

BEFORE THE BOARD OF COUNTY COMMISSIONERS

MULTNOMAH COUNTY, OREGON

In the Matter of the Issuance and Sale)
of Short-Term Promissory Notes (Tax and)
Revenue Anticipation Notes, Series 1998))
in the Amount of \$11,000,000 for the)
Purpose of Meeting Current Expenses of)
the County for the 1998-99 Fiscal Year.)

RESOLUTION NO. 98- 64

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, prior to the receipt of sufficient monies from tax collections and from other budgeted and unpledged revenues which the County estimates will be received from other sources during the fiscal year 1998-99, there is a need for the County to contract indebtedness, not to exceed in the aggregate its estimated maximum cumulative cash flow deficit as defined in regulations of the United States Treasury, by the issuance of tax and revenue anticipation notes (the "Notes") to meet the County's current expenses for fiscal year 1998-99; and

WHEREAS, it appearing to the Board that Oregon Revised Statutes Section 288.165(3) permits the issuance of tax and revenue anticipation notes in an amount which does not exceed 80% of the amount budgeted which the County estimates will be received during the 1998-99 fiscal year; and

WHEREAS, prior to the sale and delivery of the Notes, provision therefor shall have been made in the County's duly adopted budget which shall have been filed in the manner as provided by law, and ad valorem tax levies upon real and personal property for the fiscal year 1998-99 will be levied and in the process of collection by Multnomah County, Oregon;

NOW, THEREFORE, BE IT RESOLVED THAT:

Section 1. Issuance of Notes. The Board of County Commissioners of the County authorizes the issuance and negotiated sale of not to exceed \$11,000,000 of its Tax and Revenue Anticipation Notes, Series 1998. The Notes are issued pursuant to Oregon Revised Statutes Section 288.165(3). The Notes shall be issued in denominations of \$5,000 each, or integral multiples thereof, as negotiable notes of the County and shall bear interest at a true effective rate not to exceed six percent (6.00%). The County authorizes the Director, Finance Division or the Treasury Manager (the "Authorized Representatives") to determine the principal amount, interest rate, denominations and to determine the Underwriter for the purchase of the Notes, to evaluate the terms of the Note Purchase Agreement, and to execute and deliver an appropriate Note Purchase Agreement. The Notes shall not be issued prior to the beginning of, and shall mature not later than, the end of the fiscal year in which such taxes or other revenues are expected to be received. The Notes issued in anticipation of taxes or other revenues shall not be issued in an amount greater than eighty percent (80%) of the amount budgeted to be received in fiscal year 1998-99.

Section 2. Title and Execution of Notes. The Notes shall be entitled "Multnomah County, Oregon Tax and Revenue Anticipation Notes, Series 1998" and shall be executed on behalf of the County with the manual or facsimile signature of the Chair of the Board of County Commissioners and shall be attested by the Director, Finance Division. The Notes may be initially issued in book-entry form as a single, typewritten note and issued in the registered name of the nominee of The Depository Trust Company, New York, New York in book-entry form. The Notes may be issued without certificates being made available to the note holders except in the event that the book-entry form is discontinued in which event the Notes will be issued with certificates to be executed delivered and transferred as herein provided.

Section 3. Appointment of Paying Agent and Note Registrar. The Board appoints U.S. Bank Trust National Association, through its corporate trust office in Portland, Oregon, as Paying Agent and Note Registrar to the County for the issuance of the Notes.

Section 4. Book-Entry System. The ownership of the Notes shall be recorded through entries on the books of banks and broker-dealer participants and correspondents that are related to entries on The Depository Trust Company book-entry system. The Notes shall be initially issued in the form of a separate, fully registered typewritten note (the "Global Certificate"). The Global Certificate shall be registered in the name of Cede & Co. as nominee (the "Nominee") of The Depository Trust Company (the "Depository") as the "Registered Owner", and such Global Certificate shall be lodged with the Depository until maturity of the Note issue. The Paying Agent shall remit payment for the maturing principal and interest on the Notes to the Registered Owner for distribution by the Nominee for the benefit of the noteholders (the "Beneficial Owner" or "Record Owner") by recorded entry on the books of the Depository participants and correspondents. While the Notes are in book-entry-only form, the Notes will be available in denominations of \$5,000 or any integral multiple thereof.

