

April 26, 2001

01-077

A RESOLUTION AUTHORIZING THE ISSUANCE, COMPETITIVE SALE, EXECUTION AND DELIVERY OF NOT TO EXCEED \$144,000,000 GENERAL OBLIGATION BONDS, IN ONE OR MORE SERIES; AUTHORIZING A SPECIAL AD VALOREM TAX LEVY; DESIGNATING AN AUTHORIZED REPRESENTATIVE; DELEGATING THE APPROVAL AND THE AUTHORIZATION OF DISTRIBUTION OF THE PRELIMINARY AND FINAL OFFICIAL STATEMENTS, FORM OF NOTICE AND TIMING OF BOND SALE; AND RELATED MATTERS

PREPARED BY: Wing-Kit Chung, Associate Vice President, Finance

APPROVED BY: Randy McEwen, Vice President, Administrative Services  
Dan Moriarty, President

WHEREAS, THE Board of Directors (the "Board") of Portland Community College District, Multnomah, Washington, Yamhill, Clackamas and Columbia Counties, Oregon (the "District") finds:

The District is authorized pursuant to the Constitution and Statutes of the State of Oregon, specifically Oregon Revised Statutes Sections 287.014 through 287.020; 287.028, and 341.681 (collectively, the "Act"), to issue general obligation bonds to finance capital construction and improvements; and

On June 22, 2000, the District adopted its Resolution No. 00-143, authorizing submission to the voters of the District at a measure election on November 7, 2000, the question of contracting a general obligation bonded indebtedness in an amount not to exceed \$144,000,000 to finance the costs of capital construction and capital improvements, and to pay bond issuance costs related thereto (collectively, the "Project"); and

The election was duly and legally held on November 7, 2000 and the elections officers of Multnomah, Washington, Yamhill, Clackamas and Columbia Counties, Oregon have certified that the issuance of the general obligation bonds was approved by a majority of the qualified voters of the District voting at the election; and

The Board has determined the results of the election pursuant to ORS 255.295(1) in compliance with the requirement of determining results within 30 days of receipt of the abstract of votes; and

The Board adopts this resolution to provide the terms under which the general obligation bonds will be sold and issued, to authorize the issuance of the general obligation bonds [and to classify the ad valorem taxes levied to pay debt service on the general obligation bonds as not being subject to the limits of sections 11 and 11b, Article XI of the Oregon Constitution].

NOW THEREFORE, BE IT RESOLVED, as follows:

1. Authorization. The District Authorizes:

For the above purposes, the District shall issue its General Obligation Bonds (the "Bonds"), in one or more series, in an aggregate principal amount not to exceed \$144,000,000.

Each series of Bonds shall mature over a period not exceeding twenty-one (21) years from their date of issue. The Bonds shall be issued in fully registered form in the principal denominations of \$5,000 or any integral multiple thereof. The Bonds shall be subject to a book-entry only system of ownership and transfer as provided for in Section 8 hereof. The remaining terms of the Bonds shall be established as provided in Section 13 hereof.

2. Designation of Authorized Representatives. The District hereby designates the President, Vice President of Administrative Services, Associate Vice President of Finance, or their designee (the "Authorized Representative"), to act on behalf of the District and determine the remaining terms of the Bonds as specified in Section 13 hereof.

3. Security; Tax Levy. The Bonds are general obligations of the District. The full faith and credit of the District are pledged to the successive owners of each of the Bonds for the punctual payment of such obligations, when due. The District covenants with the Bond owners to levy annually a direct ad valorem tax upon all of the taxable property within the District in an amount without limitation as to rate or amount, and outside of the limitations of sections 11 and 11b, Article XI of the Oregon Constitution, after taking into consideration discounts taken and delinquencies that may occur in the payment of such taxes, to pay interest accruing and the principal maturing on the Bonds promptly when and as they become due.

4. Form of Bonds. The Bonds may be printed or typewritten, and may be issued as one or more temporary Bonds which shall be exchangeable for definitive Bonds when definitive Bonds are available. As book-entry only bonds, the Bonds shall be prepared by Bond Counsel; otherwise, the Bonds shall be printed by a financial printer to be selected by the Authorized Representative.
5. Execution of Bonds. The Bonds shall be executed on behalf of the District with the manual or facsimile signature of the President of the Board and attested to by the manual or facsimile signature of the Associate Vice President of Finance. Additionally, the Bonds shall be authenticated by the manual signature of an authorized officer of the Bond Registrar.
6. Appointment of Registrar. The Authorized Representative is authorized to appoint a Bond Registrar and Paying Agent for the Bonds (the "Registrar"). A successor Registrar may be appointed for the Bonds by resolution of the District. The Registrar shall provide notice to Bond owners of any change in the Registrar not later than the next Bond payment date following the change in Registrar.
7. Authentication, Registration, Payment, Exchange and Transfer.
  - a. No Bond shall be entitled to any right or benefit under this Resolution unless it shall have been authenticated by an authorized officer of the Registrar. The date of authentication shall be the date the Bond owner's name is listed on the Bond register.
  - b. All Bonds shall be in registered form. The Registrar shall authenticate all Bonds to be delivered at closing of this bond issue, and shall additionally authenticate all Bonds properly surrendered for exchange or transfer pursuant to this Resolution.
  - c. The ownership of all Bonds shall be entered in the Bond register maintained by the Registrar, and the District and the Registrar may treat the person listed as owner in the Bond register as the owner of the Bond for all purposes.
  - d. The Registrar shall mail or cause to be delivered the amount due under each Bond to the registered owner at the address appearing on the Bond register on the twenty-fifth day of the month preceding the payment date (the "Record Date"). If payment is so mailed, neither the District nor the Registrar shall have any further liability to any party for such payment.

