

Board of Trustees of the University of Oregon

**Resolution: State Borrowing Refunds
Seconded Motion from the Finance and Facilities Committee**

WHEREAS, bonds or other obligations of the State of Oregon (the "State") have been issued, and may continue to be issued from time to time, for the benefit of the University as permitted by law (each a "State Borrowing"); and

WHEREAS, the University has entered into an Agreement for Debt Management (the "Debt Management Agreement") as of July 1, 2014, by and among the State, acting by and through its Office of the State Treasurer (the "State Treasurer"), Higher Education Coordinating Commission, Department of Administrative Services ("DAS"), and the Oregon University System with respect to State Borrowings; and

WHEREAS, Section 9 of the Debt Management Agreement provides that the State Treasurer may refund any State Borrowings whenever the State Treasurer determines it is in the best interests of the State to do so, that the University may request in writing that the State Treasurer refund State Borrowings to achieve debt service savings or to modify terms as requested by the University, and that the State Treasurer may amend the schedule of University payments pursuant to ORS 351.379(3) (the "Schedule") to reflect the University's *pro rata* share of the resulting debt service changes under certain circumstances; and

WHEREAS, it is appropriate for this Board to request and therefore authorize the State Treasurer, and as applicable request that DAS request and therefore authorize the State Treasurer, to issue bonds to refund State Borrowings without requiring further action of this Board; and

WHEREAS, the Board hereby determines that it is in the best interests of the University to refund any State Borrowings to achieve debt service savings or to modify terms as requested by the University, and that it is in the best interests of the University to amend the Schedule to reflect the University's *pro rata* share of the resulting debt service changes in certain circumstances;

WHEREAS, the Board now desires to delegate to the Treasurer of the University, or his or her designee, the authority to request that a State Borrowing be refunded, to consent to or approve that a State Borrowing be refunded, and to consent to or approve amendments to the Schedule where applicable; and

WHEREAS, pursuant to the Board's Policy on Committees, the Finance and Facilities Committee has referred this matter to the full Board as a seconded motion;

NOW, THEREFORE, the Board resolves as follows:

1. Refunding State Borrowings. The Treasurer of the University or his or her designee (the "Authorized University Representative") is hereby authorized to request that State Borrowings be defeased, prepaid, or refunded to achieve debt service savings or to modify terms of the State Borrowings, and to request the issuance of State Borrowings for such purposes, from time to time as determined by the Authorized University Representative. The Authorized University Representative is further authorized to consent to the defeasance, prepayment or refunding of State Borrowings, and to consent to or approve

amendments to the Schedule to reflect the University's *pro rata* share of the resulting debt service changes, as applicable, from time to time as determined by the Authorized University Representative.

2. Tax-Exempt Status. The Authorized University Representative is hereby authorized to covenant, on behalf of the University, to comply with the provisions of the Internal Revenue Code of 1986, as amended, that are required for interest on tax-exempt State Borrowings to be excluded from gross income for federal income taxation purposes, for State Borrowings that are issued on a tax-exempt basis and to execute and deliver such agreements, documents or certificates required for such Bonds to be issued on a tax-exempt basis.

3. Ratification and Approval of Actions. The Board hereby ratifies and approves all prior actions taken on behalf of the Board and the University related to the defeasance, prepayment or refunding of State Borrowings. The Board hereby authorizes, empowers, and directs the Authorized University Representative to take further actions as may be necessary or desirable related to the defeasance, prepayment or refunding of State Borrowings, including, without limitation, (i) covenanting to perform on behalf of the University, and performing, any actions necessary to comply with requests from the State Treasurer authorized under ORS chapter 286A to administer the State Borrowings, and (ii) the execution and delivery of amendments to the Schedule and such other agreements, documents or certificates, including any loan, grant or trust agreements with the State Treasurer and any other party, if necessary, as may be necessary or desirable to carry out the defeasance, prepayment or refunding of State Borrowings, and (iii) to take such other actions as are necessary or desirable for the purposes and intent of this resolution.

4. Effective Date. This resolution shall take effect immediately upon adoption by the Board.

VOTE: Voice Vote Recorded – Ayes carried (no dissention)

DATE: December 11, 2014

Recorded by the University Secretary: 