

February 24, 2005

05-061

A RESOLUTION OF PORTLAND COMMUNITY COLLEGE DISTRICT, MULTNOMAH, WASHINGTON, YAMHILL, CLACKAMAS AND COLUMBIA COUNTIES, OREGON AUTHORIZING THE ISSUANCE, NEGOTIATED SALE AND DELIVERY OF GENERAL OBLIGATION REFUNDING BONDS; AUTHORIZING SUBMISSION OF AN ADVANCE REFUNDING PLAN TO THE OREGON STATE TREASURER; DESIGNATING AN AUTHORIZED REPRESENTATIVE, DELEGATING THE APPROVAL AND DISTRIBUTION OF THE PRELIMINARY AND FINAL OFFICIAL STATEMENTS; AUTHORIZING EXECUTION OF A BOND PURCHASE AGREEMENT; AND RELATED MATTERS

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

FINANCIAL RESPONSIBILITY: Wing-Kit Chung, Associate Vice President, Finance

APPROVED BY: Randy McEwen, Vice President, Administrative Services
Dr. Preston Pulliams, District President

REPORT: The District is authorized pursuant to the Constitution and Statutes of the State of Oregon, specifically Oregon Revised Statutes Sections 288.605 through 288.695 (the "Act), to issue advance refunding bonds to refund all or any portion of its outstanding general obligation bonds.

In November 2000, the voters of the District approved the issuance of general obligation bonds and the District subsequently issued \$144,000,000 in aggregate principal amount of bonds in two series, 2001A and 2001B, in May and July, 2001 respectively.

The staff find that current favorable municipal bond market interest rates make it advantageous to the District and its citizens to reduce the property tax burden by advance

refunding all or a portion of the Districts' outstanding Series 2001A and 2001B Bonds. The estimated net present value savings in today's market is around \$4 million for the remaining life of the two series of bonds.

RECOMMENDATION:

That the Board of Directors adopt this resolution as specified in **Exhibit A** to provide the terms under which the general obligation refunding bonds will be sold and issued, and to authorize the issuance of the general obligation refunding bonds.

Director Williams moved to approve Resolutions 05-52 through 05-056 and 05-058 through 05-061 and it passed unanimously. Resolution 05-057 was removed from the agenda.

EXHIBIT A

05-061

A RESOLUTION OF PORTLAND COMMUNITY COLLEGE DISTRICT, MULTNOMAH, WASHINGTON, YAMHILL, CLACKAMAS AND COLUMBIA COUNTIES, OREGON AUTHORIZING THE ISSUANCE, NEGOTIATED SALE AND DELIVERY OF GENERAL OBLIGATION REFUNDING BONDS; AUTHORIZING SUBMISSION OF AN ADVANCE REFUNDING PLAN TO THE OREGON STATE TREASURER; DESIGNATING AN AUTHORIZED REPRESENTATIVE, DELEGATING THE APPROVAL AND DISTRIBUTION OF THE PRELIMINARY AND FINAL OFFICIAL STATEMENTS; AUTHORIZING EXECUTION OF A BOND PURCHASE AGREEMENT; AND RELATED MATTERS

SECTION 1. FINDINGS

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

- a. The District previously issued its General Obligation Bonds, Series 2001A, dated May 15, 2001 (the "2001A Bonds") and its General Obligation Bonds, Series 2001B, dated July 1, 2001 (the "2001B Bonds"), for capital construction and capital improvements, which were authorized by approving vote of the electors of the District; and
- b. The District is authorized pursuant to the Oregon Constitution and Oregon Revised Statutes Sections 288.605 through 288.695 (the "Act") to issue advance refunding bonds for the refunding of all or any portion of its outstanding 2001A Bonds and 2001B Bonds (the "Refundable Bonds"); and
- c. The District has determined that it is in the best interest of the taxpayers of the District to advance refund the Refundable Bonds. The Authorized Representative shall select the portion of such Refundable Bonds to be refunded in accordance with Section 12. Such refunding of the Refundable Bonds will provide significant debt service savings to the District as required by law; and
- d. The District will cause to be prepared an advance refunding plan to submit to the Oregon State Treasurer for review and approval for the Refundable Bonds; and
- e. The District adopts this resolution to provide the terms under which advance refunding general obligation bonds may be issued, subject to changes in the municipal bond market providing the required present value savings to the District and the required approval of the Oregon State Treasurer for the Refundable Bonds.

SECTION 2. PLAN SUBMISSION

The financial advisor is hereby authorized, on behalf of the District, to submit an advance refunding plan and any amendments to such plan to the Oregon State Treasurer for review and approval to the extent required by law.

SECTION 3. REFUNDING BONDS AUTHORIZED

The District hereby authorizes, ratifies and confirms the issuance of General Obligation Refunding Bonds (the "Refunding Bonds") in an aggregate principal amount sufficient to refund the Refundable Bonds and to pay the costs related to the authorization, sale, issuance and delivery of the Refunding Bonds. Issuance of the Refunding Bonds is also subject to the approval of the state treasurer.

