

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. _____

Authorizing The Issuance And Sale Of Full Faith And Credit Obligations, Series 2012 In An Amount Not To Exceed \$128,000,000

The Multnomah County Board of Commissioners Finds:

- a. The Board of Commissioners of Multnomah County, Oregon (the “County”), is authorized pursuant to the Constitution and laws of the State of Oregon, specifically, Oregon Revised Statutes Section 271.390 to enter into financing agreements to finance and refinance the Sellwood Bridge Project (the “Project”), and to pay the costs of issuance of full faith and credit obligations.
- b. It is advantageous for the County to authorize and enter into a financing agreement (the “Financing Agreement”) to finance the Project. In addition, the County will enter into an escrow agreement (the “Escrow Agreement”) which will authorize the escrow agent to issue Full Faith and Credit Obligations, Series 2012 (the “Obligations”) in an aggregate principal amount not to exceed \$128,000,000 which are payable from funds provided by the County under the Financing Agreement.
- c. The County anticipates incurring expenditures (the “Expenditures”) to finance the costs of the Project and wishes to declare its official intent to reimburse itself for any Expenditures the County may make from its own funds on the Project from the proceeds of the Obligations, the interest on which shall be excluded from gross income under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”).
- d. The County was authorized by the 2009 Oregon legislature to enact a Vehicle Registration Fee (VRF) that is statutorily obligated to the project. The VRF will be used to support principal and interest payments related to the Obligations.

The Multnomah County Board of Commissioners Resolves:

SECTION 1. AUTHORIZATION OF OBLIGATIONS.

The County authorizes the:

- a. Issuance and Sale of Obligations. The County authorizes the issuance and sale of the Obligations of the County which shall be issued in an aggregate principal amount not to exceed \$128,000,000 by the escrow agent, for and on behalf of the County, to finance the Project.
- b. Financing Agreement. The County authorizes the execution and delivery of a financing agreement (the “Financing Agreement”) in a form satisfactory to the Authorized Representative, as defined in Section 3 hereof.

The estimated weighted average life of the Financing Agreement does not exceed the dollar weighted average life of the project being financed with the Financing Agreement, as required by ORS 271.390. The principal amount of the Financing Agreement together with all other indebtedness within

the meaning of Section 10, Article XI of the Oregon Constitution does not exceed one percent of the real market value of all taxable property in the County.

c. Escrow Agreement. The County authorizes the execution and delivery of an escrow agreement between the County and the escrow agent (the “Escrow Agreement”), in a form satisfactory to the Authorized Representative, pursuant to which the escrow agent shall execute the Obligations representing the principal amount payable under the Financing Agreement, and evidencing the right of the escrow agent to receive the County’s finance payments under the Financing Agreement.

SECTION 2. FINANCE PAYMENTS.

The financing payments for the Obligations are payable from the general non-restricted revenues of the County and other funds, including but not limited to Vehicle Registration Fees, which may be available for that purpose, including any taxes levied within the restrictions of Sections 11 and 11b, Article XI of the Constitution of the State of Oregon. The obligation of the County to make payments is a full faith and credit obligation of the County, and is not subject to appropriation. The registered Owners (as defined herein) of the Obligations do not have a lien or security interest on the Project financed with the proceeds of the Obligations.

SECTION 3. DESIGNATION OF AUTHORIZED REPRESENTATIVE.

The County hereby authorizes the Chief Financial Officer or his designee, (each an “Authorized Representative”) to act on behalf of the County and determine the remaining terms of the Obligations as delegated in Section 4 below.

SECTION 4. DELEGATION OF FINAL TERMS AND SALE OF OBLIGATIONS 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 Obligations;
- b. select an underwriter and negotiate terms of a purchase agreement or conduct a competitive sale, as determined by the Authorized Representative;
- c. establish the maturity and interest payment dates, dated date, principal amounts, optional and/or mandatory redemption provisions, interest rates, denominations, and all other terms under which the Obligations shall be issued, sold, executed, and delivered;
- d. appoint an escrow agent, registrar and paying agent for the Obligations;
- e. negotiate the terms and approve of the Financing Agreement and the Escrow Agreement as the Authorized Representative determines to be in the best interest of the County, and to execute and deliver the Financing Agreement and the Escrow Agreement;
- f. determine whether the Obligations shall be Book-Entry certificates and take such actions as are necessary to qualify the Obligations for the Book-Entry System of DTC, including the execution of a Blanket Issuer Letter of Representations as necessary;

g. seek to obtain a rating on the Obligations, if determined by the Authorized Representative to be in the best interest of the County;

h. apply for municipal bond insurance for the Obligations, if determined to be in the best interests of the County, and expend proceeds to pay any insurance premiums and to execute and deliver any required insurance agreement;

i. approve, execute and deliver a Continuing Disclosure Certificate pursuant to SEC Rule 15c2-12, as amended (17 CFR Part 240, § 240.15c2-12);

j. make any clarifying changes or additional covenants not inconsistent with this Resolution; and

k. execute and deliver a certificate specifying the action taken pursuant to this Resolution, and any other documents, agreements or certificates that the Authorized Representative determines are necessary and desirable to issue, sell and deliver the Obligations in accordance with this Resolution.

SECTION 5. MAINTENANCE OF TAX-EXEMPT STATUS.

The County hereby covenants for the benefit of the Owners of the Obligations to use the Obligation proceeds and the project financed with Obligation proceeds in the manner required, 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 finance payments payable under the Financing Agreement to be excluded from gross income for federal income tax purposes, as provided in the Financing 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 Financing Agreement or Obligations to become arbitrage bonds under Section 148 of the Code.

b. The County shall operate the project financed with the Obligations so that the Obligations do not become "private activity bonds" within the meaning of Section 141 of the Code.

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 Obligations which are required by Section 148(f) of the Code.

The covenants contained in this Section 5 and any covenants in the closing documents for the Obligations shall constitute contracts with the Owners of the Obligations, 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 Financing Agreement and the Obligations.

SECTION 6. RESOLUTION TO CONSTITUTE CONTRACT.

In consideration of the purchase and acceptance of any or all of the Obligations 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. The covenants, pledges, representations and warranties contained in this Resolution or in the closing documents executed in connection with the Obligations, including without

limitation the County's covenants and pledges contained in Section 5 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 Owners, all of which shall be of equal rank without preference, priority or distinction of any of such Obligations over any other thereof, except as expressly provided in or pursuant to this Resolution.

ADOPTED this 18th day of October 2012.

BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

Jeff Cogen, Chair

REVIEWED:
JENNY M. MORF, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By _____
Jenny M. Morf, County Attorney

SUBMITTED BY:
Mark Campbell, Chief Financial Officer