

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. 03-061

Authorizing Issuance of Full Faith and Credit Refunding Obligations, Series 2003 to Refund the (Health System Facilities) Series 1993A and 1993B Certificates of Participation

The Multnomah County Board of Commissioners Finds:

- a. The County previously issued on May 27, 1993 its Tax-Exempt Certificates of Participation (Health System Facilities), Series 1993A (the "Series 1993A Certificates") in the aggregate principal amount of \$17,845,000 for the purpose of financing and refinancing the acquisition of the governmental portions of certain healthcare delivery and community nursing services of the County (the "Facilities") and to pay the cost of issuance of the Series 1993A Certificates. On May 27, 1993 the County also issued its Taxable Certificates of Participation (Health System Facilities), Series 1993B (the "Series 1993B Certificates") in the aggregate principal amount of \$2,045,000 for the purpose of financing and refinancing the acquisition of those portions of the Facilities which were not eligible for federal tax exempt financing and to pay the cost of issuance of the Series 1993B Certificates. The Series 1993A Certificates and the Series 1993B Certificates (collectively, the "Refundable Certificates") represent proportionate interests in the principal and interest components of the lease payments to be made by the County pursuant to a Health System Facilities Master Lease-Purchase Agreement, dated as of May 1, 1993 (the "1993 Lease-Purchase Agreement"), by and between the County and Bank of America Oregon, now known as U.S. Bank National Association ("U.S. Bank"), as trustee and lessor; and
- b. The County now finds it advantageous to refund the (Health System Facilities) Series 1993A and 1993B Certificates of Participation and to pay costs of issuance; and
- c. This resolution provides the terms under which refunding the full faith and credit obligations may be issued.

The Multnomah County Board of Commissioners Resolves:

1. **Authorization.** For the purposes above, the County hereby authorizes the issuance of Full Faith and Credit Refunding Obligations (the "Refunding Obligations") pursuant to a financing agreement and an escrow agreement in a principal amount sufficient to pay the maturing principal and interest of the Refundable Certificates and the costs incident to the authorization, sale, issuance and delivery of the Refunding Obligations. The Refunding Obligations shall be issued upon such financial terms and covenants as may be approved by the Chair, the Director, Finance Division, the Treasury Manager or their designee

(the "Authorized Representative"). The remaining terms of the Refunding Obligations shall be established as provided in Section 7 hereof.

The County is authorized pursuant to ORS 271.390 and laws of the State of Oregon and the County Charter to enter into financing agreements for the refinancing of the County's obligations under prior lease purchase agreements.

The County is further authorized pursuant to ORS 287.053 to pledge its limited tax revenues for payment of the County's limited tax bonded indebtedness, provided that the County shall not have at any one time outstanding limited tax bonded indebtedness in a principal amount that exceeds one percent of the real market value of all taxable property within the County. The County will make certifications as to both of these factors in the financing agreement. The estimated weighted average life of such financing agreement shall not exceed the estimated dollar weighted average life of the real or personal property that is financed with financing agreement.

2. **Book-Entry System.** The Refunding Obligations shall be initially issued as a book-entry only security issue with no Refunding Obligations 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 Obligations.

Ownership of the Refunding Obligations 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 Obligations shall be initially issued in the form of separate single fully registered typewritten Refunding Obligations for each maturity of the Refunding Obligations (the "Global Refunding Obligations") in substantially the form approved by the Authorized Representative.

Each Global Refunding Obligation 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 Refunding Obligations shall be lodged with the Depository until early redemption or maturity of the Refunding Obligation issue. The Registrar shall remit payment for the maturing principal and interest on the Refunding Obligations to the Registered Owner for the benefit of the owners (the "Beneficial Owner") by recorded entry on the books of the Depository participants and correspondents. While the Refunding Obligations are in book-entry only form, the Refunding Obligations will be available in denominations of \$5,000 or any integral multiple thereof.

In the event:

- i. The Depository determines not to continue to act as securities depository for the Refunding Obligations, or

- ii. 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 Obligations 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 register and thereafter in the name or names of the Owners of the Refunding Obligations transferring or exchanging Refunding Obligations.

