

BEFORE THE BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

**RESOLUTION NO. 00-157**

Authorizing Issuance of Revenue Bonds for Port City Project

**The Multnomah County Board of Commissioners Finds:**

- a. The Board of County Commissioners of Multnomah County, Oregon (the "County"), a body politic and corporate and a political subdivision of the State of Oregon, pursuant to ORS 288.605 to 288.945 (collectively, the "Act"), adopted its Resolution No. 99-142 on July 8, 1999 which gave preliminary authorization to the County to issue its Revenue Bonds in an aggregate principal amount not to exceed \$2,000,000 to (1) acquire land, finance the costs of construction, renovation, improvement and equipping of certain facilities for Port City, a non-profit corporation (the Project); (2) fund a debt service reserve account; and (3) pay certain costs of issuance; and
- b. Pursuant to the Act, the County caused the Notice of Revenue Bond Authorization to be published in The Oregonian, Portland, Oregon on July 15, 1999; and
- c. ORS 288.815 provides that a bond purchase agreement cannot be executed for at least 60 days following publication of the Notice of Revenue Bond Authorization. More than sixty days have elapsed since the July 15, 1999 publication and no written petitions requiring an election were filed with the office of the County Clerk; therefore, the County is authorized to proceed with the negotiation, issuance, sale and delivery of the Bonds; and
- d. The Board of County Commissioners of the County desires to authorize the Director, Finance Division or his designee (the "Authorized Representative"), on behalf of the County, to establish the terms and negotiate the sale of the Bonds, and approve, execute and deliver the agreements and documents necessary to complete the Bond financing; and
- e. The Bonds shall be issued pursuant to a Trust Indenture (the "Indenture") between the County and a trustee to be selected by the Authorized Representative (the "Trustee") and the Bonds shall be payable from sublease payments received by the County from Port City ("Lessee") pursuant to a Sublease Agreement between the County and Lessee (the "Lease") and from the Motor Vehicle Rental Tax (MCC 11.300 –11.305) pledged pursuant hereto and in the Indenture; and
- f. Prior to the execution of the Bond Purchase Agreement (the "Bond Purchase Agreement") under which an underwriter selected by the Authorized Representative (the "Underwriter") agrees to purchase the Bonds from the County, the County will have received an evaluation of, among other things, the terms, conditions and pricing of the negotiated purchase of the Bonds by the Underwriter, pursuant to ORS 288.845 from its independent financial advisor and expert, Regional Financial Advisors, Inc.;

**The Multnomah County Board of Commissioners Resolves:**

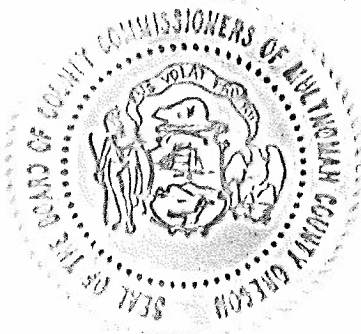
1. Authorization to Issue, Sell, Execute and Deliver Bonds. The County is hereby authorized to enter into the transactions described above and specifically to issue, sell, execute and deliver the Bonds pursuant to the Indenture, and to use the proceeds of the Bonds as contemplated by the Indenture and Sublease Agreement.
2. Delegation for the Establishment of Terms and Negotiated Sale of the Bonds. The Authorized Representative is hereby authorized, on behalf of the County to:
  - a. Establish the maturity dates, principal amounts, redemption provisions, interest rates, reoffering prices and denominations and all other terms for the Bonds;
  - b. Approve, authorize, execute and deliver the Indenture, the sublease, a ground lease, documents of sale or conveyance, security documents, closing documents and all other documents, and to take all other actions necessary in the opinion of the Director, Finance Division and Ater Wynne LLP, as bond counsel ("Bond Counsel") to consummate this financing;
  - c. Approve and authorize the distribution of preliminary and final official statements for the Bonds;
  - d. Enter into covenants regarding the use of the proceeds of the Bonds and the projects financed with the proceeds of the Bonds, to maintain the tax-exempt status of the Bonds;
  - e. Negotiate the terms under which the Bonds shall be sold, to enter into a Bond Purchase Agreement for sale of the Bonds, and to execute and deliver that Bond Purchase Agreement;
  - f. Obtain ratings on the Bonds and bond insurance and enter into any agreements required by such bond insurer, if determined by the Authorized Representative to be in the best interest of the County;
  - g. Determine whether the Bonds shall be Book-Entry certificates and to take such actions as are necessary to qualify the Bonds for the Book-Entry System of DTC; and
  - h. Execute and deliver a certificate specifying the action taken pursuant to this Section 2, and to take all other actions that the Authorized Representative determines are desirable to issue, sell and deliver the Bonds in accordance with this Resolution.
3. Bond Execution. The Bonds shall be executed on behalf of the County by the manual or facsimile signatures of the Chair of the Board of County Commissioners and the Director, Finance Division.

