

**BEFORE THE BOARD OF COUNTY COMMISSIONERS  
MULTNOMAH COUNTY, OREGON  
RESOLUTION NO. 99-39**

Authorizing Issuance of a Financing Agreement.

**The Board of County Commissioners finds:**

- a. The County is authorized pursuant to ORS 271.390(1) and laws of the State of Oregon and the County Charter to enter into financing agreements, lease purchase agreements or other contracts of purchase ("Financing Agreements") for any real or personal property that the Board of County Commissioners determines is needed; and
- b. The County hereby determines that the real and personal property set forth below is needed for County purposes; and
- c. The County is authorized pursuant to ORS 271.390(1)(d) to provide for the issuance of certificates of participation in the payment obligations of the County under such Financing Agreements; and
- d. It is in the best interests of the County to authorize the execution and delivery of a Financing Agreement and an escrow agreement, if necessary, which provide for the issuance of certificates of participation in the Financing Agreement; and
- e. The County intends to use the proceeds of the Financing Agreement to finance the costs of acquiring an administrative building, including land and a parking structure, and finance renovation, equipment and moving costs. Proceeds will also be used to acquire land, finance construction of an East County multi-use facility, and pay costs of issuance and, if necessary, a debt service reserve; and
- f. The County adopts this resolution to provide the terms under which such certificates of participation will be sold and delivered.

**The Board Resolves:**

1. Authorization. Upon acceptance by the Director, Finance Division, or his designee (the "Authorized Representative") of a purchase contract for one or more series of certificates of participation (the "Certificates"), as contemplated by Section 7 of this Resolution, the County shall be authorized to execute and deliver a Financing Agreement in the aggregate principal amount of not to exceed \$37,000,000 and to authorize the issuance of the Certificates which represent certificated interests in the Financing Agreement.

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

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

Each Global Bond 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 Bonds shall be lodged with the Depository until early redemption or maturity of the Certificate issue. The Registrar shall remit payment for the maturing principal and interest on the Certificates 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 Certificates are in book-entry-only form, the Certificates will be available in denominations of \$5,000 or any integral multiple thereof.

In the event:

- a. the Depository determines not to continue to act as securities depository for the Certificates, or
- b. 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 Certificates 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 Certificates transferring or exchanging Certificates.

With respect to Certificates 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:

- a. the accuracy of the records of the Depository, the Nominee or any participant or correspondent with respect to any ownership interest in the Certificates;
- b. the delivery to any participant or correspondent or any other person, other than a Owner as shown in the registration books maintained by the Registrar, of any notice with respect to the Certificates, including any notice of prepayment;
- c. the selection by the Depository of the beneficial interest in Certificates to be redeemed prior to maturity; or

- d. the payment to any participant, correspondent, or any other person other than the Owner of the Certificates as shown in the registration books maintained by the Registrar, of any amount with respect to principal of or interest on the Certificates.

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

3. Appointment of Registrar. The County authorizes the Authorized Representative to designate a Registrar and Paying Agent for the Certificates (the "Registrar"). A successor Registrar may be appointed for the Certificates by the Authorized Representative. The Registrar shall provide notice to owners of the Certificates 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.

- 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 Registrar shall authenticate all Certificates to be delivered at closing, and shall additionally authenticate all Certificates properly surrendered for exchange or transfer pursuant to this Resolution.
- b. All Certificates shall be in registered form. The Authorized Representative shall appoint a Registrar for the Certificates. A successor Registrar may be appointed for any Series or all of the Certificates 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.
- c. The ownership of all Certificates shall be entered in the Certificate register maintained by the Registrar, and the County and Registrar may treat the person listed as Owner in the Certificate register as the Owner of the Certificate for all purposes.

- d. 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.
  - e. In the event the Certificates cease to be book-entry only bonds, the Certificates may be exchanged for an equal principal amount of Certificates of the same maturity which are in different authorized denominations, and Certificates 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 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 the 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 it during the fifteen-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 Section 4e.
  - i. 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.
- a. (Depository). So long as the book-entry only system remains in effect with respect to the Certificates, 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 Certificates.
  - b. (No Depository). During any period in which the book-entry only system is not in effect with respect to the Certificates, unless waived by any Owner of the

Certificates to be redeemed, official notice of any redemption of Certificates 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 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 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:

- (i) the redemption date,
  - (ii) the redemption price,
  - (iii) if less than all Outstanding Certificates are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Certificates to be redeemed,
  - (iv) that on the redemption date the redemption price will become due and payable upon each such Certificate or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,
  - (v) the place where such Certificates are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Registrar, and
  - (vi) the assigned CUSIP numbers.
- c. 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 Certificates or portions of Certificates which are to be redeemed on that date.
- d. Effect of Redemption. Official notice of redemption having been given as aforesaid, the Certificates or portions of Certificates 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. Upon surrender for any partial redemption of any Obligation, there shall be prepared for the registered owner a new Certificate or Certificates of the same maturity in the amount of the unpaid principal. All Certificates which have been redeemed shall be canceled and destroyed by the Registrar and shall not be reissued. Notwithstanding that any Certificates called for redemption shall not have been surrendered, no further interest shall accrue on any such Certificates. From and after such notice having been given and such deposit having been made, the Certificates 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 Certificates, and the facilities financed with the Certificates, 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 Certificates designated as tax-exempt will not be includable in gross income of the Owners of such Certificates for federal income tax purposes. The County specifically covenants:

- a. To comply with "arbitrage" provisions of Section 148 of the Code, and to pay any required rebates; and
- b. To operate the facilities financed with the proceeds of the Certificates so that any Certificates designated as tax-exempt are not "private activity bonds" under Section 141 of the Code; and
- c. Comply with all reporting requirements.

7. Other Actions. The Authorized Representative is hereby authorized, on behalf of the County to:

- a. Establish the final principal amount, dated date, denominations, payment dates, redemption provisions; series designation and all other terms of the Certificates in accordance with this Resolution, including designating any Certificates as taxable or tax-exempt;
- b. negotiate the terms under which the Certificates shall be sold, enter into a Purchase Agreement for sale of the Certificates, and execute and deliver a Purchase Agreement;
- c. Contract with an escrow agent, if necessary, and a paying agent/registrar for the Certificates;
- d. Execute and deliver a Financing Agreement, which may be in the form of a lease purchase agreement or a financing agreement and, if necessary, execute and deliver an escrow agreement;
- e. Enter into covenants regarding the use of the proceeds of the Certificates and the projects financed with the proceeds of the Certificates, to maintain the tax-exempt status of any designated Certificates;
- f. Approve and authorize the distribution of preliminary and final official statements for the Certificates and execute a continuing disclosure certificate;
- g. Obtain ratings on the Certificates as required;
- h. Take such actions as are necessary to qualify the Certificates for the Book-Entry System of The Depository Trust Company, New York, New York;

- i. 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 and provided, such pledge will be subject to annual appropriation unless the legal authority is changed;
- j. Pledge any real or personal property necessary in the opinion of the Authorized Representative to sell the Certificates;
- k. Obtain a municipal bond insurance policy, if cost effective, and fund a debt service reserve, if necessary, from Certificate proceeds or with a reserve surety policy; and
- l. Execute and deliver any other certificates, documents or agreements that are necessary to issue, sell and deliver the Certificates in accordance with this Resolution and pledge any interest in real or personal property necessary to obtain a favorable interest rate on the Certificates.

8. Appointment of Specialists. The County hereby appoints Ater Wynne LLP to serve as special counsel in connection with the execution and delivery of the Financing Agreement and the Certificates; Regional Financial Advisors, Inc., as financial advisor; and Prudential Securities, Incorporated and Salomon Smith Barney, as co-managing underwriters of the Certificates.

9. Continuing Disclosure. The County shall undertake in a Continuing Disclosure Certificate for the benefit of registered owners and beneficial owners of the Certificates 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, 1999, the information required pursuant to paragraph (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.

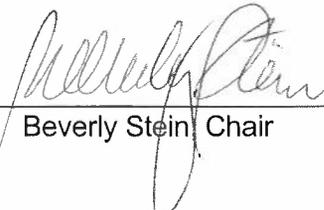
10. Defeasance. The County may defease the Certificates by setting aside, with a duly appointed escrow agent, in a special escrow account irrevocably pledged to the payment of the Certificates to be defeased, cash or direct obligations of the United States in an amount which, in the opinion of an independent 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.

11. Resolution to Constitute Contract. In consideration of the purchase and acceptance of any or all of the Certificates by those who shall own the Certificates 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 Certificates, 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 Certificates over any other thereof, except as expressly provided in or pursuant to this Resolution.

ADOPTED this 18th day of March, 1999.

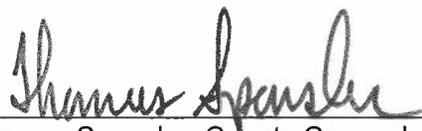


**BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON**

By:   
Beverly Stein, Chair

REVIEWED:

THOMAS SPONSLER, COUNTY COUNSEL  
FOR MULTNOMAH COUNTY, OREGON

By:   
Thomas Sponsler, County Counsel