

RESOLUTION NO. 2011-12-6

A RESOLUTION OF SHERIDAN SCHOOL DISTRICT NO. 48J, YAMHILL AND POLK COUNTIES, OREGON AUTHORIZING THE ISSUANCE AND PRIVATE NEGOTIATED SALE OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2012 TO ADVANCE REFUND THE DISTRICT'S OUTSTANDING GENERAL OBLIGATION BONDS, SERIES 2003; DESIGNATING AN AUTHORIZED REPRESENTATIVE, UNDERWRITER AND BOND COUNSEL; AUTHORIZING APPOINTMENT OF A PAYING AGENT, BOND REGISTRAR, ESCROW AGENT AND VERIFICATION AGENT; AND AUTHORIZING EXECUTION OF A BOND PURCHASE AGREEMENT AND ESCROW DEPOSIT AGREEMENT.

Oregon Revised Statutes 287A.360 authorize the issuance of bonds to refund outstanding bonds. Sheridan School District No. 48J, Yamhill and Polk Counties, Oregon (the "District") has determined that interest rates have declined to such a degree that it is desirable to advance refund all or a portion of the District's outstanding General Obligation Bonds, Series 2003 (the "Series 2003 Bonds").

The Series 2003 Bonds are dated May 15, 2003 and were in the original principal amount of \$8,500,000. The Series 2003 Bonds maturing on and after June 15, 2014 are subject to call and optional redemption on June 15, 2013 at par value.

The proceeds of the Series 2003 were expended to finance the construction and equipping of a new middle/elementary, make other capital improvements to District facilities and pay the costs of issuance of the Bonds.

The proceeds of the General Obligation Refunding Bonds, Series 2012 (the "Series 2012 Bonds") will be for the purpose of providing funds sufficient to advance refund all or a portion of the Series 2003 Bonds and pay the costs of issuance of the Series 2012 Bonds. The Series 2012 Bonds will be issued as general obligations of the District, payable from ad valorem taxes levied upon all taxable property within the District without limitation as to rate or amount to the extent funds from other legally available resources are not available. The Series 2003 Bonds are payable from these same sources of funds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SHERIDAN SCHOOL DISTRICT NO. 48J, YAMHILL AND POLK COUNTIES, OREGON, AS FOLLOWS:

Section 1. Issuance of Series 2012 Bonds. The Board authorizes the issuance and the private negotiated sale of General Obligation Refunding Bonds, Series 2012. The Series 2012 Bonds shall be issued in denominations of \$5,000 each, or integral multiples thereof, as negotiable general obligation bonds of the District and shall bear interest at a true effective rate not to exceed three percent (3.0%) per annum, payable semiannually. The Series 2012 Bonds shall be sold at not less than ninety-nine percent

(99.0%) of par value, disregarding any net original issue discount or bond insurance premiums. The District authorizes the Superintendent or the Business Manager, or their designee (the "Authorized Representative"), to determine and designate the principal amount, the dated date, interest rates, maturity dates, optional redemption dates and premiums, if any, principal serial maturities, term bond maturity or maturities, with or without premium, denominations, interest payments dates, underwriters discount, to participate in the Oregon School Bond Guaranty Program or obtain bond insurance or some other form of guaranty or security for the payment of the Bonds and such other provisions as are deemed necessary and desirable for the sale and issuance of the Series 2012 Bonds and to determine if all or a portion of the Series 2003 Bonds are to be refunded.

Section 2. Title and Execution of Series 2012 Bonds. The Series 2012 Bonds shall be entitled "Sheridan School District No. 48J, Yamhill and Polk Counties, Oregon, General Obligation Refunding Bonds, Series 2012", or such other name designated by the Authorized Representative, and shall bear the manual or facsimile signature of the Chair of the Board of Directors of the District and the manual or facsimile signature of the Superintendent.

Section 3. Book-Entry-Only System. Ownership of the Series 2012 Bonds shall be recorded through entries on the books of banks and broker-dealer participants and correspondents that are related to entries on The Depository Trust Company book-entry-only system. The Series 2012 Bonds shall be initially issued in the form of a separate single fully registered type-written bond for each maturity of the Bonds (the "Global Certificates"). Each Global Certificate shall be registered in the name of Cede & Co. as nominee (the "Nominee") of The Depository Trust Company (the "Depository") as the "Registered Owner", and such Global Certificates shall be lodged with the Depository until redemption or maturity of the Series 2012 Bond issue. The Paying Agent shall remit payment for the maturing principal and interest on the Bonds to the Registered Owner for distribution by the Nominee for the benefit of the bondholder (the "Beneficial Owner" or "Record Owner") by recorded entry on the books of the Depository participants and correspondents. While the Series 2012 Bonds are in book-entry-only form, the Series 2012 Bonds will be available in denominations of \$5,000 or any integral multiple thereof.

