

BEFORE THE BOARD OF COUNTY COMMISSIONERS
MULTNOMAH COUNTY, OREGON

A Resolution of the Board of County Commissioners)
of Multnomah County, Oregon authorizing the)
Issuance of the Multnomah County, Oregon Revenue)
Bonds, Series 1998 (Regional Children's Campus,)
Inc.) in an amount not exceeding \$2,800,000;)
delegating the Approval, Authorization, Execution)
and Delivery of the Trust Indenture and the Lease,)
the Approval and Authorization of the Distribution)
of the Preliminary and Final Official Statements,)
and the Negotiation, Execution and Delivery of the)
Bond Purchase Agreement; and Related Matters.)

RESOLUTION NO. 97- 207

WHEREAS, the Board of County Commissioners of Multnomah County, Oregon (the "County"), a body politic and corporate and a political subdivision of the State of Oregon, pursuant to ORS 288.605 to 288.945 (collectively, the "Act"), adopted its Resolution No. 95-272 on December 28, 1995 which gave preliminary authorization to the County to issue its Revenue Bonds in an aggregate principle amount not to exceed \$3,155,000 to finance the costs of construction, renovation, improvement and equipping of certain facilities located on County-owned property known as the Regional Children's Campus, Inc. (formerly Edgefield Regional Children's Campus Trust Inc.) (the "Project") and to fund a debt service reserve account and pay certain costs incidental thereto; and

WHEREAS, pursuant to the Act, the County caused the Notice of Revenue Bond Authorization to be published in The Oregonian, Portland, Oregon on January 10, 1996; and

WHEREAS, ORS 288.815 provides that a bond purchase agreement cannot be executed for at least 60 days following publication of the Notice of Revenue Bond Authorization. More than sixty days have elapsed since the January 10, 1996 publication and no written petitions requiring an election were filed with the office of the County Clerk; therefore, the County is authorized to proceed with the negotiation, issuance, sale and delivery of the Bonds; and

WHEREAS, the Board of County Commissioners of the County desires to authorize the Director, Finance Division or his designee (the "Authorized Representative"), on behalf of the County, to establish the terms and negotiate the sale of the Bonds, and approve, execute and deliver the agreements and documents necessary to complete the Bond financing; and

WHEREAS, the Bonds shall be issued pursuant to a Trust Indenture (the "Indenture") between the County and a trustee to be selected by the Authorized Representative (the "Trustee") and the Bonds shall be payable from lease payments received by the County from Regional Children's Campus, Inc. ("Lessee") pursuant to a Lease Agreement between the County and Lessee (the "Lease") and from a portion of the Motor Vehicle Rental Tax (MCC 5.40) pledged pursuant hereto and in the Indenture; and

WHEREAS, prior to the execution of the Bond Purchase Agreement (the "Bond Purchase Agreement") under which an underwriter selected by the Authorized Representative (the "Underwriter") agrees to purchase the Bonds from the County, the County will have received an evaluation of, among other things, the terms, conditions and pricing of the negotiated purchase of the Bonds by the Underwriter, pursuant to ORS 288.845 from its independent financial advisor and expert, Regional Financial Advisors, Inc.;

NOW, THEREFORE, BE IT RESOLVED, as follows:

Section 1. Authorization to Issue, Sell, Execute and Deliver Bonds. The County is hereby authorized to enter into the transactions described above and specifically to issue, sell, execute and deliver the Bonds pursuant to the Indenture, and to use the proceeds of the Bonds as contemplated by the Indenture and Lease Agreement.

Section 2. Delegation for the Establishment of Terms and Negotiated Sale of the Bonds. The Authorized Representative is hereby authorized, on behalf of the County to:

- a. establish the maturity dates, principal amounts, redemption provisions, interest rates, and denominations and all other terms for the Bonds;
- b. approve, authorize, execute and deliver the Indenture, the Lease, documents of sale or conveyance, security documents, closing documents and all other documents, and to take all other actions necessary in the opinion of the Director, Finance Division and Ater Wynne Hewitt Dodson & Skerritt, LLP, as bond counsel ("Bond Counsel") to consummate this financing;
- c. approve and authorize the distribution of preliminary and final official statements for the Bonds;
- d. enter into covenants regarding the use of the proceeds of the Bonds and the projects financed with the proceeds of the Bonds, to maintain the tax-exempt status of the Bonds;
- e. negotiate the terms under which the Bonds shall be sold, to enter into a Bond Purchase Agreement for sale of the Bonds, and to execute and deliver that Bond Purchase Agreement;
- f. obtain a rating on the Bonds, if determined by the Authorized Representative to be in the best interest of the County;
- g. determine whether the Bonds shall be Book-Entry certificates and to take such actions as are necessary to qualify the Bonds for the Book-Entry System of DTC; and
- h. execute and deliver a certificate specifying the action taken pursuant to this Section 2, and to take all other actions that the Authorized Representative determines are desirable to issue, sell and deliver the Bonds in accordance with this Resolution.

Section 3. Bond Execution. The Bonds shall be executed on behalf of the County by the manual or facsimile signatures of the Chair of the Board of County Commissioners and the Director, Finance Division.

Section 4. Maintenance of Tax-Exempt Status. The County covenants for the benefit of the Owners of the Bonds to use the Bond proceeds and the Project financed with Bond 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 on the Bonds to be excluded from gross income for federal income tax purposes. 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 Bonds to become arbitrage bonds under Section 148 of the Code.
- b. The County shall use the Projects financed with the Bonds so that the Bonds 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 Bonds which are required by Section 148(f) of the Code.

The covenants contained in this Section 4 shall constitute contracts with the owners of the Bonds, 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 Bonds.

Section 5. Trustee, Paying Agent and Registrar. The Authorized Representative is authorized to select and appoint a Trustee, Paying Agent and Registrar for the Bonds. The Trustee shall be qualified to exercise trust powers as described in the Indenture and the Trustee shall be appointed as the Paying Agent and Registrar to authenticate the Bonds as contemplated by the Indenture. A successor Trustee, Paying Agent and Registrar may be appointed for the Bonds by resolution of the County. The Registrar shall provide notice to Bondowners of any change in the Registrar not later than the next Bond payment date following the change in Registrar.

Section 6. Authentication, Registration, Payment, Exchange and Transfer.

- a. No Bond 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 Bondowner's name is listed on the register.
- b. All Bonds shall be in registered form. The Registrar shall authenticate all Bonds to be