BEFORE THE BOARD OF COUNTY COMMISSIONERS

FOR MULTNOMAH COUNTY, OREGON

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF MULTNOMAH COUNTY, OREGON; AUTHORIZING LETTER OF INTENT RELATING TO THE ISSUANCE AND NEGOTIATED SALE OF $22,000,000 EDUCATIONAL FACILITIES REVENUE BONDS, DESIGNATING AN AUTHORIZED REPRESENTATIVE, SPECIAL COUNSEL TO THE COUNTY AND BOND COUNSEL; AUTHORIZING THE PUBLICATION OF NOTICE OF INTENT TO ISSUE EDUCATION FACILITIES REVENUE BONDS; PROVIDING FOR A PUBLIC HEARING AND DESIGNATING A HEARING OFFICIAL	))))))))	RESOLUTION NO. 94-39

WHEREAS, the Board of County Commissioners of Multnomah County, Oregon (the "County") has received a request as set forth in a Letter of Intent (Exhibit "A" attached hereto) from the University of Portland, a qualified IRS Section 501(c)(3) non-profit corporation (the "University") wherein the University requests the County to issue education facilities revenue bonds for the benefit of the University and for the County to loan the proceeds of the bonds to the University for the purpose of providing funds for the construction and equipping of certain education facilities.

WHEREAS, the County, is authorized as a municipality as defined in Oregon Revised Statutes 352.790 to 352.820 (the "Act") to issue education facilities revenue bonds for the benefit of non-profit educational institutions within the state of Oregon.

WHEREAS, Section 145 of the Internal Revenue Code of 1986, as amended, authorizes a governmental unit to issue its tax-exempt bonds for qualified Section 501(c)(3) tax-exempt organizations.

WHEREAS, the County is advised that upon issuance of the education facilities revenue bonds (the "Bonds") the County shall enter into a loan agreement whereby the proceeds of the Bonds will be loaned to the University for the purpose of financing the acquisition of qualified education facilities. The Bonds will be secured solely by the covenant of the University to provide sufficient funds for the repayment of the maturing principal and interest, and premium if any, as they respectively mature. The County does not assume any liability for the payment of the Bonds nor are any assets or funds of the County pledged therefor. The Bonds shall not be a charge upon the tax revenues of the County and shall be secured solely by the education facilities revenues pledged by the University to their payment.

WHEREAS, the Act requires that the County publish notice of its intent to issue the Bonds in one issue of a newspaper of general circulation within the County and that no Bonds may be sold nor a bond purchase agreement executed for at least sixty (60) days following such publication. The notice shall advise the electors of the County that they may file a petition with the County asking to have the question of whether to issue such Bonds referred to a vote. If the

County receives petitions totalling not less than five percent (5%) of the County's electors, no Bonds may be sold until the issuance of the Bonds is approved by a majority of the electors of the County.

WHEREAS, the University requests that the County proceed with the issuance of the Bonds and to negotiate the sale of the Bonds as expeditiously as possible in order that the University may proceed with the construction and equipping of the educational facilities as set forth in Exhibit B attached to this resolution.

NOW, THEREFORE, BE IT RESOLVED:

Section 1. Letter of Intent. The Board of County Commissioners (the "Board) having received a Letter of Intent between the County and the University wherein the University proposes that the County issue the Bonds pursuant to the Act to provide funds for the construction and equipping of education facilities within the meaning of the Act and to loan the proceeds of the Bonds to the University for such purpose. To induce the County to undertake the issuance of the Bonds, the University has agreed to cooperate with the County for the approval by the County of all the terms and conditions of the issuance of the Bonds and the sale thereof in an aggregate principal amount not to exceed $22,000,000 and the University shall pay to the County from the revenue bond proceeds and other available University funds an issuer's fee as more fully set forth in paragraph 3(b) of the Letter of Intent. The County approves of the Letter of Intent and authorizes the Chair to execute the Letter of Intent for and on behalf of the County.

