

RESOLUTION NO. 2772

A RESOLUTION SUPPLEMENTING AND AMENDING RESOLUTION NO. 2765 TO CLARIFY THE MAXIMUM TRUE INTEREST COST OF THE 2010 FULL FAITH AND CREDIT OBLIGATIONS OF THE CITY OF BEND, OREGON.

THE CITY COUNCIL OF THE CITY OF BEND, OREGON (THE "CITY") DOES RESOLVE AS FOLLOWS:

Section 1. Findings. The City Council (the "Council") of the City finds:

(a) The Council previously adopted Resolution No. 2765 on December 2, 2009 ("Resolution No. 2765") authorizing the execution and delivery of 2010 Obligations, in one or more series of tax-exempt obligations and/or taxable obligations (such taxable obligations to be either in the form of Build America Bonds or Recovery Zone Economic Development Bonds ("RZEDBs")), by the Escrow Agent, in an aggregate principal amount not to exceed Four Million Dollars (\$4,000,000) (the "2010 Obligations") and established a true interest cost ("TIC") not to exceed limit on the 2010 Obligations of five percent (5%) per annum; and

(b) The City's financial advisor, Western Financial Group, LLC (the "Financial Advisor"), has advised the City that, given expected market conditions, the TIC for 2010 Obligations sold and issued as taxable obligations, including Build America Bonds or RZEDBs should have a not to exceed limit of seven percent (7%) per annum, but that the not to exceed TIC limit for tax exempt 2010 Obligations should remain at five percent (5%) per annum; and

(c) The Financial Advisor has advised that the City may wish to issue all or any portion of the 2010 Obligations as taxable obligations because the federal government will pay the City for a substantial portion of the interest costs on such 2010 Obligations; and

(d) The Council adopts this Resolution to supplement and amend Resolution No. 2765 to clarify the TIC parameters for the 2010 Obligations.

Section 2. Amendment of Section 4(a) of Resolution No. 2765. The Council hereby amends and restates Section 4(a) of Resolution No. 2765 in its entirety to read as follows:

"(a) 2010 Obligations. The City hereby authorizes the execution and delivery of the Financing Agreement, the Escrow Agreement and any related Financing Documents and the execution and delivery of the 2010 Obligations, in one or more series of tax-exempt obligations and/or taxable obligations (such taxable obligations to be either in the form of Build America Bonds or Recovery Zone Economic Development Bonds ("RZEDBs")), by the Escrow Agent, in an aggregate principal amount not to exceed Four Million Dollars (\$4,000,000). The proceeds of the 2010 Obligations received by the City pursuant to the terms of the Financing Agreement and the Escrow Agreement shall be used to pay all or a portion of the costs of the Project. The TIC on any series of the 2010 Obligations issued as tax-exempt obligations shall not exceed five percent (5%) per annum. The TIC on any series of the 2010 Obligations issued as taxable obligations, and designated by the City as Build America Bonds or RZEDBs shall not exceed seven percent (7%) per annum. To the extent the taxable bonds are issued as RZEDBs, the approval of such taxable bonds is conditioned upon the approval by the County of its resolution relating to the issuance of the RZEDBs by the City."

Section 3. Resolution No. 2765. This Resolution shall constitute a supplement and amendment to Resolution No. 2765 which remains in full force and effect except as amended and restated by this Resolution.

Section 4. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption by the Council.

ADOPTED by the Council this 6th day of January 2010.

Yes: 7 No: 0

Authenticated by the Mayor the 6th day of January 2010.

CITY OF BEND, OREGON

By: *Kathie Eckman*
Kathie Eckman, Mayor

ATTEST:

By: *Patricia S. Stell*
Patricia S. Stell, City Recorder