

October 20, 2016

17-037

PORTLAND COMMUNITY COLLEGE, MULTNOMAH, CLACKAMAS, COLUMBIA, YAMHILL AND WASHINGTON COUNTIES, OREGON AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF GENERAL OBLIGATION REFUNDING BONDS; DESIGNATING AN AUTHORIZED REPRESENTATIVE, DELEGATING THE APPROVAL AND DISTRIBUTION OF THE PRELIMINARY AND FINAL OFFICIAL STATEMENTS; AUTHORIZING EXECUTION OF BONDS AND RELATED MATTERS.

PREPARED BY: Jim Langstraat, Vice President, Finance and Administration

FINANCIAL RESPONSIBILITY: Jim Langstraat, Vice President, Finance and Administration

APPROVED BY: Mark Mitsui, College President

REPORT: The District is authorized pursuant to the Constitution and Statutes of the State of Oregon, specifically Oregon Revised Statutes Sections 287A (the "Act"), to issue advance refunding bonds to refund all or any portion of its outstanding general obligation bonds.

On April 1, 2009, the District issued its General Obligation Bonds, Series 2009 (the "Series 2009 Bonds") to finance capital costs of the District.

On March 28, 2013, the District issued its General Obligation Bonds, Series 2013 (the "2013 Bonds") to refund all or a portion of the District's General Obligation Refunding Bonds, Series 2002A and to finance capital costs of the District.

Staff now finds that current favorable municipal bond market interest rates make it advantageous to the District and its citizens through continued reduction of the property tax burden to call and refund all or a part of the District's outstanding Series 2009 Bonds and Series 2013 Bonds. Staff seeks the delegated authority from the Board to the District President, Vice President, Finance and Administration and designees to move forward with this refunding.

The District adopts this resolution to provide the terms under which the general obligation refunding bonds will be sold and issued; to authorize the issuance of the general

obligation refunding bonds; and to classify the ad valorem taxes levied to pay debt service on the general obligation refunding bonds as not being subject to the limits of Sections 11 and 11b, Article XI of the Oregon Constitution.

The District also adopts this resolution to authorize the advance refunding of all or a portion of its outstanding Series 2009 Bonds and Series 2013 Bonds, to reduce the interest rate and the interest costs on such bonds.

RECOMMENDATION: That the Board of Directors adopts Resolution 17-037 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 to refund all or a portion of the outstanding Series 2009 Bonds and Series 2013 Bonds.

THE BOARD OF DIRECTORS OF PORTLAND COMMUNITY COLLEGE,
MULTNOMAH, CLACKAMAS, COLUMBIA, YAMHILL AND WASHINGTON
COUNTIES, OREGON HEREBY RESOLVES:

SECTION 1. FINDINGS

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

- a. The District previously issued its General Obligation Bonds, Series 2009, dated April 1, 2009 (the "Series 2009 Bonds") for capital construction and capital improvements; and
- b. The District previously issued its General Obligation Bonds, Series 2013, dated March 28, 2013 (the "Series 2013 Bonds") to refund all or a portion of the District's General Obligation Refunding Bonds, Series 2002A and for capital construction and capital improvements; and
- c. The District is authorized pursuant to the Oregon Constitution and Oregon Revised Statutes Chapter 287A.360 to issue advance refunding bonds for the refunding of all or a portion of its outstanding Series 2009 Bonds and Series 2013 Bonds (collectively, the "Refundable Bonds"); and
- d. The District has determined that it is in the best interest of the taxpayers of the District to refund all or a portion of the Refundable Bonds. The Authorized Representative shall select the portion of such Refundable Bonds to be refunded in accordance with Section 12 hereof.

SECTION 2. 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 all or a portion of the Refundable Bonds and to pay the costs related to the authorization, sale, issuance and delivery of the Refunding Bonds.

The Refunding 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 Refunding Bonds shall be established as provided in Section 12 hereof.

Piper Jaffray & Co. 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 and the District hereby ratifies and confirms all actions taken prior to and after adoption of this resolution in connection with such submission.

SECTION 3. DESIGNATION OF AUTHORIZED REPRESENTATIVES

The Board designates the President, Vice President, Finance and Administration (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 4. 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 any other funds available, to pay interest accruing and the principal maturing on the Refunding Bonds promptly when and as they become due.

SECTION 5. FORM OF REFUNDING BONDS

The Refunding Bonds shall be issued in substantially the form as approved by the Authorized Representative. 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 6. EXECUTION OF REFUNDING BONDS

The Refunding Bonds shall be executed on behalf of the District with the manual or facsimile signature of the Chair of the Board of Directors of the District and attested to by the manual or facsimile signature of the Authorized Representative but at least one such signature shall be in manual form. However, all signatures may be in facsimile form if the Refunding Bonds are authenticated by the manual signature of an authorized officer of the paying agent/registrar (the "Registrar").

SECTION 7. 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 fifteen (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.

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 forty-five (45) days after notice is mailed.

SECTION 8. 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.

SECTION 9. REDEMPTION

The Refunding Bonds may be subject to optional redemption or mandatory redemption prior to maturity as determined by the Authorized Representative as provided in Section 12 hereof.

