

**RESOLUTION NO. 1332**

**A RESOLUTION OF THE CITY OF PRINEVILLE, OREGON AUTHORIZING  
FULL FAITH AND CREDIT BORROWINGS TO REFINANCE  
OUTSTANDING OBLIGATIONS OF THE CITY**

**WHEREAS**, the City of Prineville, Oregon (the "City") issued its Revenue Installment Community Facilities Bond No. 1 on December 15, 2005 (the "2005 Financing") in the principal amount of \$1,760,700 to finance renovations to the City Hall, Police Department and Civic Plaza (the "2005 Projects"); and

**WHEREAS**, the City previously issued a financing agreement in the original principal amount of \$8,225,000 dated July 6, 2011 related to the City's Full Faith and Credit Refunding Obligations, Series 2011 (the "2011 Financing," and collectively with the 2005 Financing, the "Outstanding Borrowings") to finance or refinance real and personal property, including improvements to the City's water system, improvements to and expansion of the City's sewer system, improvements to the City's wastewater treatment plant, and construction of a golf course (the "2011 Projects," and collectively with the 2005 Projects, the "Projects"); and

**WHEREAS**, the 2005 Financing is outstanding in the approximate principal amount of \$1,349,346 and the 2011 Financing is outstanding in the approximate principal amount of \$7,255,000; and

**WHEREAS**, ORS 271.390 authorizes Oregon governments to refund outstanding borrowings that financed projects that the City Council determines are needed, as long as the estimated weighted average life of the borrowing does not exceed the estimated dollar weighted average life of the real or personal property that is refinanced with the borrowing; and

**WHEREAS**, current interest rates may be lower than the interest rates that are payable on the Outstanding Borrowings and the City may be able to reduce debt service costs and/or remove onerous covenants in the previous borrowings by refunding all or a portion of the Outstanding Borrowings;

**NOW, THEREFORE, THE CITY OF PRINEVILLE RESOLVES AS FOLLOWS:**

**Section 1. Determination of Need.** The City Council hereby determines that the Projects were needed at the time they were financed and that they remain needed.

**Section 2. Financing Authorized.** The City is hereby authorized to enter into one or more financing agreements (the "Financing Agreements") to refinance all or any portion of the Projects pursuant to ORS Section 271.390, 287A.360 through 287A.375 and the other relevant provisions of ORS Chapter 287A. The Financing Agreements may be issued in an amount that is sufficient to refund all or any portion of the Outstanding Borrowings and to pay estimated costs related to issuing the Financing Agreements and refunding the Outstanding Borrowings.

**Section 3. Delegation.** The City Manager, the Finance Director or the person designated by the City Manager or the Finance Director to act on behalf of the City under


this Resolution (each of whom is referred to in this Resolution as a “City Official”) may, on behalf of the City and without further action by the Council:

- a. Select all or a portion of the Outstanding Borrowings to be refunded;
- b. Determine the final principal amount, interest rates, payment dates, maturity dates, prepayment rights and all other terms of the Financing Agreements;
- c. Negotiate, execute and deliver notes to evidence amounts due under the Financing Agreements;
- d. Select a commercial bank or other lender with which to negotiate, execute and deliver the Financing Agreements. Subject to the limitations of this Resolution, the Financing Agreements may be in such form and contain such terms as the City Official may approve;
- e. Enter into additional covenants for the benefit of the purchasers of the Financing Agreements that the City Official determines are desirable to obtain more favorable terms for the Financing Agreements;
- f. Enter into escrow deposit agreements, select securities for the escrow deposit agreements, and take any other actions to call, defease and prepay any of the Outstanding Borrowings;
- g. Engage the services of escrow agents and any other professionals whose services are desirable for the financings;
- h. Apply legally available revenues to prepay all or a portion of the Outstanding Borrowings;
- i. Covenant for the benefit of the owners of the Financing Agreements to comply with all provisions of the Internal Revenue Code of 1986, as amended (the “Code”), that are required for the interest paid under the Financing Agreements to be excluded from gross income for federal income tax purposes;
- j. Designate each of the Financings Agreements as a “qualified tax-exempt obligation” pursuant to Section 265(b)(3) of the Code, if applicable;
- k. Execute and deliver any other certificates or documents and take any other actions that the City Official determines are desirable to carry out this Resolution.

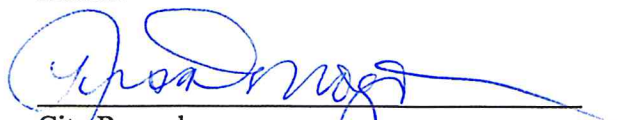
**Section 4. Security.** The Financing Agreements may constitute unconditional obligations of the City, which are payable from all legally available funds of the City. Pursuant to ORS 287A.315 the City Official may pledge the City’s full faith and credit and taxing power within the limitations of Sections 11 and 11b of Article XI of the Oregon Constitution to pay amounts due under the Financing Agreements.

**Section 5. Effective Date.** This Resolution shall be effective upon its approval and adoption.

Approved by the City Council this 12th day of December, 2017.

  
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Mayor

**Attest:**

  
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City Recorder