

RESOLUTION NO. 2013-2014-6

A RESOLUTION OF SHERIDAN SCHOOL DISTRICT NO. 48J, YAMHILL AND POLK COUNTIES, OREGON AUTHORIZING THE ISSUANCE AND SALE OF ONE OR MORE SERIES OF GENERAL OBLIGATION BONDS IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$2,105,000; DESIGNATING AN AUTHORIZED REPRESENTATIVE, BOND COUNSEL, UNDERWRITER, PAYING AGENT AND BOND REGISTRAR; AUTHORIZING EXECUTION OF A BOND PURCHASE AGREEMENT.

WHEREAS, the Board of Directors of Sheridan School District No. 48J, Yamhill and Polk Counties, Oregon (the “**District**”) submitted to the voters of the District at an election on May 20, 2014, Measure 36-164 which sought the authorization to contract a general obligation bonded indebtedness in an amount not to exceed \$2,105,000 to expand and improve the District’s facilities and pay the costs of issuance of the bonds (the “**Projects**”); and

WHEREAS, a majority of the voters of the District voting on Measure 36-164 approved of the issuance of the general obligation bonded indebtedness; and

WHEREAS, the District now desires to proceed with the issuance of the authorized general obligation bonds.

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

Section 1. Issuance of Bonds. The Board of Directors of the District authorizes the issuance and sale of general obligation bonds in the aggregate principal amount not to exceed \$2,105,000 (the “**Bonds**”). The Bonds shall be issued as negotiable general obligation bonds of the District for a term not to exceed ten (10) years from date of issuance and may be issued in one or more series as determined by the Authorized Representative. The Bonds shall bear interest at a true effective net rate not to exceed three percent (3.0%) per annum and shall be sold at not less than ninety eight percent (98.0%) of par value, disregarding any original issue discount. The District authorizes the Superintendent or the Business Manager (the “**Authorized Representative**”) to determine the principal amount, 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 payment dates, applicable discount or premium, whether 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, to obtain one or more ratings for the Bonds and such other provisions as are deemed necessary and desirable for the sale and issuance of the Bonds.

Section 2. Title and Execution of the Bonds. The Bonds shall be entitled “Sheridan School District No. 48J, Yamhill and Polk Counties, Oregon, General Obligation Bonds, Series 2014”, or such other name approved 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. The Bonds shall be initially issued in book-entry form as a single, typewritten bond for each maturity and issued in the registered name of the nominee of The Depository Trust Company, New York, New York. The Bonds will be issued without certificates being made available to the bondholders.

Section 3. Book-Entry-Only System. Ownership of the 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 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 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 Bonds are in book-entry-only form, the 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 Bonds as eligible for deposit at the Depository. The underwriter 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 Representation 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 Bonds other than the Registered Owners of the 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 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 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 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 Beneficial Owner as appearing on the registration books of the Paying Agent and Bond Registrar and thereafter in the name or names of the bondholder transferring or exchanging Bonds in accordance with the provisions of Section 4 herein.

With respect to 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 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 Bonds, including any notice of redemption,
- (iii) the selection by the Depository of the beneficial interest in Bonds to be redeemed in the event the District redeems the Bonds in part, or

(iv) the payment to any participant, correspondent or any other person other than the Registered Owner of the 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 Bonds. Notwithstanding the book-entry-only system, the District may treat and consider the Registered Owner in whose name each Bond is registered in the registration books maintained by the Paying Agent and Bond Registrar as the Registered Owner and absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, or for the purpose of giving notices of redemption and other matters with respect to such Bond, or for the purpose of registering transfers with respect to such Bond, or for all other purposes whatsoever. The District shall pay or cause to be paid all principal of and interest on the 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 and to the Registered Owner of a 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. Transfer of Bonds. If the book-entry system is not utilized, the Bonds will be issued in certificate form. In such a case, the Bonds are transferable, or subject to exchange, for fully registered Bonds in the denomination of \$5,000 each or integral multiples thereof by the 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 owners of the 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 Bonds shall be valid general obligations of the District evidencing the same debt and shall be entitled to the same benefits as the 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 Bond after the close of business on the last business day of the month next preceding any interest payment date or transfer or exchange any Bond called or being called for redemption.