Section 2. Public Notice. Pursuant to the requirements of Oregon Revised Statutes 288.815 to 288.945, no Bonds may be sold, and in the case of a private negotiated sale, no purchase agreement can be executed for sixty (60) days following the publication of the notice, as set forth in Oregon Revised Statutes 288.185(6). The County directs that a notice shall be published in *The Oregonian*, a newspaper of general circulation within the County in the same manner as are other public notices of the County and that such notice shall contain the information required in Oregon Revised Statutes 288.185(6). If electors of the County file the appropriate petition with the County within sixty (60) days following publication of the notice, then the Bonds shall not be issued by the County until this Resolution is approved by a majority of the electors of the County.

Section 3. 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 University is located, first 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 issuing of the Bonds. The County is the governmental unit issuing the Bonds and having jurisdiction over the area in which the educational facilities are to be located. The County directs that such public hearing be conducted following reasonable public notice and that the Finance Director is designated as the hearing official for the County to conduct such hearing. The Finance Director shall report to the Board as to the public hearing, whereupon the County may approve of the issuance of the Bonds for the benefit of the University.

Section 4. Authorized Representative. The County authorizes the Finance Director, or any other person designated by the Chair of the Board, as the "Authorized Representative" to take such action for and on behalf of the County as is reasonably necessary to carry out the provisions of this Resolution. The formal authorization for the issuance and sale of the Bonds shall be subject to the approval of the Board of County Commissioners.

Section 5. Designation of Participants. The Board designates Ater Wynne Hewitt Dodson & Skerritt as the County's special counsel to advise the County on matters relating to the issuance of the Bonds and compliance with federal and state law and to serve as special counsel to the County in the negotiation, issuance and private negotiated sale of the Bonds.

Section 6. Issuance of Bonds. The Board of County Commissioners (the "Board") agrees to use its best efforts to issue and privately negotiate the sale of $22,000,000 of Education Facilities Revenue Bonds, Series 1994 (University of Portland Project).

ADOPTED this 24th day of February, 1994.

SEAL OF THE BOARD OF COUNTY COMMISSIONERS OF MULTNOMAH COUNTY OREGON

BOARD OF COUNTY COMMISSIONERS
MULTNOMAH COUNTY, OREGON

By Beverly Stein
Beverly Stein
Multnomah County Chair

REVIEWED:
LAURENCE KRESSEL, COUNTY COUNSEL
for MULTNOMAH COUNTY

By John L. DuBay
John L. DuBay

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LETTER OF INTENT

between

MULTNOMAH COUNTY, OREGON

and

UNIVERSITY OF PORTLAND

THIS LETTER OF INTENT is between **MULTNOMAH COUNTY, OREGON**, a political subdivision of the State of Oregon (the "County"), and University of Portland, an Oregon nonprofit corporation (the "University").

1. Preliminary Statement. Among the matters of mutual inducement, which have resulted in the execution of this Letter of Intent are the following:

a. The County is a political subdivision of the State of Oregon, authorized and empowered by ORS 352.790 to ORS 352.820, by ORS 288.815 to ORS 288.945 and by ORS 288.605 to ORS 288.695 (collectively, the "Act") to issue revenue bonds for the purposes specified therein upon such terms and conditions as the County may deem advisable.

b. The County proposes to issue revenue bonds pursuant to the Act to provide funds for the construction and equipping of certain education facilities within the meaning of the Act (the "Bond Project") and to loan the proceeds of such revenue bonds to the University for such purposes. Revenue bonds for the new facilities are collectively referred to herein as the "revenue bonds."

c. The County deems it necessary and advisable that it take such action as may be required under the Act to authorize and issue revenue bonds to finance the cost of the Bond Project in a total amount not to exceed $22,000,000.

d. The County finds that the issuance of revenue bonds to finance the cost of the Bond Project, and the loaning of the proceeds thereof to the University for the Project purposes constitutes a valid public purpose.

e. The University wishes to proceed with the preparation of necessary plans and specifications. and to incur expenses in connection with the Bond Project. The

University does not wish to incur the costs and expenses and proceed with its plans for the Bond Project without reasonable assurances from the County, that proceeds of the sale of revenue bonds of the County may be made available to finance the Bond Project. The parties consider it appropriate that the action contemplated hereunder be the subject of this Letter of Intent.

f. All references in this Letter of Intent to the County shall be deemed to include where appropriate its elected and appointed officials, employees and agents.