- e. In the event the book-entry system of ownership is discontinued, Bonds may be exchanged for equal principal component amounts of Bonds of the same maturity which are in different authorized denominations, and Bonds may be transferred to other owners if the Bond owners submit the following to the Registrar:
  - (i) written instructions for exchange or transfer satisfactory to the Registrar, signed by the Bond owner or his attorney in fact and guaranteed or witnessed in a manner satisfactory to the Registrar; and
  - (ii) the Bonds to be exchanged or transferred.
- f. The Registrar shall not be required to exchange or transfer any Bonds submitted to it during any period beginning with a Record Date and ending on the next following payment date; however, such Bonds shall be exchanged or transferred promptly following that payment date.
- g. The Registrar shall not be required to exchange or transfer any Bonds which have been designated for redemption if such Bonds are submitted to the Registrar during the 15-day period preceding the designated redemption date.
- h. For purposes of this section, Bonds shall be considered submitted to the Registrar on the date the Registrar actually receives the materials described in subsection (5) of this section.
- i. In the event any Bond is mutilated, lost, stolen or destroyed, the Registrar may issue a new Bond of like maturity, interest rate and denomination if the asserted owner of such Bond provides to the Registrar and the District an affidavit, certificate or other reliable proof that the Registrar or the District reasonably finds protects the District from conflicting claims for payment under the Bond. Pursuant to Oregon Revised Statutes Section 288.435, the Registrar may waive the requirements of ORS 288.420 and the District may waive the requirements of ORS 288.430 with respect to the Bond.



- j. The District may alter these provisions regarding registration, exchange and transfer by mailing notification of the altered provisions to all Bond owners and the Registrar. The altered provisions shall take effect on the date stated in the notice, which shall not be earlier than 45 days after notice is mailed.

8. Book-Entry Only System.

During any time that the Bonds are held in a book-entry only system (the "Book-Entry System"), the registered owner of all of the Bonds shall be The Depository Trust Company, New York, New York ("DTC"), and the Bonds shall be registered in the name of Cede & Co., as nominee for DTC. The District has entered into or shall enter into a Blanket Issuer Letter of Representations (the "Letter") wherein the District represents that it will comply with the requirements stated in DTC's Operational Arrangements as they may be amended from time to time.

Under the Book-Entry System, the Bonds shall be initially issued in the form of a single fully registered certificate, one for each maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered by the Registrar on the registration books in the name of Cede & Co., as nominee of DTC. The District and the Registrar may treat DTC (or its nominee) as the sole and exclusive registered owner of the Bonds registered in its name for the purposes of payment of the principal of, redemption price of, and premium, if any, or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, if any, giving notice as required under this Resolution, registering the transfer of Bonds, obtaining any consent or other action to be taken by the owners and for all other purposes whatsoever; and neither the Registrar nor the District shall be affected by any notice to the contrary. The Registrar shall not have any responsibility or obligation to any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the registration books of the Registrar as being a registered owner, with respect to the accuracy of any records maintained by DTC or any Participant; the payment by DTC or any Participant of any amount in respect of the principal or redemption price of or interest on the Bonds; any notice or direction which is permitted or required to be given to or received from owners under this Resolution; the selection by DTC or any DTC Participant of any person to receive payment in the event of a partial redemption of the Bonds; or any consent given or other action taken by DTC as owner; nor shall any DTC Participant or any such person be deemed to be a third party beneficiary of any owners' rights under this Resolution. The Registrar shall pay from moneys available hereunder all principal of and premium, if any, and interest on the Bonds only to or upon the order of DTC, and all such payments shall be valid and

effective to fully satisfy and discharge the District's obligations with respect to the principal of and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. So long as the Bonds are held in the Book-Entry System, no person other than DTC shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the Registrar to make payments of principal of and premium, if any, and interest pursuant to this Resolution. Upon delivery by DTC to the Registrar of DTC's written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions of this Resolution with respect to transfers of Bonds, the term "Cede & Co.," in this Resolution shall refer to such new nominee of DTC.

At any time it determines that it is in the best interests of the owners, the District may notify the Registrar, and the Registrar will subsequently notify DTC, whereupon DTC will notify the DTC Participants, of the availability through DTC of Bond certificates. In such event, the Registrar shall issue, transfer and exchange, at the District's expense, Bond certificates as requested in writing by DTC in appropriate amounts. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the Registrar and discharging its responsibilities with respect thereto under applicable law. If DTC resigns as securities depository for the Bonds, Bond certificates shall be delivered pursuant to this section. Under such circumstances (if there is no successor securities depository), the Registrar shall be obligated to deliver Bond certificates as described in this Resolution, provided that the expense in connection therewith shall be paid by the District. In the event Bond certificates are issued, the provisions of this Resolution shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of, premium, if any, and interest on such Bonds. Whenever DTC requests the Registrar to do so, the Registrar will cooperate with DTC in taking appropriate action after written notice (a) to make available one or more separate certificates evidencing the Bonds to any DTC Participant having Bonds credited to its DTC account, or (b) to arrange for another securities depository to maintain custody of certificates evidencing the Bonds.