4. Maintenance of Tax-Exempt Status. The County covenants for the benefit of the Owners of the Bonds to use the Bond proceeds and the Project financed with Bond proceeds, and to otherwise comply with all provisions of the Internal Revenue Code of 1986, as amended (the "Code") which are required for the interest on the Bonds to be excluded from gross income for federal income tax purposes
5. Trustee, Paying Agent and Registrar. The Authorized Representative is authorized to select and appoint a Trustee, Paying Agent and Registrar for the Bonds. The Trustee shall be qualified to exercise trust powers as described in the Indenture and the Trustee shall be appointed as the Paying Agent and Registrar to authenticate the Bonds as contemplated by the Indenture. A successor Trustee, Paying Agent and Registrar may be appointed for the Bonds by resolution of the County. 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.
6. Redemption. The Bonds may be subject to optional, mandatory and extraordinary redemption prior to maturity as determined by the Authorized Representative pursuant to Section 2 hereof.
7. Funds and Accounts. There are hereby established and created with the Trustee the following funds and accounts as more fully described in the Indenture: the Bond Fund, the Projects Fund, the Equity Fund and the Rebate Fund. Lessee shall be required to set aside or pay into such funds and accounts revenues for payment of its obligations under the Sublease.
8. Revenues Pledged. The County hereby pledges to the Bondholders on a parity with Multnomah County Revenue Bonds, Series 1998 (Regional Children's Campus, Inc.) (the RCC Bonds) and any concurrent or future Parity Obligations (as defined in the Indenture) the Motor Vehicle Rental Taxes (Section 11.300 through 11.305 of the Multnomah County Code or any successor ordinance or code provision providing for the imposition of such taxes) sufficient to pay the Bonds, to fund the Reserve Fund and to pay any Rebate Amount (all as defined in the Indenture). Pursuant to Oregon Revised Statutes Section 288.594, this pledge shall be binding from the date hereof and revenues and other funds so pledged shall be immediately subject to the lien of the pledge without physical delivery, filing or other act and the lien of this pledge shall be on a parity with the RCC Bonds and any future Parity Obligations and superior to all other claims and liens of any kind whatsoever.
9. Limited Obligations. The Bonds shall be limited obligations of the County payable solely and only from the amounts required to be paid by Lessee pursuant to the Sublease, from the Bond Fund, the Equity Fund and the Projects Fund established under the Indenture and from the Revenues as defined and pledged pursuant to the Indenture. The County has agreed in Section 1,K of the Intergovernmental Agreement with the City of Portland and Metro approved by the Board of County Commissioners on February 17, 2000 to not have RCC Bonds and Parity Obligations outstanding in a combined principal amount in excess of \$8,500,000.
10. Public Hearing. Pursuant to the provisions of Section 147(f) of the Internal Revenue Code of 1986, as amended, the Bonds may not be issued as tax-exempt qualified bonds until the elected legislative body of the County, as the unit of government issuing the Bonds and as the unit of government having jurisdiction over the area in which the Project is located, holds a

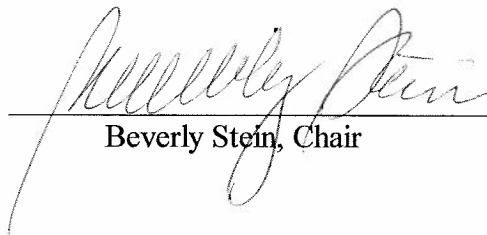
public hearing, following reasonable public notice, in order that the residents of the County may have a reasonable opportunity to be heard by the County relating to the issuance of the Bonds. The County is the governmental unit issuing the Bonds and the governmental unit having jurisdiction over the area in which the facility is to be located. The County has held such public hearing and the County approves the issuance of the Bonds for the benefit of the County.

11. Continuing Disclosure. The County shall undertake in a Continuing Disclosure Certificate for the benefit of registered and beneficial Bondowners to provide to each Nationally Recognized Municipal Securities Information Repository, and if and when one is established, the State Information Depository, 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) of the Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. ' 240.15c2-12 (the "Rule").
12. Resolution to Constitute Contract. In consideration of the purchase and acceptance of any or all of the Bonds by those who shall own the same from time to time (the "Bondowners"), the provisions of this Resolution shall be part of the contract of the County with the Bondowners and shall be deemed to be and shall constitute a contract between the County and the Bondowners. The covenants, pledges, representations and warranties contained in this Resolution or in the closing documents executed in connection with the Bonds, including without limitation the County's covenants and pledges contained in Section 11 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 Bondowners, all of which shall be of equal rank without preference, priority or distinction of any of such Bonds over any other thereof, except as expressly provided in or pursuant to this Resolution.

ADOPTED this 21st day of September, 2000.

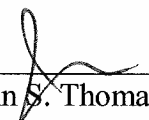


BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

  
Beverly Stein, Chair

REVIEWED:

THOMAS SPONSLER, COUNTY ATTORNEY  
FOR MULTNOMAH COUNTY, OREGON

By   
John S. Thomas, Assistant County Attorney