

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
MULTNOMAH COUNTY, OREGON
RESOLUTION NO. 98-206**

Authorizing Issuance of Advance Refunding Bonds, Series 1999.

The Board of County Commissioners finds:

- a. The County previously issued on March 10, 1994 its General Obligation Library Bonds, Series 1994 (the "Series 1994 Bonds") in the aggregate principal amount of \$22,000,000, for the purpose of providing a portion of the funds to finance the renovation of the Central Library and reconstruction and remodeling of the Midland Branch Library, to acquire additional land for the Midland Branch Library and to pay the cost of issuance of the Series 1994 Bonds (the "1994 Project"); and
- b. On October 13, 1994 the County issued its General Obligation Library Bonds, Series 1994B (the "Series 1994B Bonds") in the aggregate principal amount of \$9,000,000 for the purpose of providing the remaining portion of funds to complete the 1994 Project and to pay the cost of issuance of the Series 1994B Bonds. The Series 1994 Bonds and Series 1994B Bonds were authorized by approving vote at the May 18, 1993 election; and
- c. On October 1, 1996, the County issued its General Obligation Library Bonds, Series 1996A (the "Series 1996A Bonds") in the aggregate principal amount of \$29,000,000 for the purpose of providing funds for computer equipment, library resources and technology infrastructure for the Library system and to acquire land and modifying, reconstructing, constructing or making improvements to several branch library facilities and to pay the cost of issuance of the Series 1996A Bonds. The Series 1996A Bonds were authorized by approving vote at the May 21, 1996 election; and
- d. On October 1, 1996, the County issued its General Obligation Public Safety Bonds, Series 1996B (the "Series 1996B Bonds") in the aggregate principal amount of \$79,700,000 for the purpose of providing funds for constructing and equipping a 210 bed jail facility and acquiring land; expanding the Inverness Jail by 120 beds and equipping the expansion; constructing or acquiring and equipping two 75 bed alcohol and drug treatment centers and acquiring land; modifying the Courthouse Jail, Multnomah County Detention Center and Inverness Jail Release Center; providing for computer equipment and technology infrastructure for criminal records processing and tracking; providing permanent financing for the 64 bed expansion of the existing Juvenile Justice Complex; constructing or acquiring and equipping facilities to assist abused children; and to pay the cost of issuance of the 1996B Bonds. The Series 1996B Bonds were authorized by approving vote at the May 21, 1996 election; and
- e. The County is authorized pursuant to the Oregon Constitution and Oregon Revised Statutes Sections 288.605 through 288.695 (the "Act") to issue advance refunding bonds for the refunding of all or any portion of its outstanding bonds; and
- f. The County has directed Regional Financial Advisors, Inc. to prepare an advance refunding plan for all or a portion of the County's outstanding Series 1994 Bonds, Series 1994B Bonds, Series 1996A Bonds and Series 1996B Bonds (collectively referred to herein as the "Refundable Bonds"); and

g. Advance refunding all or a portion of the Refundable Bonds will provide significant debt service savings to the County as required by law; and

h. The County adopts this resolution to provide the terms under which advance refunding general obligation bonds may be issued, subject to acquiring the required present value savings to the County, and the required approval of the Oregon State Treasurer.

The Board Resolves:

1. Plan Submission. Regional Financial Advisors, Inc. is hereby authorized, on behalf of the County, to submit an advance refunding plan for all or a portion of the Refundable Bonds to the Oregon State Treasurer for review and approval.

2. Issue. Upon approval by the State Treasurer of the issuance of advance refunding general obligation bonds in accordance with the advance refunding plan proposed by Regional Financial Advisors, Inc. and for the above purposes, the County hereby authorizes the issuance of Advance Refunding General Obligation Bonds, Series 1999 (the "Refunding Bonds") in a principal amount sufficient to pay the cost of refunding all or a portion of the Refundable Bonds and the costs incident to the authorization, sale, issuance and delivery of the Refunding Bonds. The Refunding Bonds shall be issued upon such financial terms and covenants as may be approved by the Chair, the Director, Finance Division, Treasury Manager or their designee (the "Authorized Representative"). The terms of the Refunding Bonds shall be established as provided in Section 10 hereof.