The Refunding Bonds shall be subject to a book-entry only system of ownership and transfer as provided for in Section 9 hereof. The remaining terms of the Refunding Bonds shall be established as provided in Section 12 hereof.

SECTION 4. DESIGNATION OF AUTHORIZED REPRESENTATIVES

The Board designates the President, Vice President of Administrative Services, Associate Vice President of Finance (each an "Authorized Representative") or a designee of the Authorized Representative to act on behalf of the District as specified in Section 12 hereof.

SECTION 5. SECURITY

The Refunding 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 Refunding Bonds for the punctual payment of such obligations, when due. The District covenants with the Bondowners 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 and other monies available for the payment of debt service on the Refunding Bonds, to pay interest accruing and the principal maturing on the Refunding Bonds promptly when and as they become due. To the extent other monies are not available to the District to timely pay debt service on the Refunding Bonds when due, the District covenants with the Bondowners to levy such a tax annually during each year that any of the Refunding Bonds, or bonds issued to refund them, are outstanding.

SECTION 6. FORM OF REFUNDING BONDS

The Refunding Bonds may be printed or typewritten, and may be issued as one or more temporary Refunding Bonds which shall be exchangeable for definitive Refunding Bonds when definitive Refunding Bonds are available. As book-entry only bonds, the Refunding Bonds shall be prepared by Bond Counsel; otherwise, the Refunding Bonds shall be printed by a financial printer to be selected by the Authorized Representative.

SECTION 7. EXECUTION OF REFUNDING BONDS

The Refunding Bonds shall be executed on behalf of the District with the manual or facsimile signature of the President of the Board of Directors of the District and attested to by the manual or facsimile signature of the Associate Vice President of Finance. Additionally, the Refunding Bonds shall be authenticated by the manual signature of an authorized officer of the Bond Registrar.

SECTION 8. AUTHENTICATION, REGISTRATION, PAYMENT, EXCHANGE AND TRANSFER

- a. No Refunding 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 Bondowner's name is listed on the Bond register.
- b. All Refunding Bonds shall be in registered form. The Registrar shall authenticate all Refunding Bonds to be delivered at closing of this bond issue, and shall additionally authenticate all Refunding Bonds properly surrendered for exchange or transfer pursuant to this Resolution.
- c. The ownership of all Refunding 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 Refunding Bond for all purposes.
- d. The Registrar shall mail or cause to be delivered the amount due under each Refunding Bond to the registered owner at the address appearing on the bond register on the record date set forth in the official statement for the Refunding Bonds. 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, Refunding Bonds may be exchanged for equal principal component amounts of Refunding Bonds of the same maturity which are in different authorized denominations, and Refunding Bonds may be transferred to other owners if the Bondowners submit the following to the Registrar:
 - i. written instructions for exchange or transfer satisfactory to the Registrar, signed by the Bondowner or his/her attorney in fact and guaranteed or witnessed in a manner satisfactory to the Registrar; and
 - ii. the Refunding Bonds to be exchanged or transferred.
- f. The Registrar shall not be required to exchange or transfer any Refunding Bonds submitted to it during any period beginning with a Record Date and ending on the next following payment date; however, such Refunding Bonds shall be exchanged or transferred promptly following that payment date.
- g. The Registrar shall not be required to exchange or transfer any Refunding Bonds which have been designated for redemption if such Refunding Bonds are submitted to the Registrar during the 15-day period preceding the designated redemption date.
- h. For purposes of this section, Refunding Bonds shall be considered submitted to the Registrar on the date the Registrar actually receives the materials described in subsection (e) of this section.
- i. In the event any Refunding Bond is mutilated, lost, stolen or destroyed, the Registrar may issue a new Refunding Bond of like maturity, interest rate and denomination if the asserted owner of such Refunding 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 Refunding 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 Refunding Bond.

- j. The District may alter these provisions regarding registration, exchange and transfer by mailing notification of the altered provisions to all Bondowners 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.

SECTION 9. BOOK-ENTRY SYSTEM

During any time that the Refunding Bonds are held in a book-entry only system (the "Book-Entry System"), the registered owner of all of the Refunding Bonds shall be The Depository Trust Company, New York, New York ("DTC"), and the Refunding 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 Refunding Bonds shall be initially issued in the form of a single fully registered certificate, one for each maturity of the Refunding Bonds. Upon initial issuance, the ownership of such Refunding 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 Refunding 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 Refunding Bonds, selecting the Refunding Bonds or portions thereof to be redeemed, if any, giving notice as required under this Resolution, registering the transfer of Refunding 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 Refunding 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 Refunding 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 Refunding 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 Refunding 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 Refunding Bonds to the extent of the sum or sums so paid. So long as the Refunding Bonds are held in the Book-Entry System, no person other than DTC shall receive an authenticated Refunding 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 Refunding 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 Refunding 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 Refunding 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 Refunding 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 Refunding Bonds to any DTC Participant having Refunding Bonds credited to its DTC account, or (b) to arrange for another securities depository to maintain custody of certificates evidencing the Refunding Bonds.

SECTION 10. REDEMPTION

Optional and Mandatory Redemption. The Refunding Bonds may be subject to optional redemption or mandatory redemption prior to maturity as provided in Section 12 herein.

