

**PASSED**

**IN THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY, OREGON**

ORDER NO.  
03-9-24-9

IN THE MATTER OF AUTHORIZING THE REFUNDING OF THE SPECIAL OBLIGATIONS, SERIES 1993A, THE LIMITED TAX REVENUE BONDS, 1995 SERIES A, THE FULL FAITH AND CREDIT OBLIGATIONS, SERIES 2000 AND THE FULL FAITH AND CREDIT OBLIGATIONS, SERIES 2002A, AND AUTHORIZING THE FINANCING OF A FACILITY FOR THE COUNTY ELECTIONS DIVISION AND A PLAZA/FREE SPEECH AREA IN A PRINCIPAL AMOUNT NOT TO EXCEED \$3,100,000.

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

WHEREAS, the County is authorized by ORS 287.053 to make these loan agreements "limited tax bonded indebtedness" which the County is unconditionally obligated to pay; and

WHEREAS, the County issued Special Obligations in the aggregate principal amount of \$4,465,000 (the "Series 1993 A Obligations"), representing proportional interests in purchase payments to be made by the County for improvements to the County Courthouse and Richardson Park and the purchase of certain computer equipment pursuant to the Installment Purchase Agreement and the Trust Agreement dated March 1, 1993; and

WHEREAS, the County issued Limited Tax Revenue Bonds, 1995 Series A (the "1995 Series A Bonds") in an aggregate principal amount of \$1,750,000 to refinance the County's Bond Anticipation Notes, Series 1994, which were issued for the purpose of financing real and personal property (specifically, providing funds for various improvements to the County Courthouse and Jail); and

WHEREAS, the County issued Full Faith and Credit Obligations, Series 2000 in the aggregate principal amount of \$7,790,000 (the "Series 2000 Obligations"), representing proportional interests in purchase payments to be made by the County for financing a new mental health facility, and replacing, converting and upgrading an automated information system for local public safety and justice agencies; and

WHEREAS, the County issued Full Faith and Credit Obligations, Series 2002A in the aggregate principal amount of \$7,615,000 (the "Series 2002A Obligations"), representing proportional interests in purchase payments to be made by the County to refinance the County's 1998 Municipal Loan Agreement, which was issued to finance upgrades to the convention center, conversion of an existing livestock arena to an ice rink and construction of a new livestock arena at the County fairgrounds, and to finance capital improvements at the County fairgrounds; and

WHEREAS, the County is authorized to refinance either the Series 1993 A Obligations, the 1995 Series A Bonds, the Series 2000 Obligations, or the Series 2002A Obligations or all or any combination of those bonds and obligations (the "Refundable Obligations") pursuant to ORS 271.390 and ORS 287.053.

WHEREAS, the the County may be able to reduce its debt service costs by refunding the Refundable Obligations pursuant to ORS 271.390 and ORS 287.053; and

WHEREAS, this Board hereby determines that the facilities financed with the Refundable Obligations are needed, and that it is desirable to refinance the Refundable Obligations pursuant to ORS 271.390 and ORS 287.053; and

WHEREAS, pursuant to ORS 288.620 the approval of the State Treasurer is required before refunding obligations may be issued to refinance the 1995 Series A Bonds, the Series 2000 Obligations and the Series 2002A Obligations because the refunding of the 1995 Series A Bonds, the Series 2000 Obligations and the Series 2002A Obligations constitutes an advance refunding under Oregon law; and

WHEREAS, a refunding plan must be submitted to the State Treasurer demonstrating that the refunding will produce debt service savings before the State Treasurer may approve the refunding of the 1995 Series A Bonds, the Series 2000 Obligations or the Series 2002A Obligations; and

WHEREAS, Seattle-Northwest Securities Corporation has prepared a refunding plan for the 1995 Series A Bonds and will prepare a refunding plan for the Series 2000 Obligations and the Series 2002A Obligations if the County decides to refinance those obligations; and

WHEREAS, this Board hereby determines that the acquisition, construction and remodel of a new facility for the County Elections Division and the construction and remodel of a plaza/free speech area in front of the County Courthouse and Public Service Building (the "Projects") are needed, and that it is desirable to obtain financing for these Projects in an aggregate principal amount of not more than \$3,100,000 pursuant to ORS 271.390 and ORS 287.053; and

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

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

IT IS HEREBY ORDERED that the County may refinance the Refundable Obligations under the authority of ORS 271.390 and ORS 287.053. However, the County shall not refinance the 1995 Series A Bonds, the Series 2000 Obligations or the Series 2002A Obligations if such refinancing does not produce sufficient debt service savings to satisfy Oregon law. The County may refinance the Series 1993 A Obligations if the County Official determines such refinancing produces worthwhile debt service savings. The net proceeds of the refunding obligations shall

not exceed the outstanding principal amounts of the Refundable Obligations to be refunded, plus any amounts required to pay costs of the refunding, rounded upward to allow principal to mature in multiples of \$5,000.