2. Undertakings on the Part of the County. Subject to the conditions stated herein, including the preparation and approval of the various financing documents and review and approval by Special Counsel to the County, the County agrees and represents as follows:

a. The County will use its best efforts, subject to the satisfaction by the University of all conditions stated herein and all other conditions imposed on the University by the County prior to issuance of the revenue bonds, to authorize and cause the issuance of its revenue bonds to be payable solely out of the loan payments payable by the University to the County pursuant to a loan agreement or other financing agreement between the University and the County, which revenue bonds will be in an aggregate principal amount not to exceed $22,000,000.

b. The County will adopt such proceedings and authorize the execution of such documents as may be necessary and advisable for the authorization, issuance, sale and delivery of the revenue bonds, and the loan of the proceeds of the revenue bonds to the University to finance the Bond Project, all as authorized by law and as mutually satisfactory to the University and the County.

c. The amounts payable to the County under the loan agreement or other financing agreement shall be sufficient to pay the principal of and the interest on, and redemption premium, if any, of the revenue bonds as and when the same become due and payable.

d. The County has appointed Ater Wynne Hewitt Dodson & Skerritt as special counsel to the County ("Special Counsel") to participate in the proceedings, to prepare any resolutions of the Board of County Commissioners, and to approve the legality of the actions of the County and the revenue bonds and to review the preliminary and final official statements of the revenue bonds.

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e. The University appoints The Courson Law Firm and Preston Thorgrimson Shidler Gates & Ellis as Bond Counsel for the revenue bonds.

f. Neither the revenue bonds nor the interest thereon shall be an obligation of Multnomah County, nor of the State of Oregon, nor the personal obligations of the elected or appointed officials, employees or agents of the County within the meaning of any constitutional or statutory provisions whatsoever, but shall be payable solely from amounts received by the County from the loan agreement and other monies pledged therefor. The revenue bonds shall not be a general obligation of the County nor a pledge of the faith and credit of the County or its elected or appointed officials, employees or agents nor a debt or pledge of the faith and credit of the State of Oregon.

g. No assets of the County shall be given to secure the revenue bonds and the nonrecourse bonds shall be repayable out of and, only out of, the University's assets and income and a municipal bond insurance policy, if any.

3. Undertakings on the Part of the University. Subject to the conditions above stated, the University agrees as follows:

a. The University will cooperate with the County for the approval of all of the terms and conditions of the issuance of the revenue bonds, and the sale of the revenue bonds in an aggregate principal amount not to exceed $22,000,000, to finance the Bond Project.

b. At the time of closing of the revenue bond sale, the University will pay to the County, from revenue bond proceeds or other available University funds, an issuers fee equal to one dollar ($1.00) per one thousand dollars ($1,000) of the principal amount of the revenue bonds, but not less than $10,000 and the University will pay, from revenue bond proceeds or other available University funds, to Ater Wynne Hewitt Dodson & Skerritt, Attorneys, as Special Counsel to the County, fees based on the time incurred with respect to the revenue bonds and based on its standard hourly rates and in an amount not to exceed one dollar ($1.00) per one thousand dollars ($1,000) of the principal amount of the revenue bonds, plus actual expenses incurred, not to exceed $1,000.

c. Concurrent with the closing of the revenue bonds, the University will deliver an executed loan agreement or other financing agreement with the County, under which terms the University will agree to pay the County loan payments sufficient in the aggregate to pay the principal of and interest on, and redemption premium, if any, of the revenue bonds as and when the same shall become due and payable.

d. The loan agreement or other financing agreement shall contain a provision that the University shall indemnify and hold the County harmless from all liabilities incurred in connection with the issuance of the revenue bonds or the Bond Project.

e. The University will cause University counsel to provide the County with a legal opinion substantially in form and substance to the legal opinion provided by University counsel to the underwriters with respect to the revenue bonds.

f. The loan agreement shall also contain such other provisions as may be required or permitted by law and as are mutually acceptable to the parties.

g. The University will take such further action and adopt such further proceedings as may be required to implement these understandings.

