

RESOLUTION NO. 630

A RESOLUTION OF THE CITY OF PRINEVILLE, OREGON  
AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS  
FOR THE FINANCING OF THE ACQUISITION AND CONSTRUCTION  
OF IMPROVEMENTS TO A WATER UTILITY SYSTEM.

WHEREAS, this Council submitted to the legal voters of the City of Prineville, County of Crook, State of Oregon (the "City"), the question of contracting a general obligation bonded indebtedness in the sum of \$1,800,000 to finance the acquisition and construction of improvements to the water utility system servicing the City; and

WHEREAS, the election was duly and legally held on the 6th day of November, 1984, and this Council has canvassed the result thereof and has declared that issuance of bonds in such sum has been approved by a majority of the qualified voters of the City voting at the election, now therefore

The City of Prineville, Oregon, resolves as follows:

Section 1. Issue. For the above purposes, the City shall issue its General Obligation Water Bonds, Series 1985, in the amount of Five Hundred Thousand Dollars (\$500,000) to be dated August 1, 1985, to be in denominations of Five Thousand Dollars (\$5,000) or integral multiples thereof, to bear interest payable on February 1 and August 1 of each year until maturity or prior redemption, commencing February 1, 1986, and to mature serially on August 1 of each year as follows:

| <u>Date</u> | <u>Amount</u> | <u>Date</u> | <u>Amount</u> |
|-------------|---------------|-------------|---------------|
| 1986        | \$35,000      | 1991        | \$50,000      |
| 1987        | 35,000        | 1992        | 55,000        |
| 1988        | 40,000        | 1993        | 60,000        |
| 1989        | 45,000        | 1994        | 65,000        |
| 1990        | 45,000        | 1995        | 70,000        |

Section 2. Redemption. The City reserves the right to redeem all or any portion of the Bonds maturing after August 1, 1992, in inverse order of maturity and by lot within a maturity on August 1, 1992 and on any interest payment date thereafter, at par plus accrued interest to the redemption date.

Section 3. Security. The full faith and credit of the City are pledged to the successive owners of each of the bonds for the punctual payment of such obligations, when due. The City shall levy annually, as provided by law, a direct ad valorem tax upon all of the taxable property within the City in sufficient amount,

after taking into consideration discounts taken and delinquencies that may occur in the payment of such taxes and all other monies reasonably available for the payment of debt service on the bonds, to pay the bonds promptly as they mature, and that the City covenants with the owners of its bonds to levy such a tax annually during each year that any of the bonds, or bonds issued to refund them, are outstanding.

Section 4. Form of Registered Bonds. The bonds shall be in substantially the following form:

No. R-\_\_\_\_\_ \$ \_\_\_\_\_  
 UNITED STATES OF AMERICA  
 CITY OF PRINEVILLE  
 COUNTY OF CROOK  
 GENERAL OBLIGATION WATER BOND, SERIES 1985

DATED            INTEREST            % PER ANNUM            MATURITY DATE            CUSIP

THE CITY OF PRINEVILLE, in the County of Crook, State of Oregon, for value received acknowledges itself indebted and hereby promises to pay to \_\_\_\_\_, or registered assigns, the principal amount of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) on the above maturity date together with interest thereon from the date hereof at the rate per annum indicated above. Interest is payable semiannually on the first day of February and the first day of August in each year until maturity or prior redemption, commencing February 1, 1986. Interest upon this bond is payable through the office of the City of Prineville's paying agent and registrar (the "Registrar") by check or draft; checks or drafts will be mailed to the name and address of the registered owner as they appear on the bond register on the fifteenth day of the month prior to the date on which interest comes due. Bond principal is payable upon presentation and surrender of this bond to the Registrar.

ADDITIONAL PROVISIONS OF THIS BOND APPEAR ON THE REVERSE SIDE; THESE PROVISIONS HAVE THE SAME EFFECT AS IF THEY WERE PRINTED HEREIN.

IT IS HEREBY CERTIFIED, RECITED, AND DECLARED that all conditions, acts, and things required to exist, to happen, and to be performed precedent to and in the issuance of this bond have existed, have happened, and have been performed in due time, form, and manner as required by the Constitution and Statutes of the State of Oregon and the Charter of the City of Prineville, Oregon; that the issue of which this bond is a part, and all other obligations of such City, are within every debt limitation and other limit prescribed by such Constitution, Statutes and

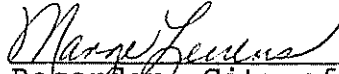
Charter; and that the City Council has provided for the levying annually of a direct ad valorem tax upon all the property within the City so taxable for its purposes, in an amount sufficient with other available funds, to pay the interest on and the principal of the bonds of such issue as such obligations become due and payable.