9. Redemption.

Optional and Mandatory Redemption. The Bonds may be subject to optional redemption and mandatory redemption prior to maturity as determined by the Authorized Representative pursuant to Section 13 hereof.

10. Notice of Redemption.

Official notice of redemption shall be given by the District's Registrar on behalf of the District by mailing a copy of an official redemption notice by first-class mail at least 30 days and not more than 60 days prior to the date fixed for

redemption to the registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond register or at such other address as is furnished in writing by such registered owner to the Registrar, and by publishing the notice as required by law; provided that so long as a book-entry only system is maintained in effect, notice of redemption shall be given at the time, to the entity and in the manner required in DTC's Operational Arrangements, and the Registrar shall not be required to give any other notice of redemption otherwise required herein.

All official notices of redemption shall be dated and shall state, without limitation: (1) the redemption date; (2) the redemption price; (3) if less than all outstanding Bonds are to be redeemed, the identification of the Bonds to be redeemed; (4) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption; (5) that interest thereon shall cease to accrue from and after said date; (6) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office of the Bond Registrar; and (7) the assigned CUSIP numbers of all Bonds to be redeemed.

On or prior to any redemption date, the District shall deposit with the Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the District shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. All Bonds which have been redeemed shall be canceled and destroyed by the Registrar and shall not be reissued.

11. Tax-Exempt Status and Covenant Regarding Arbitrage. The District covenants to use the proceeds of the Bonds, and the facilities financed with the Bonds, and to otherwise comply with the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), so that interest paid on the Bonds will not be includable in gross income of the Bond owners for federal income tax purposes. The District specifically covenants:

- a. to comply with the "arbitrage" provisions of Section 148 of the Code, and to pay any rebates to the United States on the gross proceeds of the Bonds; and

- b. to operate the facilities financed with the proceeds of the Bonds so that the Bonds are not "private activity bonds under Section 141 of the Code; and
- c. comply with all reporting requirements.

The Authorized Representative may enter into covenants on behalf of the District to protect the tax-exempt status of the Bonds.

12. Designation as "Qualified Tax-Exempt Obligations." The Authorized Representative, upon the advice of Bond Counsel, may designate any series of the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

13. Delegation For Establishment Of Terms and Competitive Sale of the Bonds. The Authorized Representative is hereby authorized pursuant to ORS 288.520(4) to:

- a. establish the principal and interest payment dates, principal amounts, optional and mandatory redemption provisions, if any, interest rates, and denominations and all other terms for the Bonds;
- b. approve the final form of and cause an Official Notice of Bond Sale (the "Notice"), substantially in the form attached hereto as Exhibit A, to be published, award the successful bid or reject the bids for each series of Bonds as required pursuant to ORS 287.022;
- c. contract with a paying agent/registrar for the bonds;
- d. approve and authorize the preparation and distribution of preliminary and final official statements for the Bonds;
- e. obtain municipal bond insurance on the Bonds if determined by the Authorized Representative to be in the best interest of the District, execute and deliver any agreement required in connection with such insurance, and expend Bond proceeds to pay any bond insurance premium;
- f. participate in the Oregon State Guaranty Program and expend Bond proceeds to pay any guaranty premium;
- g. obtain one or more ratings on the Bonds if determined by the Authorized Representative to be in the best interest of the District, and expend Bond proceeds to pay the costs of obtaining such rating;



- h. take such actions as are necessary to qualify the Bonds for the Book-Entry System of DTC;
- i. approve, execute and deliver a Continuing Disclosure Certificate pursuant to SEC Rule 15c2-12, as amended (17 CFR Part 240, § 240.15c2-12);
- j. approve, execute and deliver the Bond closing documents and certificates;
- k. enter into covenants regarding the use of the proceeds of the Bonds and the projects financed with the proceeds of the Bonds, to maintain the tax-exempt status of the Bonds; and
- l. execute and deliver a certificate specifying the action taken pursuant to this Section 13, and any other certificates, documents or agreements that the Authorized Representative determines are desirable to issue, sell and deliver the Bonds in accordance with this Resolution.

14. Procedures for Competitive Sale of the Bonds. For a competitive bid sale, the Authorized Representative shall cause a Notice, or a summary thereof, to be published in *The Oregonian*, Portland, Oregon and *The Bond Buyer*, New York, New York, prior to the sale date stated in the Notice, as provided by ORS 287.022. Bids to purchase the Bonds will be received and reviewed on the date specified by the Authorized Representative in the Notice or upon such later date determined by the Authorized Representative if the sale is postponed based on market or other conditions. The Authorized Representative is authorized, on behalf of the District, to accept or reject the bids for the Bonds as required pursuant to ORS 287.022. The Authorized Representative may postpone the sale of Bonds to a later date or cancel the sale based upon market conditions. All bids may be submitted on the bid form furnished by the District and included in the Preliminary Official Statement.

