

BEFORE THE BOARD OF COUNTY COMMISSIONERS

MULTNOMAH COUNTY, OREGON

A Resolution of the Board of County Commissioners)
of Multnomah County, Oregon Authorizing the Execution)
and Delivery of a Lease-Purchase Agreement and an)
Escrow Agreement; Designating an Authorized)
Representative; Authorizing the Negotiated Sale)
of Certificates of Participation in an amount not)
exceeding \$57,000,000; Designating a Financial Advisor)
and Special Counsel; and Other)
Matters.)

RESOLUTION NO. 97- 206

WHEREAS, the above-entitled matter is before the Board of County Commissioners (the "Board") 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 Sections 279.101(2) and 271.390 to execute and deliver a Lease-Purchase Agreement and Escrow Agreement and to authorize the private negotiated sale of Certificates of Participation, Series 1998 (the "Certificates"), in an amount not to exceed \$57,000,000, to finance all or some of the following (collectively, the "Projects"):

- possible land acquisition and bridge renovation;
- constructing and equipping County facilities;
- acquisition of computer equipment and software;
- a debt reserve account, if necessary;
- advance refund all or any portion of the Outstanding Certificates of Participation Series 1992A (Juvenile Justice Complex Project) issued in the original aggregate principal amount of \$36,000,000 (the "Refundable Certificates"); and
- all costs of issuance of the Certificates; and

WHEREAS, it is advantageous for the County to authorize and enter into a Lease-Purchase Agreement to finance the Projects. In addition, the County will enter into an Escrow Agreement which will authorize the Escrow Agent to issue the Certificates which will represent undivided proportional interests in the Lease-Purchase Agreement in a principal amount not exceeding \$57,000,000;

NOW, THEREFORE, BE IT RESOLVED, as follows:

1. Authorization. The County authorizes:
 - a. Lease-Purchase Agreement. The execution and delivery of a Lease-Purchase Agreement to lease and purchase the Projects.
 - b. Issuance and Sale of Certificates. The private negotiated sale of the Certificates of Participation, Series 1998, shall be issued by the Escrow Agent in an amount not to exceed \$57,000,000 to finance the Projects. The Certificates shall be issued at a true effective rate of interest not exceeding eight percent (8.00%) per annum and at a discount not greater than two percent (2.0%), including original issue discount.
 - c. Escrow Agreement. The execution and delivery of an Escrow Agreement (the "Escrow Agreement"), wherein an escrow agent would act as escrow agent (the "Escrow Agent") pursuant to which the Escrow Agent shall execute the Certificates representing the principal amount payable under the Lease-Purchase Agreement, and evidencing the right of the Escrow Agent to receive the County's lease payments under the Lease-Purchase Agreement;
 - d. Optional Redemption. The Certificates shall be subject to optional redemption prior to maturity as determined by the Authorized Representative.
 - e. Debt Reserve Account. The County authorizes the establishment of a Debt Reserve Account, if necessary, to be funded from the proceeds of the Certificates in an amount not greater than 10% of the proceeds of the Certificates as provided by law. The Debt Reserve Account, if necessary, shall secure the payment of the Certificates as provided in the Lease-Purchase Agreement.
2. Lease Payments. Lease Payments due under the Lease-Purchase Agreement shall be obligations of the County payable solely from general revenues of the County subject to annual appropriation. The County is not obligated to make payments under the Lease-Purchase Agreement unless the Board includes such payments in the County's budget for that fiscal year and makes an appropriation therefor.
3. Designation of Authorized Representative. The County authorizes the Director, Finance Division, or the Treasury Manager (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, enter into a Purchase Agreement for sale of the Certificates, and to execute and deliver the Purchase Agreement;
 - c. establish the maturity and interest payment dates, dated date, principal amounts, optional and/or mandatory prepayment provisions, interest rates, and denominations and to

establish whether the Certificates will be sold in one or more series and all other terms under which the Certificates shall be issued, sold, executed, and delivered;