IN WITNESS WHEREOF, the City Council of the City of Prineville, Crook County, Oregon, has caused this bond to be signed by facsimile signature of its Mayor and attested by facsimile signature of its Recorder, and has caused its seal to be affixed hereto or printed hereon as of this first day of August, 1985.



\_\_\_\_\_  
Mayor, City of Prineville, Oregon

ATTEST:



\_\_\_\_\_  
Recorder, City of Prineville, Oregon

THIS BOND SHALL NOT BE VALID UNLESS  
PROPERLY AUTHENTICATED BY THE  
REGISTRAR IN THE SPACE INDICATED BELOW.

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This is one of the City of Prineville,  
Oregon's General Obligation Water Bonds,  
Series 1985, issued pursuant to the Resolution  
described herein.

FIRST INTERSTATE BANK OF OREGON, N.A., as Registrar

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

**Note to Printer: The following language should be printed  
on the reverse of the bond:**

This bond is one of the General Obligation Water Bonds,  
Series 1985, of the City, and is issued by the City for the  
purpose of financing the acquisition and construction of  
improvements to the water utility system servicing the City in  
full and strict accordance and compliance with all of the  
provisions of the Constitution and Statutes of the State of  
Oregon and the Charter of the City.

The City reserves the right to redeem all or any portion of  
the Bonds maturing after August 1, 1992, in inverse order of

maturity and by lot within a maturity on August 1, 1992 and on any interest payment date thereafter, at par plus accrued interest to the redemption date.

Notice of redemption shall be mailed to the registered owners of the bonds to be redeemed not less than thirty days prior to the intended redemption date, and otherwise given as required by law; however, any failure to give notice shall not invalidate the redemption of the bonds. All bonds called for redemption shall cease to bear interest from the date designated in the notice.

The bonds are issuable in the form of registered bonds without coupons in the denominations of \$5,000 or any integral multiple thereof. Bonds may be exchanged for bonds of the same aggregate principal amount, but different authorized denominations.

Any transfer of this bond must be registered, as provided in the resolution of the City, authorizing the issuance of its General Obligation Water Bonds, Series 1985 (the "Resolution"), upon the bond register kept for that purpose at the office of the Registrar. The City and the Registrar may treat the person in whose name this bond is registered as its absolute owner for all purposes, as provided in the Resolution.

The bondowner may exchange or transfer any bond only by surrendering it, together with a written instrument of exchange or transfer which is satisfactory to the Registrar and duly executed by the registered owner or his duly authorized attorney, at the office of the Registrar in the manner and subject to the conditions set forth in the Resolution.

#### ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto \_\_\_\_\_

Please insert social security or other  
identifying number of assignee

the within bond and does hereby irrevocably constitute and appoint \_\_\_\_\_ as attorney to transfer this bond on the books kept for registration thereof with the full power of substitution in the premises.

Dated: \_\_\_\_\_

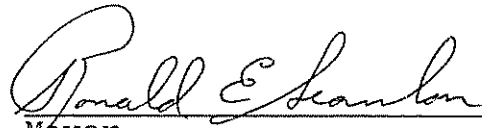


- (3) The ownership of all bonds shall be entered in the bond register maintained by the Registrar, and the City and the Registrar may treat the person listed as owner in the bond register as the owner of the bond for all purposes.
- (4) The Registrar shall mail each bond payment to the name and address of the bondowner as they appear on the bond register on the fifteenth day of the month preceding a bond payment date (the "Record Date"). If payment is so mailed, neither the City nor the Registrar shall have any further liability to any party for such payment.
- (5) Bonds may be exchanged for an equal principal amount of bonds of the same maturity which are in different denominations, and bonds may be transferred to other owners if the bondowner submits the following to the Registrar:
  - (a) written instructions for exchange or transfer satisfactory to the Registrar, signed by the bondowner or his attorney in fact and guaranteed or witnessed in a manner satisfactory to the Registrar; and
  - (b) the bonds to be exchanged or transferred.
- (6) The Registrar shall not be required to exchange or transfer any bonds submitted to it during any period beginning with a Record Date and ending on the next following payment date; however, such bonds shall be exchanged or transferred promptly following that payment date.
- (7) The Registrar shall note the date of authentication on each bond. The date of authentication shall be the date on which the bondowner's name is listed on the bond register.
- (8) For purposes of this section, bonds shall be considered submitted to the Registrar on the date the Registrar actually receives the materials described in subsection (5) of this section.
- (9) The City may alter these provisions regarding registration and transfer by mailing notification of the altered provisions to all bondowners. The altered provisions shall take effect on the date stated in the notice, which shall not be earlier than 45 days after notice is mailed.

