RESOLUTION APPROVING SCHOOL OF BUSINESS ADMINISTRATION, 
STOTT CENTER/VIKING PAVILION AND DEFERRED MAINTENANCE PROJECTS 
AND THE ISSUANCE OF STATE OF OREGON GENERAL OBLIGATION BONDS

Approved by the Board of Trustees 
January 30, 2015

BACKGROUND

A. The Oregon Legislative Assembly has authorized the issuance of State of Oregon ("State") general obligation bonds for the benefit of Portland State University (the "University") under Article XI-G, Article XI-Q and Article XI-F(1) of the Oregon Constitution, applicable provisions of ORS Chapters 286A, 351 and 352 (collectively, the "Act"), and chapter 705, Oregon Laws 2013, as amended by chapter 121, Oregon Laws 2014 (together the "2013-2015 Bond Bill").

B. The 2013-2015 Bond Bill authorizes funding for three University projects: (1) the renovation and expansion of the School of Business Administration's building (the "SBA Project"), (2) the renovation of the Peter Stott Center, including the construction of an event pavilion (the "Stott Center/Viking Pavilion Project"), and (3) campus-wide deferred maintenance (the "Deferred Maintenance Project").

C. The SBA Project is anticipated to be a $60,000,000 to $65,000,000 project. The 2013-2015 Bond Bill authorizes the issuance of State general obligation bonds for the SBA Project as follows: $10,000,000 of Article XI-G bonds and $30,000,000 of Article XI-Q bonds. In addition, the SBA Project is expected to be financed with $10,000,000 of University matching funds and approximately $10,000,000 to $15,000,000 of additional University funds.

D. The Stott Center/Viking Pavilion Project is anticipated to be an approximately $44,000,000 project. The 2013-2015 Bond Bill authorizes the issuance of State general obligation bonds for the Stott Center/Viking Pavilion Project as follows: $20,000,000 of Article XI-G bonds, $2,000,000 of Article XI-Q bonds, and $2,000,000 of Article F(1) bonds. In addition, the Stott Center/Viking Pavilion Project is expected to be financed with $20,000,000 of University matching funds and potentially additional University funds.

E. The Deferred Maintenance Project is anticipated to provide approximately $5,500,000 to fund deferred maintenance needs on the University campus. The 2013-2015 Bond Bill authorizes the issuance of Article XI-Q bonds for statewide deferred maintenance projects at public universities.

F. On December 11, 2014, the Board of Trustees (the "Board") of the University approved the University's Debt Management Policy, addressing among other things the issuance of "State-Paid Debt," defined as borrowings that are expected to be repaid from state appropriations including Article XI-G Bonds and certain Article XI-Q Bonds, and the issuance of "University-Paid Debt," defined as borrowings that are expected to be repaid from revenues of the University including Article XI-F(1) Bonds.

G. Under Section II.A.2 of the Debt Management Policy, the Board retains authority and responsibility for reviewing and approving any debt financing in an amount greater than
$5,000,000. Under Section III.B of the Debt Management Policy, no debt financing in an amount greater than $5,000,000 is to be issued or sought without prior approval of the Board.

H. Consistent with Section III.E of the Debt Management Policy, the University has evaluated the form of debt that is best suited for the SBA Project, Stott Center/Viking Pavilion Project, and Deferred Maintenance Project, has considered the cost of capital, and has determined to issue debt through the State for a portion of the costs of these projects, taking into consideration the cost of capital, financial flexibility and the use of debt capacity.

I. This Board desires to approve Article XI-G and Article XI-Q bonds for the benefit of the SBA Project, Stott Center/Viking Pavilion Project, and Deferred Maintenance Project, consistent with the authorization of the 2013-2015 Bond Bill, and as may be provided by law and as otherwise required by law for the 2013-2015 biennium without requiring further action of this Board.

J. Under Section II.B.2.b of the Debt Management Policy, the Board has delegated to the President, who may further delegate to the Vice President for Finance and Administration and University Treasurer, authority and responsibility for debt financing in an amount up to $5,000,000, and therefore the President (or his delegatee) may approve the $2,000,000 in Article XI-F bonds and the $2,000,000 in Article XI-Q bonds for the Stott Center/Viking Pavilion Project, consistent with the 2013-2015 Bond Bill and without further Board action.

