

August 14, 2014

Sheridan School District No. 48J  
435 South Bridge Street  
Sheridan, Oregon 97378

Re: Sheridan School District No. 48J  
\$2,105,000 General Obligation Bonds, Series 2014

Honorable Board of Directors:

Piper Jaffray & Co. (the "Underwriter") offers to enter into this purchase agreement (the "Purchase Agreement") with Sheridan School District No. 48J, in Yamhill and Polk Counties, Oregon (the "Issuer") (each of the Underwriter and the Issuer may be referred to herein as a "Party" or collectively as the "Parties").

Upon execution of this Purchase Agreement by the Parties, this Purchase Agreement will constitute a binding agreement between the Issuer and the Underwriter.

Capitalized terms in this Purchase Agreement that are not otherwise defined herein shall have the meanings given to such terms in the Resolution as defined below:

1. Purchase and Sale

Subject to the terms and conditions of this Purchase Agreement, the Underwriter hereby agrees to purchase from the Issuer for offering to the public and the Issuer hereby agrees to sell to the Underwriter all, but not less than the entire \$2,105,000 aggregate principal amount of the General Obligation Bonds, Series 2014 (the "Bonds").

The Bonds shall be dated, shall mature, shall bear interest, shall be payable, and shall have redemption provisions and other terms all as set forth in Exhibit A attached hereto. The Underwriter's purchase price for the Bonds is set forth in Exhibit A.

2. Closing

The transaction at which the Bonds are delivered by the Issuer to the Underwriter and paid for by the Underwriter is referred to herein as the "Closing" and the date of such transaction, the "Closing Date."

3. Authorization and Financing Documents

The issuance, sale and delivery of the Bonds is authorized by Resolution No. 2013-2014-6 a Resolution (the "Resolution"), adopted by the Board of Directors of the Issuer on June

18, 2014. On the Closing Date, executed copies of the Financing Documents defined in Exhibit D attached hereto shall be delivered or made available to the Underwriter.

The Bonds shall be payable and shall be secured as provided in the Resolution and as described in the OS (as defined below).

4. Paying Agent; Enhancement

- a) U.S. Bank National Association shall be the paying agent for the Bonds, serving as registrar and paying agent (the "Paying Agent").
- b) Payment when due of the regularly scheduled principal of and interest on the Bonds shall be guaranteed under the provisions of Oregon School Bond Guaranty (the "State Guaranty").

5. Offering

The Underwriter agrees to make a *bona fide* public offering of all the Bonds, at prices not in excess of the initial public offering prices or at yields not lower than the initial yields as set forth in Exhibit A attached hereto. The Underwriter may change the initial offering price or prices as they deem necessary in connection with the offering of the Bonds without any requirement of prior notice and may offer and sell the Bonds to certain institutions at prices lower than those stated in the OS.

6. Official Statement

- a) The Issuer represents and warrants that it ratified, approved, and "deemed final" (except for the omission of the following information: offering price(s), interest rate(s) selling compensation, aggregate principal amount, principal amount per maturity delivery dates, credit enhancement, if any, ratings, and other terms of the securities depending on such matters) the Preliminary Official Statement, which is dated August 7, 2014 and which describes the Issuer and the Bonds (the "POS") for purposes of Rule 15c2-12 of the Securities Exchange Act of 1934, as amended (the "Rule"). Issuer approves and ratifies the use and distribution by the Underwriter of the POS in connection with the public offering and sale of the Bonds by the Underwriter.
- b) The final official statement shall be dated the date hereof and shall be substantially in the form of the POS with only such changes permitted by the Rule and such other changes as shall have been reviewed by the Underwriter (such final official statement, incorporating such changes, if any, shall be referred to herein as the "OS"). The Issuer shall cooperate with the Underwriter in the

preparation of the OS for delivery within seven (7) business days after the date hereof and, in any event, for delivery in sufficient time to accompany any order confirmation from the Underwriter to its customer and in sufficient time to permit the Underwriter to comply with the provisions of the Rule and with all applicable rules of the MSRB.

- c) The Issuer will not amend or supplement the OS without the consent of the Underwriter. The Issuer agrees to notify the Underwriter promptly if, on or prior to the 25<sup>th</sup> day after the End of the Underwriting Period (as defined below), any event shall occur, or information come to the attention of the Issuer, that would cause the OS (as supplemented or amended), as of its date, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If, in the opinion of the Issuer, such event requires the preparation and distribution of a supplement or amendment to the OS, the Issuer, at its expense, shall amend or supplement the OS in a form and manner approved by the Underwriter and will provide such number of copies of the supplement or amendment to the OS, as the Underwriter may reasonably request. For purposes of this Purchase Agreement, the “End of the Underwriting Period” shall occur on the later of Closing Date or the date on which the Underwriter no longer retains an unsold balance of Bonds for sale to the public. If the “End of the Underwriting Period” is after the Closing Date, the Underwriter shall give notice to the Issuer.
- d) The Underwriter has reviewed the POS and will review the OS for the Bonds in accordance with, and as part of, its respective responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction. The parties acknowledge that under federal securities law, the Issuer of securities has the primary responsibility for disclosure to investors and the review of the POS and the OS by the Underwriter is conducted for purposes of satisfying the Underwriter’s obligations under the federal securities laws and such review should not be construed by the Issuer as a guarantee of the accuracy or completeness of the information in the POS or OS: provided that the Underwriter will represent as to the accuracy of the information in the POS and the OS regarding the Underwriter in the italicized print on the page immediately following the cover page. At closing, the Underwriter will confirm the mathematical accuracy of the information in the OS describing the yields or reoffering prices on the Bonds, but gives no assurances as to the legal sufficiency of such calculations.