- d. negotiate the terms of the Lease-Purchase Agreement and the Escrow Agreement and to pledge any real property or equipment if the Authorized Representative determines it to be in the best interest of the County, and to execute and deliver the Lease-Purchase Agreement and the Escrow Agreement;
- e. obtain a rating on the Certificates, if determined by the Authorized Representative to be in the best interest of the County;
- f. approve, execute and deliver a Continuing Disclosure Certificate pursuant to SEC Rule 15c2-12, as amended (17 CFR Part 240, § 240.15c2-12);
- g. apply for municipal bond insurance for the Certificates, if determined by the Authorized Representative to be in the best interest of the County, and expend proceeds to pay any insurance premium;
- h. approve, execute and deliver an escrow deposit agreement for the Refundable Certificates;
- i. appoint a certified public accountant to serve as Verification Agent for the purpose of establishing the sufficiency of escrow fund monies to defease, refund and redeem the Refundable Certificates;
- j. select a refunding escrow agent, lessor and registrar/paying agent;
- k. select all or any portion of the maturities of the Refundable Certificates to be refunded and cause notice of redemption to be given as required;
- l. approve, execute and deliver the closing documents for the Certificates; and
- m. 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 issue, sell and deliver the Certificates in accordance with this Resolution.

5. Escrow. A portion of the proceeds of the Certificates may be placed in irrevocable escrow. The Authorized Representative is hereby authorized to appoint a refunding escrow agent and to execute an escrow deposit agreement. The refunding escrow agent or the Authorized Representative is hereby authorized to subscribe for and purchase the government obligations to be placed in the escrow on behalf of the County.

6. Redemption of the Refundable Certificates. Issuance of the Certificates for redemption of the Refundable Certificates is contingent upon the County's receiving approval from the State Treasurer's office as required by law. The Authorized Representative is hereby authorized to submit an advance refunding plan to the State Treasurer as required by law. Contingent solely on the issuance of the Certificates and the deposit of proceeds as required by the Escrow Deposit Agreement, the County hereby irrevocably calls for redemption the County's outstanding Refundable Certificates which are to be refunded with the proceeds of the Certificates on the earliest date they are subject to redemption.

7. Maintenance of Tax-Exempt Status. The County covenants for the benefit of the Owners of the Certificates to use the Certificate proceeds and the Equipment financed with Certificate 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 component of lease payments payable under the Lease-Purchase Agreement to be excluded from gross income for federal income tax purposes, as provided in the Lease-Purchase Agreement. The County makes the following specific covenants with respect to the Code:

- a. 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.
- b. The County shall use the Projects 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.
- c. The County shall comply with appropriate Code reporting requirements.
- d. 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 covenants contained in this Section 7 shall constitute contracts with the owners of the Certificates, and shall be enforceable by them. The Authorized Representative may enter into covenants on behalf of the County to protect the tax-exempt status of the Lease-Purchase Agreement and the Certificates.

8. Authentication, Registration, Payment, Exchange and Transfer.

- a. No Certificate 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 date of authentication shall be the date on which the Certificate owner's name is listed on the register.
- b. All Certificates shall be in registered form. The Registrar shall authenticate all Certificates to be delivered at closing of this issue, and shall additionally authenticate all Certificates properly surrendered for exchange or transfer pursuant to this Resolution.
- c. The ownership of all Certificates shall be entered in the register maintained by the Registrar, and the County and the Registrar may treat the person listed as owner in the register as the owner of the Certificate for all purposes.
- d. The Registrar shall mail or cause to be delivered the amount due under each Certificate to the registered owner at the address appearing on the Certificate register on the fifteenth day of the month preceding the payment date (the "Record Date"). If payment is so mailed, neither the County nor the Registrar shall have any further liability to any party for such payment.
- e. In the event the book-entry system of ownership is discontinued, Certificates may be exchanged for equal principal component amounts of Certificates of the same maturity which are in different authorized denominations, and Certificates may be transferred to other owners if the Certificate owners submit the following to the Registrar:

