	\$ 47,343	\$ 58,830	\$ 70,546
BEGINNING FUND BALANCE	\$ 2,200,021	\$ 1,753,021	\$ 1,290,021	\$ 786,221	\$ 267,825	\$ 282,041	\$ 307,081	\$ 343,163	\$ 390,506	\$ 449,335
ENDING FUND BALANCE	\$ 1,753,021	\$ 1,290,021	\$ 786,221	\$ 267,825	\$ 282,041	\$ 307,081	\$ 343,163	\$ 390,506	\$ 449,335	\$ 519,881

Source: City of Lincoln City

**Table 16 - Property Tax Revenues (20%)**

	Projected									
	2014-15					2020-2021				
REVENUES:	% INCREASE									
PROPERTY TAXES-CURRENT	\$ 500,000	\$ 510,000	\$ 520,200	\$ 530,604	\$ 541,216	\$ 552,040	\$ 563,081	\$ 574,343	\$ 585,830	\$ 597,546
PRIOR TAXES	125,000			25,000						
Total Taxes	\$ 625,000	\$ 610,000	\$ 570,200	\$ 555,604	\$ 566,216	\$ 577,040	\$ 588,081	\$ 599,343	\$ 610,830	\$ 622,546

Source: City of Lincoln City

**SECTION IX. IMPACT OF THE TAX INCREMENT FINANCING UPON ALL ENTITIES LEVYING TAXES UPON PROPERTY IN THE URBAN RENEWAL AREA**

The following information will replace Table 17 in the existing Report. The projected impacts to the taxing districts for FY 2013/14 are shown in Table 17, below. These numbers will vary on an annual basis due to additional assessed value being added in the urban renewal area. However, it is the intent of the Agency, through under levy provisions, to only take approximately 20% of any increased tax increment. The remaining 80% (approximately) will go to the taxing districts. The table shows both the 20% to the Agency and the 80% to the taxing district for FY 2013/14.

**Table 17 – Estimated Impacts to Taxing Districts FY 2013/14**

Taxing District	Total Operating	With UR	With/out UR	Difference Equals	Less Bonds Prior	Net	80%	
				1,027,669		1,027,669	822,135	205,534
ESD	0.3049	400,021	463,847	63,826		63,826	51,061	12,765
OCCC	0.1757	230,514	267,294	36,780		36,780	29,424	7,356
Lincoln City	4.0996	5,068,665	5,926,855	858,190	-	858,190	686,552	171,638
Lincoln County Animal	0.1100	144,317	167,344	23,027	-	23,027	18,422	4,605
N L Fire	0.822	1,078,442	1,250,516	172,074	(30,082)	141,992	113,594	28,398
L Co General	2.8202	3,700,027	4,290,394	590,367		590,367	472,294	118,073
						-	-	-
L Co Extension	0.0451	59,170	68,611	9,441		9,441	7,553	1,888
						-	-	-
						-	-	-
						-	-	-
NL Health District	0.5184	680,127	788,646	108,519		108,519	86,815	21,704
L Co Transportation	0.0974	127,786	148,175	20,389		20,389	16,311	4,078
DLWID - In	0.2499	71,339	71,858	519		519	415	104
DLWID - Out	0.1280	99,256	125,785	26,529		-	-	-
						-	-	-
			UR Levy	2,937,330	(30,082)	2,907,248	2,325,798	581,450

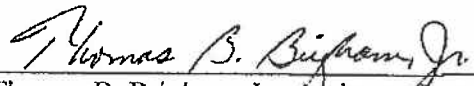
Source: City of Lincoln City

**CERTIFICATE OF THE ASSISTANT SECRETARY  
OF  
KEY GOVERNMENT FINANCE, INC.**

I, Thomas B. Brigham, Jr., a duly elected and qualified Assistant Secretary of Key Government Finance, Inc. (the "Corporation"), do hereby certify on behalf of the Corporation that the individual set forth below is a duly appointed designated signer of the Corporation, holding the position set forth opposite his name, and that such person has authority to execute documents for the Corporation:

<u>Name</u>	<u>Position</u>
Christine M. Dickhausen	Designated Signer

IN WITNESS WHEREOF, I have hereunto signed my name this 10th day of April, 2014.