4. General Provisions.

a. Except as provided in Section 4(b) and Section 5(a) hereof or as otherwise provided herein, all obligations arising under this Letter of Intent are conditioned upon the parties agreeing to mutually acceptable terms for the sale of the revenue bonds and mutually acceptable terms and conditions for the contracts and agreements contemplated herein.

b. The County will not charge any periodic administrative fee in connection with the on-going administration of the revenue bonds. However, the University will pay, or cause to be paid, whether the revenue bonds are actually issued or not, any fees and expenses incurred in connection with the issuance, sale and on-going administration of the revenue bonds, including without limitation, the fees and expenses of Special Counsel, Bond Counsel, Tax Counsel, financial advisor, the trustee, registrar, and paying agent. The University will also pay the cost of its counsel, its financial advisor, municipal bond insurance premiums or fees, if any, and underwriters with respect to the revenue bonds.

c. The University shall obtain, at its expense, all necessary governmental approvals and opinions of Bond Counsel to ensure the legality and tax exempt status of the revenue bonds. In addition, the University shall make no use of the revenue bond proceeds so as to cause the revenue bonds to be classified as arbitrage bonds as that term is defined in the Internal Revenue Code of 1986 and the regulations promulgated thereunder (the "Code").

5. Miscellaneous Provisions.

a. The University shall and hereby agrees to indemnify and save the County harmless against and from all claims by or on behalf of any person, firm, corporation or other legal entity arising from the approval of and execution of this Letter of Intent and any other actions to be taken by the County relating to the Bond Project or the issuance of the revenue bonds for so long as the revenue bonds remain outstanding, including, without limitation, the conduct or management of, or from any work or thing done related to the Bond Project, including without limitation, (i) any condition related to the Bond Project, (ii) any breach or default on the part of the University in the performance of any of its obligations under this Letter of Intent and any of the bond documents, (iii) any act or negligence of the University or of any of its agents, contractors, servants, employees or licensees or (iv) any act or negligence of any assignee or lessee of the University, or of any agents, contractors, servants, employees or licensees of any assignee or lessee of the University. The University shall indemnify and save the County and its elected or appointed officials, employees or agents harmless from any such claim arising as aforesaid, or in connection with any action or proceeding or costs or fees incurred in any action or proceedings brought thereon whether at trial, on appeal, in bankruptcy proceedings or otherwise, and upon notice from the County or its elected or appointed officials, employees or agents, the University shall defend them or either of them in any such action or proceeding at the University's expense.

Notwithstanding the fact that is the intention of the parties hereto that the County and its elected or appointed officials, employees or agents shall not incur any pecuniary liability by reason of the terms of this Letter of Intent or the undertakings required of the County or its elected or appointed officials, employees or agents hereunder, by reason of the issuance of the revenue bonds or by reason of the execution of any financing documents relating thereto, or by reason of the performance of any act requested of the County, its elected or appointed officials, employees or agents by the University, including all claims, liabilities or losses arising in connection with the violation of any statutes or regulation pertaining to the foregoing; nevertheless, if the County or its elected or appointed officials, employees or agents should incur any such pecuniary liability, then in such event the University shall indemnify and hold the County and its elected or appointed officials, employees or agents harmless against all claims, demands or causes of action whatsoever, by or on behalf of any person, firm or corporation or other legal entity arising out of the same or out of any Offering Statement or lack of Offering Statement in connection with the sale or resale of the revenue bonds and all costs, fees and expenses, including without limitation, legal fees and expenses whether incurred at trial, on appeal, in bankruptcy proceedings or otherwise incurred in connection with any such claim or in connection with any action or proceeding brought thereon, and upon notice from the County or its elected or appointed officials, employees or agents, the University, at its expense, shall defend the County and its elected or appointed officials, employees or agents in any such action or proceeding.

Notwithstanding anything to the contrary contained herein, the University shall have no liability to indemnify the County, or its elected or appointed officials, employees or agents, against claims or damages resulting from the County's or its elected or appointed officials, employees or agents own gross negligence or willful misconduct.