15. Defeasance. The District may defease the Bonds by setting aside, with a duly appointed escrow agent, in a special escrow account irrevocably pledged to the payment of the Bonds to be defeased, cash or direct obligations of the United States in an amount which, in the opinion of an independent certified public accountant, is sufficient without reinvestment to pay all principal and interest on the defeased Bonds until their maturity date or any earlier redemption date. Bonds which have been defeased pursuant to this Section shall be deemed paid and no longer outstanding, and shall cease to be entitled to any lien, benefit or security under this Resolution except the right to receive payment from such special escrow account.

16. Establishment of Funds and Accounts. The following funds and accounts shall be created into which the proceeds of the Bonds shall be deposited, which funds and accounts shall be continually maintained, except as otherwise provided, so long as the Bonds remain unpaid.

- a. Debt Service Account. The District shall maintain the Debt Service Account in the District's Debt Service Fund for the payment of principal, premium, if any, and interest on the Bonds as they become due. All accrued interest, if any, and all taxes levied and other moneys available for the payment of the Bonds shall be deposited to the Debt Service Account.
- b. Capital Construction Fund. The District shall maintain the Capital Construction Fund for the purpose of accounting for and paying all costs of the Project and the costs related to the preparation, authorization, issuance and sale of the Bonds. Any interest earnings on moneys invested from the Capital Construction Fund shall be retained in the Capital Construction Fund. The District's share of any liquidated damages or other moneys paid by defaulting contractors or their sureties will be deposited into the Capital Construction Fund to assure the completion of the Project.

Upon completion of the Project and upon payment in full of all costs related thereto, any balance remaining in the Capital Construction Fund shall be deposited to the Debt Service Account for payment of debt service.

17. Resolution to Constitute Contract. In consideration of the purchase and acceptance of any or all of the Bonds by those who shall own the same from time to time (the "Bond owners"), the provisions of this Resolution shall be part of the contract of the District with the Bond owners and shall be deemed to be and shall constitute a contract between the District and the Bond owners. The covenants, pledges, representations and warranties contained in this Resolution or in the closing documents executed in connection with the Bonds, including without limitation the District's covenants and pledges contained in Section 3 hereof, and the other covenants and agreements herein set forth to be performed by or on behalf of the District shall be contracts for the equal benefit, protection and security of the Bond owners, all of which shall be of equal rank without preference, priority or distinction of any of such Bonds over any other thereof, except as expressly provided in or pursuant to this Resolution.

ADOPTED by the Board of Directors this 26th day of April, 2001.

PORTLAND COMMUNITY COLLEGE  
DISTRICT,  
MULTNOMAH, WASHINGTON, YAMHILL,  
CLACKAMAS AND COLUMBIA COUNTIES,  
OREGON

By: \_\_\_\_\_

Karen McKinney, Chair

ATTEST:

By: \_\_\_\_\_

Daniel F. Moriarty, President

## EXHIBIT A

### FORM OF OFFICIAL NOTICE OF BOND SALE

\$144,000,000

PORTLAND COMMUNITY COLLEGE DISTRICT

MULTNOMAH, WASHINGTON, YAMHILL, CLACKAMAS AND COLUMBIA  
COUNTIES, OREGON

GENERAL OBLIGATION BONDS

SERIES 2001

NOTICE IS HEREBY GIVEN that sealed bids or faxed bids will be received on behalf of the Portland Community College District, Multnomah, Washington, Yamhill, Clackamas and Columbia Counties, Oregon (the "District") for the purchase of the above-captioned Series 2001 Bonds (the "Bonds") until 10:00 a.m. (Prevailing Pacific Time) on Thursday, May 17, 2001. Sealed and faxed bids will be received at the offices of Ater Wynne LLP, 222 S.W. Columbia Street, Suite 1800, Portland, Oregon 97201; electronic bids will be received via PARITY in the manner described below.

The bids shall be considered and acted upon by the Authorized Representative of the District after the review of the bids as required pursuant to ORS 287.022.

The District reserves the right to revise terms and conditions, postpone the Bond sale to a later date or cancel the sale based upon market or other conditions. Notice of such revisions, change or cancellation, and any rescheduled sale date, will be given at least 24 hours in advance by Thomson Municipal Market Monitor (TM3). Any rescheduled sale date may be postponed or rescheduled in the same manner.

**ISSUE:** The Bonds shall be issued in the aggregate principal amount of One Hundred Forty Four Million Dollars (\$144,000,000), shall be in registered form, in principal denominations of \$5,000 or integral multiples thereof as specified by the successful bidder, and all shall be dated \_\_\_\_\_ 1, 2001. Interest is payable on the first days of \_\_\_\_\_ and \_\_\_\_\_ of each year until maturity or prior call and redemption, commencing \_\_\_\_\_ 1, 2001.