- i. written instructions for exchange or transfer satisfactory to the Registrar, signed by the Certificate owner or his attorney in fact and guaranteed or witnessed in a manner satisfactory to the Registrar; and
 - ii. the Certificates to be exchanged or transferred.
- f. The Registrar shall not be required to exchange or transfer any Certificates submitted to it during any period beginning with a Record Date and ending on the next following payment date; however, such Certificates shall be exchanged or transferred promptly following that payment date.
- g. The Registrar shall not be required to exchange or transfer any Certificates which have been designated for redemption if such Certificates are submitted to the Registrar during the 15-day period preceding the designated redemption date.
- h. For purposes of this section, Certificates shall be considered submitted to the Registrar on the date the Registrar actually receives the materials described in subsection (e) of this section.
- i. In the event any Certificate is mutilated, lost, stolen or destroyed, the Registrar may issue a new Certificate of like maturity, interest rate and denomination if the asserted owner of such Certificate provides to the Registrar and the County an affidavit, certificate or other reliable proof that the Registrar or the County reasonably finds protects the County from conflicting claims for payment under the Certificate. Pursuant to Oregon Revised Statutes Section 288.435, the Registrar may waive the requirements of ORS 288.420 and the County may waive the requirements of ORS 288.430 with respect to the Certificate.
- j. The County may alter these provisions regarding registration, exchange and transfer by mailing notification of the altered provisions to all Certificate owners and the Registrar. 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.

9. Notice of Redemption. Official notice of redemption shall be given by the County's Registrar on behalf of the County by mailing a copy of an official redemption notice by first-class mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the registered owner of the Certificate or Certificates to be redeemed at the address shown on the register or at such other address as is furnished in writing by such registered owner to the Registrar, and by publishing the notice as required by law; provided that so long as a book-entry only system is maintained in effect, notice of redemption shall be given at the time, to the entity and in the manner required in DTC's Operational Arrangements, and the Registrar shall not be required to give any other notice of redemption otherwise required herein, except for publishing the notice as required by law.

All official notices of redemption shall be dated and shall state, without limitation: (1) the redemption date; (2) the redemption price; (3) if less than all outstanding Certificates are to be redeemed, the identification of the Certificates to be redeemed; (4) that on the redemption date the redemption price will become due and payable upon each such Certificate or portion thereof called for redemption; (5) that interest thereon shall cease to accrue from and after said date; (6) the place where such Certificates are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office of the Registrar; and (7) the assigned CUSIP numbers of all Certificates to be redeemed.

On or prior to any redemption date, the County shall deposit with the Registrar an amount of money sufficient to pay the redemption price of all the Certificates or portions of Certificates which are to be redeemed on that date.

Official notice of redemption having been given as aforesaid, the Certificates or portions of Certificates so 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 Certificates or portions of Certificates shall cease to bear interest. Upon surrender of such Certificates for redemption in accordance with said notice, such Certificates 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. All Certificates which have been redeemed shall be canceled and destroyed by the Registrar and shall not be reissued.

10. 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 Issuer Letter of Representations (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 Certificate 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 the Certificates as described in this Resolution, provided that the expense in connection therewith shall be paid by the County. In the event the 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.

11. Appointment of Special Counsel and Financial Advisor. The County appoints Ater Wynne Hewitt Dodson & Skerritt, LLP, as special counsel for the issuance of the Certificates and Regional Financial Advisors, Inc. as Financial Advisor.

12. Continuing Disclosure. The County shall undertake in a Continuing Disclosure Certificate for the benefit of registered and beneficial Certificate owners 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, 1998, 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")).

13. Defeasance. The County may defease the Certificates by setting aside, with a duly appointed escrow agent, in a special escrow account irrevocably pledged to the payment of the Certificates 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 Certificates until their maturity date or any earlier redemption date. Certificates 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.

14. 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 Section 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 4th day of December, 1997.



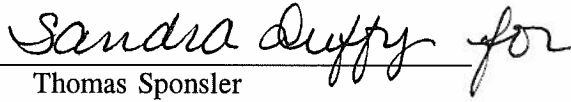
**BOARD OF COUNTY COMMISSIONERS
MULTNOMAH COUNTY, OREGON**

By


Beverly Stein, Chair

REVIEWED BY:
COUNTY COUNSEL
MULTNOMAH COUNTY, OREGON

By


Thomas Sponsler