The Authorized Representative shall file with the Depository a Letter of Representation to induce the Depository to accept the Series 2012 Bonds as eligible for deposit at the Depository. The Underwriter for the Series 2012 Bond issue is authorized to provide the Depository with the Preliminary Official Statement, together with the completed Depository's underwriting questionnaire.

The execution and delivery of the Letter of Representations and the providing to the Depository of the Preliminary Official Statement and the underwriting questionnaire shall not in any way impose upon the District any obligation whatsoever with respect to persons having interests in the Series 2012 Bonds other than the Registered Owners of the Series 2012 Bonds as shown on the registration books maintained by the Paying Agent and Bond Registrar. The Paying Agent and Bond Registrar, in writing, shall accept the book-entry-only system and shall agree to take all action necessary to at all times comply with the Depository's operational arrangements for the book-entry-only system. The Authorized Representative may take all other action to qualify the Series 2012 Bonds for the Depository's book-entry-only system.

In the event the Depository determines not to continue to act as securities depository for the Series 2012 Bonds, or the District determines that the Depository shall no longer so act, then the District will

discontinue the book-entry-only system with the Depository. If the District fails to identify another qualified securities depository to replace the Depository, the Series 2012 Bonds shall no longer be a book-entry-only issue but shall be registered in the registration books maintained by the Paying Agent and Bond Registrar in the name of the Registered Owner as appearing on the registration books of the Paying Agent and Bond Registrar and thereafter in the name or names of the owners of the Series 2012 Bonds transferring or exchanging Series 2012 Bonds.

With respect to Series 2012 Bonds registered in the registration books maintained by the Paying Agent and Bond Registrar in the name of the Nominee of the Depository, the District, and the Paying Agent and Bond Registrar shall have no responsibility or obligation to any participant or correspondent of the Depository or to any Beneficial Owner on behalf of which such participants or correspondents act as agent for the Registered Owner with respect to:

- (i) the accuracy of the records of the Depository, the Nominee or any participant or correspondent with respect to any ownership interest in the Series 2012 Bonds,
 - (ii) the delivery to any participant or correspondent or any other person, other than a Registered Owner as shown in the registration books maintained by the Paying Agent and Bond Registrar, of any notice with respect to the Series 2012 Bonds, including any notice of redemption,
 - (iii) the selection by the Depository of the beneficial interest in Series 2012 Bonds to be refunded in the event the District redeems the Series 2012 Bonds in part, or
 - (iv) the payment to any participant, correspondent or any other person other than the Registered Owner of the Series 2012 Bonds as shown in the registration books maintained by the Paying Agent and Bond Registrar, of any amount with respect to principal or interest on the Series 2012 Bonds.
- Notwithstanding the book-entry-only system, the District may treat and consider the Registered Owner in whose name each Series 2012 Bond is registered in the registration books maintained by the Paying Agent and Bond Registrar as the Registered Owner and absolute owner of such Series 2012 Bond for the purpose of payment of principal and interest with respect to such Series 2012 Bond, or for the purpose of giving notices of redemption and other matters with respect to such Series 2012 Bond, or for the purpose of registering transfers with respect to such Series 2012 Bond, or for all other purposes whatsoever. The District shall pay or cause to be paid all principal of and interest on the Series 2012 Bonds only to or upon the order of the Registered Owner, as shown in the registration books maintained by the Paying Agent and Bond Registrar, or their representative attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligation with respect to payment thereof to the extent of the sum or sums so paid.

Upon delivery by the Depository to the District's and to the Registered Owner of a Series 2012 Bond of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee then the word "Nominee" in this Resolution shall refer to such new nominee of the Depository, and upon receipt of such notice, the District shall promptly deliver a copy thereof to the Paying Agent and Bond Registrar.

Section 4. Principal Amount. The principal amount of the Series 2012 Bonds shall be in an amount sufficient to pay (a) the principal of and interest on the Series 2003 Bonds being refunded, and (b) the costs of issuance of the Series 2012 Bonds.