3. Security. The Refunding Bonds shall be general obligations of the County. The full faith and credit of the County are pledged to the successive owners of each of the Refunding Bonds for the punctual payment of such obligations, when due. The County covenants with the Bondowners to levy annually a direct ad valorem tax upon all of the taxable property within the County in an amount without limitation as to rate or amount, and outside of the limitations of sections 11 or 11b, Article XI of the Oregon Constitution, after taking into consideration discounts taken and delinquencies that may occur in the payment of such taxes, to pay interest accruing and the principal maturing on the Refunding Bonds promptly when and as they become due.

4. Form and Execution of Refunding Bonds. The Refunding Bonds shall be substantially in the form approved by the County and Bond Counsel. The Refunding Bonds may be issued in one or more series, may be printed or typewritten, and may be issued as one or more temporary Refunding Bonds, which shall be exchangeable for definitive Refunding Bonds when definitive Bonds are available.

The Refunding Bonds shall be executed by facsimile signature of the Chair and attested to by the facsimile signature of the County Clerk. Additionally, the Refunding Bonds shall be authenticated by the manual signature of the authorized officer of the Registrar, as defined below.

5. Book-Entry System. The Refunding Bonds shall be initially issued as a book-entry only security issue with no Refunding Bonds being made available to the Owners pursuant to the terms of a Blanket Issuer Letter of Representations (the "Letter of Representations") executed and delivered by the County to The Depository Trust Company ("DTC"), New York, New York, as the securities depository of the Refunding Bonds.

Ownership of the Refunding Bonds shall be recorded through entries on the books of banks and broker-dealer participants and correspondents that are related to entries on DTC's book-entry only system. The Refunding Bonds shall be initially issued in the form of separate single fully registered typewritten Bonds for each maturity of the Refunding Bonds (the "Global Bonds") in substantially the form approved by the Authorized Representative.

Each Global Bond shall be registered in the name of CEDE & CO. as nominee (the "Nominee") of DTC (DTC and any other qualified securities depository designated by the County as a successor to DTC, collectively the "Depository") as the "Registered Owner," and such Global Bonds shall be lodged with the Depository until early redemption or maturity of the Bond issue. The Registrar shall remit payment for the maturing principal and interest on the Refunding Bonds to the Owner for distribution by the Nominee for the benefit of the Owners (the "Beneficial Owner" or "Record Owner") by recorded entry on the books of the Depository participants and correspondents. While the Refunding Bonds are in book-entry-only form, the Refunding Bonds will be available in denominations of \$5,000 or any integral multiple thereof.

In the event:

- a. the Depository determines not to continue to act as securities depository for the Refunding Bonds, or
- b. the County determines that the Depository shall no longer so act, then the County will discontinue the book-entry only system with the Depository. If the County fails to designate another qualified securities depository to replace the Depository or elects to discontinue use of a book-entry-only system, the Refunding Bonds shall no longer be a book-entry-only issue but shall be registered in the registration books maintained by the Registrar in the name of the Owner as appearing on the Bond register and thereafter in the name or names of the Owners of the Refunding Bonds transferring or exchanging Refunding Bonds.

With respect to Refunding Bonds registered in the registration books maintained by the Registrar in the name of the Nominee of the Depository, the County and the Registrar shall have no responsibility or obligation to any participant or correspondent of the Depository or to any Registered Owner on behalf of which such participants or correspondents act as agent for the Owner with respect to:

- a. the accuracy of the records of the Depository, the Nominee or any participant or correspondent with respect to any ownership interest in the Refunding Bonds;
- b. the delivery to any participant or correspondent or any other person, other than a Owner as shown in the registration books maintained by the Registrar, of any notice with respect to the Refunding Bonds, including any notice of prepayment;
- c. the selection by the Depository of the beneficial interest in Refunding Bonds to be redeemed prior to maturity; or
- d. the payment to any participant, correspondent, or any other person other than the Owner of the Refunding Bonds as shown in the registration books maintained by the Registrar, of any amount with respect to principal of or interest on the Refunding Bonds.