In the event any claim is made against the County, its elected or appointed officials, employees or agents (collectively, the "Indemnified Parties") for which indemnification may be sought from the University under the foregoing provisions, the Indemnified Parties shall promptly give written notice thereof to the University; *provided that* any failure to give or delay in giving such written notice shall not relieve the University's indemnification obligations as set forth above except to the extent such failure or delay prejudices the University's ability to defend or settle such claim. Upon receipt of such notice, the University shall assume the defense thereof in all respects and may settle such claim in such manner as it deems appropriate so long as there is no liability, cost or expense to the Indemnified Party. The University shall select legal counsel to represent the Indemnified Party and shall not be responsible for the legal fees and expenses of any legal counsel retained by any Indemnified Party without the written consent of the University, unless the County shall have reasonably concluded that there may be a conflict of interest between the County and the University in the conduct of the defense of such action (in which case the University shall not have the right to direct the defense of such act on behalf of the County and shall be responsible for the legal fees and expenses of the counsel retained by the Indemnified Party whether incurred at trial, on appeal, in bankruptcy proceedings or otherwise).

b. If the revenue bond proceeds are not sufficient to complete the Bond Project, the University agrees to pay, or cause to be paid, the deficiency.

The County and the University have caused this Letter of Intent to be authorized by their respective governing body or board of directors, and executed by their duly authorized officers as of this _______ day of February, 1994.

MULTNOMAH COUNTY, OREGON	**UNIVERSITY OF PORTLAND**
By: ______________________	By: ______________________
Chair	President

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EXHIBIT "B"

UNIVERSITY OF PORTLAND
BOND PROJECTS
FEBRUARY 1994

PROJECT I

Restoration of Waldschmidt Hall
Timeline: October 1991 - October 1993
Cost: $5.5 million
Bond Issue $3.0 million

Waldschmidt Hall (formerly West Hall) was constructed in 1891. The 38,000-square-foot, five-story brick and stone structure currently houses the University's School of Business Administration, classrooms, and administrative offices.
The restoration involved a complete gutting of the structure. All mechanical systems (electrical, water, HVAC) in the building have been replaced, and the building has been seismically retrofitted. In every way this building has been brought up to local building codes and complies with the Americans with Disabilities Act requirements.

PROJECT II

New Academic Hall
Timeline: May 1994 - August 1995
Cost: $11.0 million
Bond Issue: $11.0 million

The new Academic Hall will provide new housing for the School of Business Administration and the School of Education. Along with office space for the administrative departments of these two schools, the building will provide: offices for 68 faculty, 18 classrooms, 2 computer classrooms, 2 computer labs, 2 student reading rooms, 10 seminar break-out rooms, 2 conference rooms, and a faculty library. The 78,000-square-foot building will be constructed of stone and brick, complementing other campus structures.

PROJECT III

1. Renovation of Christie Hall
Timeline: May 1994 - August 1995
Cost: $2.8 million
Bond Issue: $2.8 million

Christie Hall was built in 1911 and remains to this day a men's residence hall. The 27,000-square-foot, brick building requires a new mechanical system and needs to be seismically retrofitted. The total renovation will take place over two summers and when finished will to all intents and purposes produce a new building.

2. New water and sprinkler system for Mehling Hall
Timeline: May 1995 - August 1995
Cost: $1.0 million
Bond Issue: $1.0 million

Mehling Hall is an eight story, 80,000-square-foot women's residence hall constructed in 1964. The building is not currently equipped with a sprinkler system for fire protection. In addition, the existing water lines in the building have corroded and the pressure in certain rooms is unacceptable. This upgrade will replace existing water lines and install a sprinkler system.

3. Main Entry Drive Upgrade
Timeline: May 1995 - August 1995
Cost: $ .2 million
Bond Issue: $ .2 million

This upgrade will enhance the main entry drive of the University with a formal brick entrance gate and new lighting poles. Architecturally, the entrance will be in keeping with the new Academic Center and the renovation of existing buildings.