The Authorized Representative has filed with the Depository a Blanket Issuer Letter of Representations, dated March 9, 1995, to induce the Depository to accept the Notes as eligible for deposit at the Depository. The County is authorized to provide the Depository with the Preliminary Official Statement, together with the completed Depository's underwriting questionnaire.

The execution and delivery of the Blanket Letter of Representations and the providing to the Depository of the Preliminary Official Statement and the underwriting questionnaire shall not in any way impose upon the County any obligation whatsoever with respect to persons having interests in the Notes other than the Registered Owners of the Notes as shown on the registration books maintained by the Paying Agent and Note Registrar. The Paying Agent and Note Registrar, in writing, shall accept the book-entry system and shall agree to take all action necessary to at all times comply with the Depository's operational arrangements for the book-entry system. The Authorized Representative may take all other action to qualify the Notes for the Depository's book-entry system.

In the event (a) the Depository determines not to continue to act as securities depository for the Notes, or (b) the County determines that the Depository shall no longer so act, then the County will discontinue the book-entry system with the Depository. If the County fails to identify another qualified securities depository to replace the Depository, the Notes shall no longer be a book-entry-only issue but shall be registered in the registration books maintained by the Paying Agent and Note Registrar in the name of the Registered Owner as appearing on the registration books of the Paying Agent and Note Registrar and thereafter in the name or names of the owners of the Notes transferring or exchanging Notes in accordance with the provisions herein.

With respect to Notes registered in the registration books maintained by the Paying Agent and Note Registrar in the name of the Nominee of the Depository, the County, and the Paying Agent and Note Registrar shall have no responsibility or obligation to any participant or correspondent of the Depository or to any

Beneficial Owner on behalf of which such participants or correspondents act as agent for the Registered 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 Notes,

(ii) the delivery to any participant or correspondent or any other person, other than a Registered Owner as shown in the registration books maintained by the Paying Agent and Note Registrar, of any notice with respect to the Notes, including any notice of redemption,

(iii) the payment to any participant, correspondent or any other person other than the Registered Owner of the Notes as shown in the registration books maintained by the Paying Agent and Note Registrar, of any amount with respect to principal or interest on the Notes. Notwithstanding the book-entry system, the County may treat and consider the Registered Owner in whose name each Note is registered in the registration books maintained by the Paying Agent and Note Registrar as the Registered Owner and absolute owner of such Note for the purpose of payment of principal and interest with respect to such Note, or for the purpose of registering transfers with respect to such Note, or for all other purposes whatsoever. The County shall pay or cause to be paid all principal of and interest on the Notes only to or upon the order of the Registered Owner, as shown in the registration books maintained by the Paying Agent and Note Registrar, or their representative 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 Registered Owner of a Note 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 Paying Agent and Note Registrar.

Section 5. Payment of Notes. If the book-entry system has been discontinued, then the principal of and interest on the Notes shall be payable upon presentation of the Notes at maturity at the corporate trust office of the Paying Agent in Portland, Oregon.

Section 6. Special Account. The County shall establish a Special Account for the Notes. The County covenants for the benefit of the owners of the Notes to deposit into the Special Account not less than 100 percent of all monies received by the County from its ad valorem property tax levy for fiscal year 1998-99, excluding any payments received in respect of delinquent taxes from levies for prior fiscal years until the Special Account holds an amount sufficient to pay principal of and interest on the Notes at maturity; provided that, after payment of the Notes at maturity, any amounts remaining in the Special Account may be used by the County for any lawful purpose. Monies in the Special Account shall not be invested in instruments which mature after the maturity date of the Notes. Monies in the Special Account shall be used solely to pay principal of and interest on the Notes. Additional Notes cannot be issued which will have any claim upon the monies in the Special Account. The Special Account must be fully funded prior to establishing and financing any other special account which is fundable from the 1998-99 ad valorem tax levy.

Section 7. Optional Redemption. The Notes are not subject to optional redemption prior to their stated maturity date of June 30, 1999.

Section 8. Form of Notes. The Notes shall be issued substantially in the form as approved by the County and Note Counsel to the County.

