

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. 2010-19

Authorizing the Issuance, Sale and Delivery of General Obligation Refunding Bonds, Series 2010; Designating an Authorized Representative; Appointing Bond Counsel and Financial Advisor; Delegating the Approval and Distribution of the Preliminary and Final Official Statements; and Related Matters

The Multnomah County Board of Commissioners Finds:

- a. On December 17, 1998, the Board of County Commissioners (the "Board") of Multnomah County, Oregon (the "County") adopted Resolution No. 98-206 authorizing the issuance, sale, execution and delivery of Advance Refunding General Obligation Bonds, Series 1999, dated February 1, 1999 (the "Refundable Bonds").
- b. The County is authorized pursuant to the Constitution and Oregon Revised Statutes Section 287A.360 (the "Act") to issue current refunding bonds.
- c. It is in the best interest of the County to refund all or a portion of the Refundable Bonds and for the Authorized Representative to select the portion of such Refundable Bonds to be refunded in accordance with Section 10 hereof.
- d. The County adopts this Resolution to provide the terms under which the General Obligation Refunding Bonds, Series 2010 may be issued.

The Multnomah County Board of Commissioners Resolves:

SECTION 1. SERIES 2010 REFUNDING BONDS AUTHORIZED

The County hereby authorizes, ratifies and confirms the issuance of General Obligation Refunding Bonds, Series 2010 (the "Refunding Bonds") in an aggregate principal amount sufficient to refund all or any portion of the Refundable Bonds and to pay the costs related to the authorization, sale, issuance and delivery of the Refunding Bonds.

The Refunding Bonds shall be subject to a book-entry only system of ownership and transfer as provided for in Section 7 hereof. The remaining terms of the Refunding Bonds shall be established as provided in Section 10 hereof.

SECTION 2. DESIGNATION OF AUTHORIZED REPRESENTATIVES

The Board designates the Chief Financial Officer (the "Authorized Representative") or a designee of the Authorized Representative to act on behalf of the County as specified in Section 10 hereof.

SECTION 3. SECURITY

The Refunding Bonds are 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 and 11b, Article XI of the Oregon Constitution, after taking into consideration discounts taken and delinquencies that may occur in the payment of such taxes and other monies available for the payment of debt service on the Refunding Bonds, to pay interest

accruing and the principal maturing on the Refunding Bonds promptly when and as they become due. To the extent other monies are not available to the County to timely pay debt service on the Refunding Bonds when due, the County covenants with the Bondowners to levy such a tax annually during each year that any of the Refunding Bonds, or bonds issued to refund them, are outstanding.

SECTION 4. FORM OF REFUNDING BONDS

The Refunding Bonds 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 Refunding Bonds are available. As book-entry only bonds, the Refunding Bonds shall be prepared by Bond Counsel; otherwise, the Refunding Bonds shall be printed by a financial printer to be selected by the Authorized Representative.

SECTION 5. EXECUTION OF REFUNDING BONDS

The Refunding Bonds shall be executed on behalf of the County with the manual or facsimile signature of an Authorized Representative. Additionally, the Refunding Bonds shall be authenticated by the manual signature of an authorized officer of the Bond Registrar.

SECTION 6. AUTHENTICATION, REGISTRATION, PAYMENT, 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 date of authentication shall be the date the Bondowner's name is listed on the Bond register.
- b. All Refunding Bonds shall be in registered form. The Registrar shall authenticate all Refunding Bonds to be delivered at closing of this bond issue, and shall additionally authenticate all Refunding Bonds properly surrendered for exchange or transfer pursuant to this Resolution.
- c. The ownership of all Refunding Bonds shall be entered in the Bond register maintained by the Registrar, and the County and the Registrar may treat the person listed as owner in the Bond register as the owner of the Refunding Bond for all purposes.
- d. The Registrar shall mail or cause to be delivered the amount due under each Refunding Bond to the registered owner at the address appearing on the bond register on the record date set forth in the official statement for the Refunding Bonds. If payment is so mailed, neither the County nor the Registrar shall have any further liability to any party for such payment.
- e. In the event the book-entry system of ownership is discontinued, Refunding Bonds may be exchanged for equal principal component amounts of Refunding Bonds of the same maturity which are in different authorized denominations, and Refunding Bonds may be transferred to other owners if the Bondowners submit the following to the Registrar:
 - i. written instructions for exchange or transfer satisfactory to the Registrar, signed by the Bondowner or his/her attorney in fact and guaranteed or witnessed in a manner satisfactory to the Registrar; and
 - ii. 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 that 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 the Registrar during the 15-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 subsection (e) of this section.
- i. In the event any Refunding Bond is mutilated, lost, stolen or destroyed, the Registrar may issue a new Refunding Bond of like maturity, interest rate and denomination if the asserted owner of such Refunding Bond provides to the Registrar and the County an affidavit, certificate or other reliable proof that the Registrar or the County reasonably finds protects the County from conflicting claims for payment under the Refunding Bond.
- j. The County may alter these provisions regarding registration, exchange and transfer by mailing notification of the altered provisions to all Bondowners and the Registrar. The altered provisions shall take effect on the date stated in the notice, which shall not be earlier than forty-five (45) days after notice is mailed.

