

**TAXABLE NON-REVOLVING LINE OF CREDIT**  
**LANE FIRE AUTHORITY, LANE COUNTY, OREGON**

This Taxable Non-Revolving Line of Credit is entered into between Lane Fire Authority, Lane County, Oregon, and Banner Bank, as of this \_\_\_ day of \_\_\_\_\_, 2021.

**Section 1. Definitions.**

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

“Authorized Officer” means the Board President, the Board Secretary/Treasurer, the Fire Chief or his or her designee.

“Bank” means Banner Bank or its successors or assigns.

“Business Day” means any day on which the Bank is open for business in Oregon other than a Saturday or a Sunday.

“District” means Lane Fire Authority, Lane County, Oregon.

“Draw” means a loan to the District under this Line and the Note.

“Draw Certificate” means the District’s certificate requesting a Draw, which shall be in substantially the form attached hereto as Exhibit B.

“Event of Default” means the declaration by the Bank of an event of default as a result of a determination by the Bank that there has been: (i) a failure to pay principal or interest on the Note when due, as provided in the Note and this Line; or (ii) a failure by the District to comply with any of its obligations, or to perform any of its duties, under this Line, or the Note, which failure continues, and is not cured, for a period of more than 30 days after the Bank has made written demand on the District to cure such failure; or, (iii) a material misrepresentation to the Bank by the District when obtaining this Line, as reasonably concluded by the Bank after investigation and discussion with the District.

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

“Line Proceeds” means any proceeds of this Line and the Note.

“Line” means this Taxable Non-Revolving Line of Credit.

“Maturity Date” means **January 15, 2022**.

“Note” means the Taxable Non-Revolving Line of Credit Master Note, Series 2020, evidencing the amounts owed under this Line, which shall be in substantially the form attached hereto as Exhibit A.

“Note Counsel” means the Local Government Law Group PC, of Eugene, Oregon.

“Outstanding Balance” means, at any time, the sum of all Draws, less the sum of all Note principal repayments which have been received by the Bank.

“Resolution” means the District’s Resolution No. 2020- [REDACTED] adopted [REDACTED], 2021, authorizing this Line and the Note.

**Section 2. Recitals.**

The District recites that it has adopted the Resolution, which authorizes the District to establish a line of credit in a maximum aggregate principal amount of \$1,800,000.

**Section 3. Line.**

- 3.1. The Bank hereby agrees to advance Draws to the District under this Line, subject to the terms and conditions contained in this Line and the Note, in a maximum aggregate principal amount of \$1,800,000. The Bank shall advance Draws made after the date of this Agreement within three Business Days after the District files a Draw Certificate with the Bank.
- 3.2. The Outstanding Balance shall bear interest at the rate of 4.25% for the life of the loan.
- 3.3. Interest shall be calculated on the basis of the actual number of days elapsed over a year of 360 days.
- 3.4. The Outstanding Balance, plus accrued interest, shall be paid no later than the Maturity Date.

**Section 4. Prepayment.**

All or any portion of the Outstanding Balance may be prepaid on any Business Day without penalty upon two Business Days’ prior written notice to the Bank. Payments by the District to the Bank shall be applied first, to pay accrued interest, and second, to reduce the Outstanding Balance as of the date such payment is actually received by the Bank. The Bank shall mail to the District a summary of prepayments, and a statement showing the Outstanding Balance, at least semiannually, and, upon the District’s written request, after any prepayments.

**Section 5. Security for Line.**

The District’s ad valorem property taxes subject to the limits of Article XI, Sections 11 and 11b of the Oregon Constitution, the full faith and credit of the District, and any Line Proceeds that have not yet been spent by the District on current expenses of the District are hereby irrevocably pledged to the punctual payment of the amounts due under this Line and the Note.

**Section 6. Draws and Covenants.**

- 6.1 The Authorized Officer may file either: (a) a single Draw request for the entire amount available under this Line, or (b) one or more Draw requests for lesser amounts. Draw requests shall be in substantially the form attached hereto as Exhibit B, with the information and certifications shown in Exhibit B.
- 6.2 The District covenants that the Outstanding Balance will at no time exceed eighty percent (80%) of the amount of ad valorem property taxes and other revenues, except grant moneys, that the District has budgeted or otherwise reasonably expects to have available to pay the Note.

- 6.3 The District shall provide final form meeting minutes for the Resolution promptly upon their approval.

**Section 7. Deposit and Use of Line Proceeds.**

The proceeds of all Draws received by the District shall be deposited in the general fund of the District and expended by the District in accordance with the Resolution.

**Section 8. Default.**

If an Event of Default occurs, the Bank may exercise any remedy available at law or in equity (including acceleration). No remedy shall be exclusive. The Bank may waive any Event of Default, but no such waiver shall extend to a subsequent Event of Default.

**Section 9. Fees, Costs and Expenses.**

- 9.1. Bank Fees. The District shall pay the Bank an origination fee of **\$2,250.00 (0.125%)** no later than the date of this Line.
- 9.2. Bank Costs of Enforcement. If the Bank incurs any expenses in connection with enforcing this Line or the Note, or if the Bank takes collection action under this Line or the Note, the District shall pay to the Bank, on demand, the Bank's reasonable costs and reasonable attorneys' fees, whether at trial, on appeal or otherwise, including any allocated costs of in-house counsel.
- 9.3. Other Fees and Costs. The District shall pay the fees and costs of Note Counsel, and any other expenses and costs which the District incurs in connection with this Line. The District shall pay the Bank's attorney fees for this Line in the amount of **\$2,500.00**.

