

RESOLUTION NO. _____

A RESOLUTION OF THE BOARD OF DIRECTORS OF PARKROSE SCHOOL DISTRICT NO. 3, MULTNOMAH COUNTY, OREGON, AUTHORIZING THE ISSUANCE, SALE, EXECUTION AND DELIVERY OF GENERAL OBLIGATION BONDS, IN ONE OR MORE SERIES, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$63,000,000 TO FINANCE CAPITAL CONSTRUCTION AND CAPITAL IMPROVEMENTS WITHIN THE DISTRICT; DETERMINING ELECTION RESULTS; CLASSIFYING THE AD VALOREM TAX LEVY AS TAXES TO PAY PRINCIPAL AND INTEREST ON EXEMPT GENERAL OBLIGATION BONDED INDEBTEDNESS AND PROVIDING FOR NOTICE OF ADOPTION OF THIS RESOLUTION; DESIGNATING AN AUTHORIZED REPRESENTATIVE; DELEGATING RESPONSIBILITIES; AND RELATED MATTERS.

WHEREAS, the District is authorized pursuant to the Constitution and Statutes of the State of Oregon, specifically Oregon Revised Statutes (“ORS”) Chapters 287A and 328 (collectively, the “Act”), to issue general obligation bonds to finance capital construction and improvements; and

WHEREAS, on February 28, 2011 the Board of Directors of the District adopted a Resolution authorizing submission to the voters of the District the question of contracting general obligation bonded indebtedness in an amount not to exceed \$63,000,000. The ballot title stated that the bonds would provide funds to finance the following:

- Increase access to technology for student learning by upgrading technology and related infrastructure at all facilities;
- Replace roofs, upgrade plumbing, electrical systems and floors;
- Increase energy efficiency by upgrading heating and ventilation systems and replacing windows;
- Make health, life, safety upgrades in all facilities such as security cameras and entry upgrades to meet safety standards and asbestos removal;
- Replace and equip Parkrose Middle School on the same site;
- Construct and equip multipurpose rooms for activities for elementary school students;
- Purchase property; and
- Pay bond issuance costs.

The above-listed purposes are collectively referred to herein as the “Project,” and

WHEREAS, the election was duly and legally held on May 17, 2011 and the elections officer of Multnomah County, Oregon has notified the District that the issuance of the general obligation bonds was approved by a majority vote; and

WHEREAS, the District is in the process of applying to the Oregon Department of Education for a Qualified Zone Academy Bond (“QZAB”) allocation in accordance with the QZAB tax credit program (the “Tax Credit Program”) pursuant to Section 54E of the Internal Revenue Code of 1986 (the “Code”), to finance a portion of the construction, furnishing, equipping, rehabilitation or repair of facilities at its “qualified zone academy” to the extent and for such other purposes permitted under the Code and the Tax Credit Program; and

WHEREAS, the District adopts this Resolution to determine the election results, to provide the terms under which the general obligation bonds will be sold and issued and to classify the ad valorem taxes levied to pay debt service on the general obligation bonds as not being subject to the limits of sections 11 and 11b, Article XI of the Oregon Constitution.

Section 1. General Obligation Bonds Authorized. The District hereby authorizes the issuance of its general obligation bonds (the “Bonds”), in one or more tax-exempt or taxable series, in an aggregate principal amount not to exceed \$63,000,000 to finance the costs of the Project.

The Bonds shall mature over a period of thirty (30) years or less from their date of issuance and shall initially be subject to a book-entry only system of ownership and transfer as provided for in Section 7. hereof. The remaining terms of the Bonds shall be established as provided in Section 11. hereof.

Section 2. Designation of Authorized Representative. The Board designates each of the Chair, Superintendent, Director of Business Services and Operations or their designee (each acting individually or collectively, an “Authorized Representative”), to act on behalf of the District and determine the remaining terms and conditions of the Bonds to be established as specified in Section 11. hereof.

Section 3. Security. The Bonds are general obligations of the District. The full faith and credit and taxing powers of the District are pledged to the successive owners of each of the Bonds (the “Owners” or “Bondowners”) 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 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, to pay interest accruing and the principal maturing on the Bonds promptly when and as they become due.

Section 4. Form of Bonds. The Bonds shall be prepared in book-entry only form by Bond Counsel in substantially the form approved by the Authorized Representative.