SECTION 7. BOOK-ENTRY SYSTEM

During any time that the Refunding Bonds are held in a book-entry only system (the "Book-Entry System"), the registered owner of all of the Refunding Bonds shall be The Depository Trust Company, New York, New York ("DTC"), and the Refunding Bonds shall be registered in the name of Cede & Co., as nominee for DTC. The County has entered into or shall enter into a Blanket Issuer Letter of Representations (the "Letter") wherein the County represents that it will comply with the requirements stated in DTC's Operational Arrangements as they may be amended from time to time.

Under the Book-Entry System, the Refunding Bonds shall be initially issued in the form of a single fully registered certificate, one for each maturity of the Refunding Bonds. Upon initial issuance, the ownership of such Refunding Bonds shall be registered by the Registrar on the registration books in the name of Cede & Co., as nominee of DTC. The County and the Registrar may treat DTC (or its nominee) as the sole and exclusive registered owner of the Refunding Bonds registered in its name for the purposes of payment of the principal of, redemption price of, and premium, if any, or interest on the Refunding Bonds, selecting the Refunding Bonds or portions thereof to be redeemed, if any, giving notice as required under this Resolution, registering the transfer of Refunding Bonds, obtaining any consent or other action to be taken by the owners and for all other purposes whatsoever; and neither the Registrar nor the County shall be affected by any notice to the contrary. The Registrar shall not have any responsibility or obligation to any person claiming a beneficial ownership interest in the Refunding Bonds under or through DTC or any Participant, or any other person which is not shown on the registration books of the Registrar as being a registered owner, with respect to the accuracy of any records maintained by DTC or any Participant; the payment by DTC or any Participant of any amount in respect of the principal or redemption price of or interest on the Refunding Bonds; any notice or direction which is permitted or required to be given to or received from owners under this Resolution; the selection by DTC or any DTC Participant of any person to receive payment in the event of a partial redemption of the Refunding Bonds; or any consent given or other action taken by DTC as owner; nor shall any DTC Participant or any such person be deemed to be a third party beneficiary of any owners' rights under this Resolution. The Registrar shall pay from moneys available hereunder all principal of and premium, if any, and interest on the Refunding Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the County's obligations with respect to the principal of and premium, if any, and interest on the Refunding Bonds to the extent of the sum or sums so paid. So long as the

Refunding Bonds are held in the Book-Entry System, no person other than DTC shall receive an authenticated Refunding Bond for each separate stated maturity evidencing the obligation of the Registrar to make payments of principal of and premium, if any, and interest pursuant to this Resolution. Upon delivery by DTC to the Registrar of DTC's written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions of this Resolution with respect to transfers of Refunding Bonds, the term "Cede & Co.," in this Resolution shall refer to such new nominee of DTC.

At any time it determines that it is in the best interests of the owners, the County may notify the Registrar, and the Registrar will subsequently notify DTC, whereupon DTC will notify the DTC Participants, of the availability through DTC of Bond certificates. In such event, the Registrar shall issue, transfer and exchange, at the County's expense, Bond certificates as requested in writing by DTC in appropriate amounts. DTC may determine to discontinue providing its services with respect to the Refunding Bonds at any time by giving written notice to the Registrar and discharging its responsibilities with respect thereto under applicable law. If DTC resigns as securities depository for the Refunding Bonds, Bond certificates shall be delivered pursuant to this section. Under such circumstances (if there is no successor securities depository), the Registrar shall be obligated to deliver Bond certificates as described in this Resolution, provided that the expense in connection therewith shall be paid by the County. In the event Bond certificates are issued, the provisions of this Resolution shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of, premium, if any, and interest on such Refunding Bonds. Whenever DTC requests the Registrar to do so, the Registrar will cooperate with DTC in taking appropriate action after written notice (a) to make available one or more separate certificates evidencing the Refunding Bonds to any DTC Participant having Refunding Bonds credited to its DTC account, or (b) to arrange for another securities depository to maintain custody of certificates evidencing the Refunding Bonds.

SECTION 8. REDEMPTION

Optional and Mandatory Redemption. The Refunding Bonds may be subject to optional redemption or mandatory redemption prior to maturity as provided in Section 10 herein.

SECTION 9. TAX-EXEMPT STATUS

The County covenants to use the proceeds of the Refunding Bonds, and the facilities refinanced with the Refunding Bonds, and to otherwise comply with the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), so that interest paid on the Refunding Bonds will not be includable in gross income of the Bondowners 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; and
- b. to operate the facilities refinanced with the proceeds of the Refunding Bonds so that the Refunding Bonds are not "private activity bonds" under Section 141 of the Code; and
- c. comply with all reporting requirements.

