

BEFORE THE BOARD OF COUNTY COMMISSIONERS

MULTNOMAH COUNTY, OREGON

A Resolution of the Board of County Commissioners)
of Multnomah County, Oregon Authorizing the Issuance)
and Negotiated Sale of Certificates of Participation,)
Series 1995B, in an amount not exceeding \$7,400,000;)
Authorizing the Execution and Delivery of a Supplemental)
Lease-Purchase and Escrow Agreement; Designating an)
Authorized Representative, Financial Advisor, Special)
Counsel, and Registrar and Paying Agent; and Other Matters.)

RESOLUTION NO. 95- 133

WHEREAS, the above-entitled matter is before the Board of County Commissioners of Multnomah County, Oregon (the "County"), upon a showing by the Director, Finance Division, that, the County is authorized pursuant to the Charter of the County and Oregon Revised Statutes Section 279.101(2) to issue and sell at a private negotiated sale Certificates of Participation, Series 1995B (the "Certificates"), in an amount not to exceed \$7,400,000, to (1) finance the construction and equipping of additional juvenile detention facilities which will include providing an additional 64 beds within the existing Juvenile Justice Complex (the "1995 Project"); (2) fund a Reserve Account; and (3) pay all costs incidental thereto; and

WHEREAS, Ballot Measure No. 11, a statewide measure approved by the voters of the State of Oregon on November 8, 1994, mandates sentences for certain crimes committed by persons of the age of 15 and up and requires a court to impose the sentences for crimes committed on or after April 1, 1995; and

WHEREAS, the County must provide additional juvenile detention facilities to accommodate the increase of juvenile offenders; and

WHEREAS, on August 20, 1992, the County issued Certificates of Participation, Series 1992A, Lease-Purchase and Escrow Agreement (Juvenile Justice Complex Project) in the aggregate principal amount of \$36,000,000 (the "Series 1992A Certificates") for the purpose of demolishing and removal of the Multnomah County Juvenile Detention Facility known as the Donald E. Long Home and for the acquisition and construction of a new juvenile detention facility to provide facilities for the detention of juveniles and for juvenile court and administrative facilities; and

WHEREAS, the Series 1992A Certificates provided for the issuance of Additional Certificates on a parity of pledge of funds and a lien upon the 1995 Project. Section 3.15 of the Series 1992A Certificates Lease-Purchase and Escrow Agreement (the "Series 1992A Agreement") requires that all

provisions of the Series 1992A Agreement shall apply to the Additional Certificates and shall be binding upon the registered owners of the Additional Certificates; and

WHEREAS, Washington County, Oregon may lease 16 beds of the juvenile facilities from the County and enter into a Sublease and Purchase Agreement with the County for the lease thereof; and

WHEREAS, the State of Oregon is interested in using an additional 32 beds in the metropolitan Portland region to serve as an assessment center for youths who are to be committed to state training institutions. The County will enter into negotiations with the State of Oregon regarding the construction, equipping and use of 32 additional beds at the Multnomah County Juvenile Justice Complex and the State of Oregon will pay for a substantial portion of such capital costs and the allocable operating costs; and

WHEREAS, it is advantageous for the County, pursuant to the Series 1992A Agreement, to authorize and enter into a Supplemental Lease-Purchase and Escrow Agreement to finance the construction and equipping of the 1995 Project to further fund the Reserve Account of the Series 1992A Agreement or to provide for the funding of the Reserve Account created by the Supplemental Agreement, to comply with the conditions of Section 3.15 of the Series 1992A Agreement and to pay all costs incidental thereto. In addition, the Supplemental Lease-Purchase and Escrow Agreement will authorize the Escrow Agent to issue the Certificates, subject to annual appropriation, in an aggregate principal amount not to exceed \$7,400,000 payable from appropriated funds and accounts pledged by the County and by a pledge of the County's interest in the 1995 Project under the Supplemental Lease-Purchase and Escrow Agreement;

NOW, THEREFORE, BE IT RESOLVED, as follows:

1. Authorization. The County authorizes:

a. Issuance and Sale of Certificates. The issuance and private negotiated sale of the Certificates of Participation, Series 1995B, which shall be issued by the Escrow Agent under the Supplemental Lease-Purchase and Escrow Agreement in an amount not to exceed \$7,400,000 for and on behalf of the County, to finance the construction and equipping of the 1995 Project, to further fund the Reserve Account and to pay the costs of issuance of the Certificates. The Certificates shall be issued at not to exceed a true effective rate of interest of seven percent (7.00%) per annum and at a discount not greater than two percent (2.0%), including original issue discount.