Section 6. Sale of Bonds. Notices of bond sale were published July 3, 1985 in the Central Oregonian, Prineville, Oregon, and July 5, 1985 in the Daily Journal of Commerce Portland Business Today, Portland, Oregon, in the form substantially as shown on Exhibit A attached hereto and by this reference incorporated herein, as provided by law, and such publications are hereby ratified and confirmed. The bonds shall be sold upon the terms provided in the attached Exhibit A. The bonds shall be sold on the date and at the time and place stated in Exhibit A, unless the Mayor or Recorder established a different date, time, or place.

ADOPTED by the vote of the Council, with a quorum in attendance, this 9th day of July, 1985.

APPROVED by the Mayor this 9th day of July, 1985.

  
\_\_\_\_\_  
Mayor

Executed this 9th day of July, 1985.

ATTEST:

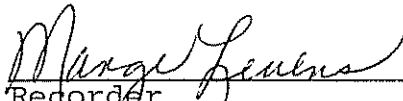
  
\_\_\_\_\_  
Recorder

EXHIBIT A

OFFICIAL NOTICE OF BOND SALE

\$500,000  
CITY OF PRINEVILLE  
COUNTY OF CROOK  
GENERAL OBLIGATION WATER BONDS, SERIES 1985

NOTICE IS HEREBY GIVEN that sealed bids will be received on behalf of the City of Prineville, Crook County, Oregon, until 11:00 o'clock a.m. (Pacific Time) on July 22, 1985, at the offices of Ragen, Roberts, Tremaine, Krieger, Schmeer, O'Scannlain & Neill, 1600 Orbanco Building, 1001 SW Fifth Avenue, Portland, Oregon, 97204, at which time they will be publicly opened and announced.

The bids shall be considered and acted upon by the City within four hours.

ISSUE: FIVE HUNDRED THOUSAND DOLLARS (\$500,000) consisting of registered bonds in denominations of FIVE THOUSAND DOLLARS (\$5,000) or integral multiples thereof, all dated August 1, 1985.

INTEREST RATE: Maximum not to exceed a net effective rate of nine and one-half percent (9.5%) per annum. Interest is payable semiannually on February 1 and August 1 of each year until maturity or prior redemption, commencing February 1, 1986. Bidders must specify the interest rate or rates which the bonds hereby offered for sale shall bear. The bids shall comply with the following conditions: (1) Each interest rate specified in any bid must be a multiple of 1/8th or 1/20th of one percent (1%); (2) No bond shall bear more than one rate of interest; (3) Each bond shall bear interest from its date to its stated maturity date at the interest rate specified in the bid; (4) All bonds maturing at any one time shall bear the same rate of interest; and (5) The interest rate named for the bonds of any maturity shall not be less than the interest rate named for bonds of any earlier maturity.

MATURITIES: The bonds shall mature serially on the first day of August of each year as follows:

| <u>Date</u> | <u>Amount</u> | <u>Date</u> | <u>Amount</u> |
|-------------|---------------|-------------|---------------|
| 1986        | \$35,000      | 1991        | \$50,000      |
| 1987        | 35,000        | 1992        | 55,000        |
| 1988        | 40,000        | 1993        | 60,000        |
| 1989        | 45,000        | 1994        | 65,000        |
| 1990        | 45,000        | 1995        | 70,000        |



**REGISTRATION:** The bonds will be issued in fully registered form, and may be exchanged at the expense of issuer for similar bonds of different authorized denominations. Bonds may not be converted to bearer form.