**MATURITIES:** The Bonds shall mature serially or come due through mandatory sinking fund payments on \_\_\_\_\_ 1 of the following years in the following principal amounts:



(\_\_\_\_\_ 1) Principal  
 Year Amount  
 2002  
 2003  
 2004  
 2005  
 2006  
 2007

(\_\_\_\_\_ 1) Principal  
 Year Amount  
 2008  
 2009  
 2010  
 2011  
 2012  
 2013

**BASIS OF AWARD AND BIDDING CONSTRAINTS:** Unless all bids are rejected, or in the event two or more tie bids are received and the Bonds are awarded to the tying bidder selected by lot, the Bonds will be awarded to the bidder whose bid proposal will result in the lowest true interest cost to the District. True interest cost will be determined by doubling the semiannual interest rate, compounded semiannually, necessary to discount the debt service payments to \_\_\_\_\_ 1, 2001, the dated date of the Bonds, and to the price bid for the Bonds, excluding accrued interest to the date of delivery. Bidders are requested to state the total interest cost and the true interest cost to the District under the terms of the bid, which will be considered informative only. The purchaser must pay accrued interest, computed on a 360-day basis, from the date of the Bonds to the date of delivery.

The maximum effective rate of interest shall not exceed a true interest cost of [seven percent (7.00%)] per annum for the Bonds. Bidders must specify the rate or rates of interest which the Bonds shall bear. Bidders shall comply with the following bidding constraints for the Bonds: (1) each interest rate specified must be a multiple of one one-thousandth of one percent (0.001%); (2) all Bonds maturing on the same date must bear the same rate of interest; (3) no Bond shall bear more than one rate of interest; and (4) each Bond shall bear interest from its date to its stated maturity date at the interest rate specified in the bid. Bids may be submitted via PARITY or on the Official Bid Form provided in the Preliminary Official Statement

**DISCOUNT:** The price bid must not be less than [ninety-nine percent (99%)] of par value of the Bonds, including any original issue discount.

**OPTIONAL DESIGNATIONS OF TERM BONDS AND MANDATORY SINKING FUND REDEMPTION:** Bidders have the option of specifying in their bid proposal that all of the principal amount of the Bonds scheduled in any two or more consecutive years, in lieu of maturing in each such year, may be combined to comprise one or more maturities of the Bonds (the "Term Bonds") scheduled to mature in the latest year of each such combination. The Term Bonds so specified by the bidder shall be subject to mandatory sinking fund redemption at

par in the principal amounts in each year during the combined period of such Term Bonds, which would otherwise have been scheduled to mature in such years.

**REGISTRATION AND BOOK-ENTRY SYSTEM:** The Bonds will be issued in registered form. No Bond may be exchanged for bearer bonds.

The Bonds will be issued in book-entry form only and all bidders for the Bonds must be Participants of The Depository Trust Company, New York, New York, ("DTC") or affiliated with Participants of DTC ("DTC Participants"). The District will provide at its expense certificates for deposit with DTC (one certificate per maturity). DTC will be responsible for maintaining a book-entry system for recording the interests of DTC Participants for the transfer of the interests among DTC Participants. DTC Participants will be responsible for maintaining records regarding the beneficial ownership interests of the Bonds on behalf of the individual purchasers ("Beneficial Owners"). Individual purchases may be made in the principal amount of \$5,000, or any multiple thereof through book entries made on the books and records of DTC and DTC Participants.

**OPTIONAL REDEMPTION:** The Bonds maturing \_\_\_\_\_ 1 in years 2002 through 20\_\_\_\_, inclusive, are not subject to redemption prior to maturity. The Bonds maturing on or after \_\_\_\_\_ 1, 20\_\_\_\_ are subject to redemption at the option of the District on any date on or after \_\_\_\_\_ 1, 20\_\_\_\_, with maturities to be selected by the District and by lot within a maturity, at a price of par plus accrued interest to the date of redemption.

**PAYMENT:** Unless the book-entry system is discontinued, Bond principal and interest payments will be made by the District through the Registrar for the Bonds, which is currently \_\_\_\_\_, by wire transfer or in clearinghouse funds to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to DTC Participants will be the responsibility of DTC; transfer of principal and interest payments to Beneficial Owners by DTC Participants will be the responsibility of such DTC Participants.

**AUTHORIZATION AND PURPOSE:** The Bonds were authorized by the voters of the District voting at the election held November 7, 2000, and will be issued pursuant to Resolution No. \_\_\_\_\_ adopted by the Board of Directors of the District on April 26, 2001. The Bonds will be issued for the purpose of providing funds to finance the costs of capital construction and capital improvements within the District and to pay bond issuance costs related thereto.

**SECURITY:** The Bonds are general obligations of the District. The full faith and credit of the District are pledged to the successive owners of each of the Bonds for the punctual payment of such obligations, when due. The District

covenants with the Bond owners to levy annually a direct ad valorem tax upon all of the taxable property within the District in an amount without limitation as to rate or amount, and outside of the limitations of sections 11 and 11b, Article XI of the Oregon Constitution, after taking into consideration discounts taken and delinquencies that may occur in the payment of such taxes, to pay interest accruing and the principal maturing on the Bonds promptly when and as they become due.

**LEGAL OPINION:** The approving opinion of Ater Wynne LLP, of Portland, Oregon ("Bond Counsel") will be provided at no cost to the purchaser, and will be printed on the Bonds at the expense of the District.

**TAX EXEMPT STATUS:** In the opinion of Bond Counsel, assuming compliance by the District with the covenants relating to the tax-exempt status of the Bonds, interest on the Bonds is excluded from gross income for federal income tax purposes under existing laws (except for certain taxes on corporations). The Bonds are not "private activity bonds" under Section 141 of the Internal Revenue Code of 1986, as amended (the "Code").

