

IN THE BOARD OF COMMISSIONERS OF THE STATE OF OREGON
FOR THE COUNTY OF YAMHILL
SITTING FOR THE TRANSACTION OF COUNTY BUSINESS

In the Matter of Authorizing the purchase)
and financing of certain real property;)
including the issuance, sale, execution and)
delivery of Full Faith and Credit Obligations)
in an aggregate principal amount of up to)
\$15,000,000 for the purposes of acquiring)
and improving such real property and paying)
costs of issuance related thereto; the negotiation,)
execution and delivery of a Purchase and Sale)
Agreement with respect to the purchase of)
the real property for a purchase price not to)
exceed \$19,208,790; and authorizing and)
approving such other financing, issuance, sale,)
transfer, lease and other documents with respect)
to the issuance of the Full Faith and Credit)
Obligations, the financing, purchase and)
acquisition of the real property; and authorizing)
such other actions, agreements, certificates)
and documents as may be necessary and)
appropriate to carry out such transactions;)
designating Authorized Representatives and)
delegating authority; and related matters)

Resolution 24-12-05-1
BOARD ORDER 24 -351

THE BOARD OF COMMISSIONERS OF YAMHILL COUNTY, OREGON (the “Board”) sat for the transaction of county business in formal session on December 5, 2024, commissioners Lindsay Berschauer, Kit Johnson, and Mary Starrett being present.

THE BOARD MAKES THE FOLLOWING FINDINGS:

A. Yamhill County, Oregon (the “County”) is authorized pursuant to Oregon Revised Statutes (“ORS”) 203.010 and ORS 203.015 to purchase real property including land, building and improvements and personalty for use by the County. The County has identified certain real property and personalty in the City of McMinnville (the “Property”) and the Board of Commissioners (the “Board”) desires to authorize and direct the purchase of such property as more particularly identified in and subject to the material terms and conditions set forth in the form of Purchase and Sale Agreement (the “Purchase and Sale Agreement”) between the County and the current owner, Oregon Mutual Insurance Company (the “Seller”), a current draft of which has been provided to the Board in connection with its consideration of this Resolution and Board Order.

B. The Board is authorized by ORS 271.390, to enter into contracts for the financing of any real or personal property that the governing body determines is needed and secure such contracts with a pledge of lawfully available funds.

C. ORS 287A.315 provides that a public body may pledge its full faith and credit and taxing power when it issues an obligation that is secured by all lawfully available funds of the public body.

D. The County has determined that it is financially feasible and in the County's best interests and will serve a public purpose to authorize the sale, issuance and delivery of full faith and credit obligations (the "2024 Obligations") in one or more series, tax-exempt and taxable, if needed, together or separately, from time to time, together or separately, in an amount sufficient to (i) acquire and improve the Property and (ii) pay costs of issuance (collectively, the "Project").

E. It is in the best interest of the County to authorize the execution and delivery of a purchase agreement or other financing agreement (the "Financing Agreement"), establishing the terms and conditions of the purchase and sale of the 2024 Obligations in a method to be determined by the authorized representative of the County as provided herein, and such other agreements, certificates and documents as may be necessary to provide for the financing of the Project, and the terms and conditions for the purchase, sale, issuance, execution, delivery and administration of the 2024 Obligations (collectively, the "Financing Documents").

F. The County adopts this Resolution to (i) authorize the purchase of the Property, (ii) provide for the execution and delivery of the 2024 Obligations and the Financing Documents related thereto consistent with this Resolution; and (iii) authorize certain officials and employees of the County to take action on the County's behalf with respect to negotiating, executing and delivering the Purchase and Sale Agreement and determining the method of purchase and sale of the 2024 Obligations and negotiating, executing and delivering the 2024 Obligations and related Financing Documents. NOW, THEREFORE,

IT IS HEREBY ORDERED BY THE BOARD AS FOLLOWS:

1. Authorization of the Purchase of the Property. The County authorizes the Authorized Representative (as defined in Section 3) to negotiate, execute and deliver the Purchase and Sale Agreement and otherwise establish the terms and conditions of the sale and purchase of the Property, including the final purchase price of the Property, which shall not exceed \$19,208,790, and any other related agreements, certificates and documents, in connection with the purchase, acquisition and operation of the Property, including, without limitation, a lease agreement with the Seller for continued use by the Seller of certain portions of the Property.

