REVIEWED

LEGAL COUNSEL

For Recording Stamp Only

BEFORE THE BOARD OF COUNTY COMMISSIONERS OF DESCHUTES COUNTY, OREGON

*

*

*

A Resolution Authorizing the County's Refinancing of its Series 2012 Full Faith and Credit Obligations

RESOLUTION NO. 2021-056

WHEREAS, Deschutes County, Oregon (the "County") is authorized by Oregon Revised Statutes ("ORS") Sections 271.390 and 287A.360 to enter into financing agreements to finance or refinance real or personal property that the Board of County Commissioners (the "Board") determines is needed so long as the estimated weighted average life of the financing agreement does not exceed the estimated dollar weighted average life of the property that is financed; 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 in an amount not to exceed one percent of the real market value of the taxable property in the County, in the form of a financing agreement, and to commit the County's full faith and credit and taxing power pursuant to ORS 287A.315 to pay the amounts due under the financing agreement; and

WHEREAS, the County previously refinanced the construction of the County/State Government Center, the La Pine County Service Center, a new County warehouse, storage buildings for the fair/expo center, sewer system improvements for the La Pine Sewer District, various property acquisition, remodeling and infrastructure projects and other projects associated with the construction projects (collectively, the "Refunded Projects") pursuant to a Financing Agreement (the "2012 Financing Agreement") and an Escrow Agreement (the "2012 Escrow Agreement"), each dated as of March 29, 2012; and

WHEREAS, the 2012 Escrow Agreement authorized the issuance of Full Faith and Credit Obligations, Series 2012 in the original aggregate principal amount of \$26,345,000 (the "2012 Obligations"); and

WHEREAS, the County may be able to reduce its debt service costs by refinancing all or a portion of its obligations under the 2012 Financing Agreement and the 2012 Escrow Agreement; and

WHEREAS, the Board hereby determines that the Refunded Projects were needed at the time the 2012 Obligations were issued and remain needed, and that it is desirable to refinance all or a portion of the Refunded Projects pursuant to ORS 271.390 and ORS 287A.360; and

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF DESCHUTES COUNTY, OREGON, as follows:

Section 1. Authorization.

The County Treasurer and Chief Financial Officer, the County Administrator, or the County Treasurer and Chief Financial Officer's designee (each of whom is referred to herein as a "County Official") are hereby authorized on behalf of the County and without further action by the Board, to:

1.1. Negotiate, execute and deliver one or more financing agreements, loan agreements, credit facilities, or other financing documents (the "Financing Agreements") in an aggregate principal amount that provides net proceeds sufficient to refinance all or a portion of the County's obligations under the 2012 Financing Agreement and the 2012 Escrow Agreement and to pay estimated costs of the refinancing. Subject to the limitations of this Resolution, the Financing Agreements may be in such form and contain such terms as the County Official may approve.

1.2. 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 financing payments due from the County under the Financing Agreements. Subject to the limitations of this Resolution, the Escrow Agreements and each series of Obligations may be in such form and contain such terms as the County Official may approve.

1.3. 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.

1.4. Engage the services of escrow agents, escrow deposit agents, trustees or verification agents, and any other professionals whose services are desirable for the Financing Agreements, and enter into agreements with those service providers.

1.5. Select the maturities of any obligations to be refunded and cause notice of call and redemption to be given.

1.6. Determine the final principal amount of each Financing Agreement, the interest rate or rates which each series of financing payments shall bear, the County's prepayment rights and other terms of each Financing Agreement and each series of Obligations.

1.7. 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; or select one or more underwriters, negotiate with those underwriters the terms of the sale of each series of Obligations, and sell that series to those underwriters; or place any Financing Agreement directly with a commercial bank or other lender.

1.8. Undertake to provide continuing disclosure for each series of Obligations in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission.

1.9. Apply for ratings for each series of Obligations, determine whether to purchase municipal bond insurance or obtain other forms of credit enhancement for each series of Obligations, enter into agreements with the those providers of credit enhancement.

1.10. Issue any qualifying Financing Agreement as a "tax-exempt bond" bearing interest that is excludable from gross income under the Internal Revenue Code of 1986, as amended (the "Code") and enter into covenants to maintain the excludability of interest on those Financing Agreements from gross income under the Code.

1.11. Issue any Financing Agreement as a "taxable bond" bearing interest that is includable in gross income under the Code.

1.12. Designate any qualifying Financing Agreement as a "qualified tax-exempt obligation" pursuant to Section 265(b)(3) of the Code, if applicable.

1.13. Execute and deliver any other certificates or documents and take any other actions which the County Official determines are desirable to issue, sell and deliver the Financing Agreements in accordance with this Resolution.

Section 2. Security.

The Financing Agreements shall constitute "limited tax bonded indebtedness" as defined in ORS 287A.105 and the obligation of the County to make financing payments under the Financing Agreements is unconditional. Pursuant to ORS 287A.315, the County Official may pledge the County's full faith and credit and taxing power within the limitations of Section 11 and 11b of Article XI of the Oregon Constitution, and any and all of the County's legally available funds, including the proceeds of the Financing Agreements, to make the payments due under the Financing Agreements.

Section 3. Appointment of Special Counsel and Municipal Advisor.

The law firm of Hawkins Delafield & Wood LLP is appointed as special counsel to the County, and PFM Financial Advisors LLC is appointed as municipal advisor to the County, with respect to the Obligations.

Section 4. Effective Date.

This Resolution shall take effect immediately upon its adoption.

DATED this _____ day of _____, 2021.

BOARD OF COUNTY COMMISSIONERS OF DESCHUTES COUNTY, OREGON

ANTHONY DEBONE, CHAIR

PHIL CHANG, VICE CHAIR

PATTI ADAIR, COMMISSIONER

ATTEST:

Recording Secretary