Section 5. Execution of Bonds. The Bonds shall be executed on behalf of the District with the manual or facsimile signature of the Chair of the Board of Directors and attested to by the manual or facsimile signature of an Authorized Representative of the District.

Section 6. Authentication, Registration, Payment, Exchange and Transfer.

(a) The Bonds shall be authenticated by the manual signature of an authorized officer of the Bond Registrar (the “Registrar”). All Bonds shall be in registered form. The Registrar shall authenticate all Bonds to be delivered at closing of this bond issue, and the Registrar shall additionally authenticate all Bonds properly surrendered for exchange or transfer pursuant to this Resolution.

(b) No 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.

(c) The ownership of all 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 Bond for all purposes.

(d) The Registrar shall mail or cause to be delivered the amount due under each Bond to the registered Owner at the address appearing on the Bond register fifteen (15) days preceding the payment date (the “Record Date”). If payment is so mailed, neither the District nor the Registrar shall have any further liability to any party for such payment.

(e) The Bonds may be exchanged for equal principal component amounts of Bonds of the same maturity which are in different authorized denominations, and Bonds may be transferred to other Owners if the Bondowners submit the following to the Registrar:

(1) written instructions for exchange or transfer satisfactory to the Registrar, signed by the Bondowner or his attorney in fact and guaranteed or witnessed in a manner satisfactory to the Registrar; and

(2) the Bonds to be exchanged or transferred.

(f) The Registrar shall not be required to exchange or transfer any Bonds submitted to it during any period beginning with a Record Date and ending on the next following payment date; however, such Bonds shall be exchanged or transferred promptly following that payment date.

(g) The Registrar shall not be required to exchange or transfer any Bonds which have been designated for redemption if such Bonds are submitted to the Registrar during the fifteen (15) - day period preceding the designated redemption date.

(h) For purposes of this Section, Bonds shall be considered submitted to the Registrar on the date the Registrar actually receives the materials described in subsection (e) of this Section 6.

(i) In the event any Bond is mutilated, lost, stolen or destroyed, the Registrar may issue a new Bond of like maturity, interest rate and denomination if the asserted Owner of such 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 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 7. Book-Entry System. During any time that the Bonds are held in a book-entry only system (the “Book-Entry System”), the registered owner of all of the Bonds shall be The Depository Trust Company, New York, New York (“DTC”), and the 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 Bonds shall be initially issued in the form of a single fully registered certificate, one for each maturity of the Bonds. Upon initial issuance, the ownership of such 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 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 Bonds, selecting the Bonds or portions thereof to be redeemed, if any, giving notice as required under this Resolution, registering the transfer of 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 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 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 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 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 Bonds to the extent of the sum or sums so paid. So long as the Bonds are held in the Book-Entry System, no person other than DTC shall receive an authenticated 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 Bonds, the term “Cede & Co.,” in this Resolution shall refer to such new nominee of DTC.

At any time the District 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 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 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 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 Bonds to any DTC Participant having Bonds credited to its DTC account, or (b) to arrange for another securities depository to maintain custody of certificates evidencing the Bonds.

Section 8. Redemption. The Bonds may be subject to optional redemption and mandatory redemption prior to maturity as determined by the Authorized Representative pursuant to Section 11. hereof.

Section 9. 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 Bond or 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 the Book-Entry 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 Bonds are to be redeemed, the identification of the Bonds to be redeemed; (4) that on the redemption date the redemption price will become due and payable upon each such 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 Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office of the Registrar; and (7) the assigned CUSIP numbers of all 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 Bonds or portions of Bonds which are to be redeemed on that date.

Official notice of redemption having been given as aforesaid, the Bonds or portions of 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 Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such 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 Bonds which have been redeemed shall be canceled and destroyed by the Registrar and shall not be reissued.

Section 10. Tax Status.

(a) For any portion of the Bonds issued as tax-exempt bonds, the District covenants to use the proceeds of the Bonds, and the facilities financed with the Bonds, and to otherwise comply with the provisions of the Code, so that interest paid on the Bonds will not be includable in gross income of the Bondowners for federal income tax purposes. The District specifically covenants:

- (i) 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 Bonds;
- (ii) to operate the facilities financed with the proceeds of the Bonds so that the Bonds are not “private activity bonds” under Section 141 of the Code; and
- (iii) 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 Bonds.

