COMPETITIVE SALE—The Bonds will be sold pursuant to a competitive sale held at 9:00 a.m. (Pacific Time) on January 12, 2012, as further described in the Notice of Sale attached hereto.

DRAFT DATED 12/21/11

This is a Preliminary Official Statement, subject to correction and change. The Series 2012 Issuers have authorized the distribution of the Preliminary Official Statement to prospective purchasers and others. Upon the sale of the Series 2012 Obligations, the Series 2012 Issuers will complete and deliver a final Official Statement substantially in this form.

PRELIMINARY OFFICIAL STATEMENT DATED ____________, 2012

$21,940,000(1)

Oregon School Boards Association

Limited Tax Pension Refunding Obligations, Series 2012

(Federally Taxable)

DATED: January 31, 2012 (estimated "Date of Delivery") **DUE: June 30, 2021 as shown on the inside cover**

MOODY'S RATING—Applied for. See "Rating" herein.

ISSUERS AND PURPOSE— The $21,940,000(1) Limited Tax Pension Refunding Obligations, Series 2012 (the "Series 2012 Obligations") are being issued by certain Oregon school districts (the "Series 2012 Issuers") to refinance the June 30, 2021 maturity of the Series 2012 Issuer's Limited Tax Pension Obligation Bonds, Series 2002 and to pay the costs of issuance of the Series 2012 Obligations. See "Purpose and Use of Proceeds" herein.

SPONSOR - The Oregon School Boards Association ("OSBA") is the sponsor of this limited tax pension bond program. The Series 2012 Issuers and Wells Fargo Bank, National Association (the "Series 2012 Trustee") will enter into a Trust Agreement (the "Trust Agreement") at closing to provide for the issuance and payment of the Series 2012 Obligations.

THE SERIES 2012 OBLIGATIONS—The Series 2012 Obligations represent undivided proportionate interests of the beneficial owners thereof in the Pension Bond Payments to be made by the Series 2012 Issuers pursuant to the Trust Agreement.

BOOK-ENTRY ONLY SYSTEM— The Series 2012 Obligations will be issued, executed and delivered in fully registered form under a book-entry only system and registered in the name of Cede & Co., as owner and nominee for The Depository Trust Company ("DTC"). DTC will act as initial securities depository for the Series 2012 Obligations. Individual purchases of the Series 2012 Obligations will be made in book-entry form, in the denomination of $5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in the Series 2012 Obligations purchased.

PRINCIPAL AND INTEREST PAYMENTS—The interest component of the Pension Bond Payments evidenced and represented by the Series 2012 Obligations ("Interest") is payable on June 30, 2012 and semiannually thereafter on June 30 and December 30 of each year to the maturity of the Series 2012 Obligations. The principal and interest components of the Pension Bond Payments evidenced and represented by the Series 2012 Obligations will be payable by the Series 2012 Trustee to DTC which, in turn, will remit such principal and interest components to the DTC participants for subsequent disbursement to the beneficial owners of the Series 2012 Obligations at the address appearing upon the registration books on the 15th day of the month preceding a payment date (the "Record Date").

MATURITY SCHEDULE – SEE INSIDE COVER

PREPAYMENT—The Series 2012 Obligations are subject to prepayment prior to maturity in accordance with the terms set forth herein.

SECURITY—The full faith and credit of each Series 2012 Issuer is pledged for the punctual payment of the principal of and premium, if any, and interest on its Series 2012 Pension Bonds (the "Pension Bond Payments"). The Pension Bond Payments are not subject to annual appropriation by the Series 2012 Issuers. Each Series 2012 Issuer's Pension Bond will be payable from its Available General Funds, including all taxes and other funds, of such Series 2012 Issuer legally available for Pension Bond Payments. The Series 2012 Issuers are not authorized to levy additional taxes to pay the Pension Bond Payments.

The Series 2012 Pension Bonds are further secured by an intercept agreement under which an amount equal to each Series 2012 Issuer's Pension Bond Payments is required to be diverted from State Education Revenues, defined herein, to the Series 2012 Trustee for the purpose of paying such Series 2012 Issuer's Pension Bond Payments. The Series 2012 Issuers are authorized to issue Future Pension Bonds and to require that State Education Revenues be diverted under the Intercept Agreement for pension bond payments with respect to such Future Pension Bonds. The Series 2012 Obligations do not constitute a debt or indebtedness of the Oregon Department of Education, the State of Oregon or any political subdivision thereof other than the Series 2012 Issuers.

THE OBLIGATION OF THE SERIES 2012 ISSUERS TO PAY THE PENSION BOND PAYMENTS IS NOT SUBJECT TO ANNUAL APPROPRIATION BY THE SERIES 2012 ISSUERS, AND THE PENSION BOND PAYMENTS ARE NOT SUBJECT TO ACCELERATION. EACH SERIES 2012 ISSUER IS OBLIGATED ONLY TO MAKE THE PAYMENTS REQUIRED BY ITS SERIES 2012 PENSION BOND. NO SERIES 2012 ISSUER IS REQUIRED TO PAY ANY PORTION OF ANOTHER SERIES 2012 ISSUER'S SERIES 2012 PENSION BONDS.

Each Series 2012 Issuer is required to pay or cause to be paid its Pension Bond Payments, and the Series 2012 Trustee is required to deposit these Pension Bond Payments into an appropriate subaccount in the Trust Fund, which is part of the Trust Estate pledged to the benefit of the beneficial owners of the Series 2012 Obligations.

TAX MATTERS— *Interest on the Series 2012 Obligations is included in gross income for federal income tax purposes. In the opinion of Hawkins Delafield & Wood LLP, Special Counsel to the Series 2012 Issuers ("Special Counsel"), Interest received by the holders of the Series 2012 Obligations is exempt from Oregon personal income tax under existing law. See "Tax Matters" herein.*

DELIVERY—The Series 2012 Obligations are offered for sale to the original purchaser subject to the final approving legal opinion of Special Counsel. It is expected that the Series 2012 Obligations will be available for delivery to the Series 2012 Trustee for Fast Automated Securities Transfer on behalf of DTC, on or about the Date of Delivery.

(1) Preliminary, subject to change.

This cover page contains certain information for quick reference only. It is not a summary of the issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

Oregon School Boards Association

Limited Tax Pension Obligation Bonds, Series 2012
(Federally Taxable)

DATED: Date of Delivery **DUE: June 30, 2021, as shown below**

MATURITY SCHEDULE—

Due June 30	Amount(1)	Interest Rate	Yield	CUSIP® 686053
2021	$ 21,940,000			

(1) Preliminary, subject to change.

Certain statements contained in this Official Statement do not reflect historical facts, but are forecasts and "forward-looking statements." No assurance can be given that the future results discussed herein will be achieved, and actual results may differ materially from the forecasts described herein. In this respect, words such as "estimated," "projected," "anticipate," "expect," "intend," "plan," "believe" and similar expressions are intended to identify forward-looking statements. All projections, assumptions and other forward-looking statements are expressly qualified in the entirety by the cautionary statements set forth in this Official Statement.

Certain information contained herein has been obtained from the Series 2012 Issuers and other sources which are believed to be reliable, but the accuracy or completeness of such information is not guaranteed and such information is not to be construed to be a representation of the Series 2012 Issuers or Seattle-Northwest Securities Corporation (the "Financial Advisor"). The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the parties referred to above since the date hereof.

The CUSIP® numbers herein are provided by CUSIP Global Services (CGS), which is managed on behalf of the American Bankers Association by Standard and Poor's, a division of The McGraw-Hill Companies, Inc. CUSIP is a registered trademark of the American Bankers Association. CUSIP numbers are provided for convenience of reference only. CUSIP numbers are subject to change. Neither the District nor the Underwriter take any responsibility for the accuracy of such CUSIP numbers.

Web addresses contained in this Official Statement are inactive textual references, not hyperlinks, and any websites, by such reference, are not incorporated herein.

No dealer, broker, salesman or other person has been authorized by the Series 2012 Issuers or the Underwriter to give information or to make any representations with respect to the Series 2012 Obligations, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2012 Obligations by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The prices at which the Series 2012 Obligations are offered to the public by the Underwriter (and the yields resulting therefrom) may vary from the initial public offering prices appearing on this inside cover page hereof. In addition, the Underwriter may allow concessions or discounts from such initial public offering prices to dealers and others. In connection with the offering of the Series 2012 Obligations, the Underwriter may effect transactions that stabilize or maintain the market price of the Series 2012 Obligations at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

This Official Statement has been "deemed final" by the Series 2012 Issuers, pursuant to Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, except for information which is permitted to be excluded from this Official Statement under said rule 15c2-12.

Sponsor

Oregon School Boards Association

Series 2012 Issuers

1. Bend-La Pine Administrative School District No. 1, Deschutes County
2. Brookings-Harbor School District No. 17C, Curry County
3. Gresham-Barlow School District No. 10Jt, Multnomah County
4. Jefferson County School District No. 509J, Jefferson County
5. Morrow County School District, Morrow County
6. Portland School District No. 1J, Multnomah County
7. South Umpqua School District No. 19, Douglas County

Special Counsel

Hawkins Delafield & Wood LLP
Portland, Oregon
(503) ___-____

Financial Advisor

Seattle-Northwest Securities Corporation
Portland, Oregon
(503) 275-8300

Paying Agent

Wells Fargo Bank, National Association
Portland, Oregon
(503) 886-1366

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Appendices:

OFFICIAL NOTICE OF SALE

Oregon School Boards Association

$21,940,000(1)

Limited Tax Pension Refunding Obligations, Series 2012

NOTICE IS HEREBY GIVEN that bids will be received by the Series 2012 Trustee on behalf of the seven Oregon school districts shown on the inside cover page of this Official Statement (collectively, the "Series 2012 Issuers") for the purchase of the above-captioned Limited Tax Pension Refunding Obligations (the "Series 2012 Obligations") on:

January 12, 2012 until 9:00 o'clock a.m. (Prevailing Pacific Time)

Bids must be submitted electronically through ***PARITY*** as described herein.

SECURITY: The Series 2012 Obligations evidence and represent undivided proportionate interests of the Beneficial Owners thereof in payments on the Series 2012 Pension Bonds (collectively, the "Pension Bond Payments") to be made by the Series 2012 Issuers pursuant to the Trust Agreement. Each Series 2012 Issuer's Series 2012 Pension Bonds are limited tax bonds of that Series 2012 Issuer. The full faith and credit and taxing power, within the limitations of Sections 11 and 11b of Article XI of the Oregon Constitution, of each Series 2012 Issuer are pledged to the payment of the Pension Bond Payments. Each Series 2012 Issuer's Pension Bonds are payable from the Series 2012 Issuer's Available General Funds, which include all ad valorem property tax revenues received from levies under each Series 2012 Issuer's permanent rate limit and all other unrestricted taxes, fees, charges and revenues, including any State funding for school districts and education service districts, legally available to pay such Series 2012 Issuer's Pension Bond Payments. The Series 2012 Issuers are not authorized to levy additional taxes to pay the Pension Bond Payments.

Payment of the Series 2012 Pension Bonds is also secured by an intercept agreement, pursuant to which an amount of State Education Revenues equal to each Series 2012 Issuer's Pension Bond Payments, which would otherwise be paid by the Oregon Department of Education (the "Agency") to the Series 2012 Issuer, is diverted to the Series 2012 Trustee for the purpose of paying the Pension Bond Payments. "State Education Revenues" means any State funding for school districts and education service districts legally available to pay Pension Bond Payments. The diversion of State Education Revenues to pay Pension Bond Payments has priority over all other claims against money provided by the State to a school district except for intercepted payments to reimburse the State for payments made pursuant to the Oregon School Bond Guarantee program ("OSBG"; see "Available State Education Revenues" herein) and any prior or future Pension Bonds. There are limitations on the ability of the Series 2012 Issuers to issue Future Pension Bonds (as defined herein) secured by the Intercept Agreement (see "Future Pension Bonds Test" herein). The Series 2012 Trustee is required to deposit all State Education Revenues transferred by the Agency to the Series 2012 Trustee into the Trust Fund, which is part of the Trust Estate pledged to secure the payment of the Series 2012 Obligations (see "Authorization for Issuance" and "Security for the Series 2012 Obligations" herein). The Series 2012 Issuers are authorized to issue Future Pension Bonds and to require that the State Education Revenues be diverted under the Intercept Agreement with respect to such Future Pension Bonds. EXCEPT FOR THE PAYMENT OF ITS PENSION BOND PAYMENTS AND ADDITIONAL CHARGES WHEN DUE IN ACCORDANCE WITH ITS RESOLUTION AND SERIES 2012 PENSION BONDS, NO SERIES 2012 ISSUER HAS ANY OBLIGATION OR LIABILITY (1) FOR ANY PAYMENT IN RESPECT OF THE SERIES 2012 OBLIGATIONS; (2) FOR THE PAYMENTS TO BE MADE BY THE OTHER SERIES 2012 ISSUERS OR OTHER PARTIES; OR (3)

(1) Preliminary, subject to change.

FOR THE TERMS, EXECUTION, DELIVERY OR TRANSFER OF THE SERIES 2012 OBLIGATIONS, OR THE DISTRIBUTION OF PENSION BOND PAYMENTS TO THE OWNERS BY THE SERIES 2012 TRUSTEE.

THE SERIES 2012 OBLIGATIONS DO NOT CONSTITUTE A DEBT OR INDEBTEDNESS OF THE OREGON DEPARTMENT OF EDUCATION, THE STATE OF OREGON OR ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE SERIES 2012 ISSUERS.

RATINGS: The Series 2012 Issuers have applied to Moody's Investor's Service for a rating on the Obligations, and will pay the cost thereof.

INTEREST PAYMENTS AND MATURITY: Interest on the Series 2012 Obligations is payable semiannually on June 30 and December 30 of each year until maturity, commencing June 30, 2012. The Series 2012 Obligations will be dated with their date of delivery, will be issued in the aggregate principal amount of $21,940,000, and will mature on June 30, 2021, subject to adjustment as provided below:

Due June 30	Amount(1)
2021	$ 21,940,000

(1) Preliminary, subject to change.

ADJUSTMENT OF PAR AMOUNT AND MATURITIES: The Series 2012 Obligations will be awarded based on the maturity schedule above. However, the Series 2012 Issuers reserve the right to increase or decrease the total principal amount of the Series 2012 Obligations by an amount not to exceed five percent (5%) of the total following the opening of the bids. Notice of any adjustment will be given to the winning bidder promptly after bid opening. If the Series 2012 Issuers adjust the principal amount, the price to be paid to the Series 2012 Issuers will be adjusted in a manner that preserves the successful bidder's percentage net compensation.

RIGHT TO CANCEL, CHANGE TIMING AND TERMS OF SALE: The Series 2012 Issuers reserve the right to change the date, timing or terms under which the Series 2012 Obligations are offered for sale, or to cancel the sale based on market conditions, by placing a notice of the changes on i-Deal Prospectus and on Thomson Muni News on Thomson Municipal Market Monitor (www.tm3.com).

OPTIONAL PREPAYMENT: The Series 2012 Obligations are subject to optional prepayment prior to maturity by the Series 2012 Issuers, in whole at any time or in part on any interest payment date at a redemption price equal to the greater of:

(1) the issue price set forth on the inside front cover page hereof (but not less than 100%) of the principal amount of such Series 2012 Obligations to be redeemed; or

(2) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of such Series 2012 Obligations to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such Series 2012 Obligations are to be redeemed, discounted to the date on which such Series 2012 Obligations are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (described below) plus ___ basis points:

plus, in each case accrued interest on such Series 2012 Obligations to be redeemed to the redemption date.

"Treasury Rate" means with respect to any redemption date for a particular Series 2012 Obligations, the yield maturity as of such redemption date of United States Treasury securities with a contact maturity (as compiled and published in the most recent Federal Reserve Statistical

Release H. 15 (519) that has become publicly available at least two Business Days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the Series 2012 Obligations to be redeemed; provided, however, that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury Securities adjusted to a contact maturity of one year will be used.

BIDDING CONSTRAINTS: All bids will be subject to the terms and conditions of this Official Notice of Sale. All bids for the Series 2012 Obligations must comply with the following conditions: (1) the interest rate must be a multiple of 1/8 or 1/100th of one percent; (2) each Series 2012 Obligation must bear interest from its date to its stated maturity date at the interest rate specified in the bid; (3) all Series 2012 Obligations within each series of Obligations maturing on the same date must bear the same rate of interest; (4) bids must be for a purchase price of not less than ninety-eight percent (98.00%) of the principal amount of the Series 2012 Obligations; and (5) the reoffering prices for each maturity cannot exceed one hundred and five percent (105.00%) of the principal amount of such maturity; and (6) no bid will be considered that does not offer to purchase all of the maturities of the Series 2012 Obligations.

BIDS: Bids must be submitted via ***PARITY***. Bids must be received by the ***PARITY*** system not later than the date and time indicated in the first paragraph of this Notice of Sale. For further information about submitting a bid using ***PARITY***, potential bidders may contact Mary Macpherson, Seattle-Northwest Securities Corporation (the "Financial Advisor") at Telephone: (503) 275-8307 or ***PARITY*** at Telephone: (212) 849-5021. To the extent any instructions or directions set forth in ***PARITY*** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. Bidders electing to submit bids through ***PARITY*** must obtain access to the ***PARITY*** system and bear all risks associated with using that system, including errors and delays in receipt of bids.

BEST BID: Unless all bids are rejected, the Series 2012 Obligations will be awarded to the responsible bidder submitting the bid which results in the lowest overall true interest cost. True interest cost will be determined by doubling the semiannual interest rate necessary to discount the debt service on the Series 2012 Obligations to January 31, 2012 (the estimated closing date of the Series 2012 Obligations), and the aggregate purchase price bid for the Series 2012 Obligations. Each bidder is requested to supply the total interest cost and the true interest cost that the Series 2012 Issuers will pay on the Series 2012 Obligations if the bid is accepted.

GOOD FAITH DEPOSIT: The winning bidder will be required to provide a good faith deposit in the amount of $500,000 in immediately available funds wired to the Series 2012 Trustee not later than 2:00 p.m. (Pacific Time) on January 12, 2012. The Financial Advisor will provide the wire information immediately upon the award of the bid.

The good faith deposit will be held by the Series 2012 Trustee to secure the Series 2012 Issuers from any loss resulting from the failure of the bidder to comply with the terms of its bid, and will be forfeited to the Series 2012 Issuers in proportion to each Series 2012 Issuer's percentage of the principal amount in this Official Notice of Sale as liquidated damages if the bidder to whom the Series 2012 Obligations are awarded withdraws its bid or fails to complete its purchase of the Series 2012 Obligations in accordance with this Notice of Sale and its bid. The successful bidder shall pay the balance of the purchase price of the Series 2012 Obligations at closing, in funds immediately available to the Series 2012 Trustee on the date and at the time of closing.

Interest earnings on the good faith deposit will be the property of the Series 2012 Issuers and will be allocated in proportion to each Series 2012 Issuer's percentage of the principal amount in this Official Notice of Sale, will be specified as a contingency amount and deposited unto the Obligation Account, and will not be credited against the purchase price of the Series 2012 Obligations.

RIGHT OF REJECTION: The Series 2012 Issuers reserve the right to reject any or all bids, and to waive any irregularities.

PURCHASE AND SALE: The offer made hereby is subject to receipt by the Series 2012 Trustee of the bond purchase agreements, each dated as of the date hereof and including the Standard Terms for Sale incorporated therein by reference (collectively, the "Bond Purchase Agreements"), between the Trustee and each of the school districts and education service districts named in Exhibit C hereto (collectively, the "Series 2012 Issuers"). The Series 2012 Trustee's obligation to issue and sell the Series 2012 Obligations to the winning bidder is conditioned upon the issuance by the Series 2012 Issuers of the Pension Bonds.

BOOK ENTRY ONLY: The Series 2012 Obligations will be issued in registered, book-entry only form through DTC. Series 2012 Obligations will be available in denominations of $5,000, or integral multiples. Unless the book-entry-only system is discontinued, Series 2012 Obligation principal and interest payments will be made by the Series 2012 Issuers to DTC through the Series 2012 Trustee. DTC will be responsible for making payments to beneficial owners of Series 2012 Obligations.

PURPOSE: The Series 2012 Pension Bonds are authorized and are being issued under the resolutions adopted each Series 2012 Issuer's governing body. The proceeds of the Series 2012 Obligations will be used to refund all or a portion of each of the Series 2012 Issuers' callable Limited Tax Pension Obligation Bonds, Series 2002 and to pay the costs of issuance of the Series 2012 Obligations.

REOFFERING PRICES: The successful bidder shall provide the Financial Advisor with the reoffering prices and yields within 1 hour after award of the bid. The reoffering prices and yields so provided will be printed on the inside cover of the final official statement. The reoffering price for any given maturity cannot exceed one hundred five percent (105.00%) of such maturity.

LEGAL OPINION: The approving opinion of Hawkins Delafield & Wood LLP, Special Counsel, will be provided at no cost to the purchaser.