7. Representations, Warranties and Covenants

The Issuer represents, warrants and covenants to the Underwriter that as of the date hereof and as of the Closing Date:

- a) The Issuer is a school district duly organized and validly existing under the laws and Constitution of the State of Oregon;
- b) The Issuer has duly adopted the Resolution and it is a valid, legal and binding Resolution of the Issuer;
- c) The Issuer is duly authorized and has full legal right, power, and authority to issue, sell and deliver the Bonds and perform its obligations under the Financing Documents;
- d) The Resolution is in full force and effect and has not been superseded, rescinded or amended;
- e) The Issuer has full legal right, power and authority to and will apply or cause to be applied the proceeds of the Bonds as described in the Resolution, and the POS and the OS;
- f) The Issuer is not, and the execution of and performance by the Issuer of its obligations under the Financing Documents will not cause the Issuer to be, (i) in material violation of any constitutional provision, law, court decree, administrative regulation or judgment, other similar action, or (ii) in material default under any loan agreement, indenture, bond, note, resolution or other material agreement or instrument to which the Issuer is a party or to which the Issuer or any of its properties or assets is otherwise subject;
- g) All governmental approvals or authorizations required to be obtained by the Issuer prior to the Closing in connection with the issuance and delivery of the Bonds or the performance by the Issuer of its obligations under the Financing Documents have been or will be obtained prior to Closing, however, the Issuer makes no representations about the Blue Sky or the securities laws of any jurisdiction;
- h) No filing or registration of the Resolution or other instrument or financing statement is required to be made to create, protect or preserve the pledge of taxes under the Resolution or is required for the validity and enforceability of the Resolution;

- i) As of the Closing, the Bonds and each of the Financing Documents will be legal, valid and binding obligations of the Issuer, will be in full force and effect, and will be enforceable in accordance with their terms except to the extent limited by (i) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally; (ii) the application of equitable principles and the exercise of judicial discretion in appropriate cases; (iii) common law and statutes affecting the enforceability of contractual obligations generally; and (iv) principles of public policy concerning, affecting or limiting the enforcement of rights or remedies against governmental entities such as the Issuer;
  
- j) Except as described in the POS and the OS there is no action, suit, proceeding, inquiry or investigation before or by any court, governmental agency, public board or body pending or, to the knowledge of the Issuer, threatened against the Issuer; (i) in any way questioning the legal existence of the Issuer or the titles of the officers of the Issuer to their respective offices; (ii) in any way affecting or contesting or seeking to prohibit, restrain or enjoin the issuance or delivery of the Bonds; (iii) wherein an unfavorable decision, ruling, or finding would have a material adverse effect on the Issuer, the collection and application of taxes to be levied for the benefit of the Issuer for the payment of the Bonds, the financial condition of the Issuer, or would have an adverse effect on the validity or enforceability of the Bonds or the Resolution, or which would in any way adversely affect the exclusion of interest on the Bonds from gross income for general federal income tax purposes; or (iv) contesting the completeness or accuracy of the POS or the OS; or (v) in any way contesting the election under which the issuance of Bonds or the tax levy related thereto was authorized and, (vi) to the actual knowledge of the Issuer, there is no reasonable basis for any action, proceeding, inquiry or investigation of the nature described in the foregoing clauses (i) through (v);
  
- k) The financial statements of the Issuer contained in the OS fairly present the financial position of the Issuer as of the dates and for the periods therein set forth in accordance with the accounting standards applicable to the Issuer, and since the date thereof, except as described in the OS there has been no material adverse change in the financial position of the Issuer;
  
- l) As of the date hereof, the POS does not (and as of the Closing Date, the OS will not) contain any untrue statement of material fact nor omit any statement or information which is necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided, however,* that no representation or warranty is made with respect to information within

the POS or the OS relating to The Depository Trust Company in New York, New York (“DTC”), the book entry system, the State and the State Guaranty, the Paying Agent, information under the heading “Underwriting,” or the statement regarding the Underwriter in the italicized paragraphs on page ii of the OS;

- m) As described in the POS and OS, the Issuer has agreed to enter into an undertaking to provide certain information to investors through the United States Municipal Securities Rulemaking Board’s Electronic Municipal Market Access (“EMMA”) service (so long as such method of disclosure continues to be approved by the Securities and Exchange Commission for such purposes) or if EMMA is no longer so approved, through such nationally recognized municipal securities information repositories and regulatory bodies or their designees that are so approved (the “Undertaking”). As described in the POS and OS, the District failed to file audited annual financial statements, certain financial information and material event notices as required under prior undertakings but has since made the required filings on EMMA. The District has undertaken measures to ensure compliance in the future.