2. Authorization of the 2024 Obligations. The County authorizes the issuance, sale, execution and delivery of the 2024 Obligations, in one or more series, tax-exempt and taxable, if needed, together or separately, from time to time, to be designated the "Yamhill County, Oregon Full Faith and Credit Obligations, Series 2024" in an aggregate principal amount not to exceed \$15,000,000, to pay all or a portion of the costs of Project. The 2024 Obligations may be issued as tax-exempt obligations or taxable obligations or a combination thereof. The true interest cost on the 2024 Obligations issued as tax-exempt obligations (the "Tax-Exempt Obligations") shall not exceed five-percent (5.00%) per annum. The true interest cost on the 2024 Obligations issued as taxable obligations, if any, shall not exceed seven percent (7.00%) per annum. Following the issuance of the

2024 Obligations, in the event of any reset or adjustment to the interest rates on the 2024 Obligations, such interest rate reset or adjustment shall be made in accordance with the applicable terms and conditions of the 2024 Obligations, but in no event shall the true interest cost for the 2024 Obligations issued on a tax-exempt basis exceed ten percent (10.00%) per annum nor shall the true interest cost for the 2024 Obligations issued on a taxable basis exceed twelve percent (12.00%) per annum. The terms and conditions for the purchase, sale, issuance, execution, delivery and administration of the 2024 Obligations shall be established by the Authorized Representative consistent with the authorization of this Resolution.

3. Authorized Representative. The County authorizes and directs the County Administrator, the Deputy County Administrator, County Counsel and their respective designees (each an “Authorized Representative”), without further approval by the Board, each acting individually, to act on behalf of the County to take actions described in Sections 1 and 2 with respect to the purchase of the Property and to evaluate, negotiate, enter into, execute, deliver on behalf of the County the Financing Documents related to the sale, execution and delivery of the 2024 Obligations, as may in the judgment of such Authorized Representative be in the best interests of the County and to determine the terms of the 2024 Obligations in a manner consistent with and in furtherance of this Resolution, including as set forth in Section 6 and Section 7 herein

4. Security. The County may provide for the establishment of the funds and accounts as set forth in the Financing Agreement for the purposes and uses set forth therein. The County’s obligations under the Financing Agreement shall be payable from the County’s general non-restricted revenues and other funds that are lawfully available for that purpose, including, revenues from an ad valorem tax authorized to be levied under the County’s permanent rate limit under sections 11 and 11b, Article XI of the Oregon Constitution, and revenues derived from other taxes, if any, levied by the County in accordance with and subject to limitations and restrictions imposed under applicable law or contract, that are not dedicated, restricted or obligated by law or contract to an inconsistent expenditure or use. The County pledges its full faith and credit and taxing powers to the repayment of the Financing Payments as contemplated by ORS 288.162. The registered owners of the Obligations will not have a lien or security interest on the Project financed with the proceeds of the Financing Agreement.

5. Tax-Exempt Status and Covenant as to Arbitrage. The County covenants to use the proceeds of any 2024 Obligations issued as Tax-Exempt Obligations and the project financed or refinanced with the proceeds of such Tax-Exempt Obligations, and to otherwise comply with the provisions of the Internal Revenue Code of 1986, as amended (the “Code”) so that the interest components paid pursuant to the Tax-Exempt Obligations will not be includable in gross income of the Registered Owners of such Tax-Exempt Obligations for federal income tax purposes. The County specifically covenants:

- (a) To comply with the “arbitrage” provisions of Section 148 of the Code, and to pay any required rebates and penalties with respect to the Tax-Exempt Obligations;
- (b) To operate the facilities financed or refinanced with the proceeds of the Tax-Exempt Obligations so that the Tax-Exempt Obligations are not “private activity bonds” under Section 141 of the Code;
- (c) To comply with all applicable reporting requirements.

Each Authorized Representative is authorized and directed, on behalf of the County without further approval of the Board, to enter into covenants on behalf of the County to maintain the tax-exempt status of the interest component of the Tax-Exempt Obligations.

6. Delegation for Establishment of Terms and Sale of the 2024 Obligations. Pursuant to ORS 287A.300, each Authorized Representative, acting singly, is authorized and directed, on behalf of the County without further approval of the Board to take or direct to be taken all such further actions as may be necessary, desirable or appropriate in the opinion of the Authorized Representative in connection with the 2024 Obligations or to carry out the purposes of this Resolution, including but not limited to:

- (a) Evaluating and determining favorable terms and conditions for the purchase, sale, issuance, execution, delivery and administration of the 2024 Obligations and the Financing Documents, subject to a determination by the Authorized Representative that such terms are beneficial to the County to obtain acceptable financing terms for the 2024 Obligations, including:
 - (1) Soliciting bids, including subsequent updated bids if necessary based on market conditions, from and selecting the method of purchase of the 2024 Obligations by a banking institution (the “Bank”), which may occur through a direct private placement with a Bank, a negotiated public sale with a Bank serving as underwriter, or a public, competitive offering of the 2024 Obligations for sale to a Bank;
 - (2) Negotiating, executing and delivering the Financing Agreement with the Bank, as purchaser or underwriter, to establish the terms and conditions for the purchase and sale of the 2024 Obligations, including, without limitation, the terms and conditions for the issuance of the 2024 Obligations, the principal and interest payment dates, redemption or prepayment provisions, defeasance provisions, registration, covenants for financial reporting and other covenants necessary and appropriate for the issuance of the 2024 Obligations;
- (b) Designating all or any portion of the 2024 Obligations as Tax-Exempt Obligations;
- (c) Approving the form of the 2024 Obligations and take actions, if necessary, to qualify the 2024 Obligations for the book-entry system of The Depository Trust Company, and provide for the authentication, registration, payment, exchange and transfer of the 2024 Obligations;
- (d) Executing and delivering the 2024 Obligations, the Financing Agreement, the other Financing Documents, and any other agreements, certificates, documents and opinions required in connection with the purchase, sale, issuance, execution, delivery and administration of the 2024 Obligations;
- (e) Entering into covenants regarding the use of the proceeds of the 2024 Obligations received by the County and the use of the projects refinanced by the 2024 Obligations to maintain the status of any 2024 Obligations designated as Tax-Exempt Obligations;
- (f) Determining, if necessary, the form and content of the preliminary and final disclosure documents in connection with a public sale of the 2024 Obligations;

