

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 an Order Authorizing the)
Execution and Delivery of an Amendment to)
the Indenture and Certain other Documents and)
Certificates as described herein with respect to) BOARD ORDER 17-230
the County's Revenue Refunding Bonds, Series)
2012A (George Fox University) (Tax-Exempt))
and Revenue Refunding Bonds, Series 2012B)
(George Fox University) (Federally Taxable))

THE BOARD OF COMMISSIONERS OF YAMHILL COUNTY, OREGON (the "Board") sat for the transaction of county business in formal session on June 22, 2017, commissioners Stan Primozych, Mary Starrett and Richard L. Olson being present.

THE BOARD MAKES THE FOLLOWING FINDINGS:

A. Yamhill County, Oregon (the "County") is a political subdivision of the State of Oregon and a "municipality" as defined in Oregon Revised Statutes ("ORS") Section 352.790(5) authorized to issue education facilities revenue bonds for the benefit of nonprofit educational institutions within the State of Oregon pursuant to ORS Sections 352.790 to 352.820, 287A.150 and 287A.360 (collectively, the "Act").

B. In July 2012, at the request of George Fox University, a qualified 501(c)(3) organization and an Oregon nonprofit corporation (the "University"), the County issued its Revenue Refunding Bonds, Series 2012A (George Fox University Project) (Tax-Exempt) (the "Series 2012A Bonds") and its Revenue Refunding Bonds, Series 2012B (George Fox University Project) (Federally Taxable) (the "Series 2012B Bonds" and, together with the Series 2012A Bonds, the "Bonds"), in an aggregate principal amount of \$23,515,000 for the purpose of (i) currently refunding all of the County's outstanding Tax-Exempt Variable Rate Demand Revenue Bonds, Series 2005A (George Fox University Project) and all of the County's outstanding Federally Taxable Variable Rate Demand Revenue Bonds, Series 2005B (George Fox University Project) (collectively, the "Refunded Bonds"); and (ii) paying costs relating to the issuance of the Bonds (the "Project").

C. The Bonds were issued pursuant to a Trust Indenture, dated as of July 1, 2012 (the "Indenture"), between the County as issuer of the Bonds and U.S. Bank National Association as the trustee (the "Trustee").

D. The proceeds of the Bonds were loaned by the County to the University pursuant to a Loan Agreement dated as of July 1, 2012 (the "Loan Agreement"), between the County and the University, for the purpose of paying the Refunded Bonds that were issued to finance or refinance the acquisition of qualified education facilities and paying qualified education facilities costs. The

Bonds are payable solely from amounts required to be paid by the University pursuant to the Loan Agreement and the security granted by the University to secure payment of such obligations under the Loan Agreement, together with any other funds and assets available therefore under the Indenture. The County does not assume any liability for the payment of the Bonds nor are any assets or funds of the County pledged therefor. The Bonds are not and shall not be a charge upon the tax revenues of the County and are secured solely by the education facility revenues and any other assets pledged by the University.

E. The Bonds were sold to an affiliate of U.S. Bank National Association (the “Initial Purchaser”), pursuant to a Purchase Contract (the “Purchase Contract”) among the County, the University and the Purchaser.

F. Pursuant to a Supplemental Agreement dated as of July 1, 2012, as amended from time to time (the “Supplemental Agreement”), between the Initial Purchaser and the University, the Initial Purchaser agreed to purchase the Bonds for an initial term of five years, which period ends on July 1, 2017.

G. Pursuant to a Notice of Transfer, dated December 23, 2013, the beneficial ownership of the Bonds was transferred from the Initial Purchaser to an affiliate, U.S. Bancorp Municipal Lending and Finance, Inc. (the “Holder”).

H. On June 7, 2017, the University redeemed all of the Series 2012B Bonds, and as of such date the Series 2012B Bonds are no longer outstanding.

I. The Holder has agreed to hold the Series 2012A Bonds for an additional five year period, which will require the execution and delivery of an amendment to the Indenture (the “First Amendment”), between the County and the Trustee, as consented to by the University and the Holder.

J. Prior to or concurrently with the execution and delivery of the First Amendment, the University also expects to enter into a new interest rate swap agreement (the “2017 Swap”) with U.S. Bank National Association to hedge the interest rate risk on the remaining portion of the Series 2012A Bonds that are not already subject to an interest rate swap agreement entered into at the time the Series 2012A Bonds were issued.

K. The Board has considered the terms and provisions of (i) a draft of the First Amendment and (ii) a draft of the Swap Identification.

L. The Board determines that it is in the best interests of the County for the County to assist in continuing to provide education facilities for the people of Yamhill County, Oregon and to proceed with the matters described in this Board Order with regard to the Bonds.

NOW, THEREFORE, IT IS HEREBY ORDERED BY THE BOARD AS FOLLOWS:

(1) Authorization of First Amendment and Swap Identification. As the issuer of the Bonds, the County hereby authorizes execution and delivery of the First Amendment and the Swap Identification.

(2) Authorized Representative. The Board designates and authorized the Chair, the Vice Chair, the Director of Administrative Services, County Counsel or any other person designated by the Chair of the Board, as the “Authorized Representative” on behalf of the County, to approve, execute and deliver the First Amendment, execute and deliver a written certification and “identification” of the 2017 Swap within the meaning of Treasury Regulations Section 1.148-4(h)(2) relating to the integration of the 2017 Swap with the Series 2012A Bonds (the “Swap Identification”), any notices, consents or certificates related to the redemption of the Series 2012B Bonds, and such other notices, agreements, certificates and documents necessary to complete the actions described in this Board Order and to continue to administer the Series 2012A Bonds from time to time.

(3) Pledge of Revenues and Credit Facility. The Bonds will continue to be special limited obligations of the County payable solely and only from the amounts required to be paid by the University pursuant to the Loan Agreement and other funds and assets available therefor under the Indenture. The Bonds are not and shall not be deemed to constitute a debt or liability of the County within the meaning of any state constitutional provision or statutory debt limitation and do not constitute a pledge of the full faith and credit of the County, but are payable solely from the funds provided for in the Loan Agreement and in the Indenture. The Bonds are not and shall not be a general obligation of the County nor a pledge of the faith and credit of the County or its elected or appointed officials, employees or agents nor a debt or pledge of the faith and credit of the State of Oregon.

(4) Authorization, Execution and Delivery of Documents. The County authorizes and directs the execution and delivery of and the performance by the County of the obligations and duties on its part as contained in the First Amendment. Any one or more of the Authorized Representatives shall approve, execute and deliver each of the above-described documents and such other documents to which the County is a party including, but not limited to any closing documents or certificates, all as may be necessary or appropriate in the opinion of Orrick, Herrington & Sutcliffe LLP, as Bond Counsel to the County, to complete the transactions described in this Board Order.

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

AYES: 3
NAYS: 0

DONE at McMinnville, Oregon on June 22, 2017.

ATTEST

YAMHILL COUNTY
BOARD OF COMMISSIONERS

BRIAN VAN BERGEN
County Clerk

By: *Crystal Cox*
Deputy Crystal Cox

Stan Primozich
Chair STAN PRIMOZICH

Mary Starrett
Commissioner MARY STARRETT

FORM APPROVED BY:

Christian Boenisch
CHRISTIAN BOENISCH
Yamhill County Legal Counsel

Richard L. Olson
Commissioner RICHARD L. OLSON

Accepted by Yamhill County
Board of Commissioners on
6-22-17 by Board Order
17-230