RESOLUTION APPROVING ISSUANCE OF
STATE OF OREGON ARTICLE XI-Q GENERAL OBLIGATION BONDS
FOR CAPITAL IMPROVEMENT AND RENEWAL

Approved by the Board of Trustees
October 10, 2019

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-Q of the Oregon Constitution, applicable provisions of ORS Chapters 286A, 351 and 352 (collectively, the "Act"), and chapter 661 Oregon Laws 2019 (the "2019-2021 Bond Bill").

B. The 2019-21 Bond Bill authorizes, among other things, the issuance of $65,715,000 Article XI-Q bonds for capital improvement and renewal projects at public universities. The University's allocation of these funds for capital improvement and renewal is estimated to be $11,100,800. These funds will be used to address capital improvement and renewal needs on the University campus (the "Capital Improvement Project").

C. On September 14, 2017, the Board of Trustees (the "Board") of the University amended and 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 certain Article XI-Q Bonds.

D. 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.

E. Consistent with Section III.F of the Debt Management Policy, the University has evaluated the form of debt that is best suited for the Capital Improvement Project, has considered the cost of capital, and has determined that it is advisable for the State to issue debt as proposed, taking into consideration the cost of capital, financial flexibility and the use of debt capacity.

F. This Board desires to approve Article XI-Q bonds for the Capital Improvement Project, consistent with the authorization of the 2019-2021 Bond Bill, without requiring further action of this Board.

G. 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. **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 sale and use of Article XI-Q Bonds for the Capital Improvement Project.

2. **Terms, Sale and Issuance.** The 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 Capital Improvement Project. The Bonds shall mature, bear interest and otherwise be structured, sold and issued as the State Treasurer determines after such consultation.

3. **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.

4. **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.

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

APPROVED BY THE BOARD OF TRUSTEES
OCTOBER 10, 2019

[Signature]
Secretary to the Board