Notwithstanding the book-entry only system, the County may treat and consider the Beneficial Owner in whose name each Bond is registered in the registration books maintained by the Registrar as the Owner and absolute Owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, or for the purpose of giving notices of redemption and other matters with respect to such Bond, or for the purpose of registering transfers with respect to such Bond, or for all other purposes whatsoever. The County shall pay or cause to be paid all principal and interest on the Refunding Bonds only to or upon the order of the Registered Owner, as shown in the registration books maintained by the Registrar, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the County's obligation with respect to payment thereof to the extent of the sum or sums so paid.

Upon delivery by the Depository to the County and to the Owner of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, then the word "Nominee" in this Resolution shall refer to such new nominee of the Depository, and upon receipt of such notice, the County shall promptly deliver a copy thereof to the Registrar. The Depository shall tender the Refunding Bonds it holds to the Registrar for reregistration.

6. Appointment of Registrar. The County authorizes the Authorized Representative to designate a Bond Registrar and Paying Agent for the Bonds (the "Registrar"). A successor Registrar may be appointed for the Bonds by the Authorized Representative. The Registrar shall provide notice to Bondowners of any change in the Registrar not later than the next Bond payment date following the change in Registrar.

7. Authentication, Registration, Exchange and Transfer.

- a. No Refunding Bond shall be entitled to any right or benefit under this Resolution unless it shall have been authenticated by an authorized officer of the Registrar. The Registrar shall authenticate all Refunding Bonds to be delivered at closing, and shall additionally authenticate all Refunding Bonds properly surrendered for exchange or transfer pursuant to this Resolution.
- b. All Refunding Bonds shall be in registered form. The Authorized Representative shall appoint a Registrar for the Refunding Bonds. A successor Registrar may be appointed for any Series or all of the Refunding Bonds by resolution of the County. The Registrar shall provide notice to Owners of any change in the Registrar not later than the Bond payment date following the change in Registrar.
- c. The ownership of all Refunding Bonds shall be entered in the Refunding Bond register maintained by the Registrar, and the County and Registrar may treat the person listed as Owner in the Refunding Bond register as the Owner of the Refunding Bond for all purposes.
- d. The Registrar shall mail or cause to be delivered each interest payment on the Interest Payment Date (or the next Business Day if the Interest Payment Date is not a Business Day) to the name and address of the Owner, as that name and address appear on the Refunding Bond register as of the Record Date. If payment is so mailed or delivered, neither the County nor the Registrar shall have any further liability to any party for such payment.

- e. In the event the Refunding Bonds cease to be book-entry only bonds, the Refunding Bonds may be exchanged for an equal principal amount of Refunding Bonds of the same maturity which are in different authorized denominations, and Refunding Bonds may be transferred to other Owners if the Owner submits the following to the Registrar:
 - A. written instructions for exchange or transfer satisfactory to the Registrar, signed by the Owner or his attorney in fact and guaranteed or witnessed in a manner satisfactory to the Registrar; and
 - B. the Refunding Bonds to be exchanged or transferred.
 - f. The Registrar shall not be required to exchange or transfer any Refunding Bonds submitted to it during any period beginning with a Record Date and ending on the next following payment date; however, such Refunding Bonds shall be exchanged or transferred promptly following the payment date.
 - g. The Registrar shall not be required to exchange or transfer any Refunding Bonds which have been designated for redemption if such Refunding Bonds are submitted to it during the fifteen-day period preceding the designated redemption date.
 - h. For purposes of this Section, Refunding Bonds shall be considered submitted to the Registrar on the date the Registrar actually receives the materials described in Section 7e.
 - i. The County may alter these provisions regarding registration and transfer by mailing notification of the altered provisions to all Owners. The altered provisions shall take effect on the date stated in the notice, which shall not be earlier than 45 days after notice is mailed.
8. Notice of Redemption.
- a. (Depository). So long as the book-entry only system remains in effect with respect to the Refunding Bonds, the County shall notify the Registrar of any early redemption not less than 40 days prior to the date fixed for redemption. The Registrar shall notify the Depository of any early redemption not less than 30 but no more than 60 days prior to the date fixed for redemption, and shall provide such information in connection therewith as required by the Letter of Representations submitted to DTC in connection with the issuance of Bonds.
 - b. (No Depository). During any period in which the book-entry only system is not in effect with respect to the Refunding Bonds, unless waived by any Owner of the Refunding Bonds to be redeemed, official notice of any redemption of Refunding Bonds shall be given by the Registrar on behalf of the County by mailing a copy of an official redemption notice by first class mail postage prepaid at least 30 days and not more than 60 days prior to the date fixed for redemption to the Owner of the Refunding Bond or Bonds to be redeemed at the address shown on the Refunding Bond register or at such other address as is furnished in writing by such Owner to the Registrar. The County shall notify the Registrar of any intended redemption not less than 45 days prior to the redemption date. All such official notices of redemption shall be dated and shall state:

- (i) the redemption date,
 - (ii) the redemption price,
 - (iii) if less than all Outstanding Refunding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Refunding Bonds to be redeemed,
 - (iv) that on the redemption date the redemption price will become due and payable upon each such Refunding Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,
 - (v) the place where such Refunding Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Registrar, and
 - (vi) the assigned CUSIP numbers.
- c. Deposit of Funds. The County shall deposit with the Registrar, on or before the redemption date, an amount of money sufficient to pay the redemption price of all the Refunding Bonds or portions of Refunding Bonds which are to be redeemed on that date.
- d. Effect of Redemption. Official notice of redemption having been given as aforesaid, the Refunding Bonds or portions of Refunding Bonds to be redeemed shall, on the redemption date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the County shall default in the payment of the redemption price) such Refunding Bonds or portions of Refunding Bonds shall cease to bear interest. Upon surrender of such Refunding Bonds for redemption in accordance with said notice, such Refunding Bonds shall be paid by the Registrar at the Redemption Price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Refunding Bond, there shall be prepared for the registered owner a new Refunding Bond or Bonds of the same maturity in the amount of the unpaid principal. All Refunding Bonds which have been redeemed shall be canceled and destroyed by the Registrar and shall not be reissued. Notwithstanding that any Refunding Bonds called for redemption shall not have been surrendered, no further interest shall accrue on any such Refunding Bonds. From and after such notice having been given and such deposit having been made, the Refunding Bonds to be redeemed shall not be deemed to be Outstanding hereunder, and the County shall be under no further liability in respect thereof.

9. Tax-Exempt Status. The County covenants to use the proceeds of the Refunding Bonds, and the facilities financed with the Refundable Bonds, and to otherwise comply with the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), so that the interest on the Refunding Bonds will not be includable in gross income of the Owners for federal income tax purposes. The County specifically covenants:

- a. to comply with the "arbitrage" provisions of Section 148 of the Code, and to pay any rebates to the United States on the gross proceeds of the Refunding Bonds;
- b. to yield restrict and pay any rebates due to the United States on any unexpended proceeds of the Refundable Bonds; and
- c. to operate the facilities financed with the proceeds of the Refundable Bonds, and any facilities that are financed with the unexpended proceeds of the Refundable Bonds so that the Refunding Bonds are not "private activity bonds" under Section 141 of the Code.

The Authorized Representative may enter into covenants on behalf of the County to protect the tax-exempt status of the Refunding Bonds.

10. Establishment of Responsibilities and Terms of Refunding Bonds.

The Authorized Representative is hereby authorized pursuant to ORS 288.520(4) to:

- a. select all or any portion of the maturities of the Refundable Bonds to be refunded and cause notice of call and redemption/defeasance to be given as required by law or the terms of the Refundable Bonds;
- b. establish the dated date, the principal amounts, interest rates, payment dates, redemption terms, establish the final maturity date and other terms for the Refunding Bonds;
- c. negotiate the terms under which the Refunding Bonds shall be sold, enter into a Bond Purchase Agreement for sale of the Refunding Bonds in one or more series, and execute and deliver Bond Purchase Agreements;
- d. appoint an "expert advisor" for purpose of evaluating the terms of the negotiated sale, prior to the sale of the Refunding Bonds;
- e. appoint a certified public accounting firm to act as verification agent to produce a report demonstrating the ability of the escrow account to meet all future debt service and related costs relative to the Refundable Bonds;
- f. take such actions as are necessary to qualify the Refunding Bonds for the book-entry only system of The Depository Trust Company if required;
- g. approve of and authorize the distribution of preliminary and final official statements for the Refunding Bonds;
- h. obtain ratings on the Refunding Bonds;
- i. determine the need for municipal bond insurance for the Refunding Bonds, and if purchased, direct expenditure of Refunding Bond proceeds to pay any bond insurance premium and execute and deliver any agreements necessary to obtain such insurance for the Refunding Bonds; and

- j. execute and deliver a certificate specifying the action taken by the Authorized Representative pursuant to this Section 10, and to execute and deliver any other certificates, documents or agreements that are reasonably required to issue, sell and deliver the Refunding Bonds in accordance with this Resolution.