With respect to Refunding Obligations 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:

- i. The accuracy of the records of the Depository, the Nominee or any participant or correspondent with respect to any ownership interest in the Refunding Obligations;
- ii. The delivery to any participant or correspondent or any other person, other than an Owner as shown in the registration books maintained by the Registrar, of any notice with respect to the Refunding Obligations, including any notice of prepayment;
- iii. The selection by the Depository of the beneficial interest in Refunding Obligations to be redeemed prior to maturity; or
- iv. The payment to any participant, correspondent, or any other person other than the Owner of the Refunding Obligations as shown in the registration books maintained by the Registrar, or any amount with respect to principal of or interest on the Refunding Obligations.

Notwithstanding the book-entry only system, the County may treat and consider the Registered Owner in whose name each Refunding Obligation is registered in the registration books maintained by the Registrar as the Owner and absolute Owner of such Refunding Obligation for the purpose of payment of principal and interest with respect to such Refunding Obligation, or for the purpose of giving notices of redemption and other matters with respect to such Refunding Obligation, or for all other purposes whatsoever. The County shall pay or cause to be paid all principal and interest on the Refunding Obligations 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 Obligations it holds to the Registrar for re-registration.

3. **Appointment of Registrar.** The County authorizes the Authorized Representative to designate a Registrar and Paying Agent (the "Registrar") for the Refunding Obligations. A successor Registrar may be appointed for the Refunding Obligations by the Authorized Representative. The Registrar shall provide notice to owners of the Refunding Obligations of any change in the Registrar not later than the next principal or interest payment date following the change in Registrar.
4. **Authentication, Registration, Exchange and Transfer.**
 - i. No Refunding Obligation 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 Obligations to be delivered at closing, and shall additionally authenticate all Refunding Obligations properly surrendered for exchange or transfer pursuant to this Resolution.
 - ii. All Refunding Obligations shall be in registered form. The Authorized Representative shall appoint a Registrar for the Refunding Obligations. A successor Registrar may be appointed for any Series or all of the Refunding Obligations by resolution of the County. The Registrar shall provide notice to Owners of any change in the Registrar not later than the principal or interest payment date following the change in Registrar.
 - iii. The ownership of all Refunding Obligations shall be entered in the Refunding Obligation register maintained by the Registrar, and the County and Registrar may treat the person listed as Owner in the Refunding Obligation register as the Owner of the Refunding Obligation for all purposes.
 - iv. 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 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.
 - v. In the event the Refunding Obligations cease to be book-entry only bonds, the Refunding Obligations may be exchanged for an equal principal amount of Refunding Obligations of the same maturity which are in different authorized denominations, and Refunding Obligations 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 Obligations to be exchanged or transferred.
- vi. The Registrar shall not be required to exchange or transfer any Refunding Obligations submitted to it during any period beginning with a Record Date and ending on the next following payment date; however, such Refunding Obligations shall be exchanged or transferred promptly following the payment date.
 - vii. The Registrar shall not be required to exchange or transfer any Refunding Obligation which has been designated for redemption if such Refunding Obligations are submitted to it during the fifteen-day period preceding the designated redemption date.
 - viii. For purposes of this section, Refunding Obligations shall be considered submitted to the Registrar on the date the Registrar actually receives the materials described in Section 4.v.
 - ix. 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.

5. **Notice of Redemption.**

- i. **(Depository).** So long as the book-entry only system remains in effect with respect to the Refunding Obligations, 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 the Refunding Obligations.
- ii. **(No Depository).** During any period in which the book-entry only system is not in effect with respect to the Refunding Obligations, unless waived by any Owner of the Refunding Obligations to be redeemed, official notice of any redemption of Refunding Obligations 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 Obligation or Refunding Obligations to be redeemed at the address shown

on the 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:

- A. the redemption date,
 - B. the redemption price,
 - C. if less than all Outstanding Refunding Obligations are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Refunding Obligations to be redeemed,
 - D. that on the redemption date the redemption price will become due and payable upon each such Refunding Obligation or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,
 - E. the place where such Refunding Obligations are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Registrar, and
 - F. the assigned CUSIP numbers.
- iii. 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 Obligations or portions of Refunding Obligations which are to be redeemed on that date.
 - iv. Effect of Redemption. Official notice of redemption having been given as aforesaid, the Refunding Obligations or portions of Refunding Obligations 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 Obligations or portions of Refunding Obligations shall cease to bear interest. Upon surrender of such Refunding Obligations for redemption in accordance with said notice, such Refunding Obligations 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 Obligation, there shall be prepared for the registered owner a new Refunding Obligation or Refunding Obligations of the same maturity in the amount of the unpaid principal. All Refunding Obligations which have been redeemed shall be canceled and destroyed by the Registrar and shall not be reissued. Notwithstanding that any Refunding Obligations called for redemption shall not have been surrendered, no further interest shall accrue on any such Refunding Obligations. From and after such notice having been given and such

deposit having been made, the Refunding Obligations to be redeemed shall not be deemed to be Outstanding hereunder, and the County shall be under no further liability in respect thereof.

