

ORIGINAL

ORDINANCE NO. 271

AN ORDINANCE AUTHORIZING THE ISSUANCE OF BONDS;
AND DECLARING AN EMERGENCY.

WHEREAS, this Council submitted to the legal voters of the City of Drain the question of contracting a bonded indebtedness in the sum of not to exceed Three Hundred Fifty Thousand Dollars (\$350,000) for the purpose of construction of a water storage and distribution system; and

WHEREAS, the election was duly and legally held on the 18th day of September, 1979, and this Council has canvassed the result thereof and has declared that issuance of bonds in such sum has been approved by a majority of the qualified voters of the City voting at the election; now, therefore,

THE CITY OF DRAIN ORDAINS AS FOLLOWS:

Section 1. That for the above purposes the City shall issue revenue bonds in the amount of Three Hundred Fifty Thousand Dollars (\$350,000), to be dated January 1, 1980, to be numbered consecutively from one to three hundred fifty (1-350) inclusive, to be in denominations of One Thousand Dollars (\$1,000) each, and to mature serially in numerical order on January 1 of each year as follows:

<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>
January 1, 1981	\$10,000	January 1, 2001	\$18,000
January 1, 1982	\$10,000	January 1, 2002	\$18,000
January 1, 1983	\$10,000	January 1, 2003	\$18,000
January 1, 1984	\$10,000	January 1, 2004	\$18,000
January 1, 1985	\$10,000	January 1, 2005	\$18,000
January 1, 1986	\$12,000		
January 1, 1987	\$12,000		
January 1, 1988	\$12,000		
January 1, 1989	\$12,000		
January 1, 1990	\$12,000		
January 1, 1991	\$14,000		
January 1, 1992	\$14,000		
January 1, 1993	\$14,000		
January 1, 1994	\$14,000		
January 1, 1995	\$14,000		
January 1, 1996	\$16,000		
January 1, 1997	\$16,000		
January 1, 1998	\$16,000		
January 1, 1999	\$16,000		
January 1, 2000	\$16,000		

and,

That each of the bonds be personally signed with the manual signature of the Mayor of the City in office on the date of execu-

tion of such bonds; that each of the bonds be attested in like manner by the Clerk of the Council pro-tem of the City in office on such date; and that the coupons appertaining to the bonds be executed with the facsimile signatures of such Mayor and Clerk; and

That the net revenues of the water utility system of the City are pledged to the successive holders of each of the bonds and of the interest coupons appertaining thereto, for the punctual payment of such obligations, when due, and that the City shall impose fees on water users in sufficient amount to pay the bond and bond interest obligations promptly as they respectively mature, and that the City covenants with the holders of its bonds to maintain these fees at a sufficient rate to pay the bond and bond interest obligations promptly as they respectively mature. This bond and the interest thereon are payable solely from the net revenues of the water utility system of the City of Drain, Oregon, and neither the bond nor the payment of interest impose any general liability upon the City for the payment thereof other than the net revenues of the water utility system.

That should state law at any time in the future permit advance refunding of bond issues, the revenue bonds of this issue shall be deemed to be within the definition of bonds available for advance refunding and shall be subject to being advance refunded at the option of the City; and

That such bonds and the coupons attached thereto be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF OREGON
COUNTY OF DOUGLAS
CITY OF DRAIN

REVENUE BOND

\$ _____

_____ City of Drain, in the County of Douglas, State of Oregon, acknowledges itself indebted and for value received hereby promises to pay to bearer on the 1st day of January, _____, the sum of

_____ THOUSAND DOLLARS

with interest thereon, from the date hereof at the rate of _____ percent (___%) per annum, on the first day of July and the first day of January in each year until maturity, upon surrender of the annexed interest coupons as they severally mature. The principal of and the interest upon this bond are payable in lawful money of the United States of America, at the office of the City Treasurer, Drain, Oregon.

THIS BOND is one of a series aggregating Three Hundred Fifty Thousand Dollars (\$350,000) par value, issued to provide funds to construct a water storage and distribution system, pursuant to the constitution and laws of the State of

Oregon, and the City Charter of the City of Drain, Oregon, and pursuant to an approving vote of a majority of the qualified voters of such City voting at a special election duly called and legally held therein on the 18th day of September, 1979. This bond and the interest thereon are payable solely from the net revenues of the water utility system of the City of Drain, Oregon, and neither the bond nor the payment of interest impose any general liability upon the City for the repayment thereof other than the net revenues of the water utility system.