b. Supplemental Lease-Purchase and Escrow Agreement. The execution and delivery of a Supplemental Lease-Purchase and Escrow Agreement (the "Supplemental Agreement") to lease and purchase the 1995 Project from Bank of America Oregon as escrow agent (the "Escrow Agent") pursuant to which the Escrow Agent shall execute and deliver the Certificates representing the principal amount payable under the Supplemental Agreement, and evidencing the right of the Escrow Agent to receive the County's appropriated lease payments under the Supplemental Agreement. The Supplemental Agreement may authorize the issuance of additional certificates of participation to finance the construction and equipping of additional juvenile detention facilities.

c. Special Accounts. The County authorizes the Authorized Representative to establish an Acquisition and Construction Account; a Proceeds Account; a Payment Account; and a Reserve Account as provided in the Supplemental Agreement.

2. Lease Payments. The County's obligation to make the Lease Payments due under the Supplemental Agreement shall be payable solely from general revenues of the County subject to an annual appropriation and the appropriated lease payments and other funds in the trust accounts as set forth in the Supplemental Agreement. The Lease Payments shall not be deemed a debt of the County within the meaning of any constitutional or statutory limitation.

3. Designation of Authorized Representative. Pursuant to Resolution No. 94-154 dated August 25, 1994, the County authorizes the Director, Finance Division, or his designee (the "Authorized Representative") to act on behalf of the County and determine the remaining terms of the Certificates as specified in Section 4.

4. Delegation of Final Terms and Sale of Certificates and Additional Documents. The Authorized Representative is authorized, on behalf of the County, to:

- a. approve of and authorize the distribution of the preliminary and final Official Statements to prospective purchasers of the Certificates;
- b. select an underwriter and negotiate the terms under which the Certificates shall be sold and to execute and deliver a Purchase Agreement or Proposal for sale of the Certificates;
- c. establish the maturity and interest payment dates, dated date, principal amounts, optional and/or mandatory prepayment provisions, if any, interest rates, and denominations and to establish other terms under which the Certificates shall be issued, sold, executed, and delivered;
- d. modify the Supplemental Agreement which the Authorized Representative determines at the time of sale to be in the best interest of the County, including the granting of a leasehold interest in the 1995 Project, and to execute and deliver the Supplemental Agreement;
- e. enter into a Conveyance of Leasehold Interest, Bill of Sale, or other appropriate security documents, with Bank of America Oregon conveying the 1995 Project pursuant to the Supplemental Agreement;
- f. obtain rating(s) on the Certificates, if determined by the County and the Authorized Representative to be in the best interest of the County;
- g. determine whether the Certificates shall be Book-Entry certificates and to take such actions as are necessary to qualify the Certificates for the Book-Entry System of DTC;
- h. apply for municipal bond insurance for the Certificates, if determined to be in the best interest of the County, and expend proceeds to pay any insurance premium;
- i. approve, execute and deliver the closing documents for the Certificates;
- j. execute and deliver a Tax Certificate specifying the action taken pursuant to this Resolution, and any other documents or agreements that the Authorized Representative determines are necessary and desirable to cause the issuance, sale and delivery of the Certificates in accordance with this Resolution.

5. Maintenance of Tax-Exempt Status. The County covenants for the benefit of the Owners of the Certificates to use the Certificate proceeds and the 1995 Project financed with Certificate proceeds in a manner and to otherwise comply with all provisions of the Internal Revenue Code of 1986, as amended (the "Code") which are required for the interest component of lease payments payable under the Supplemental Agreement to be excluded from gross income for federal income tax purposes, as provided in the Supplemental Agreement. The County makes the following specific covenants with respect to the Code:

- i. The County will not take any action or omit any action if it would cause the Certificates to become arbitrage bonds under Section 148 of the Code.
- ii. The County shall use and operate the 1995 Project financed with the Certificates so that the Certificates which were not issued as "private activity bonds" within the meaning of Section 141 of the Code do not become private activity bonds.
- iii. The County shall comply with appropriate Code reporting requirements.
- iv. The County shall pay, when due, all rebates and penalties with respect to the Certificates which are required by Section 148(f) of the Code.