(g) Requesting and obtaining ratings of the 2024 Obligations, if determined by the Authorized Representative to be in the best interest of the County and expend proceeds of the 2024 Obligations to pay for such ratings;

(h) Establishing and funding a debt service reserve, if necessary or desirable, for the 2024 Obligations;

(i) If applicable, negotiating and establishing, if necessary, the terms of and execute and deliver an undertaking to provide ongoing disclosure (the "Continuing Disclosure Certificate") for the benefit of owners of the 2024 Obligations that satisfies the requirements of Section (b)(5)(i) of the Securities and Exchange Commission Rule 15c2-12;

(j) If applicable, soliciting proposals for services and/or select a paying agent and registrar for the 2024 Obligations; and

(k) Executing and delivering a certificate specifying the actions taken pursuant to this Resolution and take such other actions and execute and deliver any other agreements, certificates and documents that an Authorized Representative determines are necessary to purchase the Project and financing such purchase, including the execution and delivery of the Purchase and Sale agreement and the Financing Agreement and to offer and sell the 2024 Obligations in accordance with this Resolution.

7. Delegation for Establishment of Terms and Purchase and Sale of the Project. The Authorized Representative, is authorized and directed, on behalf of the County without further approval of the Board to take or direct to be taken all such further actions as may be necessary, desirable or appropriate in the opinion of the Authorized Representative in connection with the purchase, acquisition, lease, use and operation of the Property and to carry out the purposes of this Resolution, including but not limited to:

(a) Evaluating and determining acceptable terms and conditions for the purchase, acquisition, lease, use and operation of the Property, subject to a determination by the Authorized Representative that such terms and conditions are beneficial to the County;

(b) Negotiating, executing and delivering the Purchase and Sale Agreement and any other agreements, deeds, leases, documents and opinions required in connection with the purchase, acquisition, lease, use and operation of the Project; and

(c) Executing and delivering a certificate specifying the actions taken pursuant to this Resolution and take such other actions and execute and deliver any other agreements, certificates and documents that an Authorized Representative determines are necessary to purchase the Project and finance such purchase, including the execution and delivery of the Purchase and Sale Agreement and the Financing Agreement and to offer and sell the 2024 Obligations in accordance with this Resolution.

8. Appointment of Special Counsel and Financial Advisor. The County hereby appoints Orrick, Herrington & Sutcliffe LLP of Portland, Oregon, as Special Counsel to the County with respect to the 2024 Obligations and the purchase of the Project, and SDAO Advisory Services LLC as Financial Advisor to the County with respect to the 2024 Obligations.

9. Resolution to Constitute Contract. In consideration of the purchase and acceptance of any or all of the 2024 Obligations by the owners, the provisions of this Resolution shall be part of the contract of the County with the owners thereof and shall be deemed to be and shall constitute a contract between the County and such owners pursuant to ORS 287A.315 and ORS 287A.325, or any successor statute. The covenants, pledges and representations contained in this Resolution, or in the closing documents executed in connection with the 2024 Obligations, including without limitation the County's covenants and pledges contained in Section 4, and the other covenants and agreements to be performed by or on behalf of the County shall be contracts for the equal benefit, protection and security of the owners, all of which shall be of equal rank without preference, priority or distinction of any of such 2024 Obligations over any other thereof, except as expressly provided in or pursuant to this Resolution.

10. Ratification. The County hereby ratifies and confirms all actions taken by the Commissioners prior to the date hereof in connection with the purchase of the Project and the issuance, sale and delivery of the 2024 Obligations.

11. Effective Date. This Board Order shall take effect immediately upon its adoption by the Board of Commissioners.

DONE at McMinnville, Oregon on December 5, 2024.

ATTEST



KERI HINTON
County Clerk

By: Carolina Rook
Deputy CAROLINA ROOK

FORM APPROVED BY:

Christian Boenisch
Christian Boenisch
Yamhill County Counsel

YAMHILL COUNTY BOARD OF COMMISSIONERS

Chair

Commissioner

Commissioner

Budget Officer

Lindsay Berschauer
LINDSAY BERSCHAUER

Kit Johnston
KIT JOHNSTON

Mary Starrett
MARY STARRETT

Kenneth Huffer
KENNETH HUFFER