TAX STATUS: In the opinion of Special Counsel, the portion of the Financing Payments designated as and constituting interest received by the holders of the Series 2012 Obligations ("Interest") is not excludable from gross income for federal income tax purposes. In the opinion of Special Counsel, Interest received by the holders of the Series 2012 Obligations is exempt from Oregon personal income tax under existing law.

DELIVERY: It is expected that delivery of the Series 2012 Obligations will be made to the paying agent under DTC's Fast Automated Securities Transfer (FAST) program, without cost to the bidder. Delivery of the Series 2012 Obligations will be made on or about January 31, 2012.

The approving legal opinions of Special Counsel will be provided to the purchaser at the time of the delivery of the Series 2012 Obligations. Special Counsel's opinion will express no opinion concerning the accuracy, completeness or sufficiency of this Preliminary Official Statement or other offering material relating to the Series 2012 Obligations, nor will there be an opinion of Special Counsel relating to the undertaking of the Series 2012 Issuers to provide ongoing disclosure pursuant to Securities and Exchange Commission ("SEC") Rule 15c2–12 (the "Rule"). A no-litigation certificate by each of the Series 2012 Issuers will be included in the closing papers of the Series 2012 Obligations.

PRELIMINARY OFFICIAL STATEMENT AND ADDITIONAL INFORMATION: The preliminary official statement for the Series 2012 Obligations is available in electronic form from i-Deal Prospectus. For information on electronic delivery, please call the i-Deal Prospectus at (212) 849-5024 or contact the Financial Advisor. Requests for additional information about this sale should also be directed to the Financial Advisor.

COMPLIANCE WITH SEC RULES: The Series 2012 Issuers agree to provide the successful bidder with a sufficient number of copies of the official statement in a form "deemed final" by the Series 2012 Issuers to enable the successful bidder to satisfy its responsibilities under the SEC rules at the expense of the Series 2012 Issuers, and such additional copies as the successful bidder may request at the expense of the bidder, not later than the seventh business day following the date on which bids are due. Bidders should expect that the official statements will not be available prior to the seventh business day following the date on which bids are due, and should not issue confirmations which request payment prior to that date. This provision will constitute a contract with the successful bidder upon acceptance of its bid by the Series 2012 Issuers, in compliance with Section 240.15c2-12(b)(3) in Chapter II of Title 17 of the Code of Federal Regulations.

CONTINUING DISCLOSURE: The Series 2012 Issuers will undertake to provide continuing disclosure for the benefit of the Series 2012 Obligation Owners in compliance with SEC Rule 15c2-12. The form of the undertaking is attached as Appendix C to the preliminary official statement.

CUSIP: CUSIP numbers will be imprinted upon the Series 2012 Obligations at the Series 2012 Issuer's expense. However, the CUSIP Service Bureau charge for the assignment of the numbers shall be paid by the purchaser. Failure to print, or improperly imprinted numbers will not constitute basis for the purchaser to refuse to accept delivery.

CLOSING CERTIFICATES: At the time of payment for the delivery of the Series 2012 Obligations, the Series 2012 Issuers will furnish the successful bidder a certificate confirming that there is no material litigation pending that is not disclosed in the final official statement, and that the official statement does not contain any material misstatements or omissions.

OFFICIAL STATEMENT

Oregon School Boards Association

$21,940,000[1]

Limited Tax Pension Refunding Obligations, Series 2012 (Federally Taxable)

Introduction

Series 2012 Issuers and the Series 2012 Obligations

The seven Oregon school districts shown on the inside cover page of this Official Statement (collectively, the "Series 2012 Issuers") are furnishing this Official Statement to provide information in connection with the issuance of $21,940,000[1] aggregate principal amount of Limited Tax Pension Refunding Obligations, Series 2012 (the "Series 2012 Obligations"). The Series 2012 Obligations are being issued pursuant to a Trust Agreement, to be dated as of the Date of Delivery, between Wells Fargo Bank, National Association, as trustee (the "Series 2012 Trustee") and each of the Series 2012 Issuers (the "Trust Agreement"). Proceeds received from the sale of the Series 2012 Obligations are to be applied by the Series 2012 Trustee to purchase an equal aggregate principal amount of the Series 2012 Issuers' Limited Tax Pension Refunding Bonds, Series 2012 (the "Series 2012 Pension Bonds").

The information set forth herein has been obtained from the Series 2012 Issuers and other sources that are believed to be reliable. Seattle-Northwest Securities Corporation (the "Financial Advisor") has relied on the Series 2012 Issuers with respect to the accuracy and sufficiency of such information and such information is not to be construed as a representation, warranty or guarantee by the Financial Advisor. So far as any statement herein includes matters of opinion, or estimates of future expenses and income, whether or not expressly so stated, they are intended merely as such and not as representations of fact.

This Official Statement, which includes the cover page, inside cover and appendices, provides information concerning the Series 2012 Issuers, the Series 2012 Pension Bonds and the Series 2012 Obligations. Certain capitalized words and phrases used in this Official Statement have the meanings as defined in the Trust Agreement, described herein and attached as Appendix F hereto.

Sponsor

The Oregon School Boards Association ("OSBA") is the sponsor of this limited tax pension bond program for school districts and education service districts. OSBA is not a Series 2012 Issuer and does not have a financial obligation in connection with the Series 2012 Pension Bonds or the Series 2012 Obligations.

OSBA is a non-profit association that was founded in 1946 and currently represents about 1,400 locally-elected school, charter school, and education service district board members. The State Board of Education and community college board members are also represented. OSBA is governed by a board of directors of up to 21 board members, each elected on a regional basis for a two-calendar-year term. Directors must be nominated by official board action of at least one member board within their region and then elected by a majority of votes of member boards in their region.

Description of the Series 2012 Obligations

Security and Sources of Payment of the Series 2012 Obligations

The Series 2012 Obligations evidence and represent undivided proportionate interests of the Beneficial Owners thereof in payments on the Series 2012 Pension Bonds (collectively, the "Pension Bond Payments") to be made by the Series 2012 Issuers pursuant to the Trust Agreement. Each Series 2012 Issuer's Series 2012 Pension Bonds are limited tax bonds of that Series 2012 Issuer. The full faith and credit and taxing power, within the

(1) Preliminary, subject to change.

limitations of Sections 11 and 11b of Article XI of the Oregon Constitution, of each Series 2012 Issuer are pledged to the payment of the Pension Bond Payments. Each Series 2012 Issuer's Pension Bonds are payable from the Series 2012 Issuer's Available General Funds, which include all ad valorem property tax revenues received from levies under each Series 2012 Issuer's permanent rate limit and all other unrestricted taxes, fees, charges and revenues, including any State funding for school districts and education service districts, legally available to pay such Series 2012 Issuer's Pension Bond Payments. **The Series 2012 Issuers are not authorized to levy additional taxes to pay the Pension Bond Payments.**

Payment of the Series 2012 Pension Bonds is also secured by an intercept agreement, pursuant to which an amount of State Education Revenues equal to each Series 2012 Issuer's Pension Bond Payments, which would otherwise be paid by the Oregon Department of Education (the "Agency") to the Series 2012 Issuer, is diverted to the Series 2012 Trustee for the purpose of paying the Pension Bond Payments. "State Education Revenues" means any State funding for school districts and education service districts legally available to pay Pension Bond Payments. The diversion of State Education Revenues to pay Pension Bond Payments has priority over all other claims against money provided by the State to a school district except for intercepted payments to reimburse the State for payments made pursuant to the Oregon School Bond Guarantee program ("OSBG"; see "Available State Education Revenues" herein) and payments on prior or future Pension Bonds. There are limitations on the ability of the Series 2012 Issuers to issue Future Pension Bonds (as defined herein) secured by the Intercept Agreement (see "Future Pension Bonds Test" herein). The Series 2012 Trustee is required to deposit all State Education Revenues transferred by the Agency to the Series 2012 Trustee into the Trust Fund, which is part of the Trust Estate pledged to secure the payment of the Series 2012 Obligations (see "Authorization for Issuance" and "Security for the Series 2012 Obligations" herein). The Series 2012 Issuers are authorized to issue Future Pension Bonds and to require that the State Education Revenues be diverted under the Intercept Agreement with respect to such Future Pension Bonds. EXCEPT FOR THE PAYMENT OF ITS PENSION BOND PAYMENTS AND ADDITIONAL CHARGES WHEN DUE IN ACCORDANCE WITH ITS RESOLUTION AND SERIES 2012 PENSION BONDS, NO SERIES 2012 ISSUER HAS ANY OBLIGATION OR LIABILITY (1) FOR ANY PAYMENT IN RESPECT OF THE SERIES 2012 OBLIGATIONS; (2) FOR THE PAYMENTS TO BE MADE BY THE OTHER SERIES 2012 ISSUERS OR OTHER PARTIES; OR (3) FOR THE TERMS, EXECUTION, DELIVERY OR TRANSFER OF THE SERIES 2012 OBLIGATIONS, OR THE DISTRIBUTION OF PENSION BOND PAYMENTS TO THE OWNERS BY THE SERIES 2012 TRUSTEE. See "Security for the Series 2012 Obligations" herein.

Principal Amount, Date, Interest Rate and Maturity

The sum of the principal components of the Pension Bond Payments evidenced and represented by the Series 2012 Obligations will be issued in the aggregate principal amount posted on the cover of this Official Statement and will be dated and bear interest from the Date of Delivery. The principal component of the Pension Bond Payments will mature on June 30, 2021. The interest components of the Pension Bond Payments ("Interest") is payable semiannually on June 30 and December 30 of each year, commencing December 30, 2011, until the maturity or earlier prepayment of the Series 2012 Obligations (the "Payment Dates") and will be computed on the basis of a 360-day year consisting of twelve 30-day months.

Disbursement Features

Pension Bond Payments. The Pension Bond Payments will be payable by the Series 2012 Trustee to the Depository Trust Company ("DTC"), which, in turn, is obligated to remit such principal and interest components to its participants ("DTC Participants") for subsequent disbursement to the persons in whose names such Series 2012 Obligations are registered (the "Beneficial Owners") as further described in Appendix B attached hereto.

Book-Entry System. The Series 2012 Obligations will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co. as owner and as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Series 2012 Obligations. Individual purchases and sales of the Series 2012 Obligations may be made in book-entry form only in minimum denominations of $5,000 within a single maturity and integral multiples thereof. Purchasers will not receive certificates representing their interest in the Series 2012 Obligations. See "Appendix B – Book Entry Only System" for additional information.

Procedure in the Event of Revisions of Book-Entry Transfer System. Series 2012 Issuers representing 51 percent or more of the then Outstanding Principal amount of Series 2012 Pension Bonds may direct the Series 2012 Trustee to discontinue maintaining the Series 2012 Obligations in the book-entry only form at any time. The Series 2012 Trustee shall discontinue maintaining the Series 2012 Obligations in book-entry only form if DTC determines not to continue to act as securities depository for the Series 2012 Obligations, or fails to perform satisfactorily as depository, and a satisfactory substitute depository cannot reasonably be found If the Series 2012 Obligations cease to be in book-entry only form, the Series 2012 Trustee is required to mail by first class mail, postage prepaid, each interest payment on the interest Payment Date (or the next Business Day if the Payment Date is not a Business Day) to the name and address of the Owners as they appear on the Series 2012 Obligation register as of the 15th day of the month in which a Payment Date occurs (the "Record Date"). Principal of each Series 2012 Obligation shall be paid only on or after the stated maturity date thereof or date fixed for earlier prepayment thereof, and then only upon presentation and surrender of such Series 2012 Obligation to the Series 2012 Trustee at its principal corporate trust operations office in Minneapolis, Minnesota. If the Series 2012 Trustee discontinues maintaining the Series 2012 Obligations in book-entry only form, the Series 2012 Trustee is required to authenticate and deliver replacement Series 2012 Obligations in fully registered form in authorized denominations in the names of the Beneficial Owners or their nominees; thereafter the Series 2012 Obligations will be registered, transferred and exchanged as provided in the Trust Agreement.

Prepayment and Distribution Provisions

Optional Prepayment. The Series 2012 Obligations are subject to optional prepayment prior to maturity by the Series 2012 Issuers, in whole at any time or in part on any interest payment date at a redemption price equal to the greater of:

(1) the issue price set forth on the inside front cover page hereof (but not less than 100%) of the principal amount of such Series 2012 Obligations to be redeemed; or

(2) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of such Series 2012 Obligations to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such Series 2012 Obligations are to be redeemed, discounted to the date on which such Series 2012 Obligations are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (described below) plus ___ basis points:

plus, in each case accrued interest on such Series 2012 Obligations to be redeemed to the redemption date.

"Treasury Rate" means with respect to any redemption date for a particular Series 2012 Obligations, the yield maturity as of such redemption date of United States Treasury securities with a contact maturity (as compiled and published in the most recent Federal Reserve Statistical Release H. 15 (519) that has become publicly available at least two Business Days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the Series 2012 Obligations to be redeemed; provided, however, that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury Securities adjusted to a contact maturity of one year will be used.

Selection of Obligations for Prepayment. If the Series 2012 Obligations are in book-entry form with DTC at the time of optional prepayment, the Series 2012 Trustee will direct DTC to select the particular Series 2012 Obligations within a maturity to be prepaid in accordance with the operational arrangements then in effect at DTC.

If the Series 2012 Obligations are not in book-entry form at the time of optional prepayment, the Series 2012 Trustee shall determine the Series 2012 Obligations for prepayment in $5,000 increments, by the Trustee by lot. Beneficial Owners shall be determined as of the Record Date.

Notice of Prepayment (Book-Entry). So long as the Series 2012 Obligations are in book-entry only form, the Series 2012 Trustee shall notify DTC of an early prepayment no fewer than 20 calendar days nor more than 60 calendar days prior to the date fixed for prepayment, and shall provide such information as required by a letter of representation submitted to DTC in connection with the issuance of the Series 2012 Obligations.

Notice of Prepayment (No Book-Entry). During any period in which the Series 2012 Obligations are not in book-entry only form, unless waived by any Owner of the Series 2012 Obligations to be prepaid, the Series 2012 Trustee is required to give official notice of any prepayment of Series 2012 Obligations on behalf of any Series 2012 Issuer by mailing a copy of an official prepayment notice by first class mail, postage prepaid, no fewer than 20 calendar days nor more than 60 calendar days prior to the date fixed for prepayment, to the Owners of the Series 2012 Obligations to be redeemed at the address shown on the bond register or at such other address as is furnished in writing by such Owner to the Series 2012 Trustee.

The Series 2012 Trustee

The Series 2012 Trustee is a wholly owned subsidiary of Wells Fargo & Company (NYSE:WFC). Wells Fargo & Company is a diversified financial services company with approximately $1,250 billion in assets as of June 30, 2010, providing banking, insurance, investments, mortgage and consumer finance from more than 6,000 stores and the Internet (wellsfargo.com) across North America and elsewhere internationally. Wells Fargo Bank, National Association, an affiliate of the Series 2012 Trustee, is currently the trustee on pooled pension bonds issued for school districts and education service districts in Oregon in 2002, 2003, 2004, 2005, 2007, and 2011.

The Series 2012 Trustee also serves as Trustee under the Intercept Agreement with respect to the Series 2012 Obligations.

Authorization for Issuance

The Series 2002 Bonds. The Series 2012 Issuers were among 41 Oregon school districts and education service districts (collectively, the "Series 2002 Issuers") who previously issued Limited Tax Pension Obligations, Series 2002 (Federally Taxable), dated October 31, 2002, in the original aggregate principal amount of $774,662,845.50 (the "Series 2002 Bonds") pursuant to resolutions adopted by the governing body of each Series 2002 Issuer.

The Series 2002 Bonds were authorized and issued pursuant to Oregon Revised Statutes ("ORS") 238.692 to 238.698, inclusive (the "Pension Bonding Act"), which authorizes school districts and education service districts to issue limited tax bonds to finance their pension liabilities, and pursuant to ORS 288.150 to 288.165, inclusive, which permitted the Series 2002 Issuers to pledge their 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 Series 2002 Bonds.

The Series 2002 Bonds were issued in two series: $197,832,845.50 Series 2002A ($383,255,000 Final Maturity Amount), Deferred Interest Obligations (the "Series 2002A Bonds"), and $576,830,000 Series 2002B, Current Interest Obligations (the "Series 2002B Bonds"). The Series 2002B Bonds maturing on June 30, 2021 (the "Callable Bonds") are currently subject to prepayment prior to maturity on any date at a price of par plus accrued interest to the date of prepayment.

The proceeds of the Series 2012 Obligations will be used to refund all or a portion of each of the Series 2012 Issuers' Callable Bonds and to pay the costs of issuance of the Series 2012 Obligations. See "Purpose and Use of Proceeds - Refunding Procedure" herein.

The Series 2012 Pension Bonds. The Series 2012 Pension Bonds are authorized and are being issued under the resolutions listed in the following table (the "Resolutions") adopted by the applicable Series 2012 Issuer's governing body (the "Board of Directors").

Authorizing Resolutions

	Series 2012 Issuer	Resolution Number	Resolution Adopted
1.	Bend-La Pine Admin. School District No. 1	1750	12/13/11
2.	Brookings-Harbor School District No. 17C		12/14/11
3.	Gresham-Barlow School District No. 10Jt	1112-04	12/08/11
4.	Jefferson County School District No. 509J		12/12/11
5.	Morrow County School District	2011-12-8	12/12/11
6.	Portland School District No. 1J	4531	12/15/11
7.	South Umpqua School District No. 19	2012-04	12/21/11

The Series 2012 Obligations. The Series 2012 Obligations represent proportionate and undivided interests in and the right to receive the Pension Bond Payments. Each Series 2012 Issuer is required to pay the Pension Bond Payments or to cause such payments to be made on its behalf through the Intercept Agreement on its Series 2012 Pension Bonds, and the Series 2012 Trustee is required to deposit these payments into appropriate subaccounts in the Obligation Account in the Trust Fund, which is part of the Trust Estate pledged to the benefit of the Obligation Owners and defined herein. See "Security for the Series 2012 Obligations – Intercept Agreement" herein.

The Series 2012 Issuers and the Series 2012 Trustee are required to enter into a Trust Agreement at closing to provide for the issuance of and payment by the Series 2012 Trustee of the Series 2012 Obligations. The Trust Agreement provides that it constitutes an intergovernmental agreement among the Series 2012 Issuers and provides that as authorized by the Pension Bonding Act, the Series 2012 Issuers agree that the Series 2012 Pension Bonds and Series 2012 Obligations will be collectively issued, administered and paid as provided in the Trust Agreement.

Purpose and Use of Proceeds

Purpose

The Series 2012 Obligations are being issued so that the Series 2012 Issuers can obtain a benefit of a savings in total debt service requirements on their Series 2002 Bonds.

Refunding Procedure

A portion of the proceeds of the Series 2012 Obligations will be used to provide funds to the Series 2012 Trustee to refund all or a portion of each of the Series 2012 Issuer's Callable Bonds (the "Amount Refunded"). Each Series 2012 Issuer's portion of the Callable Bonds is shown in the following table:

Series 2012 Issuers' Portion of the Callable Bonds

	Series 2012 Issuer	Outstanding Amount	Amount Refunded(1)	Amount Remaining(1)
1.	Bend-La Pine Admin. School District No. 1	$ 2,725,000	$ 2,725,000	$ 0
2.	Brookings-Harbor School District No. 17C	400,000	400,000	0
3.	Gresham-Barlow School District No. 10Jt	2,380,000	2,380,000	0
4.	Jefferson County School District No. 509J	835,000	835,000	0
5.	Morrow County School District	495,000	495,000	0
6.	Portland School District No. 1J	14,000,000	14,000,000	0
7.	South Umpqua School District No. 19	425,000	425,000	0
	Total of Series 2011 Issuers	$ 21,260,000	$ 21,260,000	$ 0

(1) Preliminary, subject to change.

From the proceeds of the Series 2012 Obligations, and with other monies available, the Series 2012 Trustee will purchase certain direct United States government obligations (referred to herein as "Government Obligations") on behalf of the Series 2012 Issuers. The maturing principal of the Government Obligations and necessary cash balance, if any, will provide funds sufficient to redeem the principal on the Amount Refunded on the call date shown in the table below.

The Government Obligations and necessary cash balance, if any, will irrevocably be pledged to and held in trust for the benefit of the Owners of the Amount Refunded of the Callable Bonds by the Series 2012 Trustee.

Callable Bonds Refunded and Defeased

Maturity Date	CUSIP	Call Date	Call Price [1]
June 30, 2021	686053BP3	3/16/2012	100%
	Outstanding Amount	**Amount Refunded**	**Amount Remaining**
Series 2012 Issuers	$ 21,260,000	$ 21,260,000	$ 0
Other Series 2002 Issuers	1,920,000	0	1,920,000
Total	$ 23,180,000	$ 21,260,000	$ 1,920,000

(1) Preliminary, subject to change.
(2) Call price is expressed as a percentage of the principal amount.