(b) For any portion of the Bonds designated as QZABs, the District covenants to use the proceeds of such Bonds and the Project financed with such proceeds, and to otherwise comply with the applicable provisions of the Code, including the requirements of the Tax Credit Program, so that a credit against federal income tax will be allowed under Sections 54A of the Code. The District specifically covenants:

- (i) to comply with the arbitrage, expenditure timing and yield restriction provisions of Section 54A(d)(2) and Section 148 of the Code;
- (ii) to expend proceeds for qualified purposes within the meaning of Section 54E(d)(3) of the Code; and
- (iii) comply with all reporting requirements.

In such connection the Authorized Representative may enter into additional covenants on behalf of the District as are necessary or advisable with respect to the Bonds.

Section 11. Delegation for Establishment of Terms and Sale of the Bonds. The Authorized Representative is hereby authorized, on behalf of the District and without further action of the Board of Directors, to:

- (a) establish the dated date, principal and interest payment dates, principal amounts, optional and mandatory redemption provisions, if any, interest rates, and denominations and all other terms for the Bonds;
- (b) designate a portion of the Bonds as QZABs;
- (c) negotiate the terms with Seattle-Northwest Securities Corporation under which the portion of the Bonds not designated as QZABs shall be sold; enter into a bond purchase contract for the sale of the Bonds not designated as QZABs which incorporates those terms, and execute and deliver such bond purchase contract and such other agreements, certificates or sale documents as are necessary in connection therewith;

(d) negotiate the terms with McLiney and Company under which the portion of the Bonds designated as QZABs shall be sold; enter into a bond purchase contract or such other document for the sale of the Bonds designated as QZABs which incorporates those terms, and execute and deliver such bond purchase contract or such other document and such other agreements, certificates or sale documents as are necessary in connection therewith;

(e) appoint a paying agent and Bond Registrar for the Bonds;

(f) approve the form of Bond and take such actions as are necessary to qualify the Bonds for the Book-Entry System of DTC;

(g) apply to participate in the Oregon State Guaranty Program, if available and deemed appropriated, and expend Bond proceeds to pay any guaranty premium;

(h) determine the need for municipal bond insurance for the Bonds, and if purchased, direct expenditure of Bond proceeds to pay any bond insurance premium and execute and deliver any required insurance commitments, insurance agreements and any other documents, agreements or certificates in connection therewith;

(i) obtain one or more ratings on the Bonds if determined by the Authorized Representative to be in the best interest of the District, and expend Bond proceeds to pay the costs of obtaining such rating;

(j) authorize the publication of a Notice of Adoption of Resolution Classifying Taxes pursuant to Section 15. hereof;

(k) enter into covenants regarding the use of the proceeds of the Bonds and the Projects financed with the proceeds of the Bonds, to maintain the tax-exempt status of all or any portion of the Bonds designated as tax-exempt;

(l) approve, execute and deliver one or more Tax Certificates and enter into any covenants and agreements relating to maintaining the qualification of the bonds as QZABs under the Code;

(m) Enter into covenants regarding the use of the proceeds received by the District pursuant to the Bonds and the use of the Project to maintain the status of the Bonds as QZABs;

(n) Take all actions necessary to obtain written commitments from private entities to make qualified contributions within the meaning of Section 54E(d)(4) of the Code;

(o) approve of and authorize the distribution of preliminary and final official statements for the Bonds;

(p) approve, execute and deliver one or more Continuing Disclosure Undertakings pursuant to SEC Rule 15c2-12, as amended (17 CFR Part 240, § 240.15c2-12);

(q) approve, execute and deliver the Bond closing documents and certificates;
and

(r) execute and deliver one or more certificates specifying the action taken by the Authorized Representative pursuant to this Section 11., and any other certificates, documents or agreements that the Authorized Representative determines are desirable to issue, sell, deliver and administer the Bonds in accordance with this Resolution.

Section 12. Defeasance. The District may defease the Bonds by setting aside, with a duly appointed escrow agent, in a special escrow account irrevocably pledged to the payment of the 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 Bonds until their maturity date or any earlier redemption date. Bonds which have been defeased pursuant to this Section shall be deemed paid and no longer outstanding, and such Bonds 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 13. Establishment of Funds and Accounts. The following funds and accounts shall be created into which the proceeds of the Bonds shall be deposited, which funds and accounts shall be continually maintained, except as otherwise provided, so long as the Bonds remain unpaid.

