RESOLUTION NO. 20:147

A RESOLUTION OF THE BOARD OF DIRECTORS OF REDMOND SCHOOL DISTRICT NO. 2J, IN DESCHUTES AND JEFFERSON COUNTIES, OREGON AUTHORIZING THE EXECUTION AND DELIVERY OF A TAX-EXEMPT FINANCING AGREEMENT, NOTE AND RELATED AGREEMENTS IN A PRINCIPAL AMOUNT NOT TO EXCEED $3,200,000 TO FINANCE THE PURCHASE OF REAL OR PERSONAL PROPERTY INCLUDING NEW SCHOOL BUSES FOR THE DISTRICT AND THE PREPAYMENT OF THE DISTRICT'S TAX-EXEMPT FINANCING AGREEMENT DATED JUNE 1, 2011; DESIGNATING AUTHORIZED REPRESENTATIVES AND DELEGATING AUTHORITY; AND RELATED MATTERS.

WHEREAS, the Board of Directors the ("Board") of Redmond School District No. 2J, in Deschutes and Jefferson Counties, Oregon (the "District"), are authorized pursuant to the Constitution and laws of the State of Oregon, including, without limitation, Oregon Revised Statutes ("ORS") section 271.390 and ORS chapter 287A (the "Act"), to enter into financing agreements, lease-purchase agreements or other contracts of purchase for any real or personal property that the District determines is needed and to provide for the issuance of financing obligations of the District under such financing agreements, lease-purchase agreements or other contracts of purchase; and

WHEREAS, the Board has determined that it is in the best interests of the District to enter into a financing agreement for the purchase of real and personal property, as defined in ORS 271.390(1)(c) including, without limitation, new school buses for the District and to pay any related costs of issuance in connection with the portion of the Financing Agreement related to the such purchases including, without limitation, the funding of any required reserves and payment of costs in connection with obtaining a Credit Enhancement Device (a "Credit Enhancement Device" as defined in ORS 287A.001), if beneficial to the District (the "2020 New Money Project"); and

WHEREAS, pursuant to Resolution No. 11:041 adopted by the Board on April 27, 2011, the District authorized a Tax-Exempt Financing Agreement dated June 1, 2011 between the District and Bank of America, N.A. (the "2011 Financing Agreement") and a Promissory Note dated June 1, 2011 (the "2011 Note") for the purpose of refinancing the District’s Tax-Exempt Financing Agreement, dated November 2, 2007 (the "2007 Financing Agreement"); and

WHEREAS, the District authorized the 2007 Financing Agreement for the purpose of financing all or a portion of the cost of acquiring real or personal property, including, but not limited to, the acquisition of land for new and existing schools (the "2007 Project"); and

WHEREAS, the Act and ORS sections 287A.360 through 287A.380 authorize the District to enter into a financing agreement to refinance the obligations of the District under the 2011 Financing Agreement to achieve debt service savings; and

WHEREAS, it is in the best interests of the District to authorize the execution and delivery of a Tax-Exempt Refunding Financing Agreement (the "Financing Agreement"), one or more
notes or other forms of obligation which will evidence the obligations of the District under the Financing Agreement (the “Note”) and/or other financing agreements or documents related thereto, including, without limitation, an escrow agreement, if required, a purchase agreement and other documents and agreements related to the issuance of certificates of participation pursuant to ORS 271.390(2)(d) with respect to the Financing Agreement (collectively, the “Financing Documents”), that provide the terms for the delivery of tax-exempt obligations payable under the Financing Agreement; and

WHEREAS, the District intends to use the proceeds received under the Financing Agreement to finance the 2020 New Money Project and to prepay the 2011 Financing Agreement and its obligations thereunder, as evidenced by the 2011 Note, and any related costs of issuance in connection with the portion of the Financing Agreement related to the refunding of the 2011 Financing Agreement including, without limitation, the funding of any required reserves and payment of costs in connection with obtaining a Credit Enhancement Device (the “2020 Refunding Project” and together with the 2020 New Money Project, the “2020 Project”); and

WHEREAS, the District expects to incur capital expenditures in connection with costs related to the 2020 New Money Project prior to the issuance of the Financing Agreement (the “Reimbursement Expenditures”); and

WHEREAS, the District reasonably expects that the proceeds of the Financing Agreement will be used to reimburse the Reimbursement Expenditures; and

WHEREAS, Section 1.150-2 of the Treasury Regulations (the “Treasury Regulations”) requires the District to declare its reasonable official intent to reimburse the Reimbursement Expenditures with proceeds of a subsequent borrowing; and

WHEREAS, the District adopts this Resolution to provide the terms under which the District may enter into the Financing Documents; to provide the terms of the execution and delivery of the Financing Agreement; to declare its intent to reimburse the Reimbursement Expenditures and to authorize certain officials of the District to execute and deliver the Financing Documents and to take other actions related thereto on the District’s behalf.

