**RUS BULLETIN 1780-27** 

## RESOLUTION NO. 1269 LOAN RESOLUTION

(Public Bodies)

APPROVED OMB. No 0572-0121

A RESOLUTION OF THECITY COUNCIL
OF THE CITY OF PRINEVILLE
AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING PORTION OF THE COST OF ACQUIRING. CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS
WASTEWATER FACILITY
FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.
WHEREAS, it is necessary for the CITY OF PRINEVILLE
(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 FOUR MILLION DOLLARS (\$4,000,000.00)
pursuant to the provisions of OREGON REVISED STATUTE (ORS) 287A.150
WHEREAS, the Association intends to obtain assistance from the 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 the 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 containing such
items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.  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 RD 400-4, "Assurance Agreement," and Form RD 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 level by pore-

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. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so, without the prior written consent of the Government.

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

Not to defease the bonds, or to borrow money, enter into any contractor agreement, or otherwise incur any liabilities for any 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.

To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.

To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.

missible source.

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. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by USDA. No free service or use of the facility will be permitted.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0121. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

- 11. To acquire and maintain such insurance and fidelity bond coverage 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 as required by the Government, to provide the Government a copy of each such audit without its request, and to forward to the Government such additional information and reports as it may from time to
- 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.
- That if the Government requires that a reserve account be established, disbursements from that account(s) may be used when necessary for payments due on the bond if sufficient funds are not otherwise available and prior approval of the Government is obtained. Also, with the prior written approval of the Government, funds may be withdrawn and used for such things as emergency maintenance, extensions to facilities and replacement of short lived assets.
- the can feasibly and legally be served and to obtain

15	USDA's concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services which are feasible and legal, such person shall have a direct right of action against the Association or public body.						
16.	To comply with the me	asures identified in the Gove	rnment's enviro	onmental impact ar	nalysis for this fa	icility for the pur-	
17.		ucing the adverse environme amount not to exceed \$ 1.0			ruction of opera-	tion	
• • • •							
	under the terms offered	by the Government; that the	Mayor				
*		of the Associate deution of all written instrumenter the terms offered in said	ients as may be	required in regard			
spe ins det she	eifically provided by the ured by the Government of ail in the bond resolution		all be binding f sections 6 thr that the provis	upon the Associate ough 17 hereof ma sions contained in	ion as long as the sy be provided for such bond reso	e bonds are held or or in more specific plution or ordinance	
The	e vote was.	Yeas	Nays _	<u>D</u>	Absent	<u> </u>	
IN WIT	NESS WHEREOF, the _	City Council				of the	
C	ity of Prinevil	Le		has duly adopte	d this resolution	and caused it	
to be exe	ecuted by the officers belo	ow in duplicate on this	N/A	25th Selly	day of Au	gust, 2015	
(SEAL)			By Be	tty J. Ropp	<u> </u>		
Atlest	Johns		Title May	yor			

City Recorder

## CERTIFICATION TO BE EXECUTED AT LOAN CLOSING

1, the undersigned, as <u>CITY Recorder</u> of the <u>CITY OF PRINEVILLE</u>
hereby certify that the CITY COUNCILof such Association is composed of
SEVEN members, of whom . SEVEN constituting a quorum, were present at a meeting thereof duly called and
held on the 25 <sup>th</sup> day of August : and that the foregoing resolution was adopted at such meeting
by the vote shown above. I further certify that as of
Dated, this 25th day of August, 2015
(Japanoor
Title <u>CITY Kecorder</u>