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

SECTION 10. DELEGATION FOR ESTABLISHMENT OF TERMS AND SALE OF THE REFUNDING BONDS

The Authorized Representative is hereby authorized, on behalf of the County for a period of six months from the adoption of this Resolution and without further action of the Board, to:

- a. establish the principal and interest payment dates, principal amounts, interest rates, denominations and all other terms for the Refunding Bonds;
- b. determine whether to sell the Refunding Bonds at a competitive or negotiated sale;
- c. select the maturities of the Refundable Bonds to be refunded and cause notice of call and redemption to be given as required by law;
- d. appoint an escrow agent and enter into an escrow deposit agreement, if necessary;
- e. subscribe for and obtain eligible securities to be deposited in an escrow fund; to the extent that any such action has been taken prior to the date of this Resolution, such action is hereby ratified;
- f. appoint a registrar and paying agent for the Refunding Bonds;
- g. 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, if necessary;
- h. take such actions as are necessary to qualify the Refunding Bonds for the book-entry only system of The Depository Trust Company if required;
- i. enter into covenants regarding the use of the proceeds of the Refunding Bonds and the projects refinanced with the proceeds of the Refunding Bonds, to maintain the tax-exempt status of the Refunding Bonds;
- j. approve of and authorize the distribution of the preliminary and final official statements for the Refunding Bonds;
- k. obtain one or more ratings on the Refunding Bonds if determined by the Authorized Representative to be in the best interest of the County, and expend Refunding Bond proceeds to pay the costs of obtaining such rating;
- l. obtain municipal bond insurance on the Refunding Bonds if determined by the Authorized Representative to be in the best interest of the County, execute and deliver any agreement required in connection with such insurance, and expend Refunding Bond proceeds to pay any bond insurance premium;
- m. approve, execute and deliver a Continuing Disclosure Certificate pursuant to SEC Rule 15c2-12, as amended (17 CFR Part 240, § 240.15c2-12);
- n. approve, execute and deliver the Refunding Bond closing documents and certificates; and
- o. execute and deliver a certificate specifying the action taken by the Authorized Representative pursuant to this Section 10 and any other certificates, documents or agreements that the

Authorized Representative determines are desirable to issue, sell and deliver the Refunding Bonds in accordance with this Resolution.

SECTION 11. DEFAULT AND REMEDIES

The occurrence of one or more of the following shall constitute an Event of Default under this Resolution and the Refunding Bonds:

- a. Failure by the District to pay Refunding Bond principal, interest or premium when due (whether at maturity, or upon redemption after a Refunding Bond has been properly called for redemption);
- b. Failure by the District to observe and perform any covenant, condition or agreement on its part to be observed or performed for the benefit of Owners of Refunding Bonds, for a period of sixty (60) days after written notice to the District by the Owners of fifty-one (51%) percent or more of the principal amount of Refunding Bonds then Outstanding specifying such failure and requesting that it be remedied; provided however, that if the failure stated in the notice cannot be corrected within such sixty (60) day period, it shall not constitute an Event of Default so long as corrective action is instituted by the District within the sixty (60) day period and diligently pursued, and the default is corrected as promptly as practicable after the written notice referred to in this paragraph; or,
- c. The District 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 payments.

The Owners of fifty-one (51%) percent or more of the principal amount of Refunding Bonds then Outstanding may waive any Event of Default and its consequences, except an Event of Default as described in (a) of this Section.

- d. Upon the occurrence and continuance of any Event of Default hereunder the Owners of fifty-one (51%) percent or more of the principal amount of Refunding Bonds then Outstanding may take whatever action may appear necessary or desirable to enforce or to protect any of the rights of the Owners of Refunding Bonds, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Resolution or the Refunding Bonds or in aid of the exercise of any power granted in this Resolution or in the Refunding Bonds or for the enforcement of any other legal or equitable right vested in the Owners of Refunding Bonds by the Resolution or the Refunding Bonds or by law. However, the Refunding Bonds shall not be subject to acceleration.
- e. No remedy in the Resolution conferred upon or reserved to Owners of Refunding Bonds is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Resolution or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. To entitle the Owners of Refunding Bonds to exercise any remedy reserved to them, it shall not be necessary to give any notice other than such notice as may be required by this Resolution or by law.

SECTION 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.

SECTION 13. DESIGNATION OF BOND COUNSEL AND FINANCIAL ADVISOR

The County hereby designates K & L Gates LLP as bond counsel for the Refunding Bonds and Seattle-Northwest Securities Corporation as financial advisor for the Refunding Bonds.

SECTION 14. REDEMPTION

Issuance of the Refunding Bonds is contingent upon the County's receiving actual cumulative debt service savings of not less than the amount 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 Refundable Bonds which are to be refunded with the proceeds of the Refunding Bonds on the earliest date they are subject to redemption.

SECTION 15. ORDER 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 18th day of February 2010.

BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON


Ted Wheeler, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By 
John S. Thomas, Deputy County Attorney

SUBMITTED BY:
Mindy Harris, Director and CFO, Dept. of County Manager