Sources and Uses of Funds

The proceeds of the Series 2012 Obligations are estimated to be applied as follows:

Estimated Sources and Uses of Funds

Sources of Funds[1]		
Par Amount of Series 2012 Obligations	$ 21,940,000	[2]
Original Issue Premium/(Discount)		
Total Sources of Funds	$	
Uses of Funds[1]		
Escrow Requirements	$	
Underwriting, Insurance (if any) and Issuance Costs		
Total Uses of Funds	$	

(1) Amounts will be provided in the final Official Statement.
(2) Preliminary, subject to change.

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Series 2012 Obligations
Projected Debt Service Requirements – Callable Bonds

Fiscal Year	Series 2012 Issuer Callable Bonds Principal	Series 2012 Issuer Callable Bonds Interest	Less: Amount Refunded[(1)] Principal	Less: Amount Refunded[(1)] Interest	Series 2012 Obligations[(1)] Principal	Series 2012 Obligations[(1)] Interest	Total Debt Service[(1)]
2012	$ 0	$ 1,169,300	$ 0	$ 584,650	$ 0	$ 342,813	$ 927,463
2013	0	1,169,300	0	1,169,300	0	822,750	822,750
2014	0	1,169,300	0	1,169,300	0	822,750	822,750
2015	0	1,169,300	0	1,169,300	0	822,750	822,750
2016	0	1,169,300	0	1,169,300	0	822,750	822,750
2017	0	1,169,300	0	1,169,300	0	822,750	822,750
2018	0	1,169,300	0	1,169,300	0	822,750	822,750
2019	0	1,169,300	0	1,169,300	0	822,750	822,750
2020	0	1,169,300	0	1,169,300	0	822,750	822,750
2021	21,260,000	1,169,300	21,260,000	1,169,300	21,940,000	822,750	22,762,750
	$ 21,260,000	$ 11,693,000	$ 21,260,000	$ 11,108,350	$ 21,940,000	$ 7,747,563	$ 30,272,213

(1) Principal and interest are provided for illustrative purposes only; amounts and structure are preliminary, subject to change.

Series 2012 Issuers
Projected Debt Service Requirements – Pension Bonds

Fiscal Year	Series 2012 Issuer Outstanding Pension Bonds		Less: Amount Refunded[1]		Series 2012 Obligations[1]		Total Debt Service[1]
	Principal	Interest	Principal	Interest	Principal	Interest	
2012	$ 14,332,141	$ 32,590,630	$ 0	$ 584,650	$ 0	$ 342,813	$ 46,680,933
2013	14,690,692	34,400,427	0	1,169,300	0	822,750	48,744,568
2014	15,365,432	36,717,095	0	1,169,300	0	822,750	51,735,977
2015	15,500,291	38,951,212	0	1,169,300	0	822,750	54,104,953
2016	15,953,484	41,749,480	0	1,169,300	0	822,750	57,356,415
2017	15,982,898	44,283,490	0	1,169,300	0	822,750	59,919,839
2018	16,332,458	47,479,463	0	1,169,300	0	822,750	63,465,371
2019	16,293,536	50,330,143	0	1,169,300	0	822,750	66,277,129
2020	16,586,590	53,904,942	0	1,169,300	0	822,750	70,144,982
2021	30,944,125	42,606,512	21,260,000	1,169,300	21,940,000	822,750	73,884,087
2022	34,076,205	43,724,341	0	0	0	0	77,800,545
2023	37,126,308	43,995,318	0	0	0	0	81,121,625
2024	65,795,000	20,019,992	0	0	0	0	85,814,992
2025	73,095,000	16,347,738	0	0	0	0	89,442,738
2026	82,510,000	12,242,027	0	0	0	0	94,752,027
2027	91,075,000	7,606,802	0	0	0	0	98,681,802
2028	44,320,000	2,490,754	0	0	0	0	46,810,754
	$ 599,979,159	$ 569,440,365	$ 21,260,000	$ 11,108,350	$ 21,940,000	$ 7,747,563	$ 1,166,738,737

(1) Principal and interest are provided for illustrative purposes only; amounts and structure are preliminary, subject to change.

Security for the Series 2012 Obligations

General

The Series 2012 Issuers and the Series 2012 Trustee are entering into the Trust Agreement at closing to provide for the issuance and payment of the Series 2012 Obligations. All of the rights, title and interest of the Series 2012 Issuers and the Series 2012 Trustee in and to the Series 2012 Pension Bonds and all funds held by the Series 2012 Trustee under the Trust Agreement, but not the right of the Series 2012 Trustee to the Additional Charges and indemnification (the "Trust Estate") are pledged for the benefit of the Owners of the Series 2012 Obligations. Within each fund and account held by the Series 2012 Trustee, the Series 2012 Trustee is required to establish a subaccount for each Series 2012 Issuer. Funds held by the Series 2012 Trustee in a subaccount of a Series 2012 Issuer in the Series 2012 Obligations Account may not be used to make the Pension Bond Payments of other Series 2012 Issuers. The Series 2012 Obligations represent proportionate and undivided interests in and the right to receive the Pension Bond Payments.

Full Faith and Credit Pledge

Each Series 2012 Issuer's Series 2012 Pension Bonds are limited tax bonds of that Series 2012 Issuer. The full faith and credit and taxing power, within the limitations of Sections 11 and 11b of Article XI of the Oregon Constitution, of each Series 2012 Issuer are pledged for the payment of that Series 2012 Issuer's Pension Bond Payments and any Pension Bonds issued on a parity therewith. Each Series 2012 Issuer's Series 2012 Pension Bonds are payable from that Series 2012 Issuer's Available General Funds, which include all *ad valorem* property tax revenues received from levies under that Series 2012 Issuer's permanent rate limit and all other unrestricted taxes, fees, charges, revenues, including State Education Revenues legally available to pay such Series 2012 Issuer's Pension Bond Payments. Each Series 2012 Issuer's Pension Bond Payments are not subject to annual appropriation. No Series 2012 Issuer is responsible for payment of any other Series 2012 Issuer's Pension Bond Payments. **The Series 2012 Issuers are not authorized to levy additional taxes to pay the Pension Bond Payments**.

Intercept Agreement

To provide additional security for the payment of its Pension Bond Payments, each Series 2012 Issuer is entering into a Sixth Supplemental Intercept Agreement, to be dated as of the Date of Delivery (the "Sixth Supplemental Intercept Agreement"), which supplements the Intercept Agreement, dated October 31, 2002, as amended by an Amendment to the Intercept Agreement, dated February 1, 2003 and as supplemented by the First Supplemental Intercept Agreement, dated as of April 1, 2003, the Second Supplemental Intercept Agreement, dated February 19, 2004, the Third Supplemental Intercept Agreement, dated as of June 21, 2005, the Fourth Supplemental Intercept Agreement, dated as of October 31, 2007, and the Fifth Supplemental Intercept Agreement, dated August 11, 2011 (together, the "Original Intercept Agreement" and together with the Sixth Supplemental Intercept Agreement, the "Intercept Agreement"), by and among the Agency, the Series 2012 Issuers and the other school districts and education service districts named therein (collectively, the "Issuers") and Wells Fargo Bank, National Association, not in its individual capacity, but solely as trustee in connection with the pension bonds issued from time to time by the Issuers. Outstanding pension bonds, the Series 2012 Pension Bonds and any additional pension bonds issued in compliance with the Intercept Agreement ("Future Pension Bonds") are referred to collectively in the Intercept Agreement and in this Official Statement as the "Pension Bonds." See "Future Pension Bonds" below.

In the Intercept Agreement, each Issuer authorizes the Agency to divert State Education Revenues for the purpose of paying debt service on such Issuer's Pension Bonds and pledges such diverted State Education Revenues (the "Intercept Payments") to secure payment of its Pension Bonds. The Intercept Agreement requires the Agency to pay such Intercept Payments to the Series 2012 Trustee and any trustee for past or future pension bonds from the first State Education Revenues available for that Issuer after payment of any amounts due under ORS 326.603(2). ORS 326.603(2) permits the Agency to charge each school district $62 for the cost of performing criminal background checks on any person who is seeking to provide services to a qualified district on a contractual or volunteer basis. Each Series 2012 Issuer has covenanted that, except for diversions pursuant to ORS 326.603(2) and diversions in connection with the OSBG program described in the following pages, such Series 2012 Issuer will not enter into any other agreement with the Agency that would permit State Education Revenues to be diverted in time or priority before diversion for payment of its Pension Bonds, including the Series 2012 Pension Bonds.

Enrolled Senate Bill 988 also authorizes the Agency to divert State Education Revenues for the purpose of paying debt service on qualified school construction bonds; however, such diversions are subordinate to diversions for payment of Pension Bonds, such as the Series 2012 Pension Bonds.

PAYMENT OF DEBT SERVICE ON THE PENSION BONDS THROUGH THE INTERCEPT AGREEMENT DOES NOT CONSTITUTE A DEBT OR LIABILITY OF THE STATE OR THE AGENCY. THE AGENCY IS CHARGED WITH DISTRIBUTING ANY FUNDS MANDATED BY ARTICLE VIII, SECTION 8 OF THE OREGON CONSTITUTION WHICH PROVIDES, IN PART, THAT THE LEGISLATIVE ASSEMBLY SHALL APPROPRIATE IN EACH BIENNIUM A SUM OF MONEY SUFFICIENT TO ENSURE THAT THE STATE'S SYSTEM OF PUBLIC EDUCATION MEETS QUALITY GOALS ESTABLISHED BY LAW. The Intercept Agreement contains no default provisions, and the Series 2012 Trustee may have no remedy against the Agency if the Agency does not comply with the terms of the Intercept Agreement. ORS 238.698 specifically provides that the Agency may enter into a diversion agreement such as the Intercept Agreement and that such agreement must provide that:

(1) diverted payments are required to be paid directly to the trustee on behalf of the issuers in amounts equal to the debt service owed by the issuers;

(2) the Agency must pay the amounts due under the diversion agreement to the debt service trust fund before paying any other amounts to the issuers;

(3) the agreement is irrevocable; and

(4) the agreement is required to remain in effect until all the bonds issued by the issuers mature or are prepaid.

As mandated by statute, these terms and obligations of the Agency are contained in the Intercept Agreement.

The form of the Intercept Agreement is attached to this Official Statement as Appendix E.

Each Series 2012 Issuer has represented, covenanted and warranted that all required action has been taken to ensure the enforceability of its obligations under the Intercept Agreement and has covenanted to take all actions that are required to continue to qualify it to receive State Education Revenues (see "Financial Reporting" herein).

Available State Education Revenues

The Agency has agreed and the Series 2012 Issuers have directed that the first State Education Revenues available to a Series 2012 Issuer (after payment for background checks) be used for debt service on the Series 2012 Obligations. The amount and availability of such State Education Revenues are not, however, primarily within the control of the Agency or the Series 2012 Issuers. As discussed under "State of Oregon Public School Funding" herein, the Legislative Assembly, which currently meets on a biennial basis, is responsible for determining both the amount and the allocation formula for education funding. The formula currently allocates revenues based on enrollment for each Series 2012 Issuer. Current statutes provide that the State Education Revenues available to the Agency and the Series 2012 Issuers will be net of any amounts necessary to reimburse the State for payments made under the OSBG program described in the following paragraph. Payments under a funds diversion agreement, such as the Intercept Agreement, have priority over all other claims against money provided by the State to a school district under current law. Each Series 2012 Issuer has covenanted to not enter into any other funds diversion agreement with priority before diversions for payment of its Pension Bonds. There can be no assurances, however, that the State Education Revenues available to the Agency and the Series 2012 Issuers will remain constant or that laws will not be enacted that affect the priority of claims against such revenues.

Oregon School Bond Guaranty Program. The OSBG program is a credit enhancement offered through the State Treasurer's office for voter-approved general obligation bonds. OSBG does not guarantee payment of principal, premium or interest on pension bonds or other debt (including the Series 2012 Pension Bonds) that is not a voter-approved general obligation bond. The OSBG program allows the State Treasurer to intercept money in the State School Fund ("SSF"), the State's General Fund, the income of the Common School Fund and any other source of operating moneys provided by the State if an issuer of a guaranteed bond defaults and the State pays on the guaranty. Several of the Series 2012 Issuers currently participate in OSBG, as shown in the following table:

Series 2012 Issuers with Outstanding Bonds Guaranteed by OSBG

Series 2012 Issuer	Outstanding Principal	Outstanding Interest	Outstanding Debt Service
Bend-La Pine Admin. School District No. 1	$ 40,835,000	$ 4,701,450	$ 45,536,450
Brookings-Harbor School District No. 17C	975,000	37,799	1,012,799
Gresham-Barlow School District No. 10Jt	45,430,000	14,214,381	59,644,381
Jefferson County School District No. 509J	13,835,000	3,916,810	17,751,810
Morrow County School District	14,660,000	4,669,213	19,329,213

Source: Debt Management Division, The Office of the State Treasurer, November 16, 2011.

Any Series 2012 Issuer may participate in OSBG in the future. The total aggregate principal amount of the 253 outstanding bond issues as of May 31, 2011 that is guaranteed by OSBG is $3,268,864,021. The State could authorize other intercept programs for other purposes in the future.

Intercept Payments

The Trust Agreement and the Sixth Supplemental Intercept Agreement provide that during the period beginning with the Date of Delivery and continuing until June 30, 2012, the Series 2012 Trustee shall invoice the Agency for Intercept Payments for the Series 2012 Issuers in accordance with the Intercept Agreement. The amount invoiced by the Series 2012 Trustee on the 5th day of February, 2012 through the 5th day of April, 2012 for payment no later than the 15th day of the respective month shall be derived by dividing equally by three each Issuer's Pension Bonds annual debt service attributable to the months of February, 2012 through June, 2012. The Agency shall not be liable for any inaccurate invoices from the Series 2012 Trustee and the Series 2012 Trustee shall be liable for any inaccuracy resulting from its own negligence.

Thereafter, the Trust Agreement and the Sixth Supplemental Intercept Agreement provide that until the date that payment in full of all of the Series 2012 Pension Bonds is made, the Series 2012 Trustee is to invoice the Agency no later than the 5th day of each month, except for (a) the month of May, which amount is required to be collected on an equal *pro rata* basis during the preceding months of July through April, and (b) the month of June, which amount is required to have been included in the preceding July billing. The Intercept Agreement provides for a schedule for payments to be made to the Series 2012 Trustee by the Agency and requires the Series 2012 Trustee to send a written invoice to the Agency by the fifth day of each month in which an Intercept Payment is due and for the Agency to make such Intercept Payment by the 15th day of the month. The Intercept Agreement requires the Series 2012 Trustee to ask the Agency periodically about changes to the schedule for the Agency to receive State Education Revenues for each Series 2012 Issuer (the "Disbursement Schedule") from the State, but provides that the Agency will not be liable for any failure to provide prior notice to the Series 2012 Trustee of such schedule change. If the Series 2012 Trustee learns that the Disbursement Schedule has changed, the Series 2012 Trustee is required to adjust its invoices to the Agency to conform to those changes in the revised Disbursement Schedule, and to include the amounts to be paid by the Agency for each Issuer so that the Series 2012 Trustee has on hand the same amount the Series 2012 Trustee would have had if the Agency were making substantially equal monthly Intercept Payments to the Series 2012 Trustee and in all cases (other than if the State Education Revenues for any Issuer are no longer sufficient in total to equal that Issuer's debt service payment) such that the Series 2012 Trustee has sufficient funds on hand to make a debt service payment for each Issuer on the date such payment is due. The Series 2012 Trustee is also required to provide the Issuers with a copy of any new Disbursement Schedule within 10 days after receipt of such Disbursement Schedule from the Agency.

Security Payments

To the extent an Intercept Payment is not received by the Series 2012 Trustee from the Agency or is less than the amount invoiced by the Series 2012 Trustee, the Trust Agreement requires the Series 2012 Issuer to make monthly Security Payments not later than the 25th day of the month. Security Payments are to be in an amount equal to the amount invoiced by the Series 2012 Trustee to meet such Series 2012 Issuer's Pension Bond Payments, taking into account investment earnings credited to that Series 2012 Issuer's Obligation subaccount. The schedule set forth in the Trust Agreement for Intercept Payments and Security Payments is shown below.

Intercept and Security Payment Schedule

5th day of month Intercept Payment is due:	Series 2012 Trustee sends an invoice for Intercept Payments to the Agency;
15th day of month Intercept Payment is due:	Intercept Payments due;
20th day of month:	Notice to Series 2012 Issuer from the Series 2012 Trustee, to the extent funds available are insufficient under the Intercept Agreement;
25th day of month:	Security Payments due; and
30th day of June and December:	Obligation Payment date.

THE INTERCEPT AND SECURITY PAYMENT SCHEDULE MAY CHANGE TO ACCOMMODATE CHANGES IN THE DISBURSEMENT SCHEDULE AND THE INTERCEPT SCHEDULE. THE TRUST AGREEMENT PROVIDES, HOWEVER, THAT ANY REVISED SCHEDULE ALWAYS PROVIDE THAT SECURITY PAYMENTS BE DUE TO THE SERIES 2012 TRUSTEE NO LATER THAN THE 25TH DAY OF EACH MONTH THAT A SECURITY PAYMENT IS DUE.

If the Agency does not pay any portion of any Intercept Payment in full when due and if the amount of the deficiency is not paid in full by an Issuer, the Series 2012 Trustee is required to add the amount of any remaining deficiency to the next invoice sent to the Agency. If the Agency is required to make more than one Intercept Payment each month for any Issuers (to the extent there is more than one payment owed due to issuance of Pension Bonds other than the Series 2012 Pension Bonds) and the Agency does not have sufficient funds to pay all the Intercept Payments for those Issuers, the Agency is required to apply its available funds proportionally to pay Intercept Payments due for those Issuers. The Intercept Agreement provides that the payment of Security Payments by any Issuer on any date will not relieve the Agency from its obligation to make Intercept Payments on any future date.

If after the Series 2012 Trustee receives a Security Payment, and prior to a Payment Date, funds in a Series 2012 Issuer's subaccount are insufficient to make its Pension Bond Payment due to an investment loss, and if such investment was made by the Series 2012 Trustee under the direction of the Series 2012 Issuer, the Series 2012 Trustee is required to notify such Series 2012 Issuer and demand payment for the balance of the Pension Bond Payment.

Funds and Accounts

Under the Trust Agreement, the Series 2012 Trustee is required to establish, hold and maintain a special fund known as the "Series 2012 School District Pension Obligation Trust Fund" (the "Trust Fund") separate and apart from all other funds and moneys. The Trust Fund is to include three separate accounts, the "Proceeds Account", the "Obligation Account" and the "Prepayment Account" and within each Account, a separate subaccount for each Series 2012 Issuer. Each of these accounts is more fully described below.

Proceeds Account. The proceeds from the sale of the Series 2012 Obligations are to be applied by the Trustee to purchase the Series 2012 Pension Bonds, the proceeds of which, net of the Underwriter's discount plus interest earnings are to be credited to each Series 2012 Issuer's subaccount in the Proceeds Account for the sole purpose of refinancing all or a portion of such Series 2012 Issuer's Callable Bonds and to pay the costs of issuing the Series 2012 Pension Bonds and the Series 2012 Obligations.

Obligation Account. Amounts specified as a contingency amount, if any, in the closing instructions are to be deposited in the applicable Series 2012 Issuer's subaccount of the Obligation Account at closing and credited against that Series 2012 Issuer's Security Payments or Intercept Payments as described in the Trust Agreement.

The Series 2012 Trustee is required to credit each Series 2012 Issuer's Security Payment and any amounts it receives as Intercept Payments from the Agency on behalf of the Series 2012 Issuer to that Series 2012 Issuer's subaccount of the Obligation Account. On each Payment Date the Series 2012 Trustee is required to apply the Security Payments and Intercept Payments in each of the subaccounts of the Obligation Account to pay the Pension Bond Payments of the Series 2012 Issuers for which those subaccounts were created and to transfer those Pension Bond Payments to the Owners.

If, after the Series 2012 Trustee receives a Security Payment and/or an Intercept Payment, and prior to a Payment Date, funds in a Series 2012 Issuer's subaccount are insufficient to make its Pension Bond Payments due to an investment loss, the Series 2012 Trustee is required to notify such Series 2012 Issuer and demand payment for the balance of the Pension Bond Payment.

If, on any Payment Date, the amount available in a Series 2012 Issuer's subaccount of the Obligation Account is less than the Pension Bond Payment which is due from that Series 2012 Issuer on that Payment Date, the Series 2012 Trustee is required to apply the amount then available in the Obligation Account to Owners proportionally, based on the amount of principal and interest that was paid on the Series 2012 Pension Bonds by the Series 2012 Issuer and other Series 2012 Issuers.