Section 5. Payment of Series 2012 Bonds. If the book-entry system is not utilized, the principal of the Series 2012 Bonds shall be payable upon presentation of the Series 2012 Bonds at maturity at the principal corporate trust office of the Paying Agent in Portland, Oregon. Payment of each installment of interest due each year shall be made by check or draft of the Paying Agent mailed on each interest payment date to the registered owner thereof whose name and address appears on the registration books of the District maintained by the Paying Agent as of the close of business on the record date as determined by the authorized representative.

Section 6. Form of Series 2012 Bonds. The Series 2012 Bonds shall be issued substantially in the form as approved by the Authorized Representative and Bond Counsel.

Section 7. Appointment of Paying Agent and Bonds Registrar. The Authorized Representative is authorized to designate a Paying Agent and Bond Registrar for the Series 2012 Bonds and to negotiate and execute on behalf of the District the Paying Agent and Bond Registrar Agreement. In addition, the District requests and authorizes the Paying Agent and Bond Registrar to execute the Certificate of Authentication as of the date of delivery of the Series 2012 Bonds.

Section 8. Tax Levy and Pledge. The District shall levy annually, as provided by law, a direct ad valorem tax upon all of the taxable property within the District in sufficient amount, without limitation, to pay the principal of and interest on the Series 2012 Bonds promptly as they become due and payable. The District covenants with the owners of the Series 2012 Bonds to pledge such ad valorem taxes in sufficient amount to pay the principal of and interest on the Series 2012 Bonds as they respectively become due and payable. Pursuant to ORS 310.145, the District hereby classifies the tax levy described in this section to be taxes imposed to pay the principal and interest on exempt bonded indebtedness and such taxes are not subject to the limits of sections 11 and 11b of Article XI of the Oregon Constitution.

Section 9. Covenant as to Arbitrage. The proceeds of the Series 2012 Bonds shall be used and invested in such manner that the Series 2012 Bonds shall not become "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and the applicable regulations. The District covenants that, within its lawful powers, it will not do, and will refrain from doing, anything in the issuance of the Series 2012 Bonds and in the investment and expenditure of the proceeds thereof which would result in the interest on the Series 2012 Bonds becoming taxable for federal income tax purposes.

Section 10. Escrow Deposit Agreement and Escrow Agent. The District shall enter into an Escrow Deposit Agreement for the establishment of an Escrow Deposit Fund to which shall be deposited sufficient proceeds from the Series 2012 Bonds to acquire Government Obligations to provide funds sufficient to pay the principal of and interest on the Series 2003 Bonds which are being refunded. The Authorized Representative is authorized to designate an Escrow Agent to administer the Escrow Deposit Fund and to execute the Escrow Deposit Agreement for and on behalf of the District.

Section 11. Irrevocable Call and Redemption of Series 2003 Bonds. The Series 2003 Bonds are first subject to optional call and redemption on June 15, 2013, at par value. The District does irrevocably call for redemption on June 15, 2013, at par value, the principal of the Series 2003 Bonds being refunded. The irrevocable call and redemption of such Series 2003 Bonds is subject to the sale and delivery of the Series 2012 Bonds.

Section 12. Effect of Refunding on Series 2003 Bonds. The District determines that, upon deposit into the Escrow Deposit Fund of Government Obligations in an amount calculated to be sufficient to pay the principal of and interest on the Series 2003 Bonds being refunded, such deposit shall fully defease the Series 2003 Bonds being refunded.

Section 13. Appointment of Underwriter. Seattle-Northwest Securities Corporation is designated as underwriter for the issuance of the Series 2012 Bonds.

Section 14. Appointment of Bond Counsel. The District hereby appoints the law firm of Mersereau Shannon LLP of Portland, Oregon as Bond Counsel for the issuance of the Series 2012 Bonds.

Section 15. Appointment of Expert Advisor. If necessary or desirable, the Authorized Representative is authorized to appoint and Expert Advisor to the District for the issuance of the Series 2012 Bonds.