SECTION 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 twenty (20) days and not more than sixty (60) days prior to the date fixed for redemption to the registered owner of the Refunding Bond or Refunding 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 Refunding Bonds are to be redeemed, the identification of the Refunding Bonds to be redeemed; (4) that on the redemption date the redemption price will become due and payable upon each such Refunding 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 Refunding 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 Refunding 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 Refunding Bonds or portions of Refunding Bonds which are to be redeemed on that date.

Except for calls described in "Conditional Notice" below, official notice of redemption having been given as aforesaid, the Refunding Bonds or portions of Refunding 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 Refunding Bonds or portions of Refunding Bonds shall cease to bear interest. Upon surrender of such Refunding Bonds for redemption in accordance with said notice, such Refunding 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 Refunding Bonds which have been redeemed shall be canceled and destroyed by the Registrar and shall not be reissued.

Conditional Notice. Any notice of optional redemption to the Registrar or to the Bondowners may state that the optional redemption is conditional upon receipt by the Registrar of moneys sufficient to pay the redemption price of such Refunding Bonds or upon the satisfaction of any other condition, and/or that such notice may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before payment of such redemption price if any such condition so specified is not satisfied or if any such other event occurs. Notice of such rescission or of the failure of any such condition shall be given by the Registrar to affected Bondowners of Refunding Bonds as promptly as practicable upon the failure of such condition or the occurrence of such other event.

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 financed 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 (6) months from the adoption of this resolution and without further action of the Board, to:

- a. establish the principal and interest payment dates, principal amounts, interest rates, denominations, and all other terms for the Refunding Bonds, including determining whether the Refunding Bonds will be issued in one or more series;
- b. enter into a bond purchase agreement for the sale of the Refunding Bonds;
- c. appoint a municipal advisor, underwriter and bond counsel;
- d. appoint a registrar and paying agent for 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;
- g. 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;
- h. subscribe for and obtain eligible securities to be deposited in an escrow fund for the Refundable Bonds;
- i. take such actions as are necessary to qualify the Refunding Bonds for the book-entry only system of The Depository Trust Company if required;

- j. 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;
- k. approve of and authorize the distribution of the preliminary and final official statements for the Refunding Bonds;
- l. 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 ratings;
- m. apply to participate in the Oregon State Guaranty Program, if available and deemed appropriate, and expend Refunding Bond proceeds to pay any guaranty premium;
- n. approve, execute and deliver a Continuing Disclosure Certificate pursuant to SEC Rule 15c2-12, as amended (17 CFR Part 240, § 240.15c2-12);
- o. make any clarifying changes or additional covenants not inconsistent with this Resolution;
- p. approve, execute and deliver the Refunding Bond closing documents and certificates; and
- q. 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. DEFAULT AND REMEDIES.

The occurrence of one or more of the following shall constitute an Event of Default under this Resolution and the Refunding Bonds:

- a. Failure by the District to pay Refunding Bond principal, interest or premium when due (whether at maturity, or upon redemption after a Refunding Bond has been properly called for redemption);
- b. Failure by the District to observe and perform any covenant, condition or agreement on its part to be observed or performed for the benefit of Owners of Refunding Bonds, for a period of sixty (60) days after written notice to the District by the Owners of fifty-one (51%) percent or more of the principal amount of Refunding Bonds then Outstanding specifying such failure and requesting that it be remedied; provided however, that if the failure stated in the notice cannot be corrected within such sixty (60) day period, it shall not constitute an Event of Default so long as corrective action is instituted by the District within the sixty (60) day period and diligently pursued, and the default is corrected as promptly as practicable after the written notice referred to in this paragraph; or,
- c. The District is adjudged insolvent by a court of competent jurisdiction, admits in writing its inability to pay its debts generally as they become due, files a petition in bankruptcy, or consents to the appointment of a receiver for the payments.

The Owners of fifty-one (51%) percent or more of the principal amount of Refunding Bonds then Outstanding may waive any Event of Default and its consequences, except an Event of Default as described in (a) of this Section.

Upon the occurrence and continuance of any Event of Default hereunder the Owners of fifty-one (51%) percent or more of the principal amount of Refunding Bonds then Outstanding may take whatever action may appear necessary or desirable to enforce or to protect any of the rights of the Owners of Refunding Bonds, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Resolution or the Refunding Bonds or in aid of the exercise of any power granted in this Resolution or in the Refunding Bonds or for the enforcement of any other legal or equitable right vested in the Owners of Refunding Bonds by the Resolution or the Refunding Bonds or by law. However, the Refunding Bonds shall not be subject to acceleration.

No remedy in this Resolution conferred upon or reserved to Owners of Refunding Bonds is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Resolution or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. To entitle the Owners of Refunding Bonds to exercise any remedy reserved to them, it shall not be necessary to give any notice other than such notice as may be required by this Resolution or by law.

SECTION 14. 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 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 4 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, Multnomah, Clackamas, Columbia, Yamhill and Washington Counties, Oregon this 20th day of October, 2016.

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

By: _____

Gene Pitts, Chair
Board of Directors

ATTEST:

By: _____

Mark Mitsui, College President