

## RESOLUTION NO. 1256

### A RESOLUTION OF THE CITY OF PRINEVILLE AUTHORIZING A FINANCING LOAN FROM THE WATER FUND BY ENTERING INTO A FINANCING CONTRACT WITH THE OREGON INFRASTRUCTURE FINANCE AUTHORITY

The Council (the "Governing Body") of the City of Prineville (the "Recipient") finds:

A. The Recipient is a "municipality" within the meaning of Oregon Revised Statutes 285B.410(8).

B. Oregon Revised Statutes 285B.560 through 285B.599 (the "Act") authorize any municipality to file an application with the Oregon Infrastructure Finance Authority ("IFA") to obtain financial assistance from the Water Fund.

C. The Recipient has filed an application with the IFA to obtain financial assistance for a "water project" within the meaning of the Act.

D. The IFA has approved the Recipient's application for financial assistance from the Water Fund pursuant to the Act.

E. The Recipient is required, as a prerequisite to the receipt of financial assistance from the IFA, to enter into a Financing Contract with the IFA, substantially in the form attached hereto as Exhibit A.

F. The project described in Exhibit A to the Financing Contract (the "Project") is a "water project" within the meaning of the Act which is needed by, and is in the public interest of the Recipient.

G. Notice relating to the Recipient's consideration of the adoption of this Resolution was published in full accordance with the Recipient's charter and laws for public notification.

NOW THEREFORE, the City of Prineville resolves as follows:

1. Financing Loan Authorized. The Governing Body authorizes the Mayor and City Manager to execute the Financing Contract and the Promissory Note (the "Financing Documents") and such other documents as may be required to obtain financial assistance including a grant from the IFA in the amount of \$750,000, and a financing loan from the IFA on the condition that the principal amount of the loan from the IFA to the Recipient is not in excess of \$750,000 and the interest rate is 1% per annum if certain contract conditions are met and 3.4% if not. The proceeds of the loan from the IFA shall be applied solely to the "Costs of the Project" as such term is defined in the Financing Contract.

2. Security. Amounts payable by the Recipient shall be payable from the sources described in section 4 of the Financing Contract and the Oregon Revised Statutes Section 285B.581(2) which include:

- (a) The revenues of any water project, including special assessment revenues;
- (b) Amounts withheld under ORS 285B.599;
- (c) The general fund of the municipality; or
- (d) Any other source.

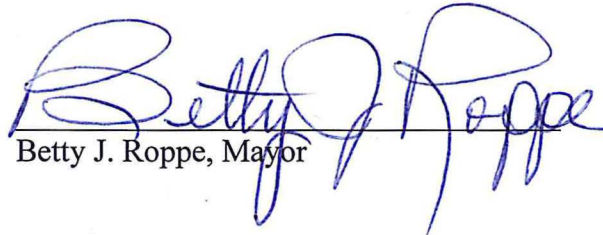
3. Additional Documents. The Mayor and City Manager are hereby authorized to enter into any agreements and to execute any documents or certificates which may be required to obtain financial assistance from the IFA for the Project pursuant to the Financing Documents.

4. Tax-Exempt Status. The Recipient covenants not to take any action or omit to take any action if the taking or omission would cause interest paid by the Recipient pursuant to the Financing Documents not to qualify for the exclusion from gross income provided by Section 103(a) of the Internal Revenue

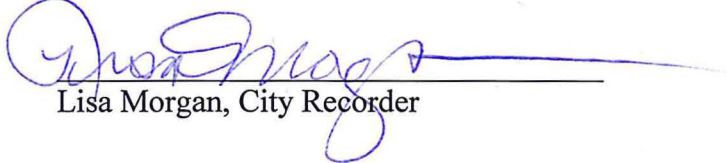
Code of 1986, as amended. The Mayor and City Manager of the Recipient may enter into covenants on behalf of the Recipient to protect the tax-exempt status of the interest paid by the Recipient pursuant to the Financing Documents and may execute any Tax Certificate, Internal Revenue Service forms or other documents as shall be required by the IFA or their bond counsel to protect the tax-exempt status of such interest.

5. Reimbursement Bonds. The Recipient may reimburse expenditures for the Project with amounts received from the IFA pursuant to the Financing Contract. Additionally, the Recipient understands that the IFA may fund or reimburse itself for the funding of amounts paid to the Recipient pursuant to the Financing Documents with the proceeds of bonds issued by the State of Oregon pursuant to the Act. This Resolution shall constitute "official intent" within the meaning of Section 1.150-2 of the Income Tax Regulations promulgated by the United States Department of the Treasury with respect to the funding or the reimbursement for the funding of the costs of the Project with the proceeds of the Recipient's loan pursuant to the Financing Documents and with the proceeds of any bonds issued by the State of Oregon pursuant to the Act.

Passed by the City Council this 26<sup>th</sup> day of May, 2015.

  
Betty J. Roppe, Mayor

ATTEST:

  
Lisa Morgan, City Recorder