The Trust Agreement provides that any amounts in a subaccount of the Obligation Account remaining after a Pension Bond Payment is made will be retained in such subaccount and invested at the Series 2012 Issuer's direction in Permitted Investments that mature on or before the next Payment Date. The Series 2012 Trustee is required to credit the amounts in each Series 2012 Issuer's subaccount against the next Intercept Payment or Security Payment due from that Series 2012 Issuer. **The Trust Agreement provides that amounts in a Series 2012 Issuer's subaccount shall not be used to make Pension Bond Payments of other Series 2012 Issuers.** Any surplus remaining in a Series 2012 Issuer's subaccount of the Obligation Account after payment of all amounts due under that Series 2012 Issuer's Series 2012 Pension Bonds and payment of all Series 2012 Obligations to be paid from such Pension Bond Payments are to be applied to pay any applicable fees and expenses of the Series 2012 Trustee, and any remaining amount is to be paid to such Series 2012 Issuer.

Prepayment Account. The Series 2012 Trustee is required to establish a separate account within the Trust Fund to be designated the "Prepayment Account," and also a separate subaccount in the Prepayment Account for each Series 2012 Issuer. The Prepayment Account and its subaccounts are required to be maintained by the Series 2012 Trustee until the Series 2012 Pension Bonds and the Series 2012 Obligations are paid in full or defeased pursuant to the terms of the Series 2012 Pension Bonds and the Trust Agreement. Any amounts remaining in a Series 2012 Issuer's subaccount of the Prepayment Account after a prepayment date and not required for the prepayment of Series 2012 Obligations are to be transferred by the Series 2012 Trustee pursuant to the written direction of that Series 2012 Issuer. If the Series 2012 Issuer fails to provide written direction to the Series 2012 Trustee within 5 Business Days after the Obligation Prepayment Date, the Series 2012 Trustee is to transfer such remaining amounts to such Series 2012 Issuer's subaccount of the Obligation Account and credit such amounts against that Series 2012 Issuer's next Security Payments or Intercept Payments as provided in the Trust Agreement.

Investment of Funds. The Trust Agreement provides that the moneys and investments held by the Series 2012 Trustee are irrevocably held in trust for the benefit of the Owners of the Series 2012 Obligations and that such moneys and investments are not subject to levy, attachment or lien by or for the benefit of any creditor of the Series 2012 Trustee, any Series 2012 Issuer or Owner. At the written direction of each Series 2012 Issuer, amounts held by the Series 2012 Trustee in each Series 2012 Issuer's subaccounts are to be invested in Permitted Investments, provided such investment does not mature later than the next applicable Payment Date. "Permitted Investments" include the Oregon Local Government Investment Pool and investments rated

"A" or higher by Standard & Poor's Ratings Services, provided such investment for an Oregon school district is permitted by Oregon law and such Series 2012 Issuer's investment policies. Interest earnings on each Series 2012 Issuer's subaccount in each account held by the Series 2012 Trustee are to be credited to that subaccount. The Series 2012 Trustee may commingle any of the funds held by it for investment purposes only.

Future and Outstanding Pension Bonds

The Series 2012 Pension Bonds are being issued as Future Pension Bonds pursuant to the provisions of the Intercept Agreement. The Issuers, including the Series 2012 Issuers, have the right to issue Future Pension Bonds secured by the Intercept Agreement if the Issuers and any trustees for the Future Pension Bonds authorize, execute and enter into the Intercept Agreement, agree to receive disbursements from the Agency on the same schedule as disbursements are made for all Pension Bonds, confirm that all applicable representations in the Intercept Agreement are correct and satisfy the Future Pension Bond test described below in "Future Pension Bonds Test". The Intercept Agreement provides that Future Pension Bonds for an individual Issuer will have a parity claim on amounts payable for that Issuer under the Intercept Agreement.

The Intercept Agreement provides that if the Agency is required to make more than one Intercept Payment each month for an Issuer, and the Agency does not have sufficient funds to pay all the Intercept Payments for that Issuer, the Agency is to apply funds it has available for that Issuer proportionally to pay all Intercept Payments due for that Issuer.

96 school districts and education service districts previously issued pension bonds under the Intercept Agreement as participants in five pooled financings. Some school districts participated in multiple pooled pension bond issues. Prior pension bonds issued under the Intercept Agreement are shown in the following table:

Prior Pension Bonds Issued Under the Intercept Agreement

Pension Bonds	Aggregate Principal Amount	Date of Intercept Agreement and Supplements	No. of Participants
Series 2002	$ 774,662,846	October 31, 2002	41
Series 2003	927,079,763	April 21, 2003	44
Series 2004	467,820,000	February 19, 2004	20
Series 2005A	458,440,000	June 21, 2005	14
Series 2007	110,160,000	October 31, 2007	7
Series 2011	24,260,000	August 11, 2011	20

Future Pension Bonds Test

Pursuant to the terms of the Intercept Agreement, the Series 2012 Issuers or the Series 2012 Trustee on behalf of the Series 2012 Issuers must file a certificate with the Agency and the Trustee for the prior Pension Bonds, dated as of the date of issuance of the Series 2012 Pension Bonds, demonstrating that the Prior Revenues for each such Series 2012 Issuer in each of the three most recently completed fiscal years (beginning on July 1 and ending on June 30 of the following year; the "Fiscal Year") are not less than two times the average aggregate annual debt service on the Series 2012 Pension Bonds and any outstanding Pension Bonds. "Prior Revenues" means the amount of State Education Revenues distributed to the Series 2012 Issuer in a Fiscal Year.

Each of the Series 2012 Issuers issued Series 2002 Bonds. Several of the Series 2012 Issuers participated in additional previous pension bonds, as shown in the following table:

Series 2012 Issuers' Pension Bonds

	Series 2012 Issuer	Previous Pension Bond Issues	Outstanding Pension Bond Principal	Less: Principal Refunded[1]	Plus: Series 2012 Obligations[1]	Remaining Pension Bond Principal[1]
1.	Bend-La Pine Admin. School District No. 1	2002, 2003 & 2004	$ 65,011,137	$ 2,725,000	$ 2,830,000	$ 65,116,137
2.	Brookings-Harbor School District No. 17C	2002 & 2004	10,123,479	400,000	420,000	10,143,479
3.	Gresham-Barlow School District No. 10Jt	2002 & 2003	54,395,371	2,380,000	2,480,000	54,495,371
4.	Jefferson County School District No. 509J	2002	11,513,108	835,000	875,000	11,553,108
5.	Morrow County School District	2002	6,839,137	495,000	520,000	6,864,137
6.	Portland School District No. 1J	2002 & 2003	440,491,623	14,000,000	14,365,000	440,856,623
7.	South Umpqua School District No. 19	2002 & 2003	11,605,304	425,000	450,000	11,630,304

(1) Preliminary, subject to change.

Source: Audited financial reports and finance staff of the Series 2012 Issuers.

The following table sets forth for each Series 2012 Issuer the Prior Revenues, average annual Pension Bond debt service and debt service coverage.

Future Bonds Test and Coverage

	Series 2012 Issuer	State Education Revenues[1] Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Pension Bonds Previous Bond Issues	Average Annual Debt Service	Coverage[2]
1.	Bend-La Pine Admin. School District No. 1	$ 52,151,779	$ 45,921,717	$ 46,491,723	2002, 2003 & 2004	$ 7,245,408	6.34
2.	Brookings-Harbor School District No. 17C	6,525,473	6,175,225		2002 & 2004	1,040,287	5.94
3.	Gresham-Barlow School District No. 10Jt	66,180,593	63,788,622	60,352,964	2002 & 2003	6,169,627	9.78
4.	Jefferson County School District No. 509J	20,328,180	18,845,909		2002	1,246,933	15.11
5.	Morrow County School District	13,104,533	12,233,300	12,522,844	2002	740,799	16.51
6.	Portland School District No. 1J	164,507,000	160,110,000	143,690,000	2002 & 2003	50,856,820	2.83
7.	South Umpqua School District No. 19	8,695,581	8,392,722	7,705,228	2002 & 2003	1,331,817	5.79

(1) Includes general state school fund revenues and any common school fund, small school or state timber revenues received by the Series 2012 Issuer. *Source: Audited financial reports and finance staff of the Series 2012 Issuers.*
(2) Preliminary, subject to change.
(3) Represents the lowest level of State Education Revenues received in the past three Fiscal Years over the average annual debt service on all Pension Bonds including the effect of the refunding and the Series 2012 Obligations.

Mergers or Consolidations

The Intercept Agreement provides that if a Series 2012 Issuer merges or otherwise consolidates with other districts, the resulting entity will be treated as having the debt service and Prior Revenues of the districts that merged into it. If a Series 2012 Issuer separates into more than one district, each resulting entity will be treated as having the portion of the debt service and Prior Revenues of the original entity attributable to such resulting entity.

Defaults and Remedies

Defaults. The following occurrences constitute Events of Default under the Resolutions ("Pension Bond Default"):

(1) Failure by the Series 2012 Issuer to pay Pension Bond Payments when due (whether at maturity, or upon redemption after the principal amounts of Pension Bond Payments have been properly called for redemption);

(2) Failure by the Series 2012 Issuer to observe and perform any covenant, condition or agreement (other than as described in (1) above), required by the Series 2012 Issuer's Resolution, which failure continues for a period of 60 days after written notice to the Series 2012 Issuer by the Series 2012 Trustee specifying such failure and requesting that it be remedied; provided however, that if the failure stated in the notice cannot be corrected within such 60 day period, it will not constitute an Event of Default so long as corrective action is instituted by the Series 2012 Issuer within the 60 day period and diligently pursued, and the default is corrected as promptly as practicable after the written notice; or,

(3) The Series 2012 Issuer 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 installment payments.

One or both of the following constitute Events of Default under the Trust Agreement:

(1) If default is made in the due and punctual payment of any principal or interest scheduled to be paid on the Series 2012 Obligations; or

(2) If any Pension Bond Default occurs.

The occurrence of any Pension Bond Default of a Series 2012 Issuer does not constitute a Pension Bond Default of other Series 2012 Issuers.

Remedies. Under each Resolution, the Series 2012 Trustee may waive any Pension Bond Default and its consequences, except a failure to pay principal, interest or premium, when due. If an Event of Default occurs and is continuing, the Series 2012 Trustee may exercise any remedy available at law or in equity; however, the Pension Bond Payments will not be subject to acceleration, and each Series 2012 Issuer is responsible solely for its Pension Bond Payments and any fees and other charges of the Series 2012 Trustee ("Additional Charges") reasonably allocated to it.

Upon the occurrence and continuance of any Event of Default under the Trust Agreement, the Series 2012 Trustee may, and if the Owners of not less than 51 percent in aggregate principal amount of Series 2012 Obligations then Outstanding so request, is required to take whatever action at law or in equity may appear necessary or desirable to enforce or to protect any of the rights vested in the Series 2012 Trustee or the Owners of Series 2012 Obligations by the Trust Agreement, the Intercept Agreement or the Series 2012 Pension Bonds, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in the Trust Agreement or the Intercept Agreement or in aid of the exercise of any power granted in the Trust Agreement or the Intercept Agreement or for the enforcement of any other legal or equitable right vested in the Series 2012 Trustee by the Trust Agreement or by law; provided that in no event will the Series 2012 Trustee have the right to accelerate the Pension Bond Payments or the Series 2012 Obligations. The Series 2012 Trustee is not permitted to exercise remedies against a Series 2012 Issuer that has not caused a Pension Bond Default.

The Trust Agreement provides that if at any time after a Pension Bond Default has occurred, any moneys available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for under the Trust Agreement or otherwise, are required to be applied by the Series 2012 Trustee as follows:

(1) To the payment of the interest on such Series 2012 Issuer's Pension Bonds when due.

(2) To the payment of the principal on such Series 2012 Issuer's Pension Bonds when due.

Amendments to Resolutions and Series 2012 Pension Bonds

The Resolutions and the Series 2012 Pension Bonds may only be amended with the consent of the Series 2012 Trustee. The Trust Agreement permits the Series 2012 Trustee to consent to amendments of the Resolutions and the Series 2012 Pension Bonds without the consent of the Owners if the amendments are required to (i) cure any formal defect, omission, inconsistency or ambiguity or to conform those documents to the requirements of the Trust Agreement or (ii) make any other change which, in the reasonable judgment of the affected Series 2012 Issuer and the Series 2012 Trustee, does not materially and adversely affect the Owners. Any other amendment to the Series 2012 Pension Bonds and the Resolutions requires the consent of the affected Series 2012 Issuer, the Series 2012 Trustee and the Owners of not less than 51 percent in aggregate principal amount of the Series 2012 Obligations then Outstanding and an approving opinion of Special Counsel. The consent of the Owners of all affected Series 2012 Obligations then Outstanding is required for any amendment, change or modification of the Series 2012 Pension Bonds that would permit the termination or cancellation of the Series 2012 Pension Bonds, a reduction in or postponement of the Pension Bond Payments or a release of the full faith and credit pledge.

Amendments to Trust Agreement

Supplemental Trust Agreement without Consent of Owners. With the consent of the Obligation Insurer (or, if the Obligation Insurer has failed to make a payment under the Policy when due, with the consent of the Series 2012 Issuers representing 51 percent or more of the then outstanding principal amount of Series 2012 Pension Bonds), the Series 2012 Trustee may amend the Trust Agreement without the consent of or notice to the Owners and without consent of or notice to the Series 2012 Issuers for the following purposes:

(i) To cure any formal defect, omission, inconsistency or ambiguity in the Trust Agreement.

(ii) To grant to or confer or impose upon the Series 2012 Trustee for the benefit of the Owners any additional rights, remedies, powers, authority, security, liabilities or duties which may lawfully be granted, conferred or imposed.

(iii) To add to the covenants and agreements of, and limitations and restrictions upon, the Series 2012 Trustee or the Series 2012 Issuers in the Trust Agreement other covenants, agreements, limitations and restrictions to be observed by the Series 2012 Trustee or the Series 2012 Issuers which are necessary or desirable and not contrary to or inconsistent with the Trust Agreement as theretofore in effect.

(iv) To confirm, as further assurance, any pledge under, and the subjection to any claim, lien or pledge created or to be created by, the Trust Agreement, or of any other moneys, securities or funds.

(v) To evidence the appointment of a successor Series 2012 Trustee.

(vi) To comply with the requirements of the Trust Indenture Act of 1939, as from time to time amended and supplemented. To the extent such amendment would adversely affect the security for the Series 2012 Obligations, the consent of the Owners representing not less than 51 percent of the then Outstanding Principal amount of Series 2012 Obligations is required. Before the Series 2012 Trustee amends the Trust Agreement, the Series 2012 Trustee must receive an opinion of counsel stating that such supplement or amendment does not materially and adversely affect the security for the Series 2012 Obligations.

Before the Series 2012 Trustee may amend or supplement the Trust Agreement without the consent of or notice to Series 2012 Issuers, there must have been delivered to the Series 2012 Trustee an opinion of counsel stating that such supplement or amendment does not materially and adversely affect the rights or obligations of the

Series 2012 Issuers. If the Series 2012 Trustee does not receive such an opinion, then any such proposed supplement or amendment requires the consent of Series 2012 Issuers representing not less than 51 percent of the then outstanding principal amount of the Series 2012 Pension Bonds.

Supplemental Trust Agreement with Consent of the Insurer or the Owners. Series 2012 Issuers representing 51 percent or more of the then outstanding Principal amount of Series 2012 Pension Bonds and the Series 2012 Trustee may amend the Trust Agreement for purposes not described in (i) through (vi) above only with the consent of the Owners of not less than 51 percent in aggregate principal amount of the Series 2012 Obligations then Outstanding.

The consent of all affected Owners of all the Series 2012 Obligations then Outstanding is required for:

(i) a change in the terms of the payment or prepayment of any portion of the Pension Bond Payments, or

(ii) the creation of a claim or lien upon, or a pledge of the Trust Estate ranking prior to or (except as expressly permitted in the Trust Agreement or Series 2012 Pension Bonds) on a parity with the claim, lien or pledge created by the Trust Agreement, or

(iii) the creation of a preference or priority of any Series 2012 Obligations over any other Series 2012 Obligations, or

(iv) a reduction in the aggregate principal amount of Series 2012 Obligations the consent of the Owners of which is required for any supplemental trust agreement or which is required for any modification, alteration, amendment or supplement to the Series 2012 Pension Bonds.

ANY AMENDMENT OR SUPPLEMENT TO THE TRUST AGREEMENT OR ANY OTHER PRINCIPAL FINANCING DOCUMENTS SHALL BE SUBJECT TO THE PRIOR WRITTEN CONSENT OF THE OBLIGATION INSURER AS SET FORTH IN THE TRUST AGREEMENT.

Defeasance

Under the Trust Agreement, all or any portion of the Outstanding Series 2012 Obligations may be paid and discharged in any one or more of the following ways:

(i) By payment of the Pension Bond Payments attributable to such Series 2012 Obligations as and when the same become due and payable;

(ii) By irrevocably depositing with the Series 2012 Trustee, in trust, before maturity, money which, together with the amounts then on deposit in the Obligation Account and the Prepayment Account, is fully sufficient to pay all Pension Bond Payments attributable to such Series 2012 Obligations; or

(iii) By irrevocably depositing with the Series 2012 Trustee, in trust, (a) Defeasance Obligations which have been calculated to be sufficient, together with the interest to accrue thereon, to pay all Pension Bond Payments attributable to such Series 2012 Obligations, as and when the same become due and payable, (b) a report of an independent firm of nationally recognized certified public accountants or such other accountant as shall be acceptable to the Obligation Insurer verifying the sufficiency of the escrow established to pay the Series 2012 Obligations in full on the prepayment date, (c) an escrow deposit agreement acceptable in form and substance to the Obligation Insurer (d) an opinion of nationally recognized bond counsel to the effect that the Series 2012 Obligations are no longer outstanding, and (e) a certificate of discharge of the Series 2012 Trustee with respect to the Series 2012 Obligations; each report and defeasance opinion shall be acceptable in form and substance, and addressed, to the Series 2012 Issuers, the Series 2012 Trustee and the Obligation Insurer. "Defeasance Obligations" means noncallable direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

Money or proceeds of Defeasance Obligations are to be held in trust solely for the benefit of those Owners of the Series 2012 Obligations that are identified by the Series 2012 Trustee to be defeased.

All obligations of the Series 2012 Trustee and the Series 2012 Issuers under the Trust Agreement with respect to such Series 2012 Obligations, which are paid or deemed paid, cease and terminate, except for the obligation of Series 2012 Issuers to pay the Additional Charges as provided in the Resolutions authorizing the Series 2012 Pension Bonds, and the obligation of the Series 2012 Trustee to apply amounts on deposit to the payment of the Series 2012 Obligations in accordance with the Series 2012 Trust Agreement.

So long as any Series 2012 Obligations remain Outstanding, the Series 2012 Trustee is to keep complete and accurate records of all moneys received and disbursed under the Trust Agreement, which is to be available for inspection by any Series 2012 Issuer or Owner, or the agent of any of them, at any time during reasonable business hours.

Ratings

As noted on the cover page of this Official Statement, OSBA, on behalf of the Series 2012 Issuers has applied for a rating for the Series 2012 Obligations from Moody's Investors Service (the "Rating Agency"). When and if obtained, the rating will reflect only the views of the Rating Agency and an explanation of the significance of the rating may be obtained from the rating agency. There is no assurance that the rating, once obtained, will be retained for any given period of time or that the rating will not be revised downward or withdrawn entirely by the rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of the rating will be likely to have an adverse effect on the market price of the Series 2012 Obligations.

Series 2012 Issuer Bonded Indebtedness

Debt Limitation

Pension Bonds. ORS 238.694 authorizes school districts, education service districts, community colleges and local governments to issue full faith and credit obligations to pay pension liabilities without limitation as to principal amount. Pension bonds are not general obligations as defined under State law and the Series 2012 Issuers are not authorized to levy additional taxes to make the Pension Bond Payments. **The Series 2012 Obligations are pension bonds.**

Other Full Faith and Credit Obligations. School districts, education service districts, community colleges and local governments may pledge their full faith and credit for "limited tax bonded indebtedness" or "full faith and credit obligations." The Oregon Constitution and statutes do not limit the amount of limited tax bonded indebtedness that a school district, education service, community college, or city may issue. Full faith and credit obligations can take the form of bonds, certificates of participation, notes or capital leases. Collection of property taxes to pay principal and interest on such limited-tax debt is subject to the limitations of Article XI, Sections 11 and 11b.