NOW, THEREFORE, BE IT RESOLVED, as follows:

Section 1. Authorization of Financing Agreement, Note and Related Financing Documents. The District hereby authorizes the execution and delivery of the Financing Agreement and the Note in a principal amount not to exceed $3,200,000 and any related Financing Documents. The proceeds received by the District pursuant to the terms of the Financing Agreement shall be used to pay all or a portion of the costs of the 2020 Project. The remaining terms of the Financing Agreement, the Note and the various other Financing Documents shall be established as provided in Section 6 hereof.

Section 2. Designation of Authorized Representative. The District authorizes and directs each of the Superintendent of the District, the Director of Fiscal Services or their designee (each, an “Authorized Representative”) to act on behalf of the District and execute and deliver the Financing Agreement, the Note and the Financing Documents related to the execution and delivery of the Financing Agreement and Note and to negotiate and determine the terms and conditions of
the Financing Agreement as set forth in this Resolution, including without limitation, those terms to be established as provided in Section 6 hereof.

Section 3. Security. The financing payments (the “Financing Payments”) under the Financing Agreement shall be secured by and payable from the District’s general non-restricted revenues and other funds that are lawfully available for that purpose, including, the proceeds of the Financing Agreement and revenues from an ad valorem tax authorized to be levied under the District’s permanent rate limit under sections 11 and 11b, Article XI of the Oregon Constitution, and revenues derived from other taxes, if any, levied by the District in accordance with and subject to limitations and restrictions imposed under applicable law or contract, that are not dedicated, restricted or obligated by law or contract to an inconsistent expenditure or use. The District pledges its full faith and credit and taxing powers to the repayment of the Financing Payments as contemplated by ORS 287A.315, or any successor statute. The purchaser of the Note will not have a lien or security interest on the 2020 Project financed with the proceeds of the Financing Agreement.

Section 4. Optional Prepayment. The Financing Agreement may be subject to optional prepayment prior to the stated principal payment dates as determined by the Authorized Representative pursuant to Section 6 hereof and as set forth in the Financing Agreement, the Note and the Financing Documents.

Section 5. Maintenance of Tax-Exempt Status. The District hereby covenants for the benefit of the purchaser of the Note to use the proceeds of the Note, the 2020 Refunding Project financed or refinanced with proceeds of the Note pursuant to the Financing Agreement, in the manner required, and to otherwise comply with all provisions of the Internal Revenue Code of 1986, as amended (the “Code”), that are required for the interest component of payments payable under the Financing Agreement to be excluded from gross income for federal income tax purposes, as provided in the Financing Agreement. The District makes the following specific covenants with the respect to the Code:

(a) The District will not take any action or omit any action if it would cause either the Financing Agreement or the Note to become an arbitrage bond under Section 148 of the Code.

(b) The District shall operate the 2020 Project financed or refinanced with the Financing Agreement and the Note so that neither the Financing Agreement nor the Note becomes a “private activity bond” within the meaning of Section 142 of the Code.

(c) The District shall comply with appropriate Code reporting requirements.

(d) The District shall pay, when due, all rebates and penalties with respect to the Note which are required by Section 148(f) of the Code.

The covenants contained in this Section 5 and any covenants in the closing documents for the Financing Agreement and the Note shall constitute contracts with the purchaser of the Note and shall be enforceable by such purchaser. The Authorized Representative may enter into covenants on behalf of the District to protect the tax-exempt status of the Financing Agreement and the Note.
Section 6. Delegation for Establishment of the Terms of the Financing Agreement and Method of Sale of the Note. Each Authorized Representative is hereby authorized and directed, on behalf of the District without further approval of the Board to:

a. provide for the prepayment of the 2011 Financing Agreement, and cause any notice of such prepayment to be given, as required;

b. establish the principal and interest payment dates, principal amounts, optional prepayment provisions, if any, interest rates, premiums and discounts, denominations and all other terms for the Financing Agreement and the Note;

c. either solicit competitive bids for the Financing Agreement and the Note and choose the bidder the Authorized Representative determines offers the most favorable terms to the District, or select one or more underwriters or lenders and negotiate the sale of the Financing Agreement and the Note to such underwriters or lenders;

d. negotiate the terms of, and execute and deliver the Financing Agreement, the Note and/or other Financing Documents, that set forth the final terms, covenants, representations and agreements determined by the Authorized Representative to be necessary and appropriate and consistent with the intents and purposes set out in this Resolution;

e. approve the form of the Note;

f. approve, execute and deliver a tax certificate;