Section 5. Printing Bonds. If the Bonds are not in book-entry form, then the Authorized Representative is authorized to contract for the printing of the 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 owner upon transfer or exchange of Bonds. The additional bonds shall bear the dated date of the 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 Bonds.

Section 6. Sale of Bonds. The Bonds may be sold by a negotiated sale pursuant to ORS 287A.300. The Authorized Representative shall determine the requirements for the sale of the Bonds subject to the provisions of this Resolution that provides the most advantageous terms to the District. The Authorized Representative is authorized to negotiate and execute a purchase agreement setting forth the terms of the sale of the Bonds.

Section 7. Payment of Bonds. If the book-entry system is not utilized, the principal of the Bonds shall be payable upon presentation of the Bonds at maturity at the designated corporate trust office of the appointed Paying Agent. 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 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 8. Form of Bonds. The Bonds shall be issued substantially in the form approved by the Authorized Representative and Bond Counsel.

Section 9. Appointment of Paying Agent and Registrar. U.S. Bank National Association is hereby designated as Paying Agent and Registrar of the Bonds. The Authorized Representative is authorized to negotiate and execute on behalf of the District a Paying Agent and Registrar Agreement. In addition, the District requests and authorizes the Paying Agent and Registrar to execute the Certificate of Authentication as of the date of delivery of the Bonds.

Section 10. Tax Levy and Pledge. The bonds shall be a general obligation of the District. The full faith and credit of the District is pledged to the Beneficial Owners of the Bonds for the payment of the principal and interest on the Bonds when due. 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 Bonds promptly as they become due and payable. The District covenants with the Beneficial Owners of the Bonds to pledge such ad valorem taxes in sufficient amount to pay the principal of and interest on the 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 or 11b, Article XI of the Oregon Constitution. The District shall give notice of the classification of the tax levy as provided in ORS 305.583(9)(a) and (10).

Section 11. Default and Remedies. The occurrence of one or more of the following shall constitute an Event of Default of the Bonds:

- A. Failure by the District to pay Bond principal, interest or premium when due (whether at maturity, or upon redemption after a Bond has been properly called for redemption);
- B. Failure by the District to observe and perform any covenant, condition or agreement on its part to be observed or performed for the benefit of the Beneficial Owners of the Bonds, for a period of sixty (60) days after written notice to the District by the Beneficial Owners of fifty-one (51%) percent or more of the principal amount of Bonds then Outstanding specifying such failure and requesting that it be remedied; provided however, that if the failure stated in the notice cannot be corrected within such sixty (60) day period, it shall not constitute an Event of Default so long as corrective action is instituted by the District within the sixty (60) day period and diligently pursued, and the default is corrected as promptly as practicable after the written notice referred to in this paragraph; or,
- C. The District is adjudged insolvent by a court of competent jurisdiction, admits in writing its inability to pay its debts generally as they become due, files a petition in bankruptcy, or consents to the appointment of a receiver for the payments.

- D. The Beneficial Owners of fifty-one (51%) percent or more of the principal amount of Bonds then Outstanding may waive any Event of Default and its consequences, except an Event of Default as described in A. of this Section.

Upon the occurrence and continuance of any Event of Default the Beneficial Owners of fifty-one (51%) percent or more of the principal amount of Bonds then Outstanding may take whatever action may appear necessary or desirable to enforce or to protect any of the rights of the Beneficial Owners of Bonds, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Resolution or the Bonds or in aid of the exercise of any power granted in this Resolution or in the Bonds or for the enforcement of any other legal or equitable right vested in the Beneficial Owners of Bonds by this Resolution or the Bonds or by law. However, the Bonds shall not be subject to acceleration.

No remedy in this Resolution conferred upon or reserved to Beneficial Owners of Bonds is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Resolution or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. To entitle the Beneficial Owners of Bonds to exercise any remedy reserved to them, it shall not be necessary to give any notice other than such notice as may be required by this Resolution or by law.

Section 12. Conditional Redemption. Any notice of optional redemption may state that the optional redemption is conditional upon receipt by the Registrar of moneys sufficient to pay the redemption price of such Bonds or upon the satisfaction of any other condition, and/or that such notice may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before payment of such redemption price if any such condition so specified is not satisfied or if any such other event occurs. Notice of such rescission or of the failure of any such condition shall be given by the Registrar to the Registered Owner as promptly as practicable upon the failure of such condition or the occurrence of such other event.