8. Termination

The Underwriter may terminate its obligation under this Purchase Agreement, without liability there for, by notifying the Issuer of its election to do so in writing if, after the execution of this Purchase Agreement and prior to the Closing, any one or more of the following events shall have occurred and such event, in the reasonable opinion of the Underwriter (i) would materially and adversely affect the marketability of the Bonds or the prices or yields of the Bonds as set forth in Exhibit A, or (ii) would materially and adversely affect the Underwriter’s ability to enforce contracts for the sale of the Bonds:

- a) A material disruption in commercial banking or securities settlement or clearance services; or
- b) The United States shall have become engaged in hostilities or existing hostilities shall have escalated or a national emergency or other national or international calamity, including but not limited to terrorist attack(s) or other event; or
- c) A general suspension of trading or other material restrictions not in force as of the date of this Purchase Agreement on the New York Stock Exchange or other national securities exchange; or
- d) Declaration of a general banking moratorium by the United States, New York State or the State of Oregon authorities; or

- e) An actual or imminent default or moratorium in respect to payment of any United States Treasury bills, bonds or notes; or
- f) Any downgrade of the credit rating of the United States of America; or
- g) Legislation with respect to eliminating or reducing the exemption from federal or state taxation for interest income received on obligations of the general character of the Bonds shall be introduced or enacted by the legislature of the State of Oregon or by Congress of the United States or adopted by either the US House of Representatives or the United States Senate or shall have been recommended to the Congress or otherwise endorsed for passage (by press release, public statement or other form of notice) by the President of the United States, by the Treasury Department of the United States, the Internal Revenue Service or by the chairman of the Senate Finance Committee or a decision or an order or ruling with respect to eliminating or reducing such exemption, shall have been issued by a court of the United States, including the United States Tax Court, or by or on behalf of the Treasury Department of the United States or the Internal Revenue Service; or
- h) Legislation shall hereafter be enacted, or actively considered for enactment, or a decision by a court of the United States shall hereafter be rendered, or a ruling, stop order or regulation by the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter shall hereafter be made, the effect of which is or would be that the offering and sale of the Bonds would be illegal or that:
  - i) The Bonds are not exempt from the registration, qualification or similar requirements of the Securities Act of 1933, as amended and as then in effect (the “33 Act”) or distribution of the Bonds, as contemplated herein or in the OS, is in violation of or not exempt from the registration, qualification or other requirements of the 33 Act, or the Securities Exchange Act of 1934, as amended and then in effect or the Investment Company Act of 1940, as amended and then in effect (the “Investment Company Act”) or, in each case, the rules or regulations promulgated thereunder as then in effect; or
  - ii) The Resolution is not exempt from the registration, qualification or other requirements of the Trust Indenture Act of 1939, as amended and as then in effect; or
  - iii) This Purchase Agreement is subject to the Investment Company Act or require any registration under the Investment Company Act; or

- i) Any litigation, except as described in the POS and the OS, shall be instituted or pending at Closing to restrain or enjoin the authorization, issuance, execution, sale or delivery of the Bonds or the execution and delivery of any of the Financing Documents, or in any way contesting or affecting any authority for or the validity or enforceability of the Bonds, the Resolution or any of the other Financing Documents, any moneys or securities provided for the payment of the Bonds or the existence or powers of the Issuer; or
- j) Any legislation, ordinance, rule or regulation shall be introduced in or enacted by any governmental body, board, department or agency of the State of Oregon or of the United States, or a decision by any court of competent jurisdiction within the State of Oregon or any court of the United States shall be rendered materially adversely affecting the Issuer or the Bonds; or
- k) There shall have been established any new restrictions on transactions in securities materially affecting the free market for securities or the extension of credit by, or the charge to the net capital requirements of the Underwriter, including without limitation, the fixing of minimum or maximum prices for trading or maximum ranges of prices, by any exchange, the Securities and Exchange Commission, any other federal or state agency or the Congress of the United States, or by Executive Order; or
- l) Except for such changes to the OS as provided in Section 6(b) of this Purchase Agreement, there shall have been a material adverse change in the affairs of the Issuer or there shall exist any event or fact or set of facts that either (a) makes untrue or incorrect in any material respect any statement or information contained in the OS or (b) is not reflected in the OS but should be reflected therein to make the statements and information contained therein under the circumstances in which made not misleading in any material respect; or
- m) The withdrawal or downgrading of any ratings of the Bonds or any other obligations of the Issuer with the same security pledge as the Bonds (“Similar Bonds”) or placement of any rating of the Bonds on “negative outlook,” “negative watch” or similar category implying a deterioration of the credit quality of the Bonds or Similar Bonds by the rating agency or rating agencies listed Exhibit A.