IT IS HEREBY CERTIFIED, RECITED, AND DECLARED that all conditions, acts, and things required to exist, to happen, and to be performed precedent to and in the issuance of this bond have existed, have happened, and have been performed in due time, form, and manner as required by the constitution and statutes of the State of Oregon and the Charter of the City of Drain; that the issue of which this bond is a part, and all other obligations of such City, are within every debt limitation and other limits prescribed by such constitution, statutes and Charter; and that the City Council has provided for the imposition of fees on water users in sufficient amount to pay the interest on and the principal of the bonds of such issue as such obligations respectively become due and payable.

IN WITNESS WHEREOF, the City Council of the City of Drain, Douglas County, Oregon, has caused this bond to be signed by its Mayor and attested by its Clerk of the Council pro-tem, and has caused its seal to be affixed hereto, and has caused the annexed interest coupons to be executed with the facsimile signatures of such officers this ____ day of _____, _____.

Mayor, City of Drain, Oregon

ATTEST:

Clerk of the Council Pro Tem

FORM OF BOND COUPON

No. _____

On the first day of _____, _____, City of Drain, Douglas County, Oregon, upon surrender of this coupon at the office of the City Treasurer, in the City of Drain, Oregon will pay to bearer the sum of _____ Dollars (\$ _____), in lawful money of the United States of America, for interest then due on its Revenue Bond, dated January 1, _____, and bearing No. _____.

Mayor, City of Drain, Oregon

ATTEST:

Clerk of the Council Pro Tem

Section 2. That the Clerk of the Council Pro Tem shall cause to be published in the Drain Enterprise, a newspaper of general circulation printed and published in the City of Drain, County of Douglas, State of Oregon, and in the Daily Journal of Commerce, Portland, Oregon, notices of proposed sale of the bonds, as provided by law, in the form substantially as shown on Exhibit A attached hereto and by this reference incorporated herein, specifying that sealed bids will be received by the Clerk of the Council Pro Tem up to and including the hour of 4:00 o'clock p.m. on the 10th day of January, 1980, and that immediately thereafter bids received will be publicly opened by the City Council for the sale of the bonds, at not less than the par value thereof and the accrued interest thereon, at an interest rate or rates in multiples of one-eighth of one percent or one-twentieth of one percent, not exceeding a net effective rate of seven percent per annum, payable semi-annually on July 1 and January 1; that the bids shall be accompanied by a cashier's check or certified check, of or upon a bank doing business in the State of Oregon, in the sum of \$7,000, to be forfeited to the City in case the bidder fails to complete his purchase in accordance with the terms of his bid; that bids must be unconditional except as to qualification of approval of validity of the bond issue by Ragen, Roberts, O'Scannlain, Robertson & Neill, bond attorneys; that bids must show the total cost of the bond issue to the City, including interest, less premium offered, if any; that the bonds will be sold to the bidder whose bid will result in the lowest net interest cost to the City; and that the City Council reserves the right to reject any or all bids.

Section 3. The provisions contained herein affect the public welfare and safety, and therefore, an emergency is hereby declared to exist, and this ordinance shall be effective immediately upon its passage by the Council and approval by the Mayor.

Passed by the City Council this
27 day of NOVEMBER, 1979

Robert A. Gray
Clerk of the Council Pro Tem

Approved by the Mayor this
27 day of NOVEMBER, 1979

Leroy J. Lanley
Mayor

ORIGINAL

OFFICIAL NOTICE OF BOND SALE

\$350,000
CITY OF DRAIN
COUNTY OF DOUGLAS
STATE OF OREGON
REVENUE BONDS

NOTICE is hereby given that sealed bids will be received by the Clerk of the Council Pro Tem on behalf of the City of Drain, Douglas County, Oregon until 4:00 o'clock p.m. Pacific Standard Time, on January 10, 1980, at City Hall, Drain, Douglas County, Oregon, at which time they will be publicly opened and announced. The bids shall be considered and acted upon by the City Council of the City of Drain at its Council meeting to be held on January 10, 1979, commencing at 7:00 o'clock p.m., Pacific Standard Time.

ISSUE: Three Hundred Fifty Thousand Dollars (\$350,000) consisting of 350 coupon bonds in denominations of One Thousand Dollars (\$1,000), all dated January 1, 1980.