The Authorized Representative may enter into covenants on behalf of the County to protect the tax-exempt status of the interest component of the Lease Payments due under the Supplemental Agreement and the Certificates.

6. Book-Entry Only System. During any time the Certificates are held in a book-entry only system (the "Book-Entry System"), the registered owner of all of the Certificates shall be The Depository Trust Company, New York, New York ("DTC"), and the Certificates shall be registered in the name of Cede & Co., as nominee for DTC. The County and DTC have entered into a Blanket Letter of Representations dated March 9, 1995 (the "Letter") and the provisions of such Letter shall be incorporated herein by this reference.

Under the Book-Entry System, the Certificates shall be initially issued in the form of a single fully registered certificate, one for each maturity of the Certificates. Upon initial issuance, the ownership of such Certificates 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 Certificates registered in its name for the purposes of payment of the principal of, prepayment price of, and premium, if any, or interest on the Certificates, selecting the Certificates or portions thereof to be redeemed, if any, giving notice as required under this Resolution, registering the transfer of Certificates, 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 Certificates 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 prepayment price of or interest on the Certificates; 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 prepayment of the Certificates; 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 Certificates 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 Certificates to the extent of the sum or sums so paid. So long as the Certificates are held in the Book-Entry System, no person other than DTC shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the Registrar to make payments of principal of and premium, if any, and interest pursuant to this Resolution. Upon delivery by DTC to the Registrar of DTC's written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions of this Resolution with respect to transfers of Certificates, 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 Certificates. In such event, the Registrar shall issue, transfer and exchange, at the County's expense, Certificates as requested in writing by DTC in appropriate amounts. DTC may determine to discontinue providing its services with respect to the Certificates 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 Certificates, 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 Certificates. 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 Certificates to any DTC Participant having Certificates credited to its DTC account, or (b) to arrange for another securities depository to maintain custody of Certificates.

7. Appointment of Special Counsel, Financial Advisor, Escrow Agent, Lessor and Paying Agent and Registrar. The County appoints Ater Wynne Hewitt Dodson & Skerritt as special counsel for the issuance of the Certificates, Regional Financial Advisors, Inc. as Financial Advisor to the County for the issuance of the Certificates and Bank of America Oregon as escrow agent, lessor, and paying agent and registrar for the Certificates.

8. Continuing Disclosure. Pursuant to S.E.C. Rule 15c2-12, effective after July 3, 1995, the County shall be required to comply with secondary disclosure of annual financial information and certain material events occurring after the issuance of the Certificates. The County shall enter into a separate written undertaking for the benefit of Certificate holders (the "Disclosure Agreement") under which the County will provide continuing disclosure as required under the Disclosure Agreement.

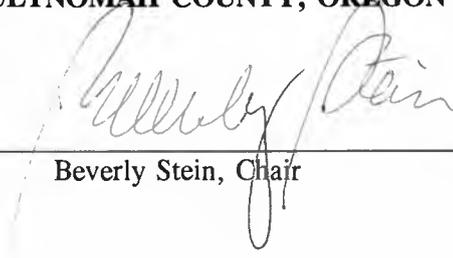
9. Resolution to Constitute Contract. In consideration of the purchase and acceptance of any or all of the Certificates by those who shall own the same from time to time (the "Owners"), the provisions of this Resolution shall be part of the contract of the County with the Owners and shall be deemed to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

set forth in paragraph 2 herein. The pledges contained herein, including without limitation the County's covenants and the other covenants and agreements herein set forth to be performed by or on behalf of the County shall be for the equal benefit, protection and security of the Owners, all of whom shall be of equal rank without preference, priority or distinction of any of such Certificates over any other thereof.

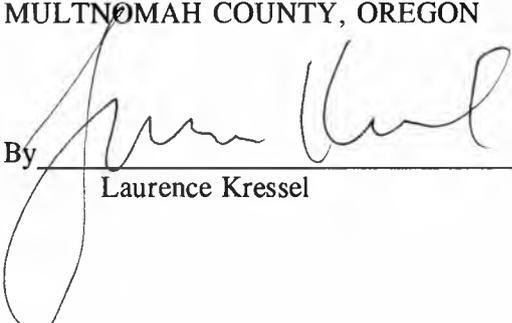
ADOPTED this 8th day of June, 1995.



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

By 
Beverly Stein, Chair

REVIEWED BY:
COUNTY COUNSEL
MULTNOMAH COUNTY, OREGON

By 
Laurence Kressel