  
\_\_\_\_\_  
Thomas B. Brigham, Jr., Assistant Secretary

## INVESTOR LETTER

**\$4,000,000**  
**City of Lincoln City, Oregon**  
**Financing Agreement (Urban Renewal Projects)**  
**Dated June 17, 2014**

The undersigned, a duly authorized representative of Key Government Finance, Inc. (the “Lender”), hereby certifies as follows with respect to the Lender’s loan, pursuant to the above-captioned Financing Agreement (Urban Renewal Projects) (the “Financing Agreement”), to the City of Lincoln City, Oregon (the “Issuer”):

1. The Lender is an organization that falls within one of the following categories (a “Permitted Owner”):

(a) a bank as defined in Section 3(a)(2) of the Securities Act of 1933 as amended (the “Securities Act”);<sup>1</sup> or

(b) a savings and loan association or other institution described in Section 3(a)(5)(A) of the Securities Act,<sup>2</sup> whether acting in its individual or fiduciary capacity; or

(c) a “Qualified Institutional Buyer” as that term is defined in Rule 144A under the Securities Act.

2. The Lender has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the Financing Agreement.

3. The Lender has made its own independent and satisfactory inquiry of the financial condition of the Issuer, including inquiry into financial statements and other information relating to the financial condition of the Issuer to which a reasonable investor would attach significance in making investment decisions, and of any other matters deemed to be relevant to a reasonably informed decision to enter into the Financing Agreement.

4. The Lender has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Issuer and the Financing Agreement, all so that as a reasonable investor the Lender has been able to make a reasonably informed decision to make a loan pursuant to the Financing Agreement.

---

<sup>1</sup> A “bank” is defined in Section 3(a)(2) of the Securities Act as “any national bank, or any banking institution organized under the laws of any State, territory, or the District of Columbia, the business of which is substantially confined to banking and is supervised by the State or territorial banking commission or similar official; except that in the case of a common trust fund or similar fund, or a collective trust fund, the term “bank” has the same meaning as in the Investment Company act of 1940 [15 U.S.C.A. §80a-1 et. seq.]”

<sup>2</sup> A “savings and loan association or other institution described in Section 3(a)(5)(A) of the Securities Act” is a savings and loan association, building and loan association, cooperative bank, homestead association, or similar institution, which is supervised and examined by State or Federal authority having supervision over any such institution.

5. The Lender is primarily lending under the Financing Agreement for investment purposes only (and not as an “underwriter” or “Participating Underwriter” as defined in the Securities and Exchange Commission Rule 15c2-12, as amended, replaced or supplemented) and does not presently intend to transfer, otherwise distribute or sell the Financing Agreement or any portion thereof to the general public.

6. Lender acknowledges that the Financing Agreement (a) has not been registered under the Securities Act of 1933, as amended, and has not been registered or otherwise qualified for sale under the securities laws of any state, (b) will not be listed on any securities exchange, (c) will carry no rating from any rating service, and (d) there is no established market for the Financing Agreement and that none is likely to develop. Lender understands and acknowledges that (i) the Financing Agreement is not intended to be subject to the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended and (ii) in connection with its purchase of the Financing Agreement, the Issuer has not prepared or caused to be prepared, any official statement, private placement memorandum or other offering document in connection with the Financing Agreement.

7. The Lender agrees that it will comply with any applicable state and federal securities law in effect with respect to the initial purchase of the Financing Agreement and in effect with respect to any disposition of the Financing Agreement by it, and further acknowledges that any current exemption from registration of the Financing Agreement does not affect or diminish such requirements.

8. Hawkins Delafield & Wood LLP (“Bond Counsel”), will have no responsibility to the Lender for the accuracy or completeness of information obtained by the Lender from any source regarding the Issuer or its financial condition, or regarding the ability of the Issuer to pay the Financing Agreement, or the sufficiency of any security therefor. The Lender acknowledges that, as between the Lender and all of such parties, the Lender has assumed responsibility for obtaining such information and making such review as the Lender deemed necessary or desirable in connection with its decision to make a loan pursuant to the Financing Agreement.

Dated as of the 17th day of June, 2014.

**Key Government Finance, Inc.**

  
\_\_\_\_\_  
Michael O'Hern, Designated Signer

*[Investor Letter]*

**CERTIFICATE REGARDING NO REOFFERING**

**\$4,000,000**

**City of Lincoln City, Oregon**

**Financing Agreement (Urban Renewal Projects)**

**Dated June 17, 2014**

On behalf of Key Government Finance, Inc. (the "Bank"), the undersigned hereby certifies as follows with respect to the issuance by the City of Lincoln City, Oregon (the "City") of the above-captioned Financing Agreement (Urban Renewal Projects) (the "Financing Agreement"):

1. The Bank is purchasing the Financing Agreement on the date of this certificate and intends to hold the Financing Agreement for its own account until maturity of the Financing Agreement.