Section 13. Authorized Uses of the Proceeds of the Bonds. For purposes of ORS 305.583(9)(b), the proceeds of the Bonds shall be used for capital costs , including:

1. Upgrade of the heating and ventilation system at both Faulconer-Chapman School and Sheridan High School.
2. Electronic hardware exterior door security upgrades at both schools.
3. Replacement of single pane windows with new thermal insulated windows at Sheridan High School.
4. Restroom remodeling and domestic water distribution upgrades at Sheridan High School.
5. Upgrades to network server, phone system, and wire-less system upgrades at both schools.
6. Improvements to athletic fields including new field lighting, tract (track) repair resurfacing, and replacement of stadium roof.
7. Bond issuance costs.

The District shall give notice of the specification of the authorized uses of the proceeds of bonded indebtedness as provided in ORS 305.583(9)(b) and (10).

Section 14. Contract with Beneficial Owners of Bonds. In consideration of the purchase and acceptance of the Bonds, the provisions of this Resolution and the Bonds shall be deemed to be and shall constitute a contract between the District and the Beneficial Owners of the 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 Beneficial Owners of any and all Bonds, all of which shall be of equal rank without preference, priority, or distinction among the Bonds.

Section 15. Tax Covenant. The proceeds of the Bonds shall be used and invested in such manner that the 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 Bonds and in the investment and expenditure of the proceeds thereof which would result in the interest on any tax-exempt Bonds becoming taxable for federal income tax purposes.

Section 16. Appointment of Underwriter. Piper Jaffray & Co. is appointed as the underwriter for the issuance of the Bonds.

Section 17. Appointment of Bond Counsel. The law firm of Mersereau Shannon LLP of Portland, Oregon is appointed as Bond Counsel to the District for the issuance of the Bonds.

Section 18. Confirmation of Election. Pursuant to ORS 255.295, the Board has reviewed the abstract of votes related to Measure 36-164 prepared by the county clerk and hereby affirms the results of the election and declares that a majority of the voters of the District voting on Measure 36-164 approved of the issuance of the general obligation bonded indebtedness.

Section 19. Designation as Qualified Tax-Exempt Obligations. The Authorized Representative is hereby authorized to designate the Bonds for purposes of paragraph (3) of Section 265(b) of the Code as “qualified tax-exempt obligations” so long as the Bonds do not constitute a private activity bond as defined in Section 141 of the Code, and that not more than the 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 (excluding, however, private activity bonds other than qualified 501(c)(3) bonds) including the Bonds, have been or shall be issued by the District, including all subordinate entities of the District, if any, does not exceed the amount permitted under the Code for such designation during the calendar year in which the Bonds are issued.

Section 20. Preliminary and Final Official Statement. The District shall prepare, or cause to be prepared, a preliminary official statement for the Bonds which shall be available for distribution to prospective purchasers of the Bonds. The Authorized Representative is authorized to deem such preliminary official statement final pursuant to Rule 15c2-12 of the Securities and Exchange Commission. In addition, an official statement shall be prepared and ready for delivery to the purchasers of the Bonds no later than the seventh (7th) business day after the sale of the 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. Closing of the Sale and Delivery of the Bonds. The Authorized Representative is authorized to determine and execute all the documents, including a tax certificate, and to perform any and all other things or acts necessary for the sale and delivery of the Bonds as herein authorized. Such acts of the Authorized Representative are for and on behalf of and are authorized by the Board of Directors of the District.

Section 22. Continuing Disclosure. The District covenants and agrees that it will comply with and carry out all of the provisions of a Continuing Disclosure Certificate to be executed by the District. Failure by the District to comply with the Continuing Disclosure Certificate will not constitute an event of default; however, any Beneficial 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.

ADOPTED by the Board of Directors of Sheridan School District No. 48J, Yamhill and Polk Counties, Oregon, this 18th day of June, 2014.

**SHERIDAN SCHOOL DISTRICT NO. 48J
YAMHILL AND POLK COUNTIES, OREGON**

Chair

ATTEST:

By _____
Superintendent/Clerk