6. **Tax-Exempt Status.** The County covenants to use the proceeds of the Refunding Obligations, and the facilities financed or refinanced with the Refunding Obligations, and to otherwise comply with the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), so that interest paid on any of the Refunding Obligations designated as tax-exempt will not be includable in gross income of the Owners of such Refunding Obligations for federal income tax purposes. The County specifically covenants:
- i. To comply with "arbitrage" provisions of Section 148 of the Code, and to pay any required rebates; and
 - ii. To operate the facilities financed or refinanced with the proceeds of the Refunding Obligations so that any Refunding Obligations designated as tax-exempt are not "private activity bonds" under Section 141 of the Code; and
 - iii. Comply with all reporting requirements.
7. **Other Actions.** The Authorized Representative is hereby authorized, on behalf of the County to:
- i. Establish the final principal amount, dated date, denominations, payment dates, redemption provisions; series designation and all other terms of the Refunding Obligations in accordance with this Resolution, including designating any Refunding Obligations as taxable or tax-exempt;
 - ii. Provide for the negotiated or competitive sale of the Refunding Obligations and establish the terms under which the Refunding Obligations shall be sold;
 - iii. Contract with an escrow agent and a paying agent/registrar for the Refunding Obligations;
 - iv. Execute and deliver a financing agreement and an escrow agreement;
 - v. Enter into covenants regarding the use of the proceeds of the Refunding Obligations and the projects financed or refinanced with the proceeds of the Refunding Obligations, to maintain the tax-exempt status of any designated Refunding Obligations;
 - vi. Approve and authorize the distribution of preliminary and final official statements for the Refunding Obligations and execute a continuing disclosure certificate;
 - vii. Obtain ratings on the Refunding Obligations as required;


- viii. Take such actions as are necessary to qualify the Refunding Obligations for the Book-Entry System of The Depository Trust Company, New York, New York;
 - ix. Pledge the County's full faith and credit and all or any portion of the County's legally available revenues, taxes and other funds to pay amounts due under the financing agreement provided such taxing power is subject to the limitations of Section 11 or 11b, Article XI of the Oregon Constitution;
 - x. Obtain a municipal bond insurance policy, if cost effective, and fund a debt service reserve, if necessary, from Refunding Obligation proceeds or with a reserve surety policy; and
 - xi. Execute and deliver any other certificates, documents or agreements that are necessary to issue, sell and deliver the Refunding Obligations in accordance with this Resolution.
8. **Appointment of Specialists.** The county hereby appoints Preston Gates & Ellis to serve as special counsel in connection with the execution and delivery of the financing agreement and the Refunding Obligations and Regional Financial Advisors, Inc., as financial advisor.
9. **Continuing Disclosure.** The County shall undertake in a Continuing Disclosure Certificate for the benefit of the registered owners and beneficial owners of the Refunding Obligations 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, 2003, the information required pursuant to paragraphs (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 owners and beneficial owners 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.
10. **Defeasance.** The County may defease the Refunding Obligations by setting aside, with a duly appointed escrow agent, in a special escrow account irrevocably pledged to the payment of the Refunding Obligations 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 Obligations until their maturity date or any earlier redemption date. Refunding Obligations 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.

11. **Resolution to Constitute Contract.** In consideration of the purchase and acceptance of any or all of the Refunding Obligations by those who shall own the Refunding Obligations 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 Obligations, including without limitation the County's covenants and pledges contained herein, 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 Obligations over any other thereof, except as expressly provided in or pursuant to this Resolution.

ADOPTED this 1st day of May, 2003.

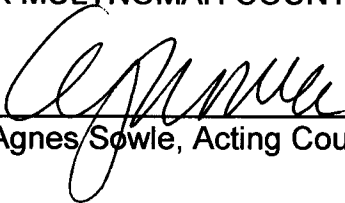


BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON


Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, ACTING COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By 
Agnes Sowle, Acting County Attorney