2. On the date of this certificate (the "Sale Date"), the Bank and the City became legally obligated to perform their obligations under the Financing Agreement.

3. Excluding any origination fee or legal expense, the Bank is purchasing the Financing Agreement at par, and such amount reflects market conditions on the Sale Date and is not greater than the fair market value of the Financing Agreement on the Sale Date.

4. The undersigned understands that the statements made herein will be relied upon by Hawkins Delafield & Wood LLP in providing its opinion regarding the tax-exempt status of the Financing Agreement.

Dated as of the 17th day of June, 2014.

**Key Government Finance, Inc.**



Michael O'Hern, Designated Signer



**RECEIPT FOR FINANCING AGREEMENT**

**\$4,000,000**

**City of Lincoln City, Oregon**

**Financing Agreement (Urban Renewal Projects)**

**Dated June 17, 2014**

On behalf of Key Government Finance, Inc. (the "Lender"), I hereby certify that the Lender has received a fully executed original of the above-captioned Financing Agreement (Urban Renewal Projects), which is in satisfactory form.

Dated as of the 17th day of June, 2014.

**Key Government Finance, Inc.**

A handwritten signature in blue ink, appearing to read "Michael O'Hern", is written over a horizontal line.

Michael O'Hern, Designated Signer



Oregon State Treasury  
 Debt Management Division  
 350 Winter Street NE, Suite 100  
 Salem, OR 97301  
 (503) 378-4930  
 DMD@ost.state.or.us

# Municipal Debt Advisory Commission

Form 1 - (Filed separately for each series at least 10 days prior to Bond Marketing Date)     Initial Notification    Swap     PAB     OSBG   
 Form 2 - (Filed separately for each series within 7 days after the Bond Marketing Date)     Update

<b>Issuer</b> City Of Lincoln City			<b>Bond Type</b> Full Faith & Credit Obligations(N)		<b>Issue Date</b> 06/17/2014	<b>Series #</b> 2014
<b>Purpose</b> Utilities	<b>Par Amount</b> \$4,000,000	<b>Sale Type</b> Privately Placed	<b>Interest Payment Terms</b> Semi-Annual	<b>Interest Basis</b> Fixed	<b>Avg Life</b> 2.47	<b>Interest Rate</b> 1.64%

<b>Borrower</b>	<b>Project Description</b> Finance urban renewal projects within the City. Projects will include sewer, water, roadway, sidewalk, park, and beach access improvements.
-----------------	---

<b>Debt Limit</b> -	<b>State Program</b>	<b>Federal Program</b>
------------------------	----------------------	------------------------

<b>Bond Pricing</b> 05/28/2014	<b>Closing</b> 06/17/2014	<b>Final Maturity</b> 06/01/2018	<b># of bids</b>	<b>Variable Rate</b> <input type="checkbox"/>	<b>Federally Taxable</b> <input type="checkbox"/>	<b>Bank Qualified</b> <input checked="" type="checkbox"/>
				<b>Zero Coupon Bond</b> <input type="checkbox"/>	<b>Subject to AMT</b> <input type="checkbox"/>	

Professionals	Associated Business	Cost
Bond Counsel	Hawkins, Delafield & Wood	\$13,000
Financial Advisor	Economic & Financial Analysis	\$9,000
Lender's Counsel	Schulkin Rein PLLC	\$1,500
Purchaser	Key Govt. Finance Inc.	\$1

Call Provisions	Date	Memo
Special		

Submitted by: Jennifer Harding

Date Submitted: 6/18/2014 11:38:10 AM

Printed: 06/18/2014

Approved by: Jennifer Harding

Date Approved: 6/18/2014 11:38:28 AM



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SAN FRANCISCO  
PORTLAND

June 17, 2014

City of Lincoln City  
P. O. Box 50  
Lincoln City, Oregon 97367

Subject: \$4,000,000 City of Lincoln City, Oregon, Financing Agreement (Urban Renewal Projects)

Ladies and Gentlemen:

We have acted as special counsel in connection with the execution and delivery by the City of Lincoln City, Oregon (the "City") of its \$4,000,000 Financing Agreement (Urban Renewal Projects) (the "Financing Agreement") between the City and Key Government Finance, Inc. (the "Bank") dated June 17, 2014. The Financing Agreement is issued pursuant to Oregon Revised Statutes Sections 271.390, 287A.315, and City Resolution No. 2014-01 adopted February 10, 2014 (the "Resolution"). Capitalized terms used but not defined in this opinion have the meanings defined for such terms in the Financing Agreement.

