

IN THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY, OREGON

ORDER NO. 11-02-02 11 IN THE MATTER OF AUTHORIZING FINANCINGS OF PROJECTS IN A PRINCIPAL AMOUNT NOT TO EXCEED \$10,735,000 AND AUTHORIZING REIMBURSEMENT OF EXPENDITURES FROM PROCEEDS.

WHEREAS, the County is authorized by Oregon Revised Statutes Section 271.390 to enter into loan agreements to finance or refinance real or personal property which the Board of County Commissioners determines is needed, and to authorize certificates of participation in the right to receive the payments due from the County under those loan agreements; and,

WHEREAS, the County is authorized by ORS 287A.105 to incur bonded indebtedness within the meaning of section 10, Article XI of the Oregon Constitution; and,

WHEREAS, the Board hereby determines the following projects are needed: renovating the Riverstone Community Health Clinic, replacing and expanding the marina at Richardson Park, renovating the Public Works Department Customer Service Center, providing a new roof for the Convention Center, and upgrading the HVAC system at the Public Service Building/County Courthouse complex (the "Projects"); and,

WHEREAS, it is desirable to obtain financing for the Projects in an aggregate principal amount of not more than \$10,735,000 pursuant to ORS 271.390 and ORS 287A.105; and

WHEREAS, federal tax law requires an issuer of tax-exempt obligations to declare its intention if the issuer expects to spend its funds on a project and later reimburse itself for those expenditures from the proceeds of tax-exempt obligations; and

WHEREAS, the County reasonably expects to reimburse the expenditures it incurs for the Projects from the proceeds of obligations authorized by this Order; now therefore

IT IS HEREBY ORDERED that the County may finance the Projects under the authority of ORS 271.390 and ORS 287A.105, by issuing obligations in an aggregate principal amount of not more than \$10,735,000. The County may also pay costs of issuing the obligations with proceeds.

IT IS FURTHER ORDERED that the County Administrator or the County Treasurer (collectively the "County Official") is hereby authorized, on behalf of the County and without further action by the Board, to:

1. Negotiate, execute and deliver one or more loan agreements (the "Loan Agreements") for the Projects which obligate the County to repay the financed amounts, with interest. The Loan Agreements shall constitute bonded indebtedness and be subject to the limits of ORS 287A.105. The County's obligation to make loan payments under the Loan Agreements shall be unconditional. The County Official may pledge the County's full faith and credit and taxing power within the limitations of Sections 11 and 11b of Article XI of the Oregon

Constitution, and may agree to pay the Loan Agreements from any and all of the County's legally available funds. Subject to the limitations of this Order, the Loan Agreements may be in such form and contain such terms as the County Official may approve, including covenants for the benefit of the lenders or credit enhancement providers.

2. Negotiate, execute and deliver one or more escrow agreements or similar documents (the "Escrow Agreements") which provide for the issuance of one or more series of "certificates of participation" or "full faith and credit obligations" (the "Obligations") which represent ownership interests in the loan payments due from the County under the Loan Agreements. Subject to the limitations of this Order, the Escrow Agreements and each series of Obligations may be in such form and contain such terms as the County Official may approve, including covenants for the benefit of the lenders or credit enhancement providers.

3. Determine whether the interest payable on each Loan Agreement will be includable in gross income or excludable from gross income under the Internal Revenue Code of 1986, as amended (the "Code").

4. Designate the Loan Agreements and Obligations as "qualified tax-exempt obligations" under Section 265(b) of the Code, if applicable.

5. Covenant for the benefit of the owners of tax-exempt obligations to comply with all provisions of the Code which are required for the interest component of loan payments payable under the related Loan Agreements to be excluded from gross income for federal income tax purposes.

6. Deem final and authorize the distribution of a preliminary official statement for each series of Obligations, authorize the preparation and distribution of a final official statement or other disclosure document for each series of Obligations, and enter into agreements to provide continuing disclosure for owners of each series of Obligations.

7. Apply for and purchase ratings, municipal bond insurance, or other forms of credit enhancements for the Loan Agreements and Obligations, and enter into related agreements, as necessary.

8. Enter into additional covenants for the benefit of the purchasers of the Loan Agreements and Obligations which the County Official determines are desirable to sell the Loan Agreements and Obligations on favorable terms.

9. Engage the services of escrow agents, paying agents and any other professionals whose services are desirable for the financings.

10. Subject to this Order, determine the final principal amount of each Loan Agreement, the interest rate or rates which each Loan Agreement and each series of Obligations shall bear, and the County's prepayment rights and other terms of each Loan Agreement and each series of Obligations.

11. Solicit competitive bids for the purchase of each series of the Obligations and award their sale to the bidder offering the most favorable terms to the County, select one or more underwriters, negotiate the terms of the sale of each series of Obligations, and sell that series to those underwriters; or select one or more commercial banks, negotiate the terms of the sale of each Loan Agreement and sell each Loan Agreement to those commercial banks.

12. Execute and deliver any other certificates or documents and take any other actions which the County Official determines are desirable to finance the Projects with the Loan Agreements and the Obligations in accordance with this Resolution.

13. Enter into other covenants, agreements and provisions which the County Official determines are necessary or appropriate to better secure the Obligations, and take any other actions which the County Official determines are appropriate to carry out this Order, and

IT IS FURTHER ORDERED that the Board of Commissioners of Lane County, Oregon hereby declares its official intent to reimburse its expenditures on the Projects with the proceeds of the Obligations authorized by this Order. The County Official is authorized to make future declarations of intent to reimburse under Section 1.150-2 of the Federal Income Tax Regulations or similar laws, on behalf of the County and without further action by the County Commissioners. All such future declarations shall be in writing and the original or a certified copy of each declaration shall be maintained in the public records of the County.

DATED this 2nd day of February, 2011.



Chair, Board of County Commissioners