K. Article XI-G of the Oregon Constitution requires that the amount of any indebtedness incurred under that section in any biennium shall be matched by an amount that is at least equal to the amount of the indebtedness, and may include moneys available to the University. Article XI-G also requires that the matching amount be used for the same or similar purposes as the proceeds of the indebtedness.

L. Under Section V of the Debt Management Policy, Internal Financings may be used to provide matching funds for Article XI-G Bonds in anticipation of the receipt of philanthropic funds for a project, up to the total amount permitted by Section V of the Debt Management Policy. Under Section II.B.10 of the Debt Management Policy, the Board has delegated to the President, who may further delegate to the Vice President for Finance and Administration and University Treasurer, authority to approve Internal Financing up to the total amount permitted by Section V of the Debt Management Policy without further Board action. It is anticipated that Internal Financings will be used to provide a portion of the matching amount required for Article XI-G Bonds.

M. The Board hereby finds that moneys available to the University have been and will be applied to pay a portion of the costs of the projects to be financed in part with the proceeds of Article XI-G bonds to be issued in the 2013-2015 biennium to satisfy this match requirement.

N. Under Section II.B.9 of the Debt Management Policy, the Board has delegated to the President (who may further delegate to the Vice President for Finance and Administration and University Treasurer) authority to enter into or endorse reimbursement resolutions, authorization resolutions, and such other documents as may be necessary for any debt issuance authorized by the Board, including debt authorized by the President or his delegatee pursuant to the Debt Management Policy.
RESOLUTION

Now, therefore, be it Resolved by the Board of Trustees, that:

1. **Project Approvals.** The SBA Project, the Stott Center/Viking Pavilion Project, and the Deferred Maintenance Project are approved. The President or his designee is authorized to make adjustments to the project budgets and financing plans as necessary, within the limits of applicable law and Board policy.

2. **Article XI-G Bonds.** Article XI-G Bonds are authorized to be sold under the Act for the benefit of the University. The University hereby approves the Article XI-G bonds, as authorized by the 2013-2015 Bond Bill, for the SBA Project and the Stott Center/Viking Pavilion Project.

3. **Article XI-Q Bonds.** Article XI-Q Bonds are authorized to be sold under the Act for the benefit of the University. The University hereby approves the Article XI-Q Bonds for the SBA Project, Stott Center/Viking Pavilion Project, and Deferred Maintenance Project.

4. **Terms, Sale and Issuance.** The Article XI-G and Article XI-Q bonds authorized by this resolution (the “Bonds”), shall be issued in such series and principal amounts as the State Treasurer, after consultation with the applicable related or project agency(ies), shall determine are required to pay or reimburse costs of the projects described in Sections 1 and 2 of this resolution. The Bonds shall mature, bear interest and otherwise be structured, sold and issued as the State Treasurer determines after such consultation.

5. **Maintenance of Tax-Exempt Status.** The President of the University, who may further delegate to the Vice President for Finance and Administration and University Treasurer (each an “Authorized University Representative”) is hereby authorized to covenant, on behalf of the University, to comply with the provisions of the Internal Revenue Code of 1986, as amended, that are required for interest on tax-exempt bonds to be excluded from gross income for federal income taxation purposes, for bonds issued on a tax-exempt basis and to execute and deliver such agreements, documents or certificates required for such bonds to be issued on a tax-exempt basis.

6. **Ratification and Approval of Actions.** The Board hereby ratifies and approves all prior actions taken on behalf of the Board or the University related to the Bonds. The Board hereby authorizes, empowers and directs the Authorized University Representative to take further actions as may be necessary or desirable related to the Bonds and bonds authorized to be approved by the President or his delegatee under the Debt Management Policy, including, without limitation, (i) requesting the issuance of bonds; (ii) covenancing to perform on behalf of the University, and performing, any actions necessary to comply with requests from the State Treasurer authorized under ORS chapter 286A to administer the bonds, (iii) the execution and delivery of any agreements, documents or certificates, including any grant or trust agreements with the State Treasurer and any other party, if necessary, as may be necessary or desirable to carry out such actions or arrangements, and (iv) to take such other actions as are necessary or desirable for the purposes and intent of this resolution.
7. **Matching Funds.** The Authorized University Representative is hereby authorized to execute and deliver such agreements, documents or certificates required by the State Treasurer or the State’s Bond Counsel to establish that the University has properly matched the amount of the Bonds in accordance with the provisions of Article XI-G(1)(3).

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

APPROVED BY THE BOARD OF TRUSTEES
JANUARY 30, 2015

[Signature]
Secretary to the Board