

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 is authorized by ORS 238.692 to 238.698 to issue revenue bonds pursuant to ORS Chapter 287A to finance its pension liability as defined in ORS 238.692(1); and

b. ORS 287A.315 permits the District to pledge its full faith and credit and taxing power within the limitations of Sections 11 and 11b of Article XI of the Oregon Constitution to pay revenue bonds authorized by ORS 238.692 to 238.698 and ORS Chapter 287A; and

c. The District has an unfunded actuarial accrued liability ("UAL") to the State of Oregon Public Employees Retirement System ("PERS"); and

d. The District previously issued its Limited Tax Pension Bonds, Series 2003 (Federally Taxable) to finance a portion of the District's share of the estimated UAL at that time; and

e. The PERS' actuary has estimated that the District's net UAL to PERS as of December 31, 2016 is approximately \$215,057,273; and

f. PERS requires the District to pay this UAL over a period of years with interest at PERS' assumed earnings rate, which is currently seven and two-tenths percent per annum; and

g. Current interest rates in the bond market are below the rate of return that PERS may receive in the future, creating the opportunity for the District to finance its unfunded pension liability and to reduce its costs; and

h. The District adopts this resolution to provide the terms under which its full faith and credit pension bonds will be sold and issued.

SECTION 2. BONDS AUTHORIZED

(1) The District hereby authorizes the issuance, sale and delivery of its full faith and credit pension bonds ("Bonds") in accordance with this resolution and in an amount which does not exceed the amount necessary to produce net proceeds equal to the District's estimated UAL as of the expected closing date of the Bonds, plus estimated costs related to the Bonds . The Bonds may be issued in one or more series.

(2) Bond proceeds may only be used to pay all or a portion the District's unfunded pension liability to PERS, and to pay costs of issuing and selling the Bonds.

(3) As required by the Internal Revenue Code of 1986, as amended, the Bonds shall be "federally taxable bonds" which bear interest that is not excludable from gross income under Section 103(a) of that code. Interest will, however, be exempt from Oregon personal income taxation.

(4) The Bonds shall not be sold at a true interest cost of more than 5.50% per annum. The President, Executive Vice President or Vice President of Finance and Administration (each of whom is referred to in this resolution as a "District Official") shall compare the cash flows required to pay the Bonds to the cash flows that are estimated to be required pay PERS for the District's UAL and determine a Bond structure which the District Official estimates will be advantageous to the District.

SECTION 3. DELEGATION

Any District Official or a designee of a District Official may, on behalf of the District, and without further action by the Board of Directors (the "Board"):

(1) Participate in the preparation of, authorize the distribution of, and deem final any official statement or other disclosure documents relating to the Bonds.

(2) Enter into covenants for the benefit of owners of the Bonds that are intended to improve the terms under which the Bonds are issued.

(3) Apply for ratings on the Bonds and purchase municipal bond insurance or obtain other forms of credit enhancements for the Bonds, enter into agreements with the providers of credit enhancement, and execute and deliver related documents.

(4) Negotiate the terms of and enter into a bond purchase agreement for the Bonds with Piper Jaffray & Co., as underwriter and a paying agent and/or fiscal agent agreement with U.S. Bank National Association.

(5) Establish the final principal amount, payment schedule, interest rates (subject to the limit in Section 1(4) of this resolution), sale price and discount, redemption terms, payment terms and dates, and other terms of the Bonds.

(6) Undertake to provide continuing disclosure for the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission.

(7) Approve and execute one or more bond declarations or similar documents, which describe the financial terms, administrative provisions and covenants for the Bonds.

(8) Make any clarifying changes or additional covenants not inconsistent with this Resolution.

(9) Issue any series of Bonds on a standalone basis, or as part of a pooled pension borrowing program that is expected to produce savings for the District, and enter into any agreements and execute any documents are desirable to facilitate participation in that program.

(10) Execute and deliver the Bonds and any other agreements or other documents, and take any other action in connection with the Bonds that a District Official finds is desirable to permit the sale and issuance of the Bonds in accordance with this Resolution.

SECTION 4. SECURITY FOR BONDS

Pursuant to ORS 287A.315 and ORS 238.694, the District hereby pledges its full faith and credit and taxing power within the limitations of Sections 11 and 11b of Article XI of the Oregon Constitution to pay the Bonds. The District is not authorized to levy additional taxes to pay the Bonds.

SECTION 5. DESIGNATION OF BOND COUNSEL AND UNDERWRITER

The District hereby designates Hawkins Delafield & Wood LLP as Bond Counsel for the issuance of the Bonds and Piper Jaffray & Co. as Underwriter for the issuance of the Bonds.

SECTION 6. EFFECTIVE DATE

This resolution shall take effect on the date of its adoption by the Board.

ADOPTED by the Board of Directors of Portland Community College, Multnomah, Clackamas, Columbia, Yamhill and Washington Counties, Oregon this _____ day of _____, 2018.

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

Kali Thorne Ladd, Chair
Board of Directors

ATTEST:

Mark Mitsui, College President