General Obligation Bonds. ORS 328.245 establishes a parameter of bonded indebtedness for school districts. Kindergarten through twelfth grade school districts may issue an aggregate principal amount up to 7.95 percent of the Real Market Value of all taxable properties within the district. **The Series 2012 Obligations are not general obligation bonds and are not subject to this debt limitation.**

Notes. Subject to any applicable limitations imposed by the Oregon Constitution or laws of the State or the resolution of an individual school district, education service district or community college, ORS 287A.180 provides that the Series 2012 Issuers may borrow money in anticipation of tax revenues or other monies and to provide interim financing ("notes"). **The Series 2012 Obligations are not notes.**

Series 2012 Issuers
Outstanding Long-Term Debt
(As of the Date of Delivery)

	Full Faith and Credit Obligations			General Obligation Bonds			
Series 2012 Issuer	**Pension Bonds(1)**	**Other Full Faith and Credit Obs.**	**Total Full Faith and Credit**	**General Obligation Bonds**	**Real Market Value(2)**	**GO Debt Capacity(3)**	**Remaining GO Capacity**
1. Bend-La Pine Admin. School District No. 1	$ 65,116,137	$ 9,863,949	$ 74,980,086	$ 152,475,000	$ 15,197,089,343	$ 1,208,168,603	$ 1,055,693,603
2. Brookings-Harbor School District No. 17C	10,143,479		10,143,479	10,450,000	1,914,432,167	152,197,357	141,747,357
3. Gresham-Barlow School District No. 10Jt	54,495,371	45,430,000	99,925,371	45,430,000	6,549,588,236	520,692,265	475,262,265
4. Jefferson County School District No. 509J	11,553,108		11,553,108	13,835,000	1,114,966,425	88,639,831	74,804,831
5. Morrow County School District	6,864,137	90,379	6,954,516	14,660,000	1,609,548,050	127,959,070	113,299,070
6. Portland School District No. 1J	440,856,623	62,851,000	503,707,623	0	71,451,649,438	5,680,406,130	5,680,406,130
7. South Umpqua School District No. 19	11,630,304	3,058,843	14,689,147	0	809,448,862	64,351,185	64,351,185

(1) Includes the Series 2012 Obligations and the effects of the refunding and concurrent defeasance. Preliminary, subject to change.
(2) Fiscal Year 2012 Real Market Value of all properties in the District.
(3) General Obligation Debt Capacity calculated at 7.95% of Real Market Value.

Source: Audited financial reports of the Series 2012 Issuers.

Debt Payment Record

During the past ten years, each Series 2012 Issuers has promptly met principal and interest payments on outstanding bonds and other indebtedness when due. None of the Series 2012 Issuers has issued refunding bonds for the purpose of preventing an impending default.

Future Financings

General Obligation Bonds. None of the Series 2012 Issuers anticipate issuing general obligation bonds in calendar year 2012.

Full Faith and Credit Obligations. Bend-La Pine Administrative School District No. 1 anticipates issuing approximately $3.2 million of full faith and credit obligations in July 2012 to purchase 28 school buses. Portland School District No. 1J anticipates securing an estimated $42 million two-year revolving full faith and credit facility in calendar year 2012: $25.75 million to refinance a short-term loan for school modernization; $8.8 million for the purchase of Rosa Parks Elementary School; and an estimated $6.8 million for boiler replacement. In addition, Portland School District No. 1J is considering issuing $10 million of full faith and credit obligations in fall 2012 to finance information technology. South Umpqua School District No. 19 anticipates issuing $350,000 of full faith and credit obligations in February 2012 to finance window replacement at three elementary schools. None of the other Series 2012 Issuers anticipate issuing full faith and credit obligations in calendar year 2012.

The Series 2012 Issuers

Public School Districts

The Series 2012 Issuers are political subdivisions empowered to provide elementary and secondary educational services. Their operations are supported primarily by State funds, local property taxes and federal grants. Each Series 2012 Issuer is governed by a board of directors elected by the voters of the Series 2012 Issuer. The chief administrative officer is a superintendent chosen by the board of directors.

Under Oregon law (ORS Chapter 332), Series 2012 Issuers are responsible for educating children residing within their boundaries. Series 2012 Issuers discharge this responsibility by building, operating, and maintaining school facilities; developing and maintaining approved educational programs and courses of study, including vocational programs and programs for handicapped students, in accordance with State standards; and carrying out programs for transportation and feeding of pupils in accordance Series 2012 Issuer, State, and federal programs.

Under Oregon law, Series 2012 Issuers are subject to supervision by the State. The State Board of Education, a group of seven persons appointed by the Governor, establishes standards for educational programs and facilities, adopts rules of general governance, and prescribes courses of study. The administrative functions of the State Board of Education are handled through the Department of Education, whose executive head is the Superintendent of Public Instruction. The superintendent is elected by the people of the State to a four-year term.

Series 2012 Issuer
Historical and Projected Enrollment

	Series 2012 Issuer	Weighted Average Daily Membership[1] Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011[2]	Fiscal Year 2012[2]
1.	Bend-La Pine Admin. School District No. 1	17,689.9	17,855.1	17,719.8	17,720.5	18,039.2
2.	Brookings-Harbor School District No. 17C	1,850.8	1,824.3	1,731.5	1,763.0	1,805.9
3.	Gresham-Barlow School District No. 10Jt	13,888.3	14,013.0	14,055.5	14,004.9	13,945.4
4.	Jefferson County School District No. 509J	3,803.5	3,737.9	3,707.7	3,910.0	3,464.6
5.	Morrow County School District	2,776.8	2,759.0	2,807.7	2,837.0	2,801.3
6.	Portland School District No. 1J	52,143.7	52,304.0	52,843.3	53,023.2	53,326.7
7.	South Umpqua School District No. 19	1,906.4	1,869.5	1,776.6	1,804.1	1,681.7

(1) Weighted Average Daily Membership is the enrollment figure, adjusted for part-time students and students with special needs, that is used to allocate revenues appropriated by the State to school districts.
(2) Preliminary, subject to change.

Source: Oregon Department of Education, School Finance Office, Fiscal Year 2008 data as of May 11, 2010, Fiscal Year 2009 data as of May 11, 2010, Fiscal Year 2010 data as of May 11,2011, Fiscal Year 2011 data as of September 29, 2010, and Fiscal Year 2012 data as of October 27, 2011, www.ode.state.or.us/search/results/?id=344.

The 2011 Legislature passed two bills which may affect the future enrollment of the Series 2012 Issuers. Senate Bill 248 requires school districts to offer free half-day kindergarten effective July 1, 2015. Districts may choose to offer free full-day kindergarten and receive a full 1.0 ADMw for kindergarten students for purposes of the SSF formula. No additional funds have been identified to pay for the cost of providing half-day or full-day kindergarten. House Bill 3681 creates an open enrollment process which allows students to attend a school district in which they do not reside without the consent of the school district in which the student resides. Beginning with fiscal year 2012-13, a district's school board will decide how many, if any, non-resident students will be allowed to enroll for the school year. Under current legislation the open enrollment process sunsets on July 1, 2017. At this time, the Series 2012 Issuers cannot determine what impact, if any, the legislation will have on enrollment or school funding.

Revenue Sources of the Series 2012 Issuers

Oregon School District Funding

Oregon school districts receive revenue from two primary sources: State aid and *ad valorem* property taxes. The following section summarizes certain of the major revenue sources of the Series 2012 Issuers.

State School Funding

One of the largest sources of revenue for school districts and education service districts is State aid appropriated through the Oregon Department of Education ("ODE"). ODE funding supports pre-kindergarten through 12th grade education including funding for operation for the State's 197 school districts and 20 education service districts through the State School Fund ("SSF"). The SSF consists primarily of State General Fund and Lottery Fund revenues.

State School Fund Formula. State aid is provided to school districts pursuant to a formula set by the Legislative Assembly. The objective of the formula is to provide equal funding for all school districts. Available State and local resources determine the actual amount of the allocation. Under the current formula, each student is given a factor as an enrolled student that is then adjusted differently for elementary school districts and high school districts, and subsequently adjusted to include additional factors such as English as a Second Language, Handicapped with an Individualized Education Plan, attending a remote small school, and Impoverished (the "ADMw"). The formula allocates revenues to districts based on the ADMw for each district.

The SSF grant (the "SSF Grant") to each school district is comprised of a general purpose grant, a facility grant, a transportation grant, a small school district supplement grant and a high cost disability grant, minus local revenues. Local revenues include tax offsets, local property taxes for school operations (specifically excluding taxes for voter approved general obligation bonds and, subject to certain limitations, amounts raised from Local Option Levies), Common School Fund, county school fund, Federal Forest Fees (as hereinafter defined) and State timber revenues, and money received in lieu of property taxes.

Under the SSF distribution formula for the general purpose grant, the total ADMw is multiplied by a statewide target grant (currently $4,500). A factor of $25 per year per student that a district's average teachers' experience exceeds the State average is added to (or subtracted from if below the State average) this calculation. The result is multiplied by a funding ratio to arrive at the State's general purpose grant.

The facility grant ($12.5 million in the 2009-2011 biennium) is distributed on a first-come, first-served basis to districts in the first year a new school facility is put into use. The grant equals a maximum of 8 percent of total construction costs of new school buildings, specifically excluding the cost of acquiring land, but including the addition of new structures to existing school buildings and pre-manufactured buildings if the new structures are used for instructing students. The transportation grant for each school district is between 70 percent and 90 percent of approved transportation costs, depending upon the ranking of the school district. Such ranking is based upon the approved transportation costs per ADMw. The high cost disability grant is equal to the approved costs of a resident pupil with disabilities for whom the approved costs to the school district of providing special education and related services exceed $30,000.

School districts historically received 95.25 percent of the total SSF distribution and ESDs receive the remaining 4.75 percent. Senate Bill 250, approved June 24, 2011, increases the school district SSF distribution to 95.5 percent and reduces ESD distribution to 4.5 percent, effective July 1, 2011. Senate Bill 250 also allows school districts located within the Northwest Regional, Multnomah, Willamette or Baker County ESDs to withdraw from the ESD and receive 90 percent of the district's prorated share of State funds allocated to the ESD.

State Budget

State K-12 Education Budget. SSF funding is set biennially by the Legislative Assembly in the State budget during the odd-numbered year regular session (the "Legislatively Adopted Budget"). The State budget covers two fiscal years (a biennium) beginning July 1 of an odd-numbered year to June 30 of the next odd-numbered year, and sets funding for State agencies including ODE. The Legislative Assembly has the power to subsequently approve revisions to the Legislatively Adopted Budget. Such revised State budget is termed the "Legislatively Approved Budget."

The State Constitution requires the Legislative Assembly to balance the State's General Fund budget. The Department of Administrative Services Office of Economic Analysis (the "OEA") produces a forecast of projected revenues (a "Revenue Forecast") for the biennium generally each March, June (May in odd-numbered years), September and December.

Revenue Forecasts are based upon currently available information and upon a wide variety of assumptions. The actual results will be affected by future national and state economic activity and other events. If OEA's assumptions are not realized or if other events occur or fail to occur, the State's financial projections may not be achieved. Copies of the Revenue Forecasts are available from OEA at: *www.oregon.gov/DAS/OEA*.

If, over the course of a biennium, the forecasted revenues decline significantly from the May Revenue Forecast (the "Close of Session Forecast"), the Legislative Assembly may meet to rebalance the budget, the Governor may direct that expenditures be reduced or the Legislative Assembly may adjust the budget when it meets in its regular session at the end of the biennium.

2011-13 Biennium State Budget. The Legislatively Adopted Budget for the 2011-13 biennium included $57.8 billion total funds which represents a 7.1% decrease over the Legislatively Approved Budget for the 2009-11 biennium. The 2011-13 Legislatively Adopted Budget includes $14.6 billion in General Funds and Lottery Funds, $28.8 billion Other Funds, and $14.4 billion Federal Funds. The Legislature will convene for a shortened session in February of 2012 and will have the opportunity to revise the Legislatively Adopted Budget for the remaining 2011-13 biennium.

2011–13 Biennium Revenue Forecasts. On November 17, 2011, the OEA released the December 2011 Revenue Forecast. The December 2011 Revenue Forecast for General Fund revenues for the 2011-2013 biennium was $13.7 billion, down $276.9 million from the Close of Session forecast. This downward revision was due largely to a weaker outlook for global demand.

State General Fund Forecast Summary
($ in Millions)

	2011-13 Biennium Revenue Forecast			**December 2011 Forecast Change From**	
	Close of Session	**September 2011**	**December 2011**	**September 2011**	**Close of Session**
Structural Revenues					
Personal Income Tax	$ 12,193.6	$ 12,035.1	$ 12,001.4	$ (33.7)	$ (192.2)
Corporate Income Tax	894.2	875.5	821.4	(54.2)	(72.9)
All Other Revenues	944.2	928.8	932.3	3.6	(11.9)
Gross General Fund Revenues	**14,032.0**	**13,839.4**	**13,755.1**	**(84.3)**	**(276.9)**
Administrative Actions	(23.1)	(23.1)	(23.1)	0.0	0.0
Legislative Actions	0.0	0.0	0.0	0.0	0.0
Net Available Resources	**$ 14,008.9**	**$ 13,816.3**	**$ 13,731.9**	**$ (84.3)**	**$ (276.9)**

Source: Oregon Office of Economic Analysis, "Oregon Economic and Revenue Forecast, December 2011." November 17, 2011.

State K-12 Education Funding

2011–13 Biennium State School Fund. The Legislatively Adopted Budget included $5.77 billion for the SSF. Of that amount, $61 million Federal Funds is related to the American Recovery and Reinvestment Act (ARRA). No new funding is available for the 2011-13 biennium from ARRA; this budget adjustment was included as a contingency if school and education service districts did not fully draw these resources prior to the close of the 2009-11 biennium. Excluding the $61 million Federal Funds adjustment, the 2011-13 Legislatively Adopted Budget is less than one percent lower than the 2009-11 Legislatively Approved Budget.

Current and historical state funding levels are detailed in the following table.

State K-12 Education Funding
($ in Millions)

Biennium	Fiscal Year	Budget Appropriation
2011-13(1)	2013	$ 2,843
	2012	2,868
2009-11	2011	2,798
	2010	2,940
2007-09	2009	2,911
	2008	2,918
2005-07	2007	2,695
	2006	2,567
2003-05	2005	2,326
	2004	2,590

(1) Preliminary, subject to change. Does not include $61 million of federal funding related to ARRA.
Source: Oregon Department of Education, School Finance Office: www.ode.state.or.us/search/results/?id=344.

School districts that do not meet the rules and regulations of the State Board of Education (e.g., there must be at least 265 consecutive calendar days between the first and last instructional day of each school year) are classified as "non-standard." Under ORS 327.103, the Superintendent of Public Instruction may withhold portions of SSF monies otherwise allocated to any district that is non-standard before the beginning of the school year immediately following the date such district was found to be non-standard unless withholding of SSF monies would create an undue hardship or an extension has been granted by the Superintendent of Public Instruction. Such extension may not exceed 12 months. **None of the Series 2012 Issuers have ever been classified as "non-standard."**

ODE provides SSF Grant estimates to each school district. Estimates are generally revised in July, October, February, March and May. The most recent ODE estimates for total revenue available in Fiscal Years 2011 and 2012 appear in the following table.

Oregon Department of Education
Assumptions for Allocation of State Revenues

	Fiscal Year 2011 (As of May 7, 2011)	Fiscal Year 2012 (As of Oct. 27, 2011)
School District Local Revenue	$ 1,426,771,426	$ 1,458,386,360
ESD Local Revenue	96,302,247	98,258,477
Total Local Revenue	**$ 1,523,073,673**	**$ 1,556,644,837**
State Budget Appropriation	$ 2,606,514,416	$ 2,867,830,000
Less Federal SFSF monies	(64,641,429)	0
Less Federal Ed Jobs monies	(117,949,095)	0
Dedicated Funding – HB 5520 (2009)	(1,150,299)	0
Less Reserve Account	(20,000,000)	(15,000,000)
Less Long Term Care and State Schools	(11,638,849)	(12,000,000)
Less Small High School Grants	(2,500,000)	(2,500,000)
Less 2011-12 School Year Subaccount	0	(125,000,000)
Less TAG, Speech and Virtual School Funding	0	(1,042,000)
State Revenue for Formula	**$ 2,388,634,744**	**$ 2,712,288,000**
Total Revenue for Formula	**$ 3,911,708,417**	**$ 4,268,932,837**
School District share (95.5%)	3,725,902,267	4,076,830,859
Less High Cost Disability Grants	(18,000,000)	(18,000,000)
Less Facility Grants	(12,500,000)	(12,500,000)
Less share of ORES	0	(10,192,077)
Plus 2010-11 Trigger for School Districts	191,151,995	0
School District Formula Revenue for Distribution	$ 3,886,554,262	$ 4,036,138,782
ESD Share (4.5%)	$ 185,806,150	$ 192,101,978
Less ESD testing contract	(550,000)	(484,000)
Less share of ORES	0	(480,255)
ESD Formula Revenue for Distribution	$ 185,256,150	$ 191,137,723
Total Formula Revenue	**$ 4,071,810,412**	**$ 4,227,276,505**

Source: Oregon Department of Education, School Finance Office.

State Reserve Funds

The 2007 Legislative Assembly created two budgetary reserve funds, the Rainy Day Fund and the Education Stability Fund. With the approval of three-fifths of each house, the Legislative Assembly may appropriate up to two-thirds of the money in the Rainy Day Fund or Education Stability Fund for use in any biennium if certain economic or revenue triggers occur. The December 2011 Forecast projects that at the end of the 2011-13 biennium the Rainy Day Fund and the Education Stability Fund will have ending fund balances of $45.9 million and $10.7 million, respectively.

Rainy Day Fund. The Rainy Day Fund may be drawn on for any General Fund purpose in the event of a downturn in State revenues. In September 2007 the State made an initial one-time deposit into the Rainy Day Fund of $319.2 million from the corporate income tax credit (known as the "corporate kicker"). The Rainy Day Fund retains interest earnings in the fund. After the current biennium, the Rainy Day Fund is to receive biennial deposits from the ending General Fund balance in an amount equal to the lesser of (a) the actual General Fund ending balance for the preceding biennium or (b) one percent of the amount of General Fund appropriations for the preceding biennium. The amount deposited to the Rainy Day Fund is capped at 7.5 percent of General Fund revenues for a biennium.

Education Stability Fund. Under the Oregon Constitution, 18 percent of the net proceeds from the State Lottery must be deposited in the Education Stability Fund quarterly. The Education Stability Fund does not retain earnings in the fund. The amount in the Education Stability Fund may not exceed 5% of the amount that was collected as revenues in the State's General Fund during the prior biennium.

Property Taxes

Most local governments, school districts, education service districts and community college districts ("local governments") have permanent authority to levy property taxes for operations ("Permanent Rates") up to a maximum rate (the "Operating Tax Rate Limit"). Local governments that have never levied property taxes may request that the voters approve a new Operating Tax Rate Limit.

Local governments may not increase their Operating Tax Rate Limits; rather they may only request that voters approve limited term levies for operations or capital expenditures ("Local Option Levies") or levies to repay general obligation bonded indebtedness ("General Obligation Bond Levies").

Local Option Levies that fund operating expenses are limited to five years, and Local Option Levies that are dedicated to capital expenditures are limited to ten years. Local Option Levies for school districts are limited to the lesser of (i) $1,000 per student, or (ii) 20 percent of a district's total state resources. Education service districts are not authorized to request Local Option Levies.

ORS 327.333 through 327.339 provides local option equalization grants to school districts with Local Option Levies that have a total assessed property value per student less than the total assessed property value per student of a designated target district. For the biennium commencing July 1, 2011, $1,930,520 was appropriated from the State's General Fund to the Department of Education for the Local Option Equalization Grants Account. If the amount of money available is insufficient to make grant payments, the grant payments are to be proportionally reduced.

Portland School District No. 1J currently has a $1.99 Local Option Levy. None of the other Series 2012 Issuers have a Local Option Levy or have plans to seek voter approval of a Local Option Levy.

Local governments impose property taxes by certifying their levies to the county assessor of the county in which the local government is located. Property taxes ordinarily can only be levied once each Fiscal Year. The local government ordinarily must notify the county assessor of its levies by July 15.

Valuation of Property – Real Market Value. "Real Market Value" is the minimum amount in cash which could reasonably be expected by an informed seller acting without compulsion, from an informed buyer acting without compulsion, in an "arms-length" transaction during the period for which the property is taxed.

Property subject to taxation includes all privately owned real property (land, buildings and improvements) and personal property (machinery, office furniture and equipment) for non-residential taxpayers. There is no property tax on household furnishings (exempt since 1913), personal belongings, automobiles (exempt since 1920), crops, orchards, business inventories or intangible property such as stocks, bonds or bank accounts, except for centrally assessed utilities, for which intangible personal property is subject to taxation.

Property used for charitable, religious, fraternal and governmental purposes is exempt from taxation. Special assessments that provide a reduction in the taxable Real Market Value may be granted (upon application) for veterans' homesteads, farm and forest land, open space and historic buildings. The Real Market Value of specially assessed properties is often called the "Taxable Real Market Value" or "Measure 5 Real Market Value." The assessment roll, a listing of all taxable property, is prepared as of January 1 of each year.

Valuation of Property – Assessed Value. Property taxes are imposed on the assessed value of property. The assessed value of each parcel cannot exceed its Taxable Real Market Value, and ordinarily is less than its Taxable Real Market Value. The assessed value of property was initially established in 1997 as a result of a constitutional amendment. That amendment (now Article XI, Section 11, often called "Measure 50") assigned each property a value and limited increases in that assessed value to three percent per year, unless the property is improved, rezoned, subdivided, or ceases to qualify for exemption. When property is newly constructed or reassessed because it is improved, rezoned, subdivided, or ceases to qualify for exemption, it is assigned an assessed value that is comparable to the assessed value of similar property.