**REDEMPTION:** The City reserves the right to redeem all or any portion of the Bonds maturing after August 1, 1992, in inverse order of maturity and by lot within a maturity on August 1, 1992 and on any interest payment date thereafter, at par plus accrued interest to the redemption date. Notice of redemption shall be given by mailing notice thereof to the registered owners not less than 30 days prior to the redemption date, and as otherwise required by law. Interest on any bond or bonds so called for redemption shall cease on the redemption date designated in the notice.

**PAYMENT:** Principal and interest are payable, either at maturity or upon earlier redemption, by check or draft through the office of the registrar and paying agent of the City, which is currently the office of First Interstate Bank of Oregon, N.A., in Portland, Oregon.

**PURPOSE:** The bonds are being issued to finance the acquisition and construction of improvements to the water utility system servicing the City. The bonds were authorized at an election held within the City on November 6, 1984.

**SECURITY:** The bonds are general obligations of the City. The City has covenanted to levy an ad valorem tax annually which, with other available funds, will be sufficient to pay bond principal and interest as they come due.

**LEGAL OPINION:** The approving opinion of Ragen, Roberts, Tremaine, Krieger, Schmeer, O'Scannlain & Neill, Lawyers, of Portland, Oregon, will be provided at no cost to the purchaser, and will be printed on the bonds at the expense of the City.

**TAX EXEMPT STATUS:** Interest on the bonds, in the opinion of bond counsel, is exempt from taxation by the United States under present federal income tax laws and from personal income taxation by the State of Oregon under present state law.

**BEST BID:** The bonds will be awarded to the responsible bidder whose proposal will result in the lowest net cost to the City. The successful bid will be determined by computing the total amount of interest which the City would be required to pay from the date of each bond to its respective maturity date at the rate or rates specified in the bid assuming no bonds are called prior to maturity, less premium offered, if any. Each bidder is requested to supply the total interest cost and net effective interest rate that the City will pay upon the issue if the bid is

accepted. The purchaser must pay accrued interest, computed on a 360-day basis, from the date of the bonds to the date of delivery. The cost of printing the bonds will be borne by the City.

**DELIVERY:** Delivery of the bonds will be made without cost to the successful bidder at such bank in the City of Portland, Oregon, as the successful bidder shall name. Payment for the bonds must be made in Federal funds. Delivery will be made within thirty days.

**FORM OF BID:** All bids must be for not less than all the bonds hereby offered for sale, and for not less than one hundred percent (100%) of the par value thereof and accrued interest to the date of delivery. Each bid together with bidder's check as herein specified must be enclosed in a sealed envelope addressed to the City and designated "Proposal for Bonds".

**BID CHECK:** All bids must be unconditional and accompanied by a certified or cashier's check on a bank doing business in the State of Oregon for Ten Thousand Dollars (\$10,000) payable to the order of the City to secure the City from any loss resulting from the failure of the bidder to comply with the terms of its bid. Checks will be forfeited to the City as liquidated damages in case the bidder to whom the bonds are awarded withdraws its bid or fails to complete its purchase in accordance with the terms thereof. No interest shall be allowed on the deposit but the check of the successful bidder will be retained as part payment of the bonds or for liquidated damages as described above. Checks of the unsuccessful bidders will be returned by the City promptly.

**RIGHT OF REJECTION:** The City reserves the right to reject any or all bids, and to waive any irregularities.

**OFFICIAL STATEMENT:** The City has prepared an official statement relating to the bonds, a copy of which will be furnished upon request to its financial consultant, Portland Northwest Securities, First Interstate Tower, 1300 S.W. Fifth Avenue, Suite 3030, Portland, Oregon 97201, telephone: 503-242-1481.

**POTENTIAL BID:** The financial consultant may submit a bid or participate in a bidding syndicate.

**CUSIP:** CUSIP numbers will be imprinted upon all bonds of this issue at the City's expense. Failure to print, or improperly imprinted numbers will not constitute basis for the purchaser to refuse to accept delivery.

NO LITIGATION: At the time of payment for the delivery of said bonds, the City will furnish the successful bidder a certificate that there is no litigation pending affecting the validity of the bonds.

FURTHER INFORMATION: Additional information regarding the City and this sale may be obtained from Mr. Henry Hartley, City Agent, 400 East Third Street, Prineville, Oregon 97754, telephone: 503-447-5627.

Henry Hartley, City Agent  
City of Prineville, Oregon