We have examined the law and such certified proceedings and other documents as we deem necessary to render this opinion.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of any offering materials which have been or may be supplied to the Bank relating to the Financing Agreement, and we express no opinion relating thereto.

Regarding questions of fact material to our opinion, we have relied on representations of the City in the Resolution and the Financing Agreement and in the certified proceedings and on other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based on the foregoing, we are of the opinion that, under existing law:

1. The Resolution has been duly adopted. The Financing Agreement has been legally authorized, executed and delivered by the City under and pursuant to the Constitution and Statutes of the State of Oregon, the City Charter, and the Resolution. The Financing Agreement is a valid and legally binding obligation of the City that is enforceable in accordance with its terms.
2. The City has pledged its full faith and credit and taxing power within the limits of Sections 11 and 11b of Article XI of the Oregon Constitution to pay the amounts due under the Financing Agreement. The City is not authorized to levy additional taxes to pay the amounts due under the Financing Agreement.
3. Under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described below, (i) interest on the Financing Agreement is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Financing Agreement is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations. In rendering our opinion, we have relied on certain representations, certifications of fact, and statements of reasonable expectations made by the City and others in connection with the Financing Agreement, and we have assumed compliance by the City with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Financing Agreement from gross income under Section 103 of the Code.

The Code establishes certain requirements that must be met subsequent to the execution of the Financing Agreement in order that, for Federal income tax purposes, interest on the Financing Agreement not be included in gross income pursuant to Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Financing Agreement, restrictions on the investment of proceeds of the Financing Agreement prior to expenditure and the requirement that certain earnings be rebated to the Federal government. Noncompliance with such requirements may cause interest on the Financing Agreement to become subject to Federal income taxation retroactive to their date of issue, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of execution of the Financing Agreement, the City will execute a Tax Certificate (the "Tax Certificate") containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate, the City covenants that it will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things required by the Code to assure that interest on the Financing Agreement will, for Federal income tax purposes, be excluded from gross income.

In rendering the opinion in paragraph 3 hereof, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectation, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of interest on the Financing Agreement, and (ii) compliance by the City with the procedures and covenants set forth in the Tax Certificate as to such tax matters.

4. Interest on the Financing Agreement is exempt from Oregon personal income tax.

We note that the City has designated the Financing Agreement as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code.

Except as stated in paragraphs 3 and 4 above, we express no opinion as to any other Federal, state or local tax consequences arising with respect to the Financing Agreement or the ownership or disposition thereof. We render our opinion under existing statutes and court decisions as of the issue date, and we assume no obligation to update, revise or supplement this opinion after the issue date to reflect any action hereafter taken or not taken, or any facts or circumstances, or any change in law or in interpretations thereof, or otherwise, that may hereafter arise or occur, or for any other reason. Furthermore, we express no opinion herein as to the effect of any action hereafter taken or not taken in reliance upon an opinion of counsel other than ourselves on the exclusion from gross income for Federal income tax purposes of interest on the Financing Agreement.

The portion of this opinion that is set forth in paragraph 1 above is qualified only to the extent that enforceability of the Financing Agreement may be limited by or rendered ineffective by (i) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally; (ii) the application of equitable principles and the exercise of judicial discretion in appropriate cases; (iii) common law and statutes affecting the enforceability of contractual obligations generally; and (iv) principles of public policy concerning, affecting or limiting the enforcement of rights or remedies against governmental entities such as the City.

This opinion is given as of the date hereof and is based on existing law, and we assume no obligation to update, revise or supplement this opinion to reflect any action hereafter taken or not taken, or any facts or circumstances that may hereafter come to our attention or any changes in law or interpretations thereof that may hereafter arise or occur, or for any other reason.

This opinion is limited to matters of Oregon law and applicable federal law, and we assume no responsibility as to the applicability of laws of other jurisdictions.