g. evaluate any proposals from providers of Credit Enhancement Devices for the Financing Agreement and the Note, obtain a Credit Enhancement Device for the Financing Agreement and the Note and execute and deliver agreements related to such Credit Enhancement Device and/or including representations, agreements and covenants in the Financing Agreement, the Note or the Financing Documents with respect to such Credit Enhancement Device;

h. enter into covenants regarding the use of the proceeds of the Financing Agreement and Note received by the District pursuant to the Financing Agreement and the use of the Project to maintain the tax-exempt status of the Financing Agreement and the Note; and

i. make any covenants necessary or desirable to obtain favorable financing terms for the Financing Agreement and to establish the security provisions and pledge of revenues with respect to the District’s payment obligations under the Financing Agreement, the Note and the Financing Documents consistent with the provisions of Section 3 hereof;

j. approve of and authorize the distribution of preliminary and final official statements in connection with the actions contemplated by this Resolution, if applicable, and take such other action as may be necessary in connection with the issuance of publicly offered obligations or certificates of participation including taking such as actions as
necessary to qualify the obligations for the book-entry system through the Depository Trust Company;

k. obtain one or more ratings in connection with the Financing Agreement if determined by the Authorized Representative to be in the best interest of the District, and expend proceeds of the Financing Agreement to pay the costs of obtaining such rating;

l. approve, execute and deliver closing documents and certificates relating to the execution and delivery of the Financing Agreement, the Note and the Financing Documents;

m. approve, execute and deliver a Continuing Disclosure Certificate, if required, pursuant to SEC Rule 15c2-12, as amended; and

n. execute and deliver a certificate specifying the action taken pursuant to this Section 6, and any other certificates, documents or agreements that an Authorized Representative determines are desirable to deliver the Financing Agreement, the Note and the Financing Documents in accordance with this Resolution.

Section 7. **Defeasance.** The District may defease its obligations under the Financing Agreement pursuant to the terms of the Financing Agreement.

Section 8. **Redemption and Prepayment of the 2011 Financing Agreement.** Contingent solely on the execution and delivery of the Financing Agreement, the Notes and the Financing Documents, and subject to the terms of the documents authorizing the 2011 Financing Agreement, the Authorized Representative is authorized to call for redemption or prepayment, as applicable, the 2011 Financing Agreement, with a portion of the proceeds of the Financing Agreement, together with funds on hand from the District, on the earliest date the 2011 Financing Agreement is subject to redemption or prepayment, as applicable. The Authorized Representative is further authorized to execute and deliver all agreements, certificates, documents and notices that are necessary and appropriate in connection with the redemption, prepayment and defeasance of the 2011 Financing Agreement, consistent with this Resolution and the applicable legal documents for the 2011 Financing Agreement.

Section 9. **Appointment of Special Counsel and Municipal Advisor.** The District hereby appoints Orrick, Herrington & Sutcliffe LLP of Portland, Oregon, as special counsel to the District with respect to the Financing Agreement, the Note and the Financing Documents. The District hereby appoints D.A. Davidson & Co. of Portland, Oregon, as municipal advisor to the District with respect to the Financing Agreement, the Note and the Financing Documents.

Section 10. **Declaration of Intent to Reimburse.** For purposes of establishing compliance with the Treasury Regulations, the District hereby declares its official intent to reimburse itself with proceeds of the Financing Agreement for any of the Reimbursement Expenditures incurred by it prior to executing and delivering the Financing Agreement. This resolution does not bind the District to make any expenditure, incur any debt, or proceed with the 2020 New Money Project.
Section 11. **Resolution to Constitute Contract.** In consideration of the purchase and acceptance of the Financing Agreement and the Note by the purchaser, the provisions of this Resolution shall be part of the contract of the District with the purchaser and shall be deemed to be and shall constitute a contract between the District and the purchaser pursuant to ORS 287A.315 and ORS 287A.325, or any successor statute. The covenants, pledges, representations and warranties contained in this Resolution, or in the closing documents executed in connection with the Financing Agreement, the Note and the Financing Documents, including without limitation the District’s covenants and pledges contained in Section 3 hereof, and the other covenants and agreements herein set forth to be performed by or on behalf of the District shall be contracts for the equal benefit, protection and security of the purchaser of the Note, all of which shall be of equal rank without preference, priority or distinction, except as expressly provided in or pursuant to this Resolution.

Section 12. **Effective Date of Resolution.** This Resolution shall take effect immediately upon its adoption by the Board.

ADOPTED ON THIS 28th DAY OF OCTOBER, 2020.

REDMOND SCHOOL DISTRICT 2J, DESCHUTES AND JEFFERSON COUNTIES, OREGON

By: ____________________________
   School Board Chair

ATTEST:

By: ____________________________
   Board Executive Secretary