INTEREST RATE: Maximum not to exceed a net effective rate of seven percent (7%) per annum, the first interest payment due on July 1, 1980 and semiannually thereafter on July 1 and January 1 of each year. Bidders must specify the interest rate or rates which the bonds hereby offered for sale shall bear. The bids shall comply with the following conditions; (1) Each interest rate specified in any bid must be in multiples of 1/8th or 1/20th of one percent (1%), not exceeding a net effective rate of seven percent (7%) per annum; (2) No bond shall bear more than one rate of interest, no interest payment shall be evidenced by more than one coupon, and supplemental coupons will not be permitted; (3) Each bond shall bear interest from its date to its stated maturity date at the interest rate specified in the bids; (4) All bonds maturing at any one time shall bear the same rate of interest; and (5) The difference between the highest and lowest rates bid shall not exceed three percent (3%).

MATURITIES: The bonds shall mature serially in numerical order on the 1st day of January of each year as follows:

<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>
January 1, 1981	\$10,000	January 1, 2001	\$18,000
January 1, 1982	\$10,000	January 1, 2002	\$18,000
January 1, 1983	\$10,000	January 1, 2003	\$18,000
January 1, 1984	\$10,000	January 1, 2004	\$18,000
January 1, 1985	\$10,000	January 1, 2005	\$18,000
January 1, 1986	\$12,000		
January 1, 1987	\$12,000		
January 1, 1988	\$12,000		

EXHIBIT 'A'

January 1, 1989	\$12,000
January 1, 1990	\$12,000
January 1, 1991	\$14,000
January 1, 1992	\$14,000
January 1, 1993	\$14,000
January 1, 1994	\$14,000
January 1, 1995	\$14,000
January 1, 1996	\$16,000
January 1, 1997	\$16,000
January 1, 1998	\$16,000
January 1, 1999	\$16,000
January 1, 2000	\$16,000

REGISTRATION: The bonds will be issued in bearer form with no option for registration.

PAYMENT: Principal and interest are payable at maturity, in lawful money of the United States at the office of the City Treasurer, City of Drain, Oregon.

PURPOSE: The bonds were authorized at a special election held within the City on September 18, 1979, to authorize bonds for the construction of a water storage and distribution system.

SECURITY: The bonds of this issue are revenue bonds of the City. Bond principal and interest are payable solely from the net revenues of the water utility system of the City of Drain, Oregon, and neither the bond nor the payment of interest impose any general liability upon the City for the payment thereof other than the net revenues of the water utility system. The City has covenanted to impose fees on water users to pay bond principal and interest as they respectively become due.

LEGAL OPINION: The approving opinion of Ragen, Roberts, O'Scannlain, Robertson & Neill, Lawyers, Portland, Oregon, will be provided at no cost to the purchaser, and will be printed on the bonds at the expense of the City.

TAX EXEMPT STATUS: Interest on the bonds, in the opinion of bond counsel, is exempt from taxation by the United States under present Federal income tax laws and from personal income taxation by the State of Oregon under present state law.

BEST BID: The bonds will be awarded to the responsible bidder whose proposal will result in the lowest net cost to the City. The successful bid will be determined by computing the total amount of interest which the City would be required to pay from the date of each bond to its respective maturity date at the coupon rate or rates specified in the bid, less premium offers, if any. The purchaser must pay accrued interest, computed on a 360-day basis, from the date of the bonds to the date of delivery. The cost of printing the bonds will be borne by the City.

FARMERS HOME ADMINISTRATION BID: The Farmers Home Administration has agreed to purchase these bonds if no acceptable bid is received.

DELIVERY: Delivery of the bonds will be made without cost to the successful bidder at such bank in the City of Portland, Oregon, as the successful bidder shall name. Payment for the bonds must be made in Federal funds. Delivery will be made within thirty days.

FORM OF BID: All bids must be for not less than all the bonds hereby offered for sale, and for not less than one hundred percent (100%) of the par value thereof and accrued interest to the date of delivery. Each bid together with bidder's check as herein specified must be enclosed in a sealed envelope addressed to the City and designated "Proposal for Bonds". Bids must be received by 4:00 o'clock p.m., Pacific Standard Time.

BID CHECK: All bids must be unconditional and accompanied by a certified check or cashier's check on a bank doing business in the State of Oregon for Seven Thousand Dollars (\$7,000), payable to the order of the City, to secure the City from any loss resulting from the failure of the bidder to comply with the terms of its bid. In addition, bidders are requested to supply the total interest costs and net effective interest rate, based upon the aggregate interest cost, if its bid be accepted, that the City will pay upon the issue if the bid is accepted. Such information shall be considered as informative only. Checks will be forfeited to the City as liquidated damages in case the bidder to whom the bonds are awarded shall withdraw its bid or fail to complete its purchase in accordance with the terms thereof. No interest shall be allowed on the deposit but the check of the successful bidder will be retained as part payment of the bonds or for liquidated damages as described above. Checks of the unsuccessful bidders will be returned by the City promptly after award of bid.

