

RESOLUTION NO. 924

A RESOLUTION OF CITY OF PRINEVILLE, CROOK COUNTY, OREGON,
AUTHORIZING THE ISSUANCE OF WATER REFUNDING REVENUE
BONDS FOR A TOTAL OF NOT TO EXCEED \$840,000 AND PROVIDING
FOR PUBLICATION OF NOTICE.

The City Council of City of Prineville, Oregon (the "City"), finds:

A. The City finds that it is financially feasible and in its best interests to refund, in part, the City's Limited Tax Improvement Bond Anticipation Note, Series 2001 (the "2001 Note"), dated May 17, 2001, which was issued, in part, to construct and equip a water reservoir and pump station; construct an emergency overflow lagoon; construct preparatory facilities for additional water supply and storage; and related improvements for the Northridge I and II Local Improvement District (the "Northridge LID Project").

B. The City previously determined that the reservoir portion of the Northridge LID Project (the "Reservoir Project") should not be part of the Northridge LID Project but should be financed from the proceeds of the sale of revenue bonds.

C. The City is authorized to finance the Reservoir Project by issuing revenue bonds (the "Refunding Revenue Bonds") pursuant to Oregon's Uniform Revenue Bond Act (ORS 288.805 to 288.945) (the "Act").

D. The cost of the Refunding Revenue Bonds, including bond issuance costs and debt service reserves, is estimated to not exceed \$840,000.

E. The City will cause to be prepared a plan showing that the City's revenues to be pledged are sufficient to pay the estimated debt to be incurred by the City under the water refunding revenue Bond issue authorized by this resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE
CITY OF PRINEVILLE, a municipal corporation of the State of Oregon, as follows:

Section 1. Refunding Revenue Bonds Authorized.

1.1. There are hereby authorized to be issued in not to exceed \$840,000 aggregate principal amount of the City's Refunding Revenue Bonds. Prior to selling the bonds the City Council shall establish by resolution:

1.1.1. Whether the bonds shall be sold at public competitive bid sale or private negotiated sale;

1.1.2. The maximum discount to be allowed upon sale of the bonds;

1.1.3. The schedule for bond principal repayment;

- 1.1.4. The terms under which additional bonds may be issued;
- 1.1.5. The terms by which bonds may be redeemed prior to maturity;
- 1.1.6. The amount of any reserves to be established for the bonds and the manner in which the reserves shall be funded;
- 1.1.7. The covenants which the City will make with bondowners regarding operation of the City's water system;
- 1.1.8. The revenues to be pledged to payment of the bonds;
- 1.1.9. Whether the pledged revenues shall be held by a trustee, and if they are so held, the trustee's duties;
- 1.1.10. Whether security interests should be granted; and
- 1.1.11. Any other terms, conditions or covenants regarding the bonds, the City's water system or the revenues which are necessary or desirable to effect the sale of the bonds.

Section 2. Notice; Procedure.

2.1. No bonds may be sold, and no purchase agreement for the bonds may be executed, until at least sixty (60) days after publication of the Notice of Revenue Bond Authorization, which is attached to this resolution as Exhibit "A" (the "Notice"). The Notice shall specify the last date on which petitions may be submitted, and shall be published in at least one newspaper of general circulation in the City in the same manner as are other public notices of the City.

2.2. If petitions for an election, containing valid signatures of not less than five percent (5%) of the City's electors, are received within the time indicated in the Notice, the question of issuing the bonds shall be placed on the ballot at the next legally available election date. If such petitions are received, no bonds may be sold until this resolution and the question of issuing the bonds is approved by a majority of the electors of the City who vote on that question.

2.3. The bonds shall be issued and sold in accordance with the Act.

Section 3. Bonds Payable Solely from Revenues.

The bonds shall not be general obligations of the City, nor a charge upon its tax revenues, but shall be payable solely from the revenues which the City pledges to payment of the bonds pursuant to ORS 288.825(1) and the resolution to be adopted by the City pursuant to Section 1 of this resolution.