The Oregon Department of Revenue ("ODR") appraises and establishes values for utility property, forestland and most large industrial property for county tax rolls. It collects taxes on harvested timber for distribution to schools, county taxing districts, and State programs related to timber. Certain properties, such as utilities, are valued on the unitary valuation approach. Under the unitary valuation approach, the taxpaying entity's operating system is defined and a value is assigned for the operating unit using the market value approach (cost, market value and income appraisals). Values are then allocated to the entities' operations in Oregon, and then to each county the entity operates in and finally to site locations.

Generally speaking, industrial properties are valued using an income approach, but ODR may apply additions or retirements to the property value through a cost of materials approach. Under the income and cost of materials approaches, property values fluctuate from year-to-year.

Tax Rate Limitation – Measure 5. A tax rate limitation was established in 1990 as the result of a constitutional amendment. That amendment (now Article XI, Section 11b, often called "Measure 5") separates property taxes into two categories: one to fund the public school system (kindergarten through grade twelve school districts, education service districts and community college districts, collectively, "Education Taxes") and one to fund government operations other than the public school system ("General Government Taxes"). Education Taxes are limited to $5 per $1,000 and General Government taxes are limited to $10 per $1,000 of the Taxable Real Market Value of property (the "Measure 5 Limits"). If the taxes on a property exceed the Measure 5 Limit for Education or General Government, then tax rates are compressed to the Measure 5 Limit. Local Option Levy rates compress to zero before there is any compression of Permanent Rates. This compression is taken into account in the State School Fund Distribution Formula described herein (see "State of Oregon Public School Funding – State School Fund").

Taxes imposed to pay the principal and interest on the following bonded indebtedness are not subject to Measure 5 Limits: (1) bonded indebtedness authorized by a specific provision of the Oregon Constitution; and (2) general obligation bonded indebtedness incurred for capital costs approved by the electors of the issuer and bonds issued to refund such bonds. **Property taxes imposed to pay the Pension Bond Payments are subject to the limitations of Article XI, Sections 11 and 11b.**

In 2007 the Oregon Supreme Court determined that taxes levied by general purpose governments (such as cities and counties) may be subject to the $5 per $1,000 limit if those taxes are used for educational services provided by public schools.

Property Tax Collections. Each county assessor is required to deliver the tax roll to the county tax collector in sufficient time to mail tax statements on or before October 25 each year. All tax levy revenues collected by a county for all taxing districts within the county are required to be placed in an unsegregated pool, and each taxing district shares in the pool in the same proportion as its levy bears to the total of all taxes levied by all taxing districts within the county. As a result, the tax collection record of each taxing district is a *pro-rata* share of the total tax collection record of all taxing districts within the county combined.

Under the partial payment schedule, taxes are payable in three equal installments on the 15th of November, February and May of the same Fiscal Year. The method of giving notice of taxes due, the county treasurer's account for the money collected, the division of the taxes among the various taxing districts, notices of delinquency, and collection procedures are all specified by detailed statutes. The lien for property taxes is prior to all other liens or encumbrances of any kind on real or personal property subject to taxation. By law, a county may not commence foreclosure of a tax lien on real property until three years have passed since the first delinquency.

A Senior Citizen Property Tax Deferral Program (1963) allows certain homeowners to defer taxes until death or sale of the home. A similar program is offered for Disability Tax Deferral (2001), which does not have an age limitation.

Tax Collection Record
Percentages of Taxes Collected in the Year of the Levy (As of June 30)

County	2007	2008	2009	2010	2011
Clackamas County (1)	97.28%	96.56%	95.71%	96.28%	96.79%
Curry County (2)	97.07%	96.80%	95.51%	95.27%	95.18%
Deschutes County (3)	97.18%	95.64%	94.14%	95.57%	96.00%
Douglas County (4)	95.92%	95.27%	94.79%	94.06%	93.92%
Gilliam County (5)	97.00%	98.70%	97.98%	99.00%	99.30%
Jefferson County (6)	96.91%	95.76%	94.68%	94.50%	94.10%
Morrow County (7)	96.90%	97.84%	97.48%	97.90%	98.06%
Multnomah County (8)	97.29%	97.07%	96.43%	96.85%	97.22%
Wasco County (9)	96.50%	96.13%	95.79%	95.85%	95.47%
Washington County (10)	97.93%	97.57%	96.94%	97.20%	97.63%

Footnotes for the counties in the table above indicate that the following Series 2012 Issuers are completely or partially located within such county:

(1) Gresham-Barlow School District No. 10Jt, Portland Public School District No. 1J
(2) Brookings-Harbor School District No. 17C
(3) Bend-La Pine Admin. School District No. 1
(4) South Umpqua School District No. 19
(5) Morrow County School District
(6) Jefferson County School District No. 509J
(7) Morrow County School District
(8) Gresham-Barlow School District No. 10Jt, Portland School District No. 1J
(9) Jefferson County School District No. 509J
(10) Portland School District No. 1J

NOTE: Percentage of total tax levy. Pre-payment discounts are considered to be collected when outstanding taxes are calculated.

Sources: County Departments of Assessment and Taxation.

Federal Funding

Oregon school districts receive federal funding for a variety of purposes. Such funding is generally restricted to specific purposes.

Federal Stimulus Funds. The State expects to receive funds under the American Recovery and Reinvestment Act of 2009 ("ARRA"). The 2009-11 Legislatively Adopted Budget included $295.4 million of federal ARRA funds for education, $103.8 million for public safety, and $578.9 million for human services, for a total of $978.1 million. In addition, the budget also used another $355.3 million of federal ARRA funds to supplement General Fund budgets of various state agencies for the 2009-11 biennium.

Federal Forest Fees. In 2000, Congress passed the Secure Rural Schools and Community Self-Determination Act (the "SRS Act") to replace a previous revenue sharing program. The SRS Act provides funding from the federal government to 18 of Oregon's 36 counties for schools, roads, and other purposes ("Federal Forest Fees"). The U.S. Congress extended the SRS Act through September 30, 2012.

The $700 billion Emergency Economic Stabilization Act of 2008 contained a four-year reauthorization of the SRS Act. The reauthorization will provide declining annual payments. The first three years of payments will be calculated as a percentage of the amount received in federal fiscal year 2006 which ended September 30, 2007. A distribution formula will be applied in the final year of the payments which is not currently calculable.

Federal Fiscal Year (1)	SRS Payment as Percentage of Federal Fiscal Year 2006
2008-09	90%
2009-10	81%
2010-11	73%
2011-12	New formula applied, amount estimated between 40% and 50%

(1) Federal fiscal years are October 1 through September 30 (the "Federal Fiscal Year").

Source: H.R. 1424 Emergency Economic Stabilization Act of 2008.

Revenue losses from the discontinuation of the SRS Act will be spread across all school districts statewide as Federal Forest Fees are included in local revenue for calculation of SSF Grants (see "State of Oregon Public School Funding – State School Fund" herein).

Construction Excise Tax

School districts may levy a tax for capital improvements on new residential, commercial and industrial development ("Construction Excise Tax"). Affordable housing, public improvements, agricultural buildings, hospitals, private schools, and religious facilities are exempted from the Construction Excise Tax. The Construction Excise Tax is limited to: (i) $1.05 per square foot on residential construction and (ii) 53¢ per square foot on non-residential construction up to the lesser of $26,400 per building permit or $26,400 per structure. The tax rate limits are adjusted annually by the Oregon Department of Revenue for changes in construction costs. The Construction Excise Tax is not subject to voter approval.

Revenue generated through a Construction Excise Tax can be used to acquire land, construct, reconstruct or improve school facilities, acquire or install equipment, furnishings or other tangible property, pay for architectural, engineering, legal or other costs related to capital improvements, any expenditure for assets that have a useful life of more than one year, or the payment of obligations and related costs of issuance that are issued to finance or refinance capital improvements.

The Series 2012 Issuers. Gresham-Barlow School District No. 10Jt and Portland School District No. have adopted Construction Excise Taxes. None of the other Series 2012 Issuers have a Construction Excise Tax or have plans to adopt a Construction Excise Tax. [DISTRICTS TO CONFIRM]

Summary of General Fund Revenues

The following table shows historic State Education Revenues and its percentage of total general fund revenues for each of the Series 2012 Issuers for the past three years.

Series 2012 Issuers
Summary General Fund Revenues
($ in thousands)

Series 2012 Issuer	Fiscal Year 2008			Fiscal Year 2009			Fiscal Year 2010			Fiscal Year 2011		
	State Education Revenues	Total Revenue(1)	State % of Total	State Education Revenues	Total Revenue(1)	State % of Total	State Education Revenues	Total Revenue(1)	State % of Total	State Education Revenues	Total Revenue(1)	State % of Total
1. Bend-La Pine SD 1	$ 59,927	$ 117,062	51.19%	$ 52,152	$ 120,865	43.15%	$ 45,922	$ 113,567	40.44%	$ 46,492	$ 115,056	40.41%
2. Brookings-Harbor SD 17C	7,475	12,836	58.23%	6,525	12,217	53.41%	6,175	13,508	45.72%	-	-	#DIV/0!
3. Gresham-Barlow SD 10Jt	68,588	92,958	73.78%	66,181	91,960	71.97%	63,789	91,668	69.59%	60,353	88,977	67.83%
4. Jefferson Co. SD 509J	20,501	27,018	75.88%	20,328	29,279	69.43%	18,846	26,733	70.50%	-	-	#DIV/0!
5. Morrow County SD	12,791	18,341	69.74%	13,105	18,111	72.36%	12,233	17,772	68.84%	12,523	29,587	42.33%
6. Portland SD 1J	182,844	423,654	43.16%	164,507	413,091	39.82%	160,110	419,400	38.18%	143,690	409,626	35.08%
7. South Umpqua SD 19	9,440	12,657	74.58%	8,696	12,484	69.65%	8,393	11,923	70.39%	7,705	13,144	58.62%

(1) Does not include beginning fund balances.
Sources: Audited financial reports of the Series 2012 Issuers.

Accounting Policies

Fund Accounting. The accounts of the Series 2012 Issuers are organized on the basis of funds and account groups, each of which is a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. The various funds are grouped into governmental funds.

General Fund. This fund is used to account for all expendable financial resources, except those required to be accounted for in another fund.

Debt Service Fund. This fund is used to account for revenue sources that are legally restricted for the payment of general long-term debt principal, interest and related expenditures.

Financial Reporting

The financial statements of the Series 2012 Issuers are prepared in conformity with generally accepted accounting principles ("GAAP") as prescribed by the Governmental Accounting Standards Board ("GASB"). Additional information on the Series 2012 Issuers' accounting methods is available in the Series 2012 Issuers' audited financial statements.

Auditing

Each Oregon municipal corporation must obtain an audit and examination of its funds and account groups at least once each year pursuant to the Oregon Municipal Audit Law, ORS 297.405-297.555. Municipalities having annual expenditures of less than $500,000, with the exception of counties and school districts, are exempt from this requirement. All Oregon counties and school districts, regardless of amount of annual expenditures, must obtain an audit annually. The required audit may be performed by the State Division of Audits or by independent public accountants certified by the State as capable of auditing municipal corporations.

The Series 2012 Issuers' audit reports for Fiscal Year 2010 indicate that the financial statements, in all material respects, fairly present such Series 2012 Issuers' financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information and the respective changes in financial position and the cash flows, where applicable, in conformance with accounting principles generally accepted in the United States of America.

The audited financial statements of the Series 2012 Issuers as of June 30, 2010, are incorporated herein by reference and have been filed with the Electronic Municipal Market Access system, a free, centralized repository located at: www.emma.msrb.org.

A four-year summary of the Series 2012 Issuers' General Fund Statement of Revenues, Expenditures and Changes in Fund Balance follows.

Series 2012 Issuers
Summary General Fund Financial Information
($ in thousands)

Series 2012 Issuer	Fiscal Year 2008			Fiscal Year 2009			Fiscal Year 2010			Fiscal Year 2011		
	Total Revenue[(1)]	Total Expend.	Ending Fund Balance	Total Revenue[(1)]	Total Expend.	Ending Fund Balance	Total Revenue[(1)]	Total Expend.	Ending Fund Balance	Total Revenue[(1)]	Total Expend.	Ending Fund Balance
1. Bend-La Pine SD 1	$ 117,062	$ 119,549	$ 3,819	$ 120,865	$ 117,969	$ 12,989	$ 113,567	$ 113,565	$ 12,991	$ 115,056	$ 113,967	$14,080
2. Brookings-Harbor SD 17C	12,836	11,917	904	12,217	11,766	1,035	13,508	12,895	1,312			
3. Gresham-Barlow SD 10Jt	92,958	93,850	13,086	91,960	94,874	10,172	91,668	88,321	13,557	88,977	89,824	12,714
4. Jefferson Co. SD 509J	27,018	26,275	5,054	29,279	24,434	9,352	26,733	24,010	11,074			
5. Morrow County SD	18,341	18,254	1,927	18,111	17,925	1,404	17,772	17,185	1,340	29,587	28,837	750
6. Portland SD 1J	423,654	425,950	49,385	413,091	412,127	49,960	419,400	413,127	53,772	409,626	425,352	31,541
7. South Umpqua SD 19	12,657	13,066	106	12,484	12,213	352	11,923	11,028	1,221	13,144	11,889	1,255

(1) Does not include beginning fund balances.
Sources: Series 2012 Issuers' Audited Financial Statements.

Budgetary Process

Each Series 2012 Issuer is required to prepare an annual budget in accordance with Oregon Local Budget Law (ORS Chapter 294) which establishes standard procedures for all budget functions for Oregon local governments. Under the applicable provisions, there must be public participation in the budget process and the adopted budget must be balanced.

Each Series 2012 Issuer's administrative staff evaluates the budget requests of the various departments of the Series 2012 Issuers to determine the funding levels of the operating programs. The budget is presented to the public through public hearings held by a budget committee consisting of Board members and lay members. After giving due consideration to the input received from the citizens, the governing body of the Series 2012 Issuer adopts the budget, authorizes the levying of taxes and sets appropriations. The budget must be adopted no later than June 30 of each Fiscal Year.

The budget may be amended during the applicable Fiscal Year through the adoption of a supplemental budget. Supplemental budgets may be adopted by the Board pursuant to ORS 294.480.

Series 2012 Issuers
Fiscal Year 2012 General Fund Budget
($ in thousands)

	Resources						Expenditures								
Series 2012 Issuer	**Local**	**Intermediate**	**State**	**Federal**	**Beginning Fund Balance and Other**	**Total**	**Instruction**	**Support Services**	**Enterprise/ Community Services**	**Facilities Acquisition and Constr.**	**Debt Service /Transfer**	**Other Uses**	**Contingency**	**Unapprop. Ending Fund Balance**	**Total**
1. Bend-La Pine SD 1	$56,209	$1,684	$56,587	$ 328	$ 13,721	$128,529	$ 71,490	$ 48,503	$ 272	$ 0	$2,035	$ 0	$ 0	$ 6,227	$128,529
2. Brookings-Harbor SD 17C						0									0
3. Gresham-Barlow SD 10Jt	24,745	25	63,594	50	14,930	103,344	59,660	35,308	249	0	0	550	2,000	5,577	103,344
4. Jefferson Co. SD 509J						0									0
5. Morrow County SD	5,362	193	12,453	1,171	10,409	29,587	12,780	7,335	1,130	0	3,388	4,203	500	250	29,587
6. Portland SD 1J	270,080	6,915	156,804	7	33,495	467,301	254,457	177,022	550	3,110	7,604	0	24,559	0	467,301
7. South Umpqua SD 19	2,728	100	7,782	553	1,308	12,470	6,441	5,124	5	0	0	526	374	0	12,470

Source: Adopted Fiscal Year 2012 Budget for each Series 2012 Issuer.

Investments

ORS 294.035 authorizes Oregon municipalities to invest in obligations, ranging from U.S. Treasury obligations and Agency securities to municipal obligations, bankers' acceptances, commercial paper, certificates of deposit, corporate debt and guaranteed investment contracts, all subject to certain size and maturity limitations. No municipality may have investments with maturities in excess of 18 months without adopting a written investment policy which has been reviewed and approved by the Oregon Short Term Fund Board. ORS 294.052 authorizes Oregon municipalities to invest proceeds of bonds or certificates of participation and amounts held in a fund or account for such bonds or certificates of participation under investment agreements if the agreements: (i) produce a guaranteed rate of return; (ii) are fully collateralized by direct obligations of, or obligations guaranteed by, the United States; and (iii) require that the collateral be held by the municipality, an agent of the municipality or a third-party safekeeping agent.

Municipalities are also authorized to invest approximately $42.8 million (adjusted for inflation) in the Local Government Investment Pool of the Oregon Short-Term Fund, which is managed by the State Treasurer's office. Such investments are managed in accordance with the "prudent person rule" (ORS 293.726) and administrative regulations of the State Treasurer which may change from time to time. Eligible investments presently include all of those listed above, as well as repurchase agreements and reverse repurchase agreements. A listing of investments held by the Oregon Short-Term Fund is available on the Oregon State Treasury website under "Other OSTF Reports – OSTF Detailed Monthly Reports" at www.ost.state.or.us/about/boards/OSTF/About.htm.

Pension System

General. The Series 2012 Issuers participate in a retirement pension benefit program under the State of Oregon Public Employees Retirement System ("PERS" or the "System"). After six full months of employment, all Series 2012 Issuers' employees are required to participate in PERS.

T1/T2 Pension Programs. Employees hired before August 29, 2003 participate in the "Tier 1" and "Tier 2" pension programs (the "T1/T2 Pension Programs"). The benefits provided through the T1/T2 Pension Programs are based primarily on a defined benefit model and provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to members and their beneficiaries. Different benefit structures apply to participants depending on their date of hire. Effective January 1, 2004, T1/T2 Pension Program participant contributions fund individual retirement accounts under the separate defined contribution program described below.

OPSRP. Employees hired on or after August 29, 2003 participate in the Oregon Public Service Retirement Plan ("OPSRP") unless membership was previously established in the T1/T2 Pension Programs. OPSRP is a hybrid defined contribution/defined benefit pension plan with two components. Employer contributions fund the defined benefit program and employee contributions fund individual retirement accounts under the separate defined contribution program.

Actuarial Valuation. Oregon statutes require an actuarial valuation of the System at least once every two years. Based on the biennial actuarial valuation as of December 31 of odd-numbered years the Public Employees Retirement Board ("PERB") establishes the contribution rates that employers will pay to fund the T1/T2 Pension Programs, OPSRP and the PERS-sponsored Retirement Health Insurance Account program ("RHIA") described herein. Actuarial valuations are performed annually as of December 31 of each year, with the valuations as of December 31 of even-numbered years (such as 2010) used for advisory purposes only and valuations as of December 31 of odd-number years (such as 2009) used to set payroll contribution rates. Actuarial valuations are performed for the entire System (the "System Valuation"), and for each participating employer, including the Series 2012 Issuers (the "Series 2012 Issuers' Valuations"). Valuations are released nine to eleven months after the valuation date. PERS' current actuary is Mercer (US), Inc. ("Mercer").

Valuation Date	Release Date	Rates Effective
December 31, 2008	November 2009	Advisory only
December 31, 2009	October 2010	July 1, 2011 – June 30, 2013
December 31, 2010	November 2011	Advisory only

The 2010 System Valuation released on November 10, 2011 indicated that funded status of the System increased from approximately 86 percent at December 31, 2009 to 87 percent at December 31, 2010.

Employer Assets, Liabilities, and Unfunded Actuarial Liabilities. An employer's unfunded actuarial liability ("UAL") is the excess of the actuarially determined present value of the employer's benefit obligations to employees over the existing actuarially determined assets available to pay those benefits.

Series 2012 Issuers' UAL. For the T1/T2 Pension Programs, each Series 2012 Issuer is pooled with other kindergarten through grade 12 public school district and education service district public employers (the "School District Pool"). Each Series 2012 Issuer's portion of the School District Pool's assets and liabilities is based on such Series 2012 Issuer's proportionate share of the School District Pool's pooled payroll (each Series 2012 Issuer's "Allocated T1/T2 UAL"). Changes in a Series 2012 Issuer's relative growth in payroll will cause the Series 2012 Issuer's Allocated T1/T2 UAL to shift. A Series 2012 Issuer's Allocated T1/T2 UAL may increase if other pool participants fail to pay their full employer contributions. .

OPSRP's assets and liabilities are pooled on a program-wide basis. These assets and liabilities are not tracked or calculated on an employer basis. The Series 2012 Issuers' allocated share of OPSRP's assets and liabilities is based on the Series 2012 Issuers' proportionate share of OPSRP's pooled payroll (the "Series 2012 Issuers Allocated OPSRP UAL"). Changes in the Series 2012 Issuers' relative growth in payroll will cause the Series 2012 Issuers Allocated OPSRP UAL to shift.