This opinion is provided to you as a legal opinion only, and not as a guaranty or warranty of the matters discussed herein. No opinions may be inferred or implied beyond the matters expressly stated herein. No qualification, limitation or exception contained herein shall be construed in any way to limit the scope of the other

Legal Opinion  
June 17, 2014  
Page 3

qualifications, limitations and exceptions. For purposes of this opinion, the terms "law" and "laws" do not include unpublished judicial decisions, and we disclaim the effect of any such decision on this opinion.

We have served as special counsel only to the City in connection with the Financing Agreement and have not represented and are not representing any other party in connection with the Financing Agreement. This opinion is given solely for your benefit in connection with the Financing Agreement and may not be relied on in any manner or for any purpose by any person or entity other than the City and any person to whom we may send a formal reliance letter indicating that the recipient is entitled to rely on this opinion.

Very truly yours,

A handwritten signature in blue ink that reads "Hawkins Delafield & Wood LLP". The signature is written in a cursive, flowing style.



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FAX (503) 402-1331

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SACRAMENTO  
SAN FRANCISCO  
PORTLAND

June 17, 2014

Key Government Finance, Inc.  
1000 S. McCaslin Blvd.  
Superior, Colorado 80027

Subject: \$4,000,000 City of Lincoln City, Oregon, Financing Agreement (Urban Renewal Projects)

Ladies and Gentlemen:

We have this date delivered our legal opinion, copy attached, with respect to the subject Financing Agreement (Urban Renewal Projects) (the "Financing Agreement"). You are authorized to rely upon such opinion as if it had been addressed to you originally. We have served only as special counsel to the City of Lincoln City, Oregon ("the City") in connection with the Financing Agreement and have not represented and are not representing any other party in connection with the Financing Agreement. Therefore, no attorney-client relationship shall arise by virtue of our addressing this opinion to persons other than the City.

Very truly yours,

## BOND SUMMARY STATISTICS

Lincoln City, Oregon  
 2014 Full Faith and Credit Obligations (Urban Renewal)  
 Key Bank Private Placement  
 FINAL NUMBERS

Dated Date	06/17/2014
Delivery Date	06/17/2014
Last Maturity	06/01/2018
Arbitrage Yield	1.640112%
True Interest Cost (TIC)	1.640112%
Net Interest Cost (NIC)	1.640000%
All-In TIC	1.914527%
Average Coupon	1.640000%
Average Life (years)	2.477
Duration of Issue (years)	2.427
Par Amount	4,000,000.00
Bond Proceeds	4,000,000.00
Total Interest	162,459.22
Net Interest	162,459.22
Total Debt Service	4,162,459.22
Maximum Annual Debt Service	1,042,502.16
Average Annual Debt Service	1,052,307.11

Bond Component	Par Value	Price	Average Coupon	Average Life	Duration	PV of 1 bp change
Bond Component	4,000,000.00	100.000	1.640%	2.477	2.427	958.13
	4,000,000.00			2.477		958.13

	TIC	All-In TIC	Arbitrage Yield
Par Value	4,000,000.00	4,000,000.00	4,000,000.00
+ Accrued Interest	-	-	-
+ Premium (Discount)	-	-	-
- Underwriter's Discount	-	-	-
- Cost of Issuance Expense	-	-26,300.00	-
- Other Amounts	-	-	-
<b>Target Value</b>	<b>4,000,000.00</b>	<b>3,973,700.00</b>	<b>4,000,000.00</b>
Target Date	06/17/2014	06/17/2014	06/17/2014
Yield	1.640112%	1.914527%	1.640112%

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**BOND DEBT SERVICE**

Lincoln City, Oregon  
2014 Full Faith and Credit Obligations (Urban Renewal)  
Key Bank Private Placement  
FINAL NUMBERS

Dated Date 06/17/2014  
Delivery Date 06/17/2014

<b>Period Ending</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Debt Service</b>	<b>Annual Debt Service</b>
12/01/2014	-	-	29,884.44	29,884.44	-
06/01/2015	975,575	1.640%	32,800.00	1,008,375.00	1,038,259.44
12/01/2015	-	-	24,800.29	24,800.29	-
06/01/2016	990,703	1.640%	24,800.29	1,015,503.29	1,040,303.58
12/01/2016	-	-	16,676.52	16,676.52	-
06/01/2017	1,008,041	1.640%	16,676.52	1,024,717.52	1,041,394.04
12/01/2017	-	-	8,410.58	8,410.58	-
06/01/2018	1,025,681	1.640%	8,410.58	1,034,091.58	1,042,502.16
	4,000,000		162,459.22	4,162,459.22	4,162,459.22