(a) **Debt Service Account.** The District shall maintain the Debt Service Account as a subaccount in the District's existing Debt Service Fund for the payment of principal, premium, if any, and interest on the Bonds as they become due. All accrued interest, if any, and all taxes levied and other moneys available for the payment of the Bonds shall be deposited to the Debt Service Account.

(b) **Construction Account.** The District shall maintain the Construction Account as a subaccount in the District's existing Capital Bond Construction Fund for the purpose of accounting for and paying all costs of the Project and the costs related to the preparation, authorization, issuance and sale of the Bonds. Any interest earnings on moneys invested from the Construction Account shall be retained in the Construction Account. The District's share of any liquidated damages or other moneys paid by defaulting contractors or their sureties will be deposited in the Construction Account to assure the completion of the Project.

Upon completion of the Project and upon payment in full of all costs related thereto, any balance remaining in the Construction Account shall be deposited to the Debt Service Account for payment of debt service in a manner determined by the District.

Section 14. Election Results. The District has received the abstract of votes from the elections office of Multnomah County, Oregon, dated June 3, 2011, and has determined that the issuance of the Bonds was approved by a majority vote at the May 17, 2011 election.

Section 15. Resolution Classifying Taxes. The District hereby classifies the taxes levied to pay principal and interest on the Bonds as not subject to the limits of sections 11 and 11b, Article XI of the Oregon Constitution. This Resolution shall constitute a resolution authorizing issuance of bonded indebtedness (the Bonds) which includes a classification of bonded indebtedness (the Bonds) as not subject to the limits of sections 11 and 11b, Article XI of the Oregon Constitution for purposes of ORS 305.583 and ORS 310.145. The Authorized Representative is hereby authorized to cause to be published an advertisement in a newspaper of general circulation in the District of the

District's adoption of this Resolution and classification of taxes levied to pay principal and interest on the Bonds as not being subject to the limits of sections 11 and 11b, Article XI of the Oregon Constitution in substantially the form of the notice as shown on Exhibit A attached hereto, within 15 days after passage of this Resolution and which meets the requirements of ORS 305.583.

Section 16. Provisions Relating to Insurance, Notice and Payment Procedures. This Section 16. shall apply only in the event that a financial guaranty insurance policy is obtained in connection with the Bonds.

(a) Definitions and Application of Insurance Provisions.

(1) "Insurer" means the provider of a financial guaranty insurance policy.

(2) "Insurance Policy" means a financial guaranty insurance policy insuring the payment of principal components and interest components payable under all or select Bonds.

(3) The provisions of this Section 16. shall apply to the Insurer in the event and to the extent provided in an Authorized Representative's closing certificate with respect to the Bonds insured by such Insurer, so long as (i) its Insurance Policy is in effect, (ii) the Insurer has not asserted that its Insurance Policy is not in effect, (iii) the Insurer is not in default thereunder, (iv) the Insurer is not insolvent, and (v) the Insurer has not waived any such rights; provided, that, notwithstanding the foregoing, such rights shall continue with respect to amounts previously paid and due and owing the Insurer.

(b) Provisions Relating to Insurance.

(1) Any amendment to this Resolution requiring the consent of Owners of the Bonds or the portion thereof secured by an Insurance Policy (the "Insured Obligations") shall also require the prior written consent of the Insurer with respect to such Insured Obligations.

(2) Any amendment to this Resolution not requiring the consent of Owners of the Insured Obligations shall require the prior written consent of the Insurer with respect to such Insured Obligations if its rights shall be materially and adversely affected by such amendment.

(3) Pursuant to the provisions of this Resolution, if an event of default under the Insurance Policy shall have occurred and be continuing, the Insurer with respect to the Insured Obligations shall be deemed to be the Owner of such Insured Obligations in connection with any consent or direction, appointment, request or waiver to be provided thereunder.

(4) The Insurer with respect to the Insured Obligations shall have the right to institute any suit, action or proceeding at law or in equity under the same terms as an Owner of such Insured Obligations in accordance with this Resolution.

(5) The Insurer shall, to the extent it makes any payment of principal components or interest components pursuant to the Insured Obligations it insures, become subrogated to the rights of the recipients of such payments in accordance with the terms of its Insurance Policy.

(6) Principal components and/or interest components paid by an Insurer under its Insurance Policy shall not be deemed paid for purposes of this Resolution and the Insured Obligations with respect to which such payments were made shall remain Outstanding and continue to be due and owing until paid by the District in accordance with this Resolution.