RIGHT OF REJECTION: The City, by its Council, reserves the right to reject any or all bids.

OFFICIAL STATEMENT: The City has prepared an official statement relating to the bonds, a copy of which will be furnished upon request to its financial consultant, Douglas Ohmart, CPA, or to the undersigned.

CUSIP: CUSIP numbers will be imprinted upon all bonds of this issue at the purchaser's request and expense. An improperly imprinted number will not constitute basis for the purchaser to refuse to accept delivery.

NO LITIGATION: At the time of payment for the delivery of said bonds, the City will furnish the successful bidder a certificate that there is no litigation pending affecting the validity of the bonds.

FURTHER INFORMATION: The official statement and additional information regarding the City and this sale may be obtained from Robert A. Gray, Drain City Hall, Drain, Oregon 97435, telephone (503) 836-2417.

Robert A. Gray 11/27/79
Clerk of the Council Pro Tem
City of Drain, Oregon

FARMERS HOME ADMINISTRATION

EQUAL OPPORTUNITY AGREEMENT

This agreement, dated November 27, 1979 between

City of Drain

(herein called "Recipient" whether one or more) and the Farmers Home Administration, United States Department of Agriculture, pursuant to the rules and regulations of the Secretary of Labor (herein called the 'Secretary') issued under the authority of Executive Order 11246, as amended, witnesseth:

In consideration of financial assistance (whether by a loan, grant, loan guaranty, or other form of financial assistance) made or to be made by the Farmers Home Administration to Recipient, Recipient hereby agrees, if the cash cost of construction work performed by Recipient or a construction contract financed with such financial assistance exceeds \$10,000—unless exempted by rules, regulations or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965.

1. To incorporate or cause to be incorporated into any contract for construction work, or modification thereof, subject to the relevant rules, regulations, and orders of the Secretary or of any prior authority that remain in effect, which is paid for in whole or in part with the aid of such financial assistance, the following "Equal Opportunity Clause":

During the performance of this contract, the contractor agrees as follows:

- (a) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited, to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Farmers Home Administration setting forth the provisions of this nondiscrimination clause.
- (b) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.
- (c) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Farmers Home Administration, advising the said labor union or workers' representative of the contractor's commitments under this agreement as required pursuant to section 202(3) of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- (d) The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of all rules, regulations and relevant orders of the Secretary of Labor and of any prior authority which remain in effect.
- (e) The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, rules, regulations, and orders, or pursuant thereto, and will permit access to his books, records, and accounts by the Farmers Home Administration, Office of Equal Opportunity, U. S. Department of Agriculture, and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- (f) In the event of the contractor's noncompliance with the Equal Opportunity (Federally Assisted Construction) clause or with any of the said rules, regulations, or orders, this contract may be cancelled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government Contracts or Federally Assisted construction contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation or order of the Secretary of Labor, or as provided by Law.
- (g) The contractor will include the provisions of this Equal Opportunity (Federally Assisted Construction) clause in every subcontract or purchase order, unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each such subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the Farmers Home Administration may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Farmers Home Administration, the contractor may request the United States to enter into such litigation to protect the interest of the United States.

2. To be bound by the provisions of the Equal Opportunity Clause in construction work performed by Recipient and paid for in whole or in part with the aid of such financial assistance.

3. To notify all prospective contractors to file the required 'Compliance Statement', Form FHA 400-6, with their bids.

4. Form AD-425, Instructions to Contractors, will accompany the notice of award of the contract.

Bid conditions for all nonexempt Federal and Federally assisted construction contracts require inclusion of the appropriate "Hometown" or "Imposed" plan affirmative action and equal employment opportunity requirements. All bidders must comply with the bid conditions contained in the invitation to be considered responsible bidders and hence eligible for the award.

5. To assist and cooperate actively with the Farmers Home Administration and the Secretary in obtaining the compliance of contractors and subcontractors with the provisions of the Equal Opportunity Clause and the said rules, regulations, and orders, to obtain and furnish to the Farmers Home Administration and the Secretary, Form AD-560, Certification of Nonsegregated Facilities, to submit the Monthly Manpower Utilization Report, Optional Form 66, as required and such other information as they may require for the supervision of such compliance, and to otherwise assist the Farmers Home Administration in the discharge of its primary responsibility for securing compliance.