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**BOND PRICING**

Lincoln City, Oregon  
2014 Full Faith and Credit Obligations (Urban Renewal)  
Key Bank Private Placement  
FINAL NUMBERS

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Bond Component:					
	06/01/2015	975,575	1.640%	1.640%	100.000
	06/01/2016	990,703	1.640%	1.640%	100.000
	06/01/2017	1,008,041	1.640%	1.640%	100.000
	06/01/2018	1,025,681	1.640%	1.640%	100.000
		4,000,000			

Dated Date	06/17/2014		
Delivery Date	06/17/2014		
First Coupon	12/01/2014		
Par Amount	4,000,000.00		
Original Issue Discount	-		
Production	4,000,000.00	100.000000%	
Underwriter's Discount	-		
Purchase Price	4,000,000.00	100.000000%	
Accrued Interest	-		
Net Proceeds	4,000,000.00		

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**SOURCES AND USES OF FUNDS**

Lincoln City, Oregon  
2014 Full Faith and Credit Obligations (Urban Renewal)  
Key Bank Private Placement  
FINAL NUMBERS

Dated Date            06/17/2014  
Delivery Date        06/17/2014

**Sources:**

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Bond Proceeds:	
Par Amount	4,000,000.00

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4,000,000.00

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**Uses:**

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Project Fund Deposits:	
Project Fund	3,973,700.00

Cost of Issuance:

Bank Counsel	1,500.00
Bond Counsel	13,000.00
Financial Advisor	11,000.00
MDAC Fee	800.00
	<hr/> 26,300.00

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4,000,000.00

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**COST OF ISSUANCE**

Lincoln City, Oregon  
2014 Full Faith and Credit Obligations (Urban Renewal)  
Key Bank Private Placement  
FINAL NUMBERS

<b>Cost of Issuance</b>	<b>\$/1000</b>	<b>Amount</b>
Bank Counsel	0.37500	1,500.00
Bond Counsel	3.25000	13,000.00
Financial Advisor	2.75000	11,000.00
MDAC Fee	0.20000	800.00
	6.57500	26,300.00

**FORM 8038 STATISTICS**

Lincoln City, Oregon  
 2014 Full Faith and Credit Obligations (Urban Renewal)  
 Key Bank Private Placement  
 FINAL NUMBERS

Dated Date           06/17/2014  
 Delivery Date       06/17/2014

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Bond Component:						
	06/01/2015	975,575.00	1.640%	100.000	975,575.00	975,575.00
	06/01/2016	990,703.00	1.640%	100.000	990,703.00	990,703.00
	06/01/2017	1,008,041.00	1.640%	100.000	1,008,041.00	1,008,041.00
	06/01/2018	1,025,681.00	1.640%	100.000	1,025,681.00	1,025,681.00
		4,000,000.00			4,000,000.00	4,000,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	06/01/2018	1.640%	1,025,681.00	1,025,681.00	-	-
Entire Issue	-	-	4,000,000.00	4,000,000.00	2.4765	1.6401%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	26,300.00
Proceeds used for credit enhancement	0.00
Proceeds allocated to reasonably required reserve or replacement fund	0.00

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**PROOF OF ARBITRAGE YIELD**

Lincoln City, Oregon  
2014 Full Faith and Credit Obligations (Urban Renewal)  
Key Bank Private Placement  
FINAL NUMBERS

<b>Date</b>	<b>Debt Service</b>	<b>Present Value to 06/17/2014 @ 1.6401119018%</b>
12/01/2014	29,884.44	29,662.89
06/01/2015	1,008,375.00	992,758.20
12/01/2015	24,800.29	24,217.61
06/01/2016	1,015,503.29	983,578.17
12/01/2016	16,676.52	16,020.87
06/01/2017	1,024,717.52	976,422.64
12/01/2017	8,410.58	7,949.00
06/01/2018	1,034,091.58	969,390.62
	<b>4,162,459.22</b>	<b>4,000,000.00</b>

Proceeds Summary

Delivery date	06/17/2014
Par Value	4,000,000.00
Target for yield calculation	4,000,000.00