IT IS FURTHER ORDERED that the County may finance the Projects under the authority of ORS 271.390 and ORS 287.053, in an aggregate principal amount of not more than Three Million One Hundred Thousand Dollars (\$3,100,000).

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

1. Negotiate, execute and deliver one or more loan agreements (the "Loan Agreements") for the refundings and the Projects which obligate the County to repay the principal amounts of the Loan Agreements with interest. The Loan Agreements shall constitute limited tax bonded indebtedness as defined in ORS 287.053 and the obligation of the County to make loan payments under the Loan Agreements shall be unconditional. The County Official may pledge the County's full faith and credit and taxing power within the limitations of Sections 11 and 11b of Article XI of the Oregon Constitution, and any and all of the County's legally available funds, to make the payments due under the Loan Agreements. Subject to the limitations of this Order, the Loan Agreements may be in such form and contain such terms as the County Official may approve.
2. Negotiate, execute and deliver one or more escrow agreements or similar document (the "Escrow Agreements") which provides for the issuance of one or more series of "certificates of participation" or "full faith and credit obligations" (the "Obligations") which represent ownership interests in the loan payments due from the County under the Loan Agreements. Subject to the limitations of this Order, the Escrow Agreements and the Obligations may be in such form and contain such terms as the County Official may approve.
3. Determine whether the interest payable on each Loan Agreement will be includable in gross income or excludable from gross income under the Internal Revenue Code of 1986, as amended (the "Code").
4. Covenant for the benefit of the owners of tax-exempt Obligations to comply with all provisions of the Code which are required for the interest component of loan payments payable under the related Loan Agreements to be excluded from gross income for federal income tax purposes.
5. Participate in the preparation of, authorize the distribution of, and deem final any official statement or other disclosure documents relating to the Obligations.
6. Undertake to provide continuing disclosure for the Obligations in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission.
7. Apply for ratings for the Obligations, determine whether to purchase municipal bond insurance or obtain other forms of credit enhancements for the Obligations, enter into agreements with the providers of credit enhancement, and execute and deliver related documents.

8. Engage a verification agent, an escrow agent, or other professionals as necessary, enter into one or more escrow deposit agreements, and deposit the proceeds of the Obligations pursuant to the escrow deposit agreements.

9. Defease and call for redemption any of the obligations or bonds to be refinanced by the Obligations.

10. Execute and deliver the Obligations to their purchaser.

11. Determine the final principal amount of each Loan Agreement, the interest rate or rates which each principal installment due under the Loan Agreements shall bear, the County's prepayment rights and all other terms of each Loan Agreement and each series of Obligations.

12. Negotiate the sale of the Obligations with Seattle-Northwest Securities Corporation, or publish a notice of sale, receive bids and award the sale of the Obligations to the bidder complying with the notice and offering the most favorable terms to the County, or select one or more underwriters and negotiate the sale of the Obligations with those underwriters.

13. Apply amounts held in the reserves for the Series 1993 A Obligations to reduce the amount of the Loan Agreement which refinances the Series 1993 A Obligations, and apply amounts held in the reserves for the 1995 Series A Bonds to reduce the amount of the Loan Agreement which refinances the 1995 Series A Bonds.

14. Pay the arbitrage rebate on the Refundable Obligations.

15. Release any mortgages or liens on property financed with the Refundable Obligations.

16. Execute and deliver any other certificates or documents and take any other actions which the County Official determines are desirable to permit the sale and issuance of the Obligations in accordance with this Order.

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

IT IS FURTHER ORDERED that the Board hereby declares its official intent to reimburse its expenditures on the Projects with the proceeds of the Obligations authorized by this Order.

DATED this 24th day of September, 2003.



Peter Sorenson, Chair

Lane County Board of Commissioners

APPROVED AS TO FORM

Date 9/15/03 Lane County

  
OFFICE OF LEGAL COUNSEL