SECTION 11. TAX-EXEMPT STATUS

The District covenants to use the proceeds of the Refunding Bonds, and the facilities refinanced with the Refunding 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 Refunding Bonds will not be includable in gross income of the Bondowners 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 Refunding Bonds; and
- b. to operate the facilities refinanced with the proceeds of the Refunding Bonds so that the Refunding 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 Refunding Bonds.

SECTION 12. DELEGATION FOR ESTABLISHMENT OF TERMS AND SALE OF THE REFUNDING BONDS

The Authorized Representative is hereby authorized, on behalf of the District for a period of six months from the adoption of this resolution and without further action of the Board of Directors, to:

- a. establish the principal and interest payment dates, principal amounts, interest rates, denominations and all other terms for the Refunding Bonds;
- b. appoint an underwriter for the refunding bonds and to negotiate the terms under which the Refunding Bonds shall be sold; enter into a bond purchase agreement for the sale of the Refunding Bonds which incorporates those terms; and execute and deliver such bond purchase agreement;
- c. appoint a bond counsel to provide legal services and the tax opinion for the Refunding Bonds;
- d. appoint a financial advisor to evaluate the desirability of issuing the Refunding Bonds;
- e. select the maturities of the Refundable Bonds to be refunded and cause notice of call and redemption to be given as required by law;
- f. appoint an escrow agent for the Refundable Bonds and enter into an escrow deposit agreement, if necessary;
- g. subscribe for and obtain eligible securities to be deposited in an escrow fund for the Refundable Bonds; to the extent that any such action has been taken prior to the date of this Resolution, such action is hereby ratified;
- h. appoint a registrar and paying agent for the Refunding Bonds;
- i. appoint a certified public accounting firm to act as verification agent to produce a report demonstrating the ability of the escrow account to meet all future debt service and related costs relative to the Refundable Bonds;
- j. take such actions as are necessary to qualify the Refunding Bonds for the book-entry only system of The Depository Trust Company if required;
- k. apply to participate in the Oregon State Guaranty Program, if available and deemed appropriate, and expend Refunding Bond proceeds to pay any guaranty premium;
- l. enter into covenants regarding the use of the proceeds of the Refunding Bonds and the projects refinanced with the proceeds of the Refunding Bonds, to maintain the tax-exempt status of the Refunding Bonds;
- m. approve of and authorize the distribution of the preliminary and final official statements for the Refunding Bonds;

- n. obtain one or more ratings on the Refunding Bonds if determined by the Authorized Representative to be in the best interest of the District, and expend Refunding Bond proceeds to pay the costs of obtaining such rating;
- o. obtain municipal bond insurance on the Refunding 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 Refunding Bond proceeds to pay any bond insurance premium;
- p. approve, execute and deliver a Continuing Disclosure Certificate pursuant to SEC Rule 15c2-12, as amended (17 CFR Part 240, § 240.15c2-12);
- q. approve, execute and deliver the Refunding Bond closing documents and certificates; and
- r. execute and deliver a certificate specifying the action taken by the Authorized Representative pursuant to this Section 12 and any other certificates, documents or agreements that the Authorized Representative determines are desirable to issue, sell and deliver the Refunding Bonds in accordance with this Resolution.

SECTION 13. DEFEASANCE

The District may defease the Refunding Bonds by setting aside, with a duly appointed escrow agent, in a special escrow account irrevocably pledged to the payment of the Refunding 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 Refunding Bonds until their maturity date or any earlier redemption date. Refunding 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.

SECTION 14. REDEMPTION OF REFUNDABLE BONDS

Issuance of the Refunding Bonds is contingent upon the District's receiving actual cumulative debt service savings of not less than the amount required by Oregon law. Contingent solely on the issuance of the Refunding Bonds and the deposit of the net proceeds with the Escrow Agent, the District hereby irrevocably calls for redemption the Refundable Bonds which are to be refunded with the proceeds of the Refunding Bonds on the earliest date they are subject to redemption.

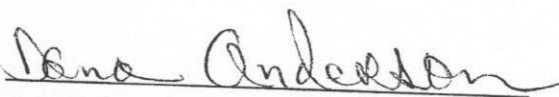
SECTION 15. RESOLUTION TO CONSTITUTE CONTRACT

In consideration of the purchase and acceptance of any or all of the Refunding Bonds by those who shall own the Refunding Bonds from time to time (the "Owners"), the provisions of this Resolution shall be part of the contract of the District with the Owners and shall be deemed to be and shall constitute a contract between the District and the Owners. The covenants, pledges, representations and warranties contained in this Resolution or in the closing documents executed in connection with the Refunding Bonds, including without limitation the District's covenants and pledges contained in Section 5 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 Owners, all of which shall be of equal rank without preference, priority or distinction of any of such Refunding Bonds over any other thereof, except as expressly provided in or pursuant to this Resolution.

ADOPTED by the Board of Directors of the Portland Community College District, in Multnomah, Washington, Yamhill, Clackamas and Columbia Counties, Oregon this 24th day of February, 2005.

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

By: 
Chair Anderson

ATTEST:

By: 
District President Pulliams