6. To refrain from entering into any contract, or extension or other modification of a contract, subject to such Executive Order with a contractor debarred from Government contracts or federally assisted construction contracts pursuant to Part II, Subpart D, of such Executive Order or to prior authority; and to carry out such sanctions and penalties for violation of the provisions of the Equal Opportunity Clause as may be imposed upon contractors and subcontractors by the Farmers Home Administration or the Secretary pursuant to such Subpart D.

7. That if Recipient fails or refuses to comply with these undertakings, the Farmers Home Administration may take any or all of the following actions: (a) cancel, terminate, or suspend said financial assistance in whole or in part; (b) refrain from extending any further assistance under the program involved until satisfactory assurance of future compliance has been received from Recipient; and (c) refer the case to the Office of Equal Opportunity, U. S. Department of Agriculture for appropriate action.

Witness the due execution hereof by Recipient on this, the date first above written.

City of Drain

P.O. Box 158

Drain, OR 97435

Recipient

Recipient

(CORPORATE SEAL)

Attest:

Robert A. Gray
Robert A. Gray *Secretary*
Clerk of the Council, Pro-tem

Name of Corporate Recipient

By Leroy J. Farley
Leroy J. Farley *President*
Mayor

LOAN RESOLUTION
(Public Bodies)

R-7980-7
City of Drain
P.O. Box 158
Drain, OR 97435

A RESOLUTION OF THE City Council
OF THE City of Drain
AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF
PROVIDING A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR
EXTENDING ITS Water
FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

WHEREAS, it is necessary for the City of Drain
(Public Body)
(herein after called association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal
amount of \$350,000

pursuant to ~~the provisions of~~ it's charter; and

WHEREAS, the association intends to obtain assistance from the Farmers Home Administration, United States Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning, financing, and supervision of such undertaking and to purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the association:

NOW THEREFORE, in consideration of the premises the association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds and containing such items and in such forms as are required by STATE statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983(c)).
3. To provide for, execute, and comply with Form FmHA 400-4, "Nondiscrimination Agreement"; and Form FmHA 400-1, "Equal Opportunity Agreement", including an "Equal Opportunity Clause", which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legally permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government, at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the association (payable from the source of funds pledged to pay the bonds or any other legally permissible source) incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this Resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, not permit others to do so, without the prior written consent of the Government.
7. Not to borrow any money from any source, enter into any contract or agreement, or incur any other liabilities in connection with making enlargements, improvements or extensions to, or for any other purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account, in a bank, and in a manner approved by the Government.

9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. No free service or use of the facility will be permitted.
11. To acquire and maintain such insurance coverage including fidelity bonds as may be required by the Government.
12. To establish and maintain such books and records relating to the operation of the facility and its financial affairs and to provide for required audit thereof in such a manner as may be required by the Government, to provide the Government without its request, a copy of each such audit, and to make and forward to the Government such additional information and reports as it may from time to time require.
13. To provide the Government at all reasonable times access to all books and records relating to the facility and access to the property of the system so that the Government may ascertain that the association is complying with the provisions hereof and of the instruments incident to the making or insuring of the loan.
14. To serve any applicant within the service area who desires service and can be feasibly and legally served, and to obtain the concurrence of the Farmers Home Administration prior to refusing service to such applicant. Upon the failure to provide such service which is feasible and legal such applicant shall have a direct right of action against the association under this agreement.

The provisions hereof and the provisions of all instruments incident to the making or the insuring of the loan, unless otherwise specifically provided by the terms of such instruments, shall be binding upon the association as long as the bonds are held or insured by the Government. The provisions of sections 6 through 13 hereof may be provided for in more specific detail in the bond resolution or ordinance; to the extent that the provisions contained in such bond resolution or ordinance should be found to be inconsistent with the provisions hereof, these provisions shall be construed as controlling as between the association and the Government.

The vote was: Yeas 5; Nays 0; Absent 0.

IN WITNESS WHEREOF, the City Council of the City of Drain

has duly adopted this Resolution and caused

it to be executed by the officers below in duplicate on this 27th day of November, 19 79.

(SEAL)

By Leroy J. Farley
Leroy J. Farley
Title Mayor

Attest:

Robert A. Gray
Robert A. Gray

Title Clerk of the Council, Pro-tem

CERTIFICATION

I, the undersigned, as CLERK of the OF THE COUNCIL, PRO-TEM hereby certify that the CITY COUNCIL of such Association is composed of 5 members, of whom 5, constituting a quorum, were present at a meeting thereof duly called and held on the 27 day of NOVEMBER, 19 79; that the foregoing resolution was adopted at such meeting by the vote shown above; and that said resolution has not been rescinded or amended in any way.