**Section 10. Representations, Warranties and Agreements of the District.**

By executing this Line in the space provided below, the District represents and warrants to, and agrees with the Bank that, as of the date of execution of this Line and the Note:

- 10.1. The District is duly created and existing under the laws of the State of Oregon, has all necessary power and authority to enter into this Line and perform its duties under this Line, and that this Line and the Note will constitute legal, valid and binding obligations of the District which are enforceable in accordance with their terms.
- 10.2. The acceptance of this Line, the adoption of the Resolution and the execution and delivery of the Note will not conflict in any material respect with, or constitute a material breach of or default under, any law, charter provision, court decree, administrative regulation, ordinance, resolution or other agreement to which the District is a party or by which it is bound.
- 10.3. There is no action, suit, proceeding or investigation at law or in equity before or by any court or governmental body pending or, to the best of the knowledge of the District, threatened against the District to restrain or enjoin the acceptance of this Line, the adoption of the Resolution or the execution and delivery of the Note, or the collection and application of the funds as contemplated by the Resolution and this Line, which, in the

reasonable judgment of the District, would have a material and adverse effect on the ability of the District to pay the amounts due under this Line and the Note.

- 10.4. To the extent permitted by law, the District agrees to indemnify and hold harmless the Bank and all of its agents and employees against any and all losses, claims, damages, liabilities and expenses arising out of this Line and the Note and any statement made by the District to the Bank, its agents or employees, which relates to this Line or the Note, and which is untrue or incorrect in any material respect.

**Section 11. Financial Statements; Notice of Adverse Developments.**

- 11.1. As long as this Line is in effect, the District shall provide the Bank with a copy of its complete, audited annual financial statements within 180 days after the end of each Fiscal Year and such other information as the Bank may from time to time reasonably request.
- 11.2. The District shall notify the Bank promptly of any development which is likely to have a material, adverse effect (a) on the ability of the District to pay principal of or interest on the Note, or (b) on the financial condition of the District generally.

**Section 12. Conditions to the Obligations of the Bank.**

- 12.1. The Bank may at any time refuse to advance funds under this Line if there has occurred one of the following events which has a material and adverse effect on the ability of the Bank to advance funds to the District:
  - (A) a declaration of war or engagement in major military hostilities by the United States or the occurrence of any other national emergency or calamity relating to the effective operation of the government or the financial community and the United States; or,
  - (B) a declaration of a general banking moratorium by federal, New York, or Oregon authorities, or the general suspension of trading on any national securities exchange.
- 12.2. The Bank shall not be obligated to advance any funds to the District under this Line:
  - (A) unless, on or prior to the date of the first Draw the Bank shall have received:
    - (a) copies of the District's complete, audited financial statements for the three preceding fiscal years;
    - (b) copies of the executed Resolution and of the minutes of the [REDACTED], 2021, meeting of the Board of Directors of the District; and,
    - (c) an opinion of Note Counsel to the effect that the Line and Note are and will be valid and legally binding obligations of the District enforceable against the District in accordance with their terms.

- (B) If the Bank reasonably determines that:
  - (a) the representations and warranties of the District in this Line, the Resolution or a Draw Certificate were untrue in any material respect when made, or have become untrue; or
  - (b) an Event of Default exists or the District has breached any of its obligations under the Resolution, this Line or the Note.

**Section 13. Notices.**

Any notices required to be given pursuant to this commitment letter or this Line shall be given to the following addresses:

District: Lane Fire Authority  
P.O. Box 398  
Veneta, Oregon 97487  
Attn: Fire Chief Dale Borland

Bank: Banner Bank  
169 West 6th Avenue  
Eugene, OR 97401  
Attn: Eugene Commercial Banking Center

**Section 14. Survival; Line Constitutes Contract.**

- 14.1 This Line shall be binding upon and shall inure to the benefit of the District and the Bank and their respective successors and assigns. The District agrees that it may not assign this Line without the Bank's prior written consent. The Bank may assign this Line without the District's prior written consent, and may exchange financial information about the District with actual or potential assignees. All representations, warranties, and agreements contained in this Line shall survive the execution, delivery and payment of this Line.
- 14.2 This Line and the Note shall constitute a contract between the District and the Bank. The Bank's extension of credit hereunder is expressly made in reliance on such contract.

**Section 15. Applicable Law.**

This Line shall be governed and interpreted in accordance with the laws of the State of Oregon.

**Section 16. Severability and Waivers.**

If any part of this Line is not enforceable, the rest of the Line may be enforced. The Bank retains all rights, even if it permits a Draw after an Event of Default. If the Bank waives an Event of Default, it may enforce a later Event of Default. Any consent or waiver under this Line must be in writing.

**Section 17. Counterparts.**

This Line 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.

**Section 18. Waiver of Jury Trial.**

To the extent permitted by applicable law, each of the parties waives any right to have a jury participate in resolving any dispute, whether sounding in contract, tort, or otherwise between the parties arising out of, connected with, related to, or incidental to the relationship between any of them in connection with this Line or the transactions contemplated hereby. Instead, any such dispute resolved in court will be resolved in a bench trial without a jury.

**Section 19. Written Agreements.**

Under Oregon law, most agreements, promises and commitments made by the Bank 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 Bank to be enforceable.

DATED as of this \_\_\_ day of \_\_\_\_\_, 2021.

BANNER BANK

By: \_\_\_\_\_  
Authorized Officer

LANE FIRE AUTHORITY, LANE COUNTY,  
OREGON

By: \_\_\_\_\_  
Dale Borland, Fire Chief