9. Closing; Conditions of Closing

The Closing shall occur on such date and at such time and place as is set forth in Exhibit A or otherwise agreed between the Parties, and subject to the satisfaction of the terms and conditions of this Purchase Agreement. At Closing, the following shall occur: the Issuer will deliver or cause to be delivered to the Paying Agent on behalf of DTC the Bonds in definitive form duly executed by the Issuer and registered in the name of Cede & Co. or in such other name as may be requested by an authorized representative of DTC, and will deliver or cause the Financing Documents to be delivered; the Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Exhibit A hereof in same day funds. The Issuer shall cause the applicable CUSIP identification numbers to be printed on the Bonds of each maturity, but neither the failure to print such number on any such Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the Underwriter to accept delivery of and to pay for the Bonds. The Bonds shall be prepared and delivered to the Paying Agent at or prior to the Closing Date.

In addition to the other requirements of this Purchase Agreement, the Underwriter's obligations hereunder are subject to and conditioned upon the Issuer, at or prior to the Closing Date, delivering or making available to Underwriter copies of the Financing Documents.

10. Fees and Expenses

The Issuer will pay the cost of preparing, printing and executing the Bonds, the fees and disbursements of the Bond Counsel, bond ratings fees, State Guaranty fees, Paying Agent fees, Bond registration fees, and the costs of printing and distributing the POS and OS.

The Underwriter will pay fees and disbursements of its counsel, if any, the cost of preparation and filing of blue sky and legal investment surveys where necessary, the Underwriter's travel expenses, and other expenses of the Underwriter.

11. Miscellaneous

- a) All matters relating to this Purchase Agreement shall be governed by the laws of the State of Oregon.
- b) This Purchase Agreement is intended to benefit only the Parties hereto. All representations and warranties of the Issuer in this Purchase Agreement and responsibilities of the Underwriter as referenced in Section 6 (d) hereof shall remain operative and in full force and effect, regardless of (i) any investigation

made by or on behalf of the Underwriter, (ii) delivery of and payment for the Bonds hereunder, or (iii) any termination of this Purchase Agreement. If the Issuer fails to satisfy any of the foregoing conditions or covenants, or if the Underwriter's obligations are terminated for any reason permitted under this Purchase Agreement, then neither the Underwriter nor the Issuer shall have any further obligations under this Purchase Agreement, except that any expenses incurred shall be borne in accordance with the Fees and Expenses Section hereof.

- c) Any notice or other communication to be given to the Issuer by the Underwriter under this Purchase Agreement may be given by delivering the same in writing to DeAnn O'Neil, Sheridan School District No. 48J, 435 South Bridge Street, Sheridan, Oregon 97378; and any notice or other communication to be given to the Underwriter by the Issuer under this Purchase Agreement may be given by delivering the same in writing to the Manager of Public Finance, Piper Jaffray & Co., 1300 SW Fifth Avenue, Suite 3650, Portland, Oregon 97201.
- d) This Purchase Agreement may be executed in any number of counterparts, all of which shall be one and the same instrument, and either party hereto may execute this Purchase Agreement by signing any such counterpart.
- e) This Purchase Agreement, including the Financing Documents, constitutes the entire agreement between and among the Parties, supersedes any other representations, understandings or communications between the Parties or their representatives, and may be amended only in writing and signed by both Parties. This Purchase Agreement is intended solely for the benefit of the Parties (including any successors and assigns thereof but not any holder of any Bonds). No other person shall acquire or have any rights hereunder or by virtue hereof.
- f) No Advisory or Fiduciary Role. The Issuer acknowledges and agrees that: (i) the primary role of the Underwriter is to purchase securities, for resale to investors, in an arm's-length commercial transaction between the Issuer and the Underwriter and that the Underwriter has financial and other interests that differ from those of the Issuer; (ii) the Underwriter is not acting as a municipal advisor, financial advisor, or fiduciary to the Issuer and has not assumed any advisory or fiduciary responsibility to the Issuer with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Issuer on other matters); (iii) the only obligations the Underwriter has to the Issuer with respect to the transaction contemplated hereby expressly are set forth in this Purchase Agreement; and (iv)

to the extent it deems appropriate, the Issuer has consulted its own financial and/or municipal, legal, accounting, tax and other advisors, as applicable.

Respectfully submitted,

PIPER JAFFRAY & CO.

By: \_\_\_\_\_  
Lauren MacMillan, Vice President

Accepted August 14, 2014

SHERIDAN SCHOOL DISTRICT NO. 48J

By: Steven S. Sugg  
Steven Sugg, Superintendent

Time Signed: 12:41 pm

EXHIBIT A  
DESCRIPTION OF THE BONDS

- (a) Principal Amount: \$2,105,000
- (b) Purchase Price: \$2,293,423.15 (\$108.951219 per \$100), representing a net original issue premium of \$217,643.40 and an aggregate underwriting discount of \$29,220.25.
- (c) Average Reoffering Price: 110.339354% of the par value of the Bonds.
- (d) Denominations: \$5,000, or integral multiples thereof within a maturity.
- (e) Form: Registered; Book-entry only.
- (f) Interest Payment Dates: June 15 and December 15, commencing December 15, 2014.
- (g) Maturity and Interest Rates: The Bonds shall mature on June 15 of each year and bear interest as follows (the yields and the CUSIP numbers shown below have been obtained or provided by the Underwriter):