Dated, this 27 day of NOVEMBER, 19 79.

Robert A. Gray
Robert A. Gray

Title Clerk of the Council, Pro-tem

UNITED STATES DEPARTMENT OF AGRICULTURE
FARMERS HOME ADMINISTRATION

NONDISCRIMINATION AGREEMENT
(Under Title VI, Civil Rights Act of 1964)

Date: November 27, 1979

Name: City of Drain

Address: Drain, Douglas County, Oregon

(herein called "Recipient") in accordance with regulations (herein called "the regulations") of the Farmers Home Administration and the United States Department of Agriculture (herein called "the Department") issued pursuant to Title VI of Civil Rights Act of 1964 and in consideration of a loan or advance made or to be made by the United States of America acting through the Farmers Home Administration (herein called "the Government"), hereby covenants and agrees as follows:

1. Recipient shall comply with all provisions of the regulations and shall not, on the ground of race, color, or national origin --
 - (a) Deny, or cause to be denied, to any person, directly or indirectly, wholly or partially, any service, use, occupancy, financial aid, or other benefit (herein called "benefits") of the whole or any portion of any property, facility, structure, project, service, or activity which, directly or indirectly, wholly or partially, is provided with the aid of the loan or advance (herein called "aided facility or activity"); or
 - (b) treat any person, or cause any person to be treated, differently from any other person with respect to any right or opportunity to participate in the benefits of any aided facility or activity; or
 - (c) subject any person, or cause any person to be subjected, to discrimination in any other manner in connection with any aided facility or activity or the benefits thereof.

It is understood that employment is not within the scope of this agreement.

2. Any transfer of any aided facility or activity, other than personal property, by sale, lease, or other conveyance or contract, shall be, and shall be made expressly, subject to the obligations of this agreement and transferee's assumption thereof.
3. Recipient shall --
 - (a) Keep such records and submit to the Government such timely, complete, and accurate compliance reports at such times and in such form and containing such information as the Government may determine to be necessary to ascertain Recipient's compliance with this agreement and the regulations; and
 - (b) permit access by authorized employees of the Farmers Home Administration or the Department during normal business hours to such of Recipient's books, records, accounts, and other sources of information and its facilities as may be pertinent to ascertaining such compliance; and
 - (c) make available to users, participants, beneficiaries, and other interested persons such information regarding the provisions of this agreement and the regulations, and in such manner, as the Farmers Home Administration or the Department finds necessary to inform such persons of the protection assured them against discrimination.
4. The obligations of this agreement shall continue --
 - (a) As to any real property, including any structure, provided with the aid of the loan or advance, so long as such real property is used for a purpose for which the loan or advance is made or which affords similar services or benefits.
 - (b) As to any personal property provided with the aid of the loan or advance, so long as Recipient retains ownership or possession of the property.
 - (c) As to any other aided facility or activity, until the last advance of funds under the loan or advance has been made.

5. Upon any breach or violation of this agreement the Government may, at its option --

- (a) Terminate or refuse to render or continue financial assistance to Recipient or for the aid of the property, facility, project, service, or activity.
- (b) In case of a loan, accelerate the maturity of the indebtedness.
- (c) Appoint a receiver, or have a receiver appointed, to take possession of and administer the aided facility or activity in order to secure compliance with this agreement and the regulations. For this purpose Recipient hereby appoints the Government its agent and attorney-in-fact with power, in event of such breach or violation, so to take possession of and administer or to appoint such receiver. This appointment is coupled with an interest and shall be irrevocable while the obligations of this agreement continue.
- (d) Enforce this agreement by suit for specific performance or by any other available remedy under the laws of the United States or the State in which the breach or violation occurs.

Rights and remedies provided for under this agreement shall be cumulative.

In witness whereof Recipient, on this, the date first above written, has caused this agreement to be executed by its duly authorized officers and its seal affixed hereto, or, if a natural person, has hereunto set Recipient's hand and seal.

City of Drain
P.O. Box 158
Drain, OR 97435

(SEAL)

Attest: Robert A. Gray
Robert A. Gray (Title)
Clerk of the Council, Pro-tem

Recipient
By: Leroy J. Farley
Leroy J. Farley Mayor (Title)

Recipient

Recipient