11. Continuing Disclosure. The County shall undertake in a Continuing Disclosure Certificate for the benefit of registered Bondowners to provide to each Nationally Recognized Municipal Securities Information Repository ("NRMSIRs"), and if and when one is established, the State Information Depository ("SID"), on an annual basis on or before 270 days after the end of each fiscal year, commencing with the fiscal year ending June 30, 1999, the information required pursuant to paragraph (b)(5)(i)(A)(B) and (D) of the Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. § 240.15c2-12 (the "Rule")). In addition, the County will undertake for the benefit of the registered Bondowners to provide in a timely manner to the NRMSIRs or to the Municipal Securities Rulemaking Board ("MSRB") notices of certain material events required to be delivered pursuant to paragraph (b)(5)(i)(C) of the Rule.

12. Defeasance. The County may defease the Refunding Bonds by setting aside, with a duly appointed escrow agent, in a special escrow account irrevocably pledged to the payment of the Refunding Bonds to be defeased, cash or direct obligations of the United States in an amount which, in the opinion of an independent certified public accountant, is sufficient without reinvestment to pay all principal and interest on the defeased Refunding Bonds until their maturity date or any earlier redemption date. Refunding Bonds which have been defeased pursuant to this Section shall be deemed paid and no longer outstanding, and shall cease to be entitled to any lien, benefit or security under this Resolution except the right to receive payment from such special escrow account.

13. Refunding Escrow. The net proceeds of the Refunding Bonds shall be placed in an irrevocable refunding escrow. The County authorizes the Authorized Representative to appoint an escrow agent (the "Escrow Agent"), and the Authorized Representative and the Escrow Agent shall execute and deliver an escrow deposit agreement in substantially the form as approved by the Authorized Representative and the Escrow Agent. The Escrow Agent and the Authorized Representative are hereby authorized to subscribe for and purchase the non-callable direct and general obligations of the United States of America to be placed in the escrow, on behalf of the County, which, together with interest earnings thereon, will be sufficient to pay all installments of principal, interest and redemption premiums, if any, on the Refundable Bonds.

14. Redemption of the Refundable Bonds. Issuance of the Refunding Bonds is contingent upon the County's receiving actual cumulative debt service savings of not less than required by Oregon law. Contingent solely on the issuance of the Refunding Bonds and the deposit of the net proceeds with the Escrow Agent, the County hereby irrevocably calls for redemption the County's outstanding Refundable Bonds which are to be refunded with the proceeds of the Refunding Bonds on the earliest dates they are subject to redemption.

15. Designation of Bond Counsel. The law office of Ater Wynne LLP, is designated as bond counsel for the Refunding Bonds.

16. Resolution to Constitute Contract. In consideration of the purchase and acceptance of any or all of the Refunding Bonds by those who shall own the Refunding Bonds from time to time (the "Owners"), the provisions of this Resolution shall be part of the contract of the County with the Owners and shall be deemed to be and shall constitute a contract between the County and the Owners. The

covenants, pledges, representations and warranties contained in this Resolution or in the closing documents executed in connection with the Refunding Bonds, including without limitation the County's covenants and pledges contained in Section 3 hereof, and the other covenants and agreements herein set forth to be performed by or on behalf of the County shall be contracts for the equal benefit, protection and security of the Owners, all of which shall be of equal rank without preference, priority or distinction of any of such Refunding Bonds over any other thereof, except as expressly provided in or pursuant to this Resolution.

ADOPTED this 17th day of December, 1998.



**BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON**

By: _____

Beverly Stein, Chair

REVIEWED:

THOMAS SPONSLER, COUNTY COUNSEL
FOR MULTNOMAH COUNTY, OREGON

By: _____

Thomas Sponsler, County Counsel