Pension Bonds and Side Accounts. Each of the Series 2012 Issuers issued Series 2002 Bonds to make lump-sum payment to PERS. Several of the Series 2012 Issuers participated in additional previous pension bonds (see "Series 2012 Issuers' Pension Bonds" herein). The payments were deposited in an account for each Series 2012 Issuer (the Series 2012 Issuers' "Side Account") that is used to finance all or a portion of such Series 2012 Issuer's Allocated T1/T2 UAL and Allocated OPSRP UAL, reducing the Series 2012 Issuer's contribution rates, although debt service payments are also due on the pension bonds.

Each Series 2012 Issuer's net unfunded pension UAL is the total of the Series 2012 Issuer's Allocated T1/T2 UAL, Allocated OPSRP UAL, and Side Account. Each Series 2012 Issuer's net unfunded pension UAL as of the 2009 Valuation and 2007 Valuation is shown in the following table.

Series 2012 Issuers Net Unfunded Pension UAL(1)

	Series 2012 Issuer	2009 Valuation	2010 Valuation
1.	Bend-La Pine Admin. School District No. 1	$ 75,636,876	$ 67,490,248
2.	Brookings-Harbor School District No. 17C	2,974,297	1,646,874
3.	Gresham-Barlow School District No. 10Jt	47,117,121	42,001,464
4.	Jefferson County School District No. 509J	18,363,655	18,920,555
5.	Morrow County School District	12,971,368	12,568,579
6.	Portland School District No. 1J	(38,196,127)	(48,985,330)
7.	South Umpqua School District No. 19	(2,227,802)	(3,086,304)

(1) A negative number indicates a surplus.

Source: 2009 Valuation and 2010 Valuation.

The funded status of PERS and of the Series 2012 Issuers as reported by Mercer, the PERS actuary, will change over time depending on a variety of factors, including the market performance of the securities in which the OPERF is invested, future changes in compensation and benefits of covered employees, demographic characteristics of members and methodologies and assumptions used by the actuary in estimating the assets and liabilities of PERS.

Significant actuarial assumptions and methods used in the valuations included: (a) Projected Unit Credit actuarial cost method, (b) asset valuation method based on market value, (c) rate of return on the investment of present and future assets of 8%, (d) payroll growth rate of 3.75%, (e) consumer price inflation of 2.75% per year, and (f) UAL amortization method of a level percentage of payroll over 21 years (fixed) for the T1/T2 Pension Programs and 16 years (fixed) for OPSRP.

Employer Contribution Rates. Employer contribution rates are calculated as a percent of covered payroll. The rates are based on the current and projected cost of benefits and the anticipated level of funding available from the OPERF, including anticipated investment performance of the fund. Contribution rates are subject to future adjustment based on factors such as the result of subsequent actuarial valuations, litigation, decisions by the PERS Board and changes in benefits resulting from legislative modifications. Employees are required to contribute 6 percent of their annual salary to the respective programs. Employers are allowed to pay the employees' contribution in addition to the required employers' contribution.

Contribution Rate Collar. In January 2011 the PERS Board adopted a revised implementation of the rate collar limiting increases in employer contribution rates from biennium to biennium (the "Rate Collar"). Under normal conditions, the Rate Collar is the greater of 3 percent of payroll or 20 percent of the current base rate. If the funded status of the School District Pool is below 80 percent, the Rate Collar increases by 0.3 percent for every percentage point under the 80 percent funded level until it reaches 6 percent at the 70 percent funded level. The 2009 System Valuation found that the School District Pool was 74 percent funded, resulting in a Rate Collar of 4.8 percent. The Rate Collar limits increases in employer contribution rates before rate reductions from side accounts are deducted, and does not cover charges associated with RHIA and RHIPA. The rate credit derived from the side account is not subject to Rate Collar limitations.

Series 2012 Issuer Contribution Rates. The Series 2012 Issuers' current contribution rates are based on the 2009 Valuation. The following table shows each Series 2012 Issuer's employer contribution rates effective July 1, 2009 to June 30, 2011 (2007 Valuation) and the rates effective July 1, 2011 through June 30, 2013 (2009 Valuation):

Pension Contribution Rates Series 2012 Issuers

		2009 Valuation		2010 Valuation	
	Series 2012 Issuer	T1/T2	OPSRP General	T1/T2	OPSRP General
1.	Bend-La Pine Admin. School District No. 1	11.28%	9.77%	15.16%	13.42%
2.	Brookings-Harbor School District No. 17C	6.46%	4.95%	9.48%	7.74%
3.	Gresham-Barlow School District No. 10Jt	9.80%	8.29%	13.69%	11.95%
4.	Jefferson County School District No. 509J	12.61%	11.10%	16.99%	15.25%
5.	Morrow County School District	13.12%	11.61%	17.26%	15.52%
6.	Portland School District No. 1J	1.88%	0.50%	6.00%	4.26%
7.	South Umpqua School District No. 19	0.59%	0.50%	3.54%	1.80%

Source: 2009 Valuation and 2010 Valuation.

Other Postemployment Benefits

Retirement Health Insurance Account. PERS retirees who receive benefits through the Tier 1 and Tier 2 plans and are enrolled in certain PERS administered health insurance programs, may receive a subsidy towards the payment of health insurance premiums. Under ORS 238.420, retirees may receive a subsidy for Medicare supplemental health insurance of up to $60 per month towards the cost of their health insurance premium under the RHIA plan. The RHIA program's assets and liabilities are pooled on a system-wide basis and are not tracked or calculated on an employer basis. According to the 2008 System Valuation, this program had a UAL of approximately $310 million. Each Series 2012 Issuers' allocated share of the RHIA program's assets and liabilities is based on such Series 2012 Issuers' proportionate share of the program's pooled payroll. According to the 2009 System Valuation, this program had a UAL of approximately $297 million.

GASB 45. GASB 45 requires the Series 2012 Issuers to determine the extent of their liabilities for post-employment benefits and record the liability in their financial statements on an actuarial basis. This includes the requirement under ORS 243.303 of offering the same healthcare benefits for current employees to all retirees and their dependents until such time as the retirees are eligible for Medicare. GASB 45 refers to this as an "implicit subsidy" and requires that the corresponding liability be determined and reported. The Series 2012 Issuers implemented this pronouncement by fiscal year ended June 30, 2010.

Each Series 2012 Issuer's implementation of this pronouncement will include the hiring of an actuary to determine any post-employment benefit ("OPEB") liabilities. A description of the actuarial accrued liability and the funded status is provided in the audited financial statements of each Series 2012 Issuer, available through the Municipal Securities Rulemaking Board at http://emma.msrb.org/default.aspx.

Risk Management

The Series 2012 Issuers are exposed to various risks of loss. A description of the risks is provided in the audited financial statements of each Series 2012 Issuer, available through the Municipal Securities Rulemaking Board at http://emma.msrb.org/default.aspx.

The Initiative and Referendum Process

The Oregon Constitution, Article IV, Section 1, reserves to the people of the State the initiative and referendum power pursuant to which measures designed to amend the Oregon Constitution or enact legislation can be placed on the statewide general election ballot for consideration by the voters.

Pursuant to ORS 250.125, a five-member Committee composed of the Secretary of State, the State Treasurer, the Director of the Department of Revenue, the Director of the Department of Administrative Services, and a local government representative must prepare an estimate of the direct financial impact of each measure ("Financial Estimate Statements") to be printed in the voters' pamphlet and on the ballot.

Referendum

"Referendum" generally means measures that have been passed by a legislative body, such as the Legislative Assembly or the governing body of a district, county or other political subdivision and referred to the electors by the legislative body, or by petition prior to the measure's effective date.

In Oregon, both houses of the Legislative Assembly must vote to refer a statute or constitutional amendment for a popular vote. Such referrals cannot be vetoed by the governor. Any change to the Oregon Constitution passed by the Legislative Assembly requires referral to voters. In the case of a referendum by petition, proponents of the referendum must obtain a specified number of signatures from qualified voters. The required number of signatures is equal to four percent of the votes cast for all candidates for governor at the preceding gubernatorial election.

Recent Tax Increase Referenda. Opponents of legislation increasing personal and corporate income taxes passed by the 2009 Legislative Assembly submitted sufficient qualified signatures to refer the tax increases to a special election held on January 26, 2010. The referendum of concerning personal income taxes appeared on the ballot as Measure 66. The referendum concerning corporate income taxes appeared on the ballot as Measure 67. Both measures were approved by voters and become effective for tax year 2009.

Other Recent Referenda. The Legislative Assembly referred three measures to the electors which appeared on the ballot at the November 2, 2010 election and were approved by voters (Measure 70, Measure 71 and Measure 72). Measure 70 expands the availability of home loans for veterans through the Oregon War Veterans' Fund. Measure 71 requires the legislature to meet annually and establishes limits to the length of legislative sessions. Measure 72 authorizes the State to issue general obligation bonds to finance real and personal property projects.

Initiatives

"Initiative" generally means a new measure placed before the voters as a result of a petition circulated by one or more private citizens.

Any person may file a proposed initiative with the Oregon Secretary of State's office. The Oregon Attorney General is required by law to draft a proposed ballot title for the initiative. Public comment on the draft ballot title is then solicited by the Secretary of State. After considering any public comments submitted, the Attorney General will either certify the draft ballot title or revise the draft ballot title. Any elector that submitted written comments who is dissatisfied with the ballot title certified by the Attorney General may petition the Oregon Supreme Court seeking a revision of the certified ballot title.

Once the ballot title has been certified and the Secretary of State has authorized the petitioners, the proponents of the initiative may start gathering initiative petition signatures from qualified voters. The number of signatures required is determined by a fixed percentage of the votes cast for all candidates for governor at the preceding gubernatorial election. The signature requirements are eight percent for a constitutional measure (110,358 signatures for November 2010) and six percent for a statutory initiative (82,769 signatures for November 2010).

The initiative petition must be filed with the Secretary of State not less than four months prior to the general election at which the proposed measure is to be voted upon. As a practical matter, proponents of an initiative have approximately two years in which to gather the necessary number of signatures. State law permits persons circulating initiative petitions to pay money to persons obtaining signatures for the petition. If the person obtaining signatures is being paid, the signature sheet must contain a notice of such payment.

Historical Initiative Petitions. The number of initiatives that have been approved in general elections since 1998 are as follows:

Historical Initiative Petitions

Number of Year of General Election	Number of Initiatives that Qualified	Initiatives that were Approved
2010	4	2
2008	8	0
2006	10	3
2004	6	2
2002	7	3
2000	18	4
1998	10	6

NOTE: The Secretary of State posts a listing of initiatives on its web site: www.sos.state.or.us.
Source: Elections Division, Oregon Secretary of State, Initiative, Referendum and Referral Log, Elections Division.

Legal Matters and Litigation

Legal Matters

Legal matters incident to the authorization, issuance and sale of Series 2012 Obligations are subject to the approving legal opinion of Special Counsel, substantially in the form attached hereto as Appendix A. Special Counsel has reviewed this document only to confirm that the portions of it describing the Series 2012 Obligations and the authority to issue them conform to the Series 2012 Obligations and the applicable laws under which they are issued.

Litigation

There is no litigation pending questioning the validity of the Series 2012 Obligations nor the power and authority of the Series 2012 Issuers to issue the Series 2012 Obligations. There is no litigation pending which would materially affect the finances of the Series 2012 Issuers or affect the Series 2012 Issuers' ability to meet debt service requirements on the Series 2012 Obligations.

Tax Matters

Certain Federal Income Tax Consequences

The following discussion was written to support the marketing of the Series 2012 Obligations and is not intended or written to be used, and may not be used, for the purpose of avoiding any penalty in respect of federal income taxes that may be imposed by the Internal Revenue Service or any other applicable authority. Taxpayers should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

Interest on the Series 2012 Obligations is included in gross income for federal income tax purposes.

U.S. Owners

The following discussion describes aspects of the principal U.S. federal income tax treatment of U.S. persons that are beneficial owners ("Owners") of Series 2012 Obligations. This summary is based on the Internal Revenue Code of 1986, as amended to the date hereof (the "Code"), published revenue rulings, administrative and judicial decisions, and existing and proposed Treasury regulations, including regulations concerning the tax treatment of debt instruments issued with original issue discount (the "OID Regulations") (all as of the date hereof and all of which are subject to change, possibly with retroactive effect).

This summary discusses only Series 2012 Obligations held as capital assets within the meaning of section 1221 of the Code. It does not discuss all of the tax consequences that may be relevant to an Owner in light of its particular circumstances or to Owners subject to special rules, such as certain financial institutions, insurance companies, tax-exempt organizations, foreign taxpayers, taxpayers who may be subject to the alternative minimum tax or personal holding company provisions of the Code, dealers in securities or foreign currencies, Owners holding the Series 2012 Obligations as part of a hedging transaction, "straddle," conversion transaction, or other integrated transaction, or Owners whose functional currency (as defined in section 985 of the Code) is not the U.S. dollar. Except as stated herein, this summary describes no federal, state, local or foreign tax consequences resulting from the ownership of, receipt of interest on, or disposition of, the Series 2012 Obligations. ACCORDINGLY, INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE UNITED STATES FEDERAL INCOME TAX CONSEQUENCES TO SUCH INVESTORS, AS WELL AS TAX CONSEQUENCES ARISING UNDER THE LAWS OF ANY STATE, LOCAL, OR FOREIGN TAXING JURISDICTION OR UNDER ANY APPLICABLE TAX TREATY, OF PURCHASING, HOLDING, OWNING AND DISPOSING OF THE SERIES 2012 OBLIGATIONS, INCLUDING THE ADVISABILITY OF MAKING ANY OF THE ELECTIONS DESCRIBED BELOW, BEFORE DETERMINING WHETHER TO PURCHASE THE SERIES 2012 OBLIGATIONS.

For purposes of this discussion, a "U.S. person" means an individual who, for U.S. federal income tax purposes, is (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or any political subdivision thereof, (iii) an estate, the income of which is subject to U.S. federal income taxation regardless of its source of income, or (iv) a trust, if either: (A) a United States court is able to exercise primary supervision over the administration of the trust, and one or more United States persons have the authority to control all substantial decisions of the trust or (B) a trust has a valid election in effect to be treated as a United States person under the applicable treasury regulations. The term also includes nonresident alien individuals, foreign corporations, foreign partnerships, and foreign estates and trusts ("Foreign Owners") to the extent that their ownership of the Series 2012 Obligations is effectively connected with the conduct of a trade or business within the United States, as well as certain former citizens and residents of the United States who, under certain circumstances, are taxed on income from U.S. sources as if they were citizens or residents. It should also be noted that certain “single member entities” are disregarded for U.S. federal income tax purposes. Such Foreign Owners and Owners that are single member non-corporate entities, should consult with their own tax advisors to determine the U.S. federal, state, local, and other tax consequences that may be relevant to them.

General. Income derived from a Series 2012 Obligation by an Owner is subject to U.S. federal income taxation. In addition, a Series 2012 Obligation held by an individual who, at the time of death, is a U.S. person is subject to U.S. federal estate tax.

Payments of Interest. Qualified Stated Interest, including additional amounts of cash and interest, if any, paid on the Series 2012 Obligations will generally be taxable to Owners as ordinary interest income at the time it accrues or is received, in accordance with the Owner’s method of accounting for U.S. federal income tax purposes. For purposes of this discussion, “Qualified Stated Interest” is stated interest that is unconditionally payable in cash or in property (other than debt instruments of the issuer), or that will be constructively received under section 451 of the Code, at least annually at a single fixed rate (within the meaning of Treasury Regulation § 1.1273-1(c)(1)(iii)), as defined in Treasury Regulation § 1.1273-1(c). Special rules governing the treatment of market discount or amortizable premium are described below.

Market Discount. An Owner that purchases a Series 2012 Obligation at a "market discount" will be subject to provisions in the Code that convert certain capital gain on the redemption, sale, exchange or other disposition of the Series 2012 Obligation into ordinary income. A Series 2012 Obligation will have market discount to the extent the "revised issue price" of such Series 2012 Obligation exceeds, by more than a de minimis amount, the Owner's tax basis in the Series 2012 Obligation immediately after the Owner acquires the Series 2012 Obligation. The "revised issue price" generally equals the issue price of the Series 2012 Obligation reduced by the stated interest previously paid with respect to such Series 2012 Obligation as of such date.

An Owner may elect to include market discount in income as it accrues, but such an election will apply to all market discount bonds or notes acquired by such Owner on or after the first day of the first taxable year to which such election applies and is revocable only with permission from the Internal Revenue Service ("IRS"). Unless a Series 2012 Obligation Owner elects to include market discount in income as it accrues, any partial principal payments on, or any gain realized upon the sale, exchange, disposition, redemption or maturity of a Series 2012 Obligation will be taxable as ordinary income to the extent any market discount has accrued on such Series 2012 Obligation. Market discount on a Series 2012 Obligation would accrue ratably each day between the date an Owner purchases the Series 2012 Obligation and the date of maturity. In the alternative, an Owner irrevocably may elect to use a constant interest accrual method under which less market discount would accrue in early years and marginally greater amounts would accrue in later years.

If a Series 2012 Obligation purchased with market discount is disposed of in a nontaxable transaction (other than a nonrecognition transaction described in section 1276(d) of the Code), accrued market discount will be includable as ordinary income to the Owner as if such Owner had sold the Series 2012 Obligation at its then fair market value. An Owner of a Series 2012 Obligation that acquired it at a market discount and that does not elect to include market discount in income on a current basis also may be required to defer the deduction for a portion of the interest expense on any indebtedness incurred or continued to purchase or carry the Series 2012 Obligation until the deferred income is realized.

Amortizable Premium. An Owner that purchases a Series 2012 Obligation for any amount in excess of its principal amount will be treated as having premium with respect to such Series 2012 Obligation in the amount of such excess.

If an Owner makes an election under section 171(c)(2) of the Code to treat such premium as "amortizable bond premium," the amount of interest that must be included in such Owner's income for each accrual period will be reduced by the portion of the premium allocable to such period based on the Series 2012 Obligation’s yield to maturity. If an Owner makes the election under section 171(c)(2), the election also shall apply to all taxable debt obligations held by the Owner at the beginning of the first taxable year to which the election applies and to all such taxable debt obligations thereafter acquired by such Owner, and it is irrevocable without the consent of the IRS. If such an election under section 171(c)(2) of the Code is not made, such an Owner must include the full amount of each interest payment in income in accordance with its regular method of accounting and will receive a tax benefit from the premium only in computing its gain or loss upon the sale of other disposition or retirement of the Series 2012 Obligation. The existence of Series 2012 Obligation premium and the benefits associated with the amortization of Series 2012 Obligation premium vary with the facts and circumstances of each Owner. Accordingly, each Owner of a Series 2012 Obligation should consult his own tax advisor concerning the existence of Series 2012 Obligation premium and the associated election.

Accrual Method Election. Under the OID Regulations, an Owner that uses an accrual method of accounting would be permitted to elect to include in gross income its entire return on a Series 2012 Obligation (i.e., the excess of all remaining payments to be received on the Series 2012 Obligation over the amount paid for the Series 2012 Obligation by such Owner) based on the compounding of interest at a constant rate. Such an election for a Series 2012 Obligation with amortizable bond premium (or market discount) would result in a deemed election for all of the Owner's debt instruments with amortizable bond premium (or market discount) and could be revoked only with the permission of the IRS with respect to debt instruments acquired after revocation.

Disposition or Retirement. Upon the sale, exchange or other disposition of a Series 2012 Obligation, or upon the retirement of a Series 2012 Obligation (including by redemption), an Owner will recognize gain or loss equal to the difference, if any, between the amount realized upon the disposition or retirement (reduced by any amounts attributable to accrued but unpaid interest, which will be taxable as such) and the Owner's adjusted tax basis in the Series 2012 Obligation. Any such gain or loss will be United States source gain or loss for foreign tax credit purposes.

An Owner's tax basis for determining gain or loss on the disposition or retirement of a Series 2012 Obligation will be the cost of such Series 2012 Obligation to such Owner, increased by the amount of any market discount includable in such Owner's gross income with respect to such Series 2012 Obligation, and decreased by the amount of any payments under the Series 2012 Obligation that are part of its stated redemption price at maturity (i.e., all stated interest payments with respect to the Series 2012 Obligations previously paid) and by the portion of any premium applied to reduce interest payments as described above. Such gain or loss will be capital gain or loss (except to the extent the gain represents accrued market discount on the Series 2012 Obligation not previously included in gross income, to which extent such gain would be treated as ordinary income). Any capital gain or loss will be long-term capital gain or loss if at the time of disposition or retirement the Series 2012 Obligation has been held for more than one year. The deductibility of capital losses is subject to limitations.

Information Reporting and Backup Withholding. The Series 2012 Issuers are required to report to the IRS payments of interest on Series 2012 Obligations held of record by U.S. persons other than corporations and other exempt holders. Such information will be filed each year with the IRS on Form 1099, which will reflect the name, address, and taxpayer identification number of the registered Owner. A copy of Form 1099 will be sent to each registered Owner of a Series 2012 Obligation for federal income tax reporting purposes.