Section 16. Transfer of Series 2012 Bonds. If the book-entry system is not utilized, the Series 2012 Bonds will be issued in certificate form. Then the Series 2012 Bonds are transferable, or subject to exchange, for fully registered Series 2012 Bonds in the denomination of \$5,000 each or integral multiples thereof by the registered owner thereof in person, or by the owner's attorney, duly authorized in writing, at the office of the Bond Registrar. The Bond Registrar shall maintain a record of the names and addresses of the registered owners of the Series 2012 Bonds. The records of the registered bond ownership are not public records within the meaning of Oregon Revised Statutes 192.410(4).

All bonds issued upon transfer of or in exchange for Series 2012 Bonds shall be valid general obligations of the District evidencing the same debt and shall be entitled to the same benefits as the Series 2012 Bonds surrendered for such exchange or transfer. All fees, expenses and charges of the Paying Agent and Bond Registrar shall be payable by the District. The Bond Registrar shall not be required to transfer or exchange any Series 2012 Bond after the close of business on the 15th day of the month next preceding any interest payment date or transfer or exchange any Series 2012 Bond called or being called for redemption.

Section 17. Printing Series 2012 Bonds. If the Series 2012 Bonds are not in book-entry form, then the Authorized Representative is authorized to contract for the printing of the Series 2012 Bonds. The Authorized Representative may provide for the printing of, in addition to the original issue of Bonds, if any, additional bonds to be printed in blank form as to registration and to be designated by appropriate number for the Bond Registrar for delivery to the registered owner upon transfer or exchange of Series 2012 Bonds. The additional bonds shall bear the dated date of the Series 2012 Bonds, shall be signed by the manual or facsimile signature of the Chair and shall be attested by the manual or facsimile signature of

the Superintendent and the Paying Agent and Bond Registrar shall manually sign the Certificate of Authentication as of the date of delivery or transfer of the Series 2012 Bonds.

Section 18. Designation as Qualified Tax-Exempt Obligation. The District hereby designates the Series 2012 Bonds for purposes of paragraph (3) of Section 265(b) of the Internal Revenue Code of 1986, as amended, (the "Code") as "qualified tax-exempt obligations" and covenants that the Series 2012 Bonds do not constitute private activity bonds as defined in Section 141 of the Code, and that not more than \$10,000,000 aggregate principal amount of obligations, the interest on which is excludable under Section 103(a) of the Code from gross income for federal income tax purposes have been or shall be issued by the District including all subordinate entities of the District if any, during the calendar year 2012.

Section 19. Continuing Disclosure. The District covenants and agrees to comply with and carry out all of the provisions of the Continuing Disclosure Agreement to be negotiated with the underwriter. Notwithstanding any other provision of this Resolution, failure by the District to comply with the Continuing Disclosure Agreement will not constitute an event of default; however, any Registered Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Section and the Continuing Disclosure Certificate.

Section 20. Preliminary and Final Official Statement. The District shall prepare or cause to be prepared a preliminary official statement for the Series 2012 Bonds which shall be available for distribution to prospective purchaser. In addition, an official statement shall be prepared and ready for delivery to the purchasers of the Series 2012 Bonds no later than the seventh (7th) business day after the sale of the Series 2012 Bonds. When the District determines that the final official statement does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained in the official statement not misleading in the light of the circumstances under which they are made, the Authorized Representative is authorized to certify the accuracy of the official statement on behalf of the District.

Section 21. Contract with Record Owners of Series 2012 Bonds. In consideration of the purchase and acceptance of the Series 2012 Bonds, the provisions of this Resolution and the Series 2012 Bonds shall be deemed to be and shall constitute a contract between the District and the owners of the Series 2012 Bonds. The covenants and agreements to be performed by or on behalf of the District shall be for the equal benefit, protection and security of the owners of any and all Series 2012 Bonds, all of which shall be of equal rank without preference, priority, or distinction among the Series 2012 Bonds, except as expressly provided pursuant to this Resolution.

Section 22. Closing of the Sale and Delivery of the Series 2012 Bonds. The Authorized Representative is authorized to negotiate with the Underwriter as to the terms and conditions of a Bond Purchase Agreement providing for the private negotiated sale of the Series 2012 Bonds. The Authorized Representative is authorized to execute the Bond Purchase Agreement for and on behalf of the District and to execute such additional documents, including a Tax Certificate, and to perform any and all other things or acts necessary for the sale and delivery of the Series 2012 Bonds and redemption of the Series 2003 Bonds as herein authorized. Such acts of the Authorized Representative are for and on behalf of and are authorized by the Board of the District.

DATED this 18th day of January 2012.

Chair

ATTEST:

Superintendent