Due	Interest			CUSIP®	Due	Interest			CUSIP®
June 15	Amounts	Rates	Yields	984636	June 15	Amounts	Rates	Yields	984636
2015	\$ 215,000	2.00%	0.23%	CC2	2019	\$ 270,000	4.00%	1.30%	CG3
2016	215,000	3.00	0.41	CD0	2020	290,000	4.00	1.59	CH1
2017	230,000	3.00	0.67	CE8	2021	310,000	4.00	1.81	CJ7
2018	245,000	4.00	0.97	CF5	2022	330,000	4.00	2.04	CK4

- (h) Redemption: The Bonds are not subject to optional redemption prior to maturity.
- (i) Dated Date and Date of Delivery: August 26, 2014
- (j) Offer Expires: 5:00 p.m., on the date hereof.
- (k) Bond Counsel: Mersereau Shannon LLP

- (l) Closing: At the offices of Bond Counsel, on the Date of Delivery.
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- (m) Delivery: To the Paying Agent on behalf of DTC by Fast Automated Securities Transfer.
- (n) Credit Enhancement Providers: **State School Bond Guarantee:** Oregon State Treasury, Debt Management Division.
- (o) Credit Enhancement: **State Guarantee:** Payment of the principal of and interest on the Bonds, when due, will be enhanced by the State Guarantee to be issued by the State simultaneously with the delivery of the Bonds.
- (p) Rating Agency: Standard and Poor's Ratings Services ("Standard & Poor's").
- (q) Ratings: The State Guaranty is rated "AA+" by Standard & Poor's. Standard & Poor's has assigned its underlying rating of "A+" to the Bonds.

EXHIBIT B  
FINAL PRICING NUMBERS

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## BOND SUMMARY STATISTICS

### Sheridan School District No. 48J General Obligation Bonds, Series 2014 Final Pricing (8-14-14)

Dated Date	08/26/2014
Delivery Date	08/26/2014
Last Maturity	06/15/2022
Arbitrage Yield	1.536738%
True Interest Cost (TIC)	1.830689%
Net Interest Cost (NIC)	1.936728%
All-In TIC	2.238305%
Average Coupon	3.859444%
Average Life (years)	4.656
Duration of Issue (years)	4.337
Par Amount	2,105,000.00
Bond Proceeds	2,322,643.40
Total Interest	378,219.58
Net Interest	189,796.43
Total Debt Service	2,483,219.58
Maximum Annual Debt Service	343,200.00
Average Annual Debt Service	318,248.15
Underwriter's Fees (per \$1000)	
Average Takedown	3.750000
Management Fee	9.501188
Other Fee	0.630166
Total Underwriter's Discount	13.881354
Bid Price	108.951219

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
2015-2022 Serial Bonds	2,105,000.00	110.339	3.859%	4.656	991.60
	2,105,000.00			4.656	991.60

	TIC	All-In TIC	Arbitrage Yield
Par Value	2,105,000.00	2,105,000.00	2,105,000.00
+ Accrued Interest	=	=	=
+ Premium (Discount)	217,643.40	217,643.40	217,643.40
- Underwriter's Discount	-29,220.25	-29,220.25	
- Cost of Issuance Expense		-39,675.00	
- Other Amounts	-944.97	-944.97	-944.97
Target Value	2,292,478.18	2,252,803.18	2,321,698.43
Target Date	08/26/2014	08/26/2014	08/26/2014
Yield	1.830689%	2.238305%	1.536738%

## BOND PRICING

### Sheridan School District No. 48J General Obligation Bonds, Series 2014 Final Pricing (8-14-14)

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Premium (-Discount)
2015-2022 Serial Bonds:						
	06/15/2015	215,000	2.000%	0.230%	101.418	3,048.70
	06/15/2016	215,000	3.000%	0.410%	104.646	9,988.90
	06/15/2017	230,000	3.000%	0.670%	106.458	14,853.40
	06/15/2018	245,000	4.000%	0.970%	111.284	27,645.80
	06/15/2019	270,000	4.000%	1.300%	112.530	33,831.00
	06/15/2020	290,000	4.000%	1.590%	113.306	38,587.40
	06/15/2021	310,000	4.000%	1.810%	113.955	43,260.50
	06/15/2022	330,000	4.000%	2.040%	114.069	46,427.70
		2,105,000				217,643.40

Dated Date	08/26/2014	
Delivery Date	08/26/2014	
First Coupon	12/15/2014	
Par Amount	2,105,000.00	
Premium	217,643.40	
Production	2,322,643.40	110.339354%
Underwriter's Discount	-29,220.25	-1.388135%
Purchase Price	2,293,423.15	108.951219%
Accrued Interest	-	
Net Proceeds	2,293,423.15	



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## SOURCES AND USES OF FUNDS

Sheridan School District No. 48)  
General Obligation Bonds, Series 2014  
Final Pricing (8-14-14)

Dated Date            08/26/2014  
Delivery Date        08/26/2014

Sources:

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Bond Proceeds:

Par Amount                            2,105,000.00  
Premium                                217,643.40

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2,322,643.40

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Uses:

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Project Fund Deposits:

Project Fund                            2,252,803.18

Cost of Issuance:

Bond Counsel (Mersereau)            22,500.00  
Rating Agency (S&P)                7,725.00  
Dissemination Agent (DAC)        5,000.00  
Paying Agent, upfront (USB)        3,650.00  
MDAC (Treasury)                      800.00

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39,675.00

Delivery Date Expenses:

Underwriter's Discount                29,220.25  
Oregon School Bond Guaranty        944.97

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30,165.22

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2,322,643.40

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## BOND DEBT SERVICE

Sheridan School District No. 48  
General Obligation Bonds, Series 2014  
Final Pricing (8-14-14)

Dated Date 08/26/2014  
Delivery Date 08/26/2014

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/15/2014	-	-	22,844.58	22,844.58	-
06/15/2015	215,000	2.000%	37,725.00	252,725.00	275,569.58
12/15/2015	-	-	35,575.00	35,575.00	-
06/15/2016	215,000	3.000%	35,575.00	250,575.00	286,150.00
12/15/2016	-	-	32,350.00	32,350.00	-
06/15/2017	230,000	3.000%	32,350.00	262,350.00	294,700.00
12/15/2017	-	-	28,900.00	28,900.00	-
06/15/2018	245,000	4.000%	28,900.00	273,900.00	302,800.00
12/15/2018	-	-	24,000.00	24,000.00	-
06/15/2019	270,000	4.000%	24,000.00	294,000.00	318,000.00
12/15/2019	-	-	18,600.00	18,600.00	-
06/15/2020	290,000	4.000%	18,600.00	308,600.00	327,200.00
12/15/2020	-	-	12,800.00	12,800.00	-
06/15/2021	310,000	4.000%	12,800.00	322,800.00	335,600.00
12/15/2021	-	-	6,600.00	6,600.00	-
06/15/2022	330,000	4.000%	6,600.00	336,600.00	343,200.00
	2,105,000		378,219.58	2,483,219.58	2,483,219.58

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**PROOF OF ARBITRAGE YIELD**

Sheridan School District No. 48)  
General Obligation Bonds, Series 2014  
Final Pricing (8-14-14)

Date	Debt Service	Present Value to 08/26/2014 @ 1.5367384543%
12/15/2014	22,844.58	22,738.94
06/15/2015	252,725.00	249,638.16
12/15/2015	35,575.00	34,872.53
06/15/2016	250,575.00	243,754.16
12/15/2016	32,350.00	31,229.45
06/15/2017	262,350.00	251,331.49
12/15/2017	28,900.00	27,475.11
06/15/2018	273,900.00	258,410.06
12/15/2018	24,000.00	22,470.07
06/15/2019	294,000.00	273,159.46
12/15/2019	18,600.00	17,149.74
06/15/2020	308,600.00	282,368.59
12/15/2020	12,800.00	11,622.68
06/15/2021	322,800.00	290,874.42
12/15/2021	6,600.00	5,901.90
06/15/2022	336,600.00	298,701.67
	2,483,219.58	2,321,698.43

Proceeds Summary

Delivery date	08/26/2014
Par Value	2,105,000.00
Premium (Discount)	217,643.40
Arbitrage expenses	-944.97
	<hr/>
Target for yield calculation	2,321,698.43

FORM 8038 STATISTICS

Sheridan School District No. 48)  
 General Obligation Bonds, Series 2014  
 Final Pricing (8-14-14)

Dated Date 08/26/2014  
 Delivery Date 08/26/2014

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
2015-2022 Serial Bonds:						
	06/15/2015	215,000.00	2.000%	101.418	218,048.70	215,000.00
	06/15/2016	215,000.00	3.000%	104.646	224,988.90	215,000.00
	06/15/2017	230,000.00	3.000%	106.458	244,853.40	230,000.00
	06/15/2018	245,000.00	4.000%	111.284	272,645.80	245,000.00
	06/15/2019	270,000.00	4.000%	112.530	303,831.00	270,000.00
	06/15/2020	290,000.00	4.000%	113.306	328,587.40	290,000.00
	06/15/2021	310,000.00	4.000%	113.955	353,260.50	310,000.00
	06/15/2022	330,000.00	4.000%	114.069	376,427.70	330,000.00
		2,105,000.00			2,322,643.40	2,105,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	06/15/2022	4.000%	376,427.70	330,000.00	-	-
Entire Issue	-	-	2,322,643.40	2,105,000.00	4.7403	1.5367%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	68,895.25
Proceeds used for credit enhancement	944.97
Proceeds allocated to reasonably required reserve or replacement fund	0.00

EXHIBIT C  
Form of Bond Counsel Supplemental Opinion

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\_\_\_\_\_, 2014

Piper Jaffray & Co. – Seattle-Northwest Division  
1300 SW Fifth Ave., Suite 3650  
Portland, Oregon 97201

Re: \$ \_\_\_\_\_ Sheridan School District No. 48J, Yamhill and Polk Counties,  
Oregon General Obligation Bonds, Series 2014

