

OAK LODGE WATER SERVICES

RESOLUTION NO. 17-15

A RESOLUTION AUTHORIZING WASTEWATER REVENUE BORROWINGS TO REFINANCE OUTSTANDING GENERAL OBLIGATION BONDS

WHEREAS, Oak Lodge Water Services, Oregon (the “District”) issued its General Obligation Bonds, Series 2010A (the “2010 Bonds”) to finance wastewater facility improvements (the “2010 Project”); and

WHEREAS, the 2010 Bonds are outstanding in the approximate principal amount of \$17,545,000; and

WHEREAS, Oregon Revised Statutes (“ORS”) 271.390 and ORS 287A.360 to 287A.375 authorize Oregon governments to refund outstanding borrowings that financed projects that the Board of Directors of the District (the “Board”) determines are needed, as long as the estimated weighted average life of the borrowing does not exceed the estimated dollar weighted average life of the real or personal property that is refinanced with the borrowing; and

WHEREAS, current interest rates may be lower than the interest rates that are payable on the 2010 Bonds and the District may be able to reduce debt service costs by refunding all or a portion of the 2010 Bonds; and

WHEREAS, pursuant to ORS 450.640, the applicable debt limit for the District is governed by ORS 450.900(3), which limits the amount of the District’s outstanding bonds of all types, including improvement bonds, revenue and general obligation bonds, to thirteen percent (13%) of the real market value (“RMV”) of taxable property within the District. The District’s RMV (fiscal year 2018) is not less than \$3,222,142,569. The total amount of borrowings of the District, after issuance of the borrowing authorized by this Resolution and refunding of the 2010 Bonds, is estimated to be \$40,102,087. This amount does not exceed thirteen percent of the District’s RMV, which is \$418,878,534;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF OAK LODGE WATER SERVICES:

Section 1. Determination of Need. The Board hereby determines that the Projects were needed at the time they were financed and that they remain needed.

Section 2. Financing Authorized. The District is hereby authorized to enter into one or more financing agreements (the “Financing Agreements”) to refinance all or any portion of the 2010 Project pursuant to ORS Section 271.390, ORS 287A.360 to 287A.375, and other relevant provisions of ORS Chapter 287A. The Financing Agreements may be issued in an amount that is sufficient to refund all or any portion of the 2010 Bonds and to pay estimated costs related to issuing the Financing Agreements and refunding the 2010 Bonds.

Section 3. Delegation. The General Manager, the Finance Director, or the person designated by the General Manager or the Finance Director to act on behalf of the District

under this resolution (each of whom is referred to in this resolution as a “District Official”) may, on behalf of the District and without further action by the Board:

- a. Select all or a portion of the 2010 Bonds to be refunded;
- b. Determine the final principal amount, interest rates, payment dates, maturity dates, prepayment rights and all other terms of the Financing Agreements;
- c. Prepare, finalize the terms of, and execute a master wastewater system revenue bond declaration (the “Master Declaration”), which pledges the District’s wastewater system revenues, contains covenants regarding the levels of fees and charges that the District must impose for its wastewater system, describes the terms under which the District may issue obligations in the future that are secured by the revenues of the District’s wastewater system, specifies the manner in which wastewater system revenues are accounted for and the timing and amount of payments of wastewater system revenues, describes the Financing Agreements and specifies administrative provisions relating to obligations that are secured by the revenues of the District’s wastewater system. The Master Declaration shall be in substantially the form attached to this resolution as Exhibit A, but with such changes as the District Official may approve;
- d. Negotiate, execute and deliver notes to evidence amounts due under the Financing Agreements;
- e. Select a commercial bank or lender with which to negotiate, execute and deliver the Financing Agreements. Subject to the limitations of this Resolution, the Financing Agreements may be in such form and contain such terms as the District Official may approve;
- f. Enter into additional covenants for the benefit of the purchasers of the Financing Agreements that the District Official determines are desirable to obtain more favorable terms for the Financing Agreements;
- g. Enter into escrow deposit agreements and take any other actions to prepay any of the 2010 Bonds;
- h. Engage the services of escrow agents and any other professionals whose services are desirable for the financings and to achieve the refunding;
- i. Covenant for the benefit of the owners of the Financing Agreements to comply with all provisions of the Internal Revenue Code of 1986, as amended (the “Code”), that are required for the interest paid under the Financing Agreements to be excluded from gross income for federal income tax purposes;
- j. Designate each of the Financings Agreements as a “qualified tax-exempt obligation” pursuant to Section 265(b)(3) of the Code, if applicable;

- k. Execute and deliver any other certificates or documents and take any other actions that the District Official determines are desirable to carry out this Resolution.

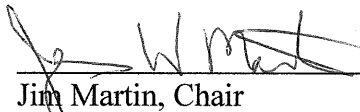
Section 4. Security. The Financing Agreements will constitute special obligations of the District that are secured solely by the revenues of the District's wastewater system and related amounts as provided in the Master Declaration, pursuant to ORS 287A.310.

Section 5. Advanced Refunding Plan. The District Official is hereby authorized to file any required advanced refunding plans related to the 2010 Bonds with the State of Oregon.

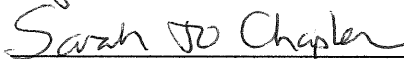
Section 6. Effective Date. This Resolution shall be effective upon its approval and adoption.

ADOPTED THIS 5TH DAY OF DECEMBER, 2017.

OAK LODGE WATER SERVICES DISTRICT



Jim Martin, Chair



Sarah Jo Chaplen, General Manager

EXHIBIT A

**FORM OF MASTER WASTEWATER SYSTEM
REVENUE BOND DECLARATION**