Interest paid to an Owner of a Series 2012 Obligation ordinarily will not be subject to withholding of federal income tax if such Owner is a U.S. person. Backup withholding of federal income tax at a rate of 28 percent may apply in 2005 (and is subject to adjustment in each future year), however, to payments made in respect of the Series 2012 Obligations, as well as payments of proceeds from the sale of Series 2012 Obligations, to registered holders or Owners that are not "exempt recipients" and that fail to provide certain identifying information. This withholding generally applies if the Owner of a Series 2012 Obligation (who is not an exempt recipient) (i) fails to furnish to the Series 2012 Issuers such Owner's social security number or other taxpayer identification number ("TIN"), (ii) furnishes the Series 2012 Issuers an incorrect TIN, (iii) fails to properly report interest, dividends or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the Series 2012 Issuers or such Owner's broker with a certified statement, signed under penalty of perjury, that the TIN provided to the Series 2012 Issuers is correct and that such Owner is not subject to backup withholding. Individuals generally are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients. To prevent backup withholding, each prospective holder will be requested to complete an appropriate form.

Any amounts withheld under the backup withholding rules from a payment to a person would be allowed as a refund or a credit against such person's U.S. federal income tax, provided that the required information is furnished to the IRS. Furthermore, certain penalties may be imposed by the IRS on a holder or Owner who is required to supply information but who does not do so in the proper manner.

Non-U.S. Owners

The Series 2012 Issuers anticipate that no U.S. federal income tax will be withheld with respect to interest payments on the Series 2012 Obligations made to non-U.S. Owners so long as such non-U.S. Owner provides a properly completed Form W-8 to the Series 2012 Issuers. Non-U.S. Owners should consult their own tax advisors regarding the tax consequences unique to investors who are not U.S. persons.

Information Reporting and Backup Withholding for Non-U.S. Owners. The Series 2012 Issuers are required to report annually to the IRS and to each non-U.S. Owner the amount of any interest paid to that non-U.S. Owner, and tax withheld, if any, with respect to those payments. Copies of these information returns may also be made available under the provisions of a specific treaty or agreement to the tax authorities of the country in which the non-U.S. Owner resides or is incorporated.

U.S. backup withholding and information reporting will not apply to payments of interest or principal on Series 2012 Obligations by the Series 2012 Issuers or their agent to a non-U.S. Owner if the non-U.S. Owner satisfies certain certification or identification requirements, unless the payor knows or has reason to know that the holder is not entitled to an exemption from information reporting or backup withholding tax. To satisfy these certification or identification requirements, a non-U.S. Owner generally must provide the Series 2012 Issuers with a properly completed IRS Form W-8BEN. The payment of the proceeds on the disposition of the Series 2012 Obligations to or through the U.S. office of a U.S. or foreign broker will be subject to information reporting and backup withholding unless the Owner provides the certification described above or otherwise establishes an exemption. The proceeds of the disposition by a non-U.S. broker generally will not be subject to backup withholding or information reporting. However, if the broker is a U.S. person or has certain connections to the U.S., information reporting requirements, but not backup withholding, will apply unless the broker has documentary evidence in its files of the Owner's non-U.S. status and has no actual knowledge (or reason to know) to the contrary, or unless the Owner otherwise establishes an exemption.

THE FEDERAL TAX DISCUSSION SET FORTH ABOVE IS INCLUDED FOR GENERAL INFORMATION ONLY AND MAY NOT BE APPLICABLE DEPENDING UPON AN OWNER'S PARTICULAR SITUATION. INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE TAX IMPLICATIONS OF HOLDING AND DISPOSING OF THE SERIES 2012 OBLIGATIONS UNDER APPLICABLE STATE OR LOCAL LAWS. FOREIGN INVESTORS SHOULD ALSO CONSULT THEIR OWN TAX ADVISORS REGARDING THE TAX CONSEQUENCES UNIQUE TO INVESTORS WHO ARE NOT U.S. PERSONS.

State Income Tax Exemption

In the opinion of Special Counsel, Interest on the Series 2012 Obligations is exempt from personal income taxation by the State of Oregon under existing law.

Continuing Disclosure

The Securities and Exchange Commission Rule 15c2-12 (the "Rule") requires at least annual disclosure of current financial information and timely disclosure of certain events (collectively, "Continuing Disclosure") with respect to the Series 2012 Pension Bonds, if material. Pursuant to the Rule, the Series 2012 Issuers have agreed to provide audited financial information and certain financial information or operating data at least annually to the Municipal Securities Rulemaking Board ("MSRB") through the MSRB's Electronic Municipal Market Access system (so long as such method of disclosure continues to be approved by the Securities and Exchange Commission for such purposes). In addition, the Series 2012 Issuers and the Series 2012 Trustee have agreed to provide to the MSRB notice of certain events, pursuant to the requirements of Section (b)(5)(i) of the Rule.

Prior Undertakings. Each of the Series 2012 Issuers have entered into prior undertakings to provide Continuing Disclosure. Prior to July 1, 2009, Continuing Disclosure filings were required to be made with four nationally recognized municipal securities information repositories ("NRMSIRs"). Beginning July 1, 2009, Continuing Disclosure is required to be filed with the MSRB's Electronic Municipal Market Access system.

Compliance with Prior Undertakings – Bend-La Pine School District No. 1. The District has entered into prior undertakings to provide Continuing Disclosure filings for the Oregon School Boards Association Limited Tax Pension Obligations issued in 2002 (Series 2002A and Series 2002B), 2003 (Series 2003A and Series 2003B), and 2004 (Series 2004). The District has also entered into prior undertakings to provide Continuing Disclosure filings for its General Obligation Bonds, Series 2001A, Series 2001B, Series 2002, Series 2005, and Series 2007, and for its Full Faith and Credit Obligations, Series 2011 beginning with Fiscal Year 2011.

The District is in compliance with each of its prior undertakings for Fiscal Years 2009 and 2010. For Fiscal Years 2007 and 2008 the District complied with its filing requirement on each of its general obligation bond issues, but failed to file for the Oregon School Boards Association pension bonds. For Fiscal Year 2006 the District failed to file for its general obligation bonds. The District subsequently made its Fiscal Year 2006 Continuing Disclosure filing for its general obligation bonds on April 9, 2010 and its Fiscal Year 2006 through 2008 Continuing Disclosure filings for the Oregon School Boards Association pension bonds on January 10, 2011.

Compliance with Prior Undertakings –Brookings-Harbor School District No. 17C. The District has entered into prior undertakings to provide Continuing Disclosure filings for the Oregon School Boards Association Limited Tax Pension Obligations issued in 2002 (Series 2002A and Series 2002B) and 2004 (Series 2004). The District has also entered into prior undertakings to provide Continuing Disclosure filings for its General Obligation Bonds, Series 2000, Series 2001, and Series 2004. The District is in compliance with each of its prior undertakings for each of the past five years.

Compliance with Prior Undertakings – Gresham-Barlow School District No. 10Jt. The District has entered into prior undertakings to provide Continuing Disclosure filings for the Oregon School Boards Association Limited Tax Pension Obligations issued in 2002 (Series 2002A and Series 2002B) and 2003 (Series 2003A and Series 2003B). The District has also entered into prior undertakings to provide Continuing Disclosure filings for its General Obligation Bonds, Series 2001, Series 2003A, Series 2003B and Series 2005.

In Fiscal Year 2010 the District filed for each of its prior undertaking except the Oregon School Boards Association Limited Tax Pension Obligations, Series 2003A and Series 2003B. The District complied with each of its other prior undertakings for Fiscal Year 2009. For Fiscal Years 2006 through 2008 the District complied with its filing requirement on each of its general obligation bond issues, but failed to file for the Oregon School Boards Association pension bonds. The District subsequently made its Fiscal Year 2010 Continuing Disclosure filing for the Oregon School Boards Association Limited Tax Pension Obligations, Series 2003A and Series 2003B and its Fiscal Year 2006 through 2008 Continuing Disclosure filings for the Oregon School Boards Association pension bonds with the MSRB on December __, 2011.

Compliance with Prior Undertakings – Jefferson County School District 509J. The District has entered into prior undertakings to provide Continuing Disclosure filings for the Oregon School Boards Association Limited Tax Pension Obligations, Series 2002A and Series 2002B. The District has also entered into prior undertakings to provide Continuing Disclosure filings for its General Obligation Bonds, Series 2002.

The District failed to file for the Oregon School Boards Association pension bonds in each of the past five years. For Fiscal Years 2009 and 2010 the District filed Continuing Disclosure for its general obligation bonds with the NRMSIRs but failed to file with the MSRB as required by the 2009 amendment to the Rule, and missed its filing deadline by 30 days (2010) and 395 days (2009). For Fiscal Years 2006 through 2008 the District missed its March 1 filing deadline for its general obligation bonds, subsequently filing on April 9, 2010 (Fiscal Years 2008 and 2006) and April 21, 2008 (Fiscal Year 2007). The District subsequently made its Fiscal Year 2006 through 2010 Continuing Disclosure filings for the Oregon School Boards Association pension bonds and its Fiscal Year

2009 and 2010 Continuing Disclosure filings for its general obligation bonds with the MSRB on December __, 2011.

Compliance with Prior Undertakings – Morrow County School District. The District has entered into prior undertakings to provide Continuing Disclosure filings for the Oregon School Boards Association Limited Tax Pension Obligations, Series 2002A and Series 2002B. The District has also entered into prior undertakings to provide Continuing Disclosure filings for its General Obligation Bonds, Series 2001 and Series 2005.

For Fiscal Year 2010 the District filed Continuing Disclosure for its general obligation bonds with the NRMSIRs but failed to file with the MSRB as required by the 2009 amendment to the Rule and failed to file for the Oregon School Boards Association pension bonds. For Fiscal Year 2009 the District missed its filing deadline by 51 days (general obligation bonds) and 53 days (Oregon School Boards Association pension bonds). For Fiscal Years 2006 through 2008 the District failed to file under its prior undertakings, subsequently filing on May 7, 2010 (General Obligation Bonds, Series 2001), May 17, 2010 (General Obligation Bonds, Series 2005), May 19, 2010 (Oregon School Boards Association, Limited Tax Pension Obligations, Series 2002A) and June 1, 2010 (Oregon School Boards Association, Limited Tax Pension Obligations, Series 2002B). The District subsequently made its Fiscal Year 2010 Continuing Disclosure filings with the MSRB on December __, 2011.

Compliance with Prior Undertakings – Portland School District No. 1J. The District has entered into prior undertakings to provide Continuing Disclosure filings for the Oregon School Boards Association Limited Tax Pension Obligations issued in 2002 (Series 2002A and Series 2002B) and 2003 (Series 2003A and Series 2003B). The District has also entered into prior undertakings to provide Continuing Disclosure filings for its Full Faith and Credit Obligations, Series 2004, Series 2007A and Series 2007B.

The District failed to file for the Oregon School Boards Association pension bonds for Fiscal Years 2008 through 2010. For Fiscal Years 2009 and 2010 the District filed Continuing Disclosure for its full faith and credit obligations with the NRMSIRs but failed to file with the MSRB as required by the 2009 amendment to the Rule, and missed its filing deadline by 28 days (2010) and 393 days (2009). For Fiscal Year 2008 the District missed its March 30, 2009 filing deadline for its full faith and credit obligations, subsequently filing on April 27, 2011. The District complied with each of its prior undertakings in Fiscal Years 2006 and 2007. The District subsequently made its Fiscal Year 2008 through 2010 Continuing Disclosure filings for the Oregon School Boards Association pension bonds and its Fiscal Year 2009 and 2010 Continuing Disclosure filings for its full faith and credit obligations with the MSRB on December __, 2011.

Compliance with Prior Undertakings – South Umpqua School District No. 19. The District has entered into prior undertakings to provide Continuing Disclosure filings for the Oregon School Boards Association Limited Tax Pension Obligations issued in 2002 (Series 2002A and Series 2002B) and 2003 (Series 2003A and Series 2003B) and for the Oregon School Boards Association FlexFund Program, Series 2010B beginning with Fiscal Year 2010. The District has also entered into prior undertakings to provide Continuing Disclosure filings for its Full Faith and Credit Obligations, Series 2007.

The District failed to file Continuing Disclosure for Fiscal Year 2010. For Fiscal Year 2009 the District missed its March 27, 2010 filing deadline, subsequently filing on August 19, 2010 (Oregon School Boards Association pension bonds), and September 20, 2010 (Full Faith and Credit Obligations, Series 2007). For Fiscal Year 2008 the District complied with its prior undertakings on the Oregon School Boards Association pension bonds, but failed to file for its Full Faith and Credit Obligations, Series 2007 by the March 27, 2009 deadline, subsequently filing on August 24, 2010. For Fiscal Year 2007 the District complied with its prior undertakings on its Full Faith and Credit Obligations, Series 2007 and the Oregon School Boards Association pension bonds Series 2002A and Series 2003A but missed the March 26, 2008 deadline on the Oregon School Boards Association pension bonds Series 2002B and Series 2003B, subsequently filing on June 20, 2008. For Fiscal Year 2006 the District failed to file Continuing Disclosure, subsequently filing on April 9, 2010 (Faith and Credit Obligations, Series 2007) and August 19, 2010 (Oregon School Boards Association pension bonds). The District subsequently made its Fiscal Year 2010 Continuing Disclosure filings with the MSRB on December __, 2011.

Future Compliance with Continuing Disclosure Undertakings. Those Series 2012 Issuers who have failed to make a filing have updated their procedures to include filing with the MSRB upon receipt of their annual audited financials.

The forms of the Continuing Disclosure Certificates of the Series 2012 Trustee and of each of the Series 2012 Issuers are included in Appendix D, attached hereto.

Underwriting

_____________________, acting as underwriter successfully bid for the Series 2012 Obligations in a competitive sale on ___________ __, 2012. The bid provides that the underwriter will purchase all of the Series 2012 Obligations, if any Series 2012 Obligations are purchased, at a price of ___.__% of the par value of the Series 2012 Obligations. The Series 2012 Obligations will be re-offered at an average price of ___.__% of the par value of the Series 2012 Obligations. After the initial public offering, the public offering prices may vary from time to time.

Financial Advisor

In connection with the authorization and issuance of the Bonds, the Series 2012 Issuers have retained Seattle-Northwest Securities Corporation, Portland, Oregon, as their financial advisor (the "Financial Advisor").

The Financial Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for, the accuracy, completeness, or fairness of the information contained in this Official Statement.

Official Statement

The Series 2012 Issuers have each executed a "deemed final" letter that deems final the Official Statement as of its date pursuant to Securities and Exchange Commission Rule 15c2-12 (except for the omission of the following information: offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, credit enhancement, if any, ratings, insurance, and other terms of the securities depending on such matters). The Series 2012 Issuers has also confirmed that the information regarding its' respective school district in this Official Statement, except for matters relating to DTC, the Series 2012 Trustee, and the statement regarding the Financial Advisor in the italicized paragraph on the page immediately preceding the table of contents does not contain any untrue statement of a material fact or omit any statement or information which is necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

Concluding Statement

At the time of the original delivery of and payment for the Series 2012 Obligations, an authorized representative of each of the Series 2012 Issuers will deliver a certificate to the effect that he has examined this Official Statement and the financial and other data concerning the Series 2012 Issuers contained herein and that to the best of his knowledge and belief, (i) the Official Statement, both as of its date and as of the date of delivery of the Series 2012 Obligations, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading and (ii) between the date of the Official Statement and the date of delivery of the Series 2012 Obligations there has been no material adverse change in the affairs (financial or other), financial condition or results of operations of the Series 2012 Issuers except as set forth in or contemplated by the Official Statement.

Appendix A

Form of Special Counsel Opinion

Appendix B

Book Entry Only System

SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

(Prepared by DTC--bracketed material may apply only to certain issues)

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

[**6**. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.]

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

[**9.** A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.]

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

Appendix C

Forms of Continuing Disclosure Certificates

Appendix D

Debt Service Schedules for Each Series 2012 Issuer

Bend-La Pine Administrative School District No. 1
Limited Tax Pension Refunding Obligations, Series 2012

Projected Debt Service Schedule[1]

Fiscal Year	2012 Pension Bonds Principal	Interest	Total Debt Service
2012			$ 0
2013			0
2014			0
2015			0
2016			0
2017			0
2018			0
2019			0
2020			0
2021			0
	$ 0	$ 0	$ 0

NOTE: Bend-La Pine Administrative School District No. 1's principal amount of its Series 2012 Pension Obligations represents __.___ percent of the aggregate principal amount of the Series 2012 Obligations.

(1) Amounts are preliminary, subject to change.

Brookings-Harbor School District No. 17C
Limited Tax Pension Refunding Obligations, Series 2012

Projected Debt Service Schedule[1]

Fiscal Year	2012 Pension Bonds Principal	Interest	Total Debt Service
2012			$ 0
2013			0
2014			0
2015			0
2016			0
2017			0
2018			0
2019			0
2020			0
2021			0
	$ 0	$ 0	$ 0

NOTE: Brookings-Harbor School District No. 17C's principal amount of its Series 2012 Pension Obligations represents __.___ percent of the aggregate principal amount of the Series 2012 Obligations.

(1) Amounts are preliminary, subject to change.

Gresham-Barlow School District No. 10Jt
Limited Tax Pension Refunding Obligations, Series 2012

Projected Debt Service Schedule[1]

Fiscal Year	2012 Pension Bonds Principal	2012 Pension Bonds Interest	Total Debt Service
2012			$ 0
2013			0
2014			0
2015			0
2016			0
2017			0
2018			0
2019			0
2020			0
2021			0
	$ 0	$ 0	$ 0

NOTE: Gresham-Barlow School District No. 10Jt's principal amount of its Series 2012 Pension Obligations represents __.___ percent of the aggregate principal amount of the Series 2012 Obligations.

(1) Amounts are preliminary, subject to change.

Jefferson County School District No. 509J
Limited Tax Pension Refunding Obligations, Series 2012

Projected Debt Service Schedule(1)

Fiscal	2012 Pension Bonds		Total
Year	Principal	Interest	Debt Service
2012			$ 0
2013			0
2014			0
2015			0
2016			0
2017			0
2018			0
2019			0
2020			0
2021			0
	$ 0	$ 0	$ 0

NOTE: Jefferson County School District No. 509J's principal amount of its Series 2012 Pension Obligations represents __.___ percent of the aggregate principal amount of the Series 2012 Obligations.

(1) Amounts are preliminary, subject to change.

Morrow County School District
Limited Tax Pension Refunding Obligations, Series 2012

Projected Debt Service Schedule[1]

Fiscal Year	2012 Pension Bonds Principal	2012 Pension Bonds Interest	Total Debt Service
2012			$ 0
2013			0
2014			0
2015			0
2016			0
2017			0
2018			0
2019			0
2020			0
2021			0
	$ 0	$ 0	$ 0

NOTE: Morrow County School District's principal amount of its Series 2012 Pension Obligations represents __.___ percent of the aggregate principal amount of the Series 2012 Obligations.

(1) Amounts are preliminary, subject to change.

Portland School District No. 1J
Limited Tax Pension Refunding Obligations, Series 2012

Projected Debt Service Schedule(1)

Fiscal Year	2012 Pension Bonds Principal	2012 Pension Bonds Interest	Total Debt Service
2012			$ 0
2013			0
2014			0
2015			0
2016			0
2017			0
2018			0
2019			0
2020			0
2021			0
	$ 0	$ 0	$ 0

NOTE: Portland School District No. 1J's principal amount of its Series 2012 Pension Obligations represents __.___ percent of the aggregate principal amount of the Series 2012 Obligations.

(1) Amounts are preliminary, subject to change.

South Umpqua School District No. 19
Limited Tax Pension Refunding Obligations, Series 2012

Projected Debt Service Schedule(1)

Fiscal Year	2012 Pension Bonds Principal	2012 Pension Bonds Interest	Total Debt Service
2012			$ 0
2013			0
2014			0
2015			0
2016			0
2017			0
2018			0
2019			0
2020			0
2021			0
	$ 0	$ 0	$ 0

NOTE: South Umpqua School District No. 19's principal amount of its Series 2012 Pension Obligations represents __.___ percent of the aggregate principal amount of the Series 2012 Obligations.

(1) Amounts are preliminary, subject to change.

Winston-Dillard School District No. 116
Limited Tax Pension Refunding Obligations, Series 2012

Projected Debt Service Schedule[(1)]

Fiscal Year	2012 Pension Bonds Principal	2012 Pension Bonds Interest	Total Debt Service
2012			$ 0
2013			0
2014			0
2015			0
2016			0
2017			0
2018			0
2019			0
2020			0
2021			0
	$ 0	$ 0	$ 0

NOTE: Winston-Dillard School District No. 116's principal amount of its Series 2012 Pension Obligations represents __.___ percent of the aggregate principal amount of the Series 2012 Obligations.

(1) Amounts are preliminary, subject to change.

Appendix E

Intercept Agreement, Amendment to the Intercept Agreement and Form of the Sixth Supplemental Intercept Agreement

Appendix F

Form of the Trust Agreement