Ladies and Gentlemen:

This opinion is rendered to you in connection with the purchase by you of the \$ \_\_\_\_\_ Sheridan School District No. 48J, Yamhill and Polk Counties, Oregon General Obligation Bonds, Series 2014 (the “Bonds”) pursuant to a Purchase Agreement dated \_\_\_\_\_, 2014 (the “Purchase Agreement”), by and between you and Sheridan School District No. 48J, Yamhill and Polk Counties, Oregon (the “Issuer”). The Bonds are issued pursuant to the applicable provisions of Oregon Revised Statutes (“ORS”) Chapter 287A and Resolution No. 2013-2014-6 of the District adopted by the Board of Directors (the “Board”) on June 18, 2014 (the “Resolution”). All terms used in this opinion and not otherwise defined herein shall have the respective meanings assigned thereto in the Purchase Agreement or the Resolution (as defined in the Agreement).

In our capacity as Bond Counsel with respect to the authorization, issuance, sale and delivery of the Bonds, we have reviewed the Official Statement of the Issuer dated \_\_\_\_\_, 2014 with respect to the Bonds (the “Official Statement”). We have also examined originals, or copies certified or otherwise identified to our satisfaction as being true copies of the originals, of such proceedings of the Issuer, certificates of officials of the Issuer and others and such other records and documents as we have deemed necessary for purposes of this opinion and we have made such investigations of law, as we have deemed appropriate, as a basis for the opinions and conclusions hereinafter expressed. We have not reviewed any electronic versions of the Official Statement and assume that any such version is identical in all respects to the printed version. Based on and subject to the foregoing and in reliance thereon, as of the date hereof, we are of the opinion that:

1. The statements in the Final Official Statement under the headings “Description of the Bonds – Authorization for Issuance”, “Purpose and Use of Proceeds – Purpose,” “Security for the Bonds – General,” “The Initiative and Referendum Process,” “Tax Matters,” “Appendix A – Form of Bond Counsel Opinion,” and “Appendix D – Form of Continuing Disclosure Certificate,” insofar as such statements purport to summarize the legal provisions of the Bonds or other legal matters discussed or presented therein (other than any financial or statistical data contained in such sections as to which we express no opinion) present a fair summary of the relevant provisions of the Bonds and the legal matters discussed or presented therein.

2. Based upon our limited participation in the review of the Official Statement as Bond Counsel but without having undertaken to determine independently the accuracy or completeness of, and without assuming any responsibility for, the statements contained in the Official Statement except to the limited extent noted immediately above, and in reliance on the records, documents, certificates and matters herein mentioned (as set forth above), we advise you as a matter of fact and not opinion that during the course of our representation of the Issuer on this matter, no facts came to our attention which would lead us to believe that the statements contained in the Official Statement, as of the date of the Official Statement (except for CUSIP numbers, financial, statistical, economic or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions, any information about feasibility, valuation, appraisals, appendices, or any information about book-entry, securities depositories, the ratings, the Guaranty, or the Guarantor included or referred to therein, which we expressly exclude from the scope of this paragraph and as to which we express no view or opinion), contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein, in light of the circumstances under which they are made, not misleading.

3. The Purchase Agreement has been duly authorized, executed and delivered by the Issuer and constitutes a valid and binding agreement of the Issuer, which is enforceable against the Issuer in accordance with its terms, except to the extent that enforceability may be limited by or rendered ineffective by (i) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally; (ii) the application of equitable principles and the exercise of judicial discretion in appropriate cases; (iii) common law and statutes affecting the enforceability of contractual obligations generally; and (iv) principles of public policy concerning, affecting or limiting the enforcement of rights or remedies against governmental entities such as the Issuer.

4. The Continuing Disclosure Certificate of the Issuer regarding secondary market disclosure as further described in the Official Statement has been duly executed and delivered by the District and is valid and binding except to the extent limited by (i) bankruptcy, insolvency, fraudulent, conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally; (ii) the application of equitable principles and the exercise of judicial discretion in appropriate cases; (iii) common law and statutes affecting the enforceability of contractual obligations generally; and (iv) principles of public policy concerning, affecting or limiting the enforcement of rights or remedies against governmental entities such as the Issuer. No opinion regarding the adequacy of the Continuing Disclosure Certificate for purposes of Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. §240.15c2-12) as amended, may be inferred from this opinion.

This opinion is provided to you as a legal opinion only, and not as a guaranty or warranty of the matters discussed herein. No opinions may be inferred or implied beyond the matters expressly stated herein. No qualification, limitation or exception contained herein shall be construed in any way to limit the scope of the other qualifications, limitations or exceptions. For purposes of this opinion, the terms "law" and "laws" do not include unpublished judicial decisions, and we disclaim the effect of any such decision on the opinions expressed.

In addressing this opinion to Piper Jaffray & Co. – Seattle-Northwest Division, it is expressly understood and acknowledged by Piper Jaffray & Co. – Seattle-Northwest Division that no attorney-client relationship is established hereby and that we have acted only as Bond Counsel to the Issuer in connection with the issuance of the Bonds and have not acted as counsel to it or any other party to this transaction.