Section 9. Negotiated Sale of Notes and Appointment of Underwriter. The Authorized Representative is authorized to negotiate and execute and deliver, on behalf of the County, a Note Purchase Agreement providing for the purchase of the Notes with an underwriter to be selected by the Authorized Representative.

Section 10. Appointment of Note Counsel. The Board appoints the firm of Ater Wynne Hewitt Dodson & Skerritt, LLP, of Portland, Oregon as Note Counsel.

Section 11. Appointment of Financial Advisor. The Board appoints Regional Financial Advisors, Inc. as Financial Advisor to the County for the issuance of the Notes.

Section 12. Covenant as to Arbitrage. The County covenants for the benefit of the owners of the Notes to comply with all provisions of the Internal Revenue Code of 1986, as amended (the "Code") which are required for the interest on the Notes to be excluded from gross income for federal income tax purposes, unless the County obtains an opinion of nationally recognized bond counsel that such compliance is not required for the interest payable on the Notes to be excluded. The County makes the following specific covenants with respect to the Code:

- A. The County shall not take any action or omit any action, if it would cause the Notes to become "arbitrage bonds" under Section 148 of the Code and shall pay any rebates to the United States which are required by Section 148(f) of the Code.
- B. The County shall not use the proceeds of the Notes in a manner which would cause the Notes to be "private activity bonds" within the meaning of Section 141 of the Code.

The covenants contained herein and any covenants in the closing documents for the Notes shall constitute contracts with the owners of the Notes, and shall be enforceable by such owners.

Section 12. Notice of Material Events to Municipal Securities Rulemaking Board. Pursuant to SEC Rule 15c2-12(d)(3), the County agrees to provide or cause to be provided, in a timely manner, to the Municipal Securities Rulemaking Board (the "MSRB"), notice of the occurrence of any of the following events with respect to the Notes, if material:

- a. principal and interest payment delinquencies;
- b. non-payment related defaults;
- c. unscheduled draws on debt service reserves reflecting financial difficulties;
- d. unscheduled draws on credit enhancements reflecting financial difficulties;
- e. substitution of credit or liquidity providers, or their failure to perform;
- f. adverse tax opinions or events affecting the tax-exempt status of the Notes;
- g. modifications to rights of holders of the Notes;
- h. bond calls;
- i. defeasances;

- j. release, substitution, or sale of property securing repayment of the Notes; and
- k. rating changes.

The County may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if, in the judgment of the County, such other event is material with respect to the Notes, but the County does not undertake any commitment to provide such notice of any event except those events listed above.

Section 13. Preliminary and Final Official Statement. The County shall, if required, cause the preparation of the preliminary official statement for the Notes which shall be available for distribution to prospective investors. In addition, if required, an official statement shall be prepared and ready for delivery to the purchasers of the Notes no later than the seventh (7th) business day after the sale of the Notes. When advised that the final official statement does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained in the official statement not misleading in the light of the circumstances under which they are made, the Authorized Representative is authorized to certify the accuracy of the official statement on behalf of the County.

Section 14. Resolution to Constitute Contract. In consideration of the purchase and acceptance of any or all of the Notes by those who shall own the same from time to time (the "Noteowners"), the provisions of this Resolution shall be part of the contract of the County with the Noteowners and shall be deemed to be and shall constitute a contract between the County and the Noteowners. The covenants, pledges, representations and warranties contained in this Resolution or in the closing documents executed in connection with the Notes, including without limitation the County's covenants and pledges contained in Section 6 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 Noteowners, all of which shall be of equal rank without preference, priority or distinction of any of such Notes over any other thereof, except as expressly provided in or pursuant to this Resolution.

Section 15. Closing of the Sale and Delivery of the Notes. The Authorized Representative is authorized to execute and deliver such additional documents, including a Tax Certificate, and any and all other things or acts necessary for the sale and delivery of the Notes as herein authorized. Such acts of the Authorized Representative are for and on behalf of the County and are authorized by the Board of County Commissioners of the County.

ADOPTED this 21st day of May, 1998.

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

By _____

Beverly Stein, Chair

REVIEWED BY:
COUNTY COUNSEL
MULTNOMAH COUNTY, OREGON

By _____

Thomas Sponsler