(7) In the event of any defeasance of the Insured Obligations, the District shall provide the applicable Insurer with copies of all documents as required to be delivered to the Registrar under this Resolution.

(8) The District shall not discharge and terminate its Insured Obligations under the Resolution unless all amounts due or to become due to the Insurer have been paid in full or duly provided for.

(c) Notices to the Insurer and Payment Procedures.

(1) The District shall send or cause to be sent to the Insurer copies of notices required to be sent to the Owners or the Registrar, if any, pursuant to this Resolution.

(2) The District shall observe and perform any payment procedures under the Insurance Policy required by the Insurer as a condition to the issuance and delivery of such Insurer's Insurance Policy.

Section 17. Appointment Of Bond Counsel and Underwriters. The District reaffirms its appointment of Orrick, Herrington & Sutcliffe LLP as bond counsel to the District and Seattle-Northwest Securities Corporation as underwriter of the portion of the Bonds not designated as QZABs and appoints McLiney and Company as underwriter of the portion of the Bonds designated as QZABs.

Section 18. Continuing Disclosure. The District shall undertake in one or more Continuing Disclosure Certificates for the benefit of registered Bondowners to provide to each Nationally Recognized Municipal Securities Information Repository ("NRMSIRs"), and if and when one is established, the State Information Depository ("SID"), on an annual basis on or before 270 days after the end of each fiscal year, commencing with the fiscal year ending June 30, 2011, the information required pursuant to paragraph (b)(5)(i)(A), (B) and (D) of the Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. § 240.15c2-12) (the "Rule"). In addition, the District will undertake for the benefit of the registered Bondowners to provide in a timely manner to the NRMSIRs or to the Municipal Securities Rulemaking Board ("MSRB") notices of certain material events required to be delivered pursuant to paragraph (b)(5)(i)(C) of the Rule.

Section 19. Resolution to Constitute Contract. In consideration of the purchase and acceptance of any or all of the Bonds by 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 agreements contained in this Resolution or in the closing documents executed in connection with the Bonds, including without limitation the District's covenants and pledges contained in Sections 3. and 10. 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 Bonds over any other thereof, except as expressly provided in or pursuant to this Resolution.

Section 20. Short Term Borrowing. The District is authorized to exercise its authority to enter into a short-term borrowing, if desired, pursuant to the provisions of ORS 287A.180 and other applicable law. The Authorized Representative may, on behalf of the District, take any of the actions referenced in Section 11. with respect to such short-term borrowing.

Section 21. Effective Date of Resolution. This Resolution shall become effective immediately upon its adoption by the Board.

Adopted by the Board of Directors of Parkrose School District No. 3, Multnomah County, Oregon this 27th day of June 2011.

**PARKROSE SCHOOL DISTRICT NO. 3
MULTNOMAH COUNTY, OREGON**

By: _____
Chair, Board of Directors

ATTEST:

By: _____
Superintendent/District Clerk

EXHIBIT A

**NOTICE OF ADOPTION
OF RESOLUTION CLASSIFYING TAXES AND
SPECIFYING THE AUTHORIZED USES OF BOND PROCEEDS**

Parkrose School District No. 3, in Multnomah County, Oregon (the "District") hereby gives notice that on June 27, 2011 the Board of Directors of the District adopted its Resolution No. _____ (the "Resolution"). The Resolution classifies the ad valorem taxes to be levied upon all of the taxable property within the District for the purpose of paying principal and interest on the District's \$63,000,000 aggregate principal amount of its General Obligation Bonds to be issued in one or more series, approved by the legal voters of the District at the election held May 17, 2011, as not being subject to the limits of sections 11 and 11b, Article XI of the Oregon Constitution. A complete copy of the Resolution may be obtained by contacting Ms. Mary Larson, Director of Business Services and Operations, Parkrose School District, 10636 N.E. Prescott Street, Portland, Oregon 97220, Telephone: (503) 408-2103. Judicial review of the District's classification of such taxes and specification of authorized uses may be sought within 60 days of the date of the Resolution pursuant to ORS 305.583.

This Notice is published pursuant to ORS 305.583 and ORS 310.145.

**PARKROSE SCHOOL DISTRICT NO. 3,
MULTNOMAH COUNTY, OREGON**

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