We express no opinion as to the creditworthiness of the Issuer, the investment quality of the Bonds or the adequacy of the security for the Bonds. We are furnishing this letter to you pursuant to the Purchase Agreement solely for your benefit. This letter is not to be used, circulated, quoted or otherwise referred to in connection with the marketing of the Bonds nor is it to be relied upon by any person without prior written permission; provided that reference may be made to it in any list or transcript of closing documents pertaining to the Bonds. This opinion speaks as of its date only, and we expressly disclaim any undertaking or obligation to advise you of any matters arising after the date hereof.

Respectfully submitted,



EXHIBIT D  
CLOSING DOCUMENTS

Issuer's Closing Documents

At Closing, the Issuer shall provide or cause to be provided:

- a) Executed copies of the Financing Documents, which are defined to include the following:
  - i) Resolution;
  - ii) A copy of the Undertaking as described in the POS and OS.
- b) The following opinions:
  - i) The approving opinion of Bond Counsel dated as of the Closing Date and addressed to the Issuer, substantially in the form set forth in Appendix A to the POS and a letter addressed to the Underwriter to the effect that the Underwriter may rely upon such opinion as if it were addressed to the Underwriter; and
  - ii) Supplemental opinion of Bond Counsel substantially in the form attached hereto as Exhibit C.
- c) Evidence of each of the following:
  - i) A report from the Rating Agency identified in Exhibit A assigning the Rating or Ratings listed in Exhibit A;
  - ii) Designation of the Bonds as "qualified tax-exempt obligations" for banks, thrift institutions and other financial institutions, as defined in Section 265(b)(3) of the Internal Revenue Code of 1986, as amended;
  - iii) The letter to DTC relating to the safekeeping and book entry form of the Bonds (hereinafter, the "Blanket Issuer Letter of Representation").
- d) An executed agreement with the Paying Agent.
- e) A completed copy of the appropriate Form 8038;
- f) The following certifications, which may be combined, executed by an authorized officer of the Issuer and dated as of the Closing Date, to the effect that:
  - i) The representations, warranties and covenants of the Issuer contained in the Purchase Agreement and in the Resolution are true and correct in all material

respects on and as of the Closing Date with the same effect as if made on the Closing Date;

- ii) A Tax Certificate setting forth the facts, estimates, and circumstances in existence on the date of Closing which establish that it is not expected that the proceeds of the Bonds will be used in a manner that could cause the Bonds to be "arbitrage bonds," within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended;
- iii) Except as described in the OS, no litigation or other proceedings are pending or, to the knowledge of the Issuer, after inquiry with local counsel, threatened in any court in any way (a) affecting the position or title of the authorized officers of the Issuer, or (b) seeking to restrain or to enjoin the authorization, issuance, sale or delivery of, or security for, any of the Bonds, or (c) contesting or affecting the validity or enforceability of the Bonds, the Resolution, this Purchase Agreement, or (d) contesting the completeness or accuracy of the POS or the OS, or (e) contesting the powers of the Issuer or its authority with respect to the Bonds, the Resolution, or this Purchase Agreement, the agreement with the Paying Agent, the Undertaking and the Blanket Issuer Letter of Representation or (f) materially affecting the finances of the Issuer. For the purpose of this subparagraph, the Issuer may rely upon a certificate of the Issuer's legal counsel with respect to the legal matters set forth therein;
- iv) No event affecting the Issuer has occurred since the date of the OS which should be disclosed in the OS for the purposes for which it is to be used or which is necessary to disclose therein in order to make the statements therein not misleading, and the OS does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading provided, however, that (1) no representation or warranty is made with respect to information within the OS relating to DTC, the book-entry system, the State and the State Guaranty, the Paying Agent, the information under the heading "Underwriting," or the statement regarding the Underwriter in the italicized print on page ii, and (2) the representation in this subparagraph with respect to the yields or reoffering prices on the Bonds contained in the OS is limited to a determination by the Issuer that such information is a true and accurate presentation of the information contained on Exhibit B to this Purchase Agreement;
- v) In issuing the Bonds, the Issuer has complied with any applicable limitation on indebtedness;
- vi) The proceeds from the sale of the Bonds shall be used solely as set forth in the Resolution; and

vii) The Issuer has complied with applicable provisions of any applicable budget law with respect to the issuance of the Bonds.

j) Such additional certificates, instruments or opinions or other evidence as the Underwriter or the Bond Counsel may deem reasonably necessary or desirable to evidence the due authorization, issuance, execution, authentication and delivery of the Bonds, the truth and accuracy as of the time of the Closing of the representations and warranties contained in this Purchase Agreement, and the conformity of the Bonds and Resolution with the terms thereof as summarized in the POS and the OS, and to cover such other matters as the Underwriter or the Bond Counsel reasonably requests.

#### **Underwriter's Closing Documents**

At Closing, the Underwriter shall deliver or cause to be delivered to the Issuer or Bond Counsel a receipt for the Bonds and a certificate regarding the issue price of the Bonds.