In the opinion of Bond Counsel, interest on the Bonds is exempt from personal income taxation by the State of Oregon under present state law.

Bond Counsel expresses no opinion regarding other federal or state tax consequences arising with regard to the Bonds.

**"QUALIFIED TAX-EXEMPT OBLIGATIONS":** The Bonds are not "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

**INITIAL REOFFERING PRICES AND YIELDS:** The successful bidder for the Bonds shall telecopy its initial reoffering prices and yields to the District (503-533-2901), the Financial Advisor 503-249-3563 and Bond Counsel (503-226-0079) within 24 hours after the bids are opened, and provide a certificate regarding such prices and yields satisfactory in form to the District and Bond Counsel at the time of closing.

**INSURANCE:** Proposals for the Bonds shall not be conditioned upon obtaining insurance or any other credit enhancement. If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of a bidder, any purchase of such insurance or commitment therefor shall be at the sole option and expense of the bidder and any increased costs of issuance of the Bonds (including ratings required by the issuer) resulting by reason of such insurance, unless otherwise paid, shall be paid by such bidder. Any failure of the Bonds to be so insured or of any such policy to be issued shall not in any manner relieve the successful bidder of its contractual obligations arising from the acceptance of its proposal for the purchase of the Bonds.



**FORM OF BID:** Sealed Bids. Unless transmitted by fax or electronically as described in the subsequent paragraphs, each bid for the Bonds, together with a good faith deposit as described below, must be submitted in a sealed envelope addressed to the District and designated "Proposal for Portland Community College District, Multnomah, Washington, Yamhill, Clackamas and Columbia Counties, Oregon General Obligation Bonds, Series 2001.

Faxed Bids. At the option of the bidder, the written, signed bids may be faxed to the District's Bond Counsel, Ann L. Sherman, Esq., Ater Wynne LLP, telecopy number 503-226-0079, office number 503-226-1191. Any bid transmitted by telecopy must be received in its entirety by 10:00 a.m., Prevailing Pacific Time, on May 17, 2001. A bidder electing to fax its bid bears all risk and responsibility of disqualification if the District receives the bid after the stated deadline as well as for any malfunction or distortion in facsimile transmittal.

Electronic Bids. At the option of the bidder, bids may be submitted electronically via PARITY in accordance with its Rules of Participation and this Notice until 10:00 a.m., Prevailing Pacific Time, May 17, 2001. To the extent any instructions or directions set forth in PARITY conflict with this Notice, the terms of this Notice shall control. In the event of a malfunction in the electronic bidding process, bidders may submit their bids by sealed or faxed bids as described above. For further information about PARITY, potential bidders may contact the District's financial advisor, Ms. Kieu-Oanh Nguyen, Western Financial Group, LLC, 2305 N.E. 51st Avenue, Portland, Oregon 97213, telephone number 503-249-1412 or PARITY at Dalcomp, Bond Research, 395 Hudson Street, New York, New York 10014, telephone number 212-806-8304. PARITY Bidders must conform to the Notice of Bond Sale and bidders take all risk of a nonconforming bid should there be any errors in the PARITY worksheets or forms.

**GOOD FAITH DEPOSIT:** Each bid must be accompanied by a good faith deposit in the amount of FIVE HUNDRED THOUSAND DOLLARS (\$500,000). The good faith deposit shall be in the form of a financial surety bond or a certified or cashier's check drawn on a bank doing business in the State of Oregon payable to the order of the District. The good faith deposit will be held by the District to secure the District from any loss resulting from the failure of the bidder to comply with the terms of its bid. The good faith deposit will be forfeited to the District as liquidated damages in the event the bidder to whom the Bonds are awarded withdraws its bid or fails to complete its purchase in accordance with the terms thereof. No interest will accrue to the bidder on the good faith deposit.

If the good faith deposit is in the form of a check, the check of the successful bidder will be cashed immediately and payment for the balance of the purchase price of the Bonds shall be made at the closing. Checks of



unsuccessful bidders will be returned by the District promptly after award of the successful bid. Each bidder is requested to include its name on its check to ensure accurate identification.

If the good faith deposit is in the form of a financial surety bond, such financial surety bond must be from an insurance company licensed to issue such bond in the State of Oregon, and such bond must be submitted to the Financial Advisor prior to the opening of the bids and must identify the bidder. If the successful bidder submitted a financial surety bond, then not later than 3:30 p.m. (Pacific Time) on the next business day following the award, the successful bidder must submit its good faith deposit to the District in the form of a cashier's check or by electronic wire transfer to the District's bank (the bank name and account number will be provided to the successful bidder by the District) in immediately available funds in the amount of \$500,000, and payment for the balance of the purchase price of the Bonds shall be made at the closing. If the District has not received such \$500,000 by that time, the District may draw upon the financial surety bond to satisfy the good faith deposit requirement.

**RIGHT OF REJECTION:** The District reserves the right to reject any or all bids and to waive insubstantial irregularities.

**CLOSING AND DELIVERY:** Closing will occur in Portland, Oregon. Delivery of the Bonds will be made without cost to the successful bidder or bidders to DTC in New York, New York, on or about [May 29], 2001. Payment for the Bonds must be made in funds immediately available to the District.

**OFFICIAL STATEMENT:** The District has prepared an official statement relating to the Bonds, a copy of which will be furnished upon request to Ms. Kieu-Oanh Nguyen, Western Financial Group, LLC, 2305 N.E. 51st Avenue, Portland, Oregon 97213, telephone number 503-249-1412 ("Financial Advisor"); or Wing-Kit D. Chung, Associate Vice President of Finance, Financial Services, Portland Community College District, Multnomah, Washington, Yamhill, Clackamas and Columbia Counties, Oregon, 18624 N. W. Walker Road, Beaverton, Oregon 97006, Telephone (503) 533-2911.

**CONTINUING DISCLOSURE:** The District will execute a Continuing Disclosure Certificate, constituting an undertaking to provide ongoing disclosure for the benefit of the Bondowners on or before the date of delivery of the Bonds as required by Securities and Exchange Commission Rule 15c2-12 (the "Rule"), in substantially the form shown in Appendix \_\_\_\_ to the preliminary official statement.

**COMPLIANCE WITH SEC RULES:** The District agrees to provide the successful bidder with a sufficient number of copies of the final official statement for the Bonds as necessary for the bidder to comply with applicable rules of the Securities and Exchange Commission at the expense of the District, and such additional copies as the successful bidder may request in its bid form at the expense of the bidder, not later than the seventh business day following the date on which bids are due. Bidders should expect that the final official statements will not be available prior to the seventh business day following the date on which bids are due, and should not issue confirmations which request payment prior to that date. The successful bidder must provide the reoffering yields or prices for printing on the cover of the final official statement to the Financial Advisor within 24 hours after the bids are opened. Time is of the essence in the successful bidder's performance of this obligation. This provision will constitute a contract with the successful bidder upon acceptance of its bid by the District, in compliance with Section 240.15c2-12(b)(3) in Chapter II of Title 17 of the Code of Federal Regulations.

**CUSIP:** The deposit of the Bonds with The Depository Trust Company under a book-entry system requires the assignment of CUSIP identification numbers prior to delivery. The District shall cause CUSIP identification numbers to be printed on the Bonds at the expense of the District, but neither the failure to print such number on any Bond, nor any error with respect thereto, will constitute cause for a failure or refusal by the successful bidder to acknowledge delivery of and pay for the Bonds.

**NO LITIGATION:** At the time of payment for the delivery of said Bonds, the District will furnish the successful bidder a certificate that there is no litigation pending affecting the validity of the Bonds.

**FURTHER INFORMATION:** Additional information regarding this sale may be obtained from Ms. Kieu-Oanh Nguyen, Western Financial Group, LLC, 2305 N.E. 51st Avenue, Portland, Oregon 97213, telephone number 503-249-1412, Financial Advisor, or Wing-Kit D. Chung, Associate Vice President of Finance, Financial Services, Portland Community College District, Multnomah, Washington, Yamhill, Clackamas and Columbia Counties, Oregon, 18624 N. W. Walker Road, Beaverton, Oregon 97006, Telephone (503) 533-2911.

PORTLAND COMMUNITY COLLEGE  
DISTRICT,  
MULTNOMAH, WASHINGTON, YAMHILL,  
CLACKAMAS AND COLUMBIA COUNTIES,  
OREGON, WING-KIT D. CHUNG,  
ASSOCIATE VICE PRESIDENT OF FINANCE

## SUMMARY OF NOTICE OF BOND SALE

**\$144,000,000**

**PORTLAND COMMUNITY COLLEGE DISTRICT  
MULTNOMAH, WASHINGTON, YAMHILL, CLACKAMAS AND COLUMBIA  
COUNTIES, OREGON  
GENERAL OBLIGATION BONDS  
SERIES 2001**

NOTICE IS HEREBY GIVEN that sealed bids and faxed bids will be received on behalf of Portland Community College District, Multnomah, Washington, Yamhill, Clackamas and Columbia Counties, Oregon (the "District") for the purchase of the captioned bonds (the "Bonds") until 10:00 a.m. (Prevailing Pacific Time) on, Thursday, May 17, 2001, at the offices of Ater Wynne LLP, 222 S.W. Columbia Street, Suite 1800, Portland, Oregon 97201, at which time they will be publicly reviewed and announced. The bids shall be considered and acted upon by the District after the reviewing of the bids as required pursuant to ORS 287.022.

**FORM OF BID:** Sealed Bids. Unless transmitted by fax or electronically as described in the subsequent paragraphs, each bid for the Bonds, together with a good faith deposit as described below, must be submitted in a sealed envelope addressed to the District and designated "Proposal for Portland Community College District, Multnomah, Washington, Yamhill, Clackamas and Columbia Counties, Oregon General Obligation Bonds, Series 2001."

Faxed Bids. At the option of the bidder, the written, signed bids may be faxed to the District's Bond Counsel, Ann L. Sherman, Esq., Ater Wynne LLP, telecopy number 503-226-0079, office number 503-226-1191. Any bid transmitted by telecopy must be received in its entirety by 10:00 a.m., Prevailing Pacific Time, on May 17, 2001. A bidder electing to fax its bid bears all risk and responsibility of disqualification if the District receives the bid after the stated deadline as well as for any malfunction or distortion in facsimile transmittal.

Electronic Bids. At the option of the bidder, bids may be submitted electronically via PARITY in accordance with its Rules of Participation and this Notice until 10:00 a.m., Prevailing Pacific Time, May 17, 2001. To the extent any instructions or directions set forth in PARITY conflict with this Notice, the terms of this Notice shall control. In the event of a malfunction in the electronic bidding process, bidders may submit their bids by sealed or faxed bids as described above. For further information about PARITY, potential bidders may contact the District's financial advisor, Ms. Kieu-Oanh Nguyen, Western Financial Group, LLC, 2305 N.E. 51st Avenue, Portland, Oregon 97213, telephone number 503-249-1412 or PARITY at Dalcomp, Bond Research, 395 Hudson Street, New



York, New York 10014, telephone number 212-806-8304. PARITY Bidders must conform to the Notice of Bond Sale and bidders take all risk of a nonconforming bid should there be any errors in the PARITY worksheets or forms.

The District reserves the right to postpone the Bond sale to a later date or cancel the sale based upon market or other conditions. Notice of such change or cancellation, and any rescheduled sale date, will be given at least 24 hours in advance by Thomson Municipal Market Monitor (TM3). Any rescheduled sale date may be postponed or rescheduled in the same manner.

The Bonds shall be issued as fully registered certificates in book-entry form only. The Bonds shall be dated \_\_\_\_\_ 1, 2001, shall be in the denominations, bear interest payable at such times, mature in the years and in the amounts, and shall bear such other details as set forth in the Official Notice of Bond Sale herein referred to (the "Notice"). The Bonds will be subject to optional redemption. Bidders have the option to designate part or all of the Bonds as term Bonds in the manner set forth in the Notice. The Bonds will be awarded to the bidder complying with the terms of the Notice and offering to purchase the Bonds at the lowest true interest cost, calculated from the dated date of the Bonds.

In the opinion of Ater Wynne LLP, Bond Counsel, assuming compliance by the District with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Bonds is excluded from gross income for federal income taxation purposes. The Bonds are not private activity bonds. The District has not designated the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

Bids may be submitted on the bid form furnished by the District without alteration or qualification, which is the District's preference. Each bid must be unconditional. Each bid shall be submitted in a sealed envelope addressed to the District and designated "Proposal for Portland Community College District, Multnomah, Washington, Yamhill, Clackamas and Columbia Counties, Oregon General Obligation Bonds, Series 2001" or be electronically received by or faxed to the office of Bond Counsel (503-226-0079), attention Ann Sherman, to be received no later than 10:00 a.m. on May 17, 2001. A good faith deposit in the amount of Five Hundred Thousand Dollars (\$500,000) must accompany each bid. The good faith deposit shall be in the form of a certified or cashier's check drawn on a bank doing business in the State of Oregon payable to the order of the District or a financial surety bond. The good faith deposit will be held by the District to secure the District from any loss resulting from the failure of the bidder to comply with the terms of its bid. The good faith deposit will be forfeited to the District as liquidated damages in the event the bidder to whom the Bonds are awarded withdraws its bid or fails to complete its purchase in accordance with the terms thereof. No interest will accrue to the bidder on the good faith deposit.



If the good faith deposit is in the form of a check, the check of the successful bidder will be cashed immediately and payment for the balance of the purchase price of the Bonds shall be made at the closing. The District will return checks of unsuccessful bidders promptly after award of the successful bid. Each bidder is requested to include its name on its check to ensure accurate identification.

If the good faith deposit is in the form of a financial surety bond, such financial surety bond or evidence thereof must be submitted to the Financial Advisor prior to the opening of the bids and must identify the bidder. If the successful bidder submitted a financial surety bond, then not later than 3:30 p.m. (Pacific Time) on the next business day following the sale, the successful bidder must submit its good faith deposit to the District in the form of a cashier's check or by electronic wire transfer to the District's bank (the bank name and account number will be provided to the successful bidder by the District) in immediately available funds in the amount of \$500,000, and payment for the balance of the purchase price of the Bonds shall be made at the closing. If the District has not received such \$500,000 by that time, the District may draw upon the financial surety bond to satisfy the good faith deposit requirement.

A complete copy of the Notice is printed in the Preliminary Official Statement for the Bonds, which is available from Ms. Kieu-Oanh Nguyen, Western Financial Group, LLC, 2305 N.E. 51st Avenue, Portland, Oregon 97213, telephone number 503-249-1412, Financial Advisor, or Wing-Kit D. Chung, Associate Vice President of Finance, Financial Services, Portland Community College District, Multnomah, Washington, Yamhill, Clackamas and Columbia Counties, Oregon, 18624 N. W. Walker Road, Beaverton, Oregon 97006, Telephone (503) 533-2911. Reference should be made to the Notice for complete information relating to the Bonds.

PORTLAND COMMUNITY COLLEGE  
DISTRICT,  
MULTNOMAH, WASHINGTON, YAMHILL,  
CLACKAMAS AND COLUMBIA COUNTIES,  
OREGON, WING-KIT D. CHUNG,  
ASSOCIATE VICE PRESIDENT OF FINANCE

Published: \_\_\_\_\_, 2001.

Director Anderson moved to approve Resolutions 01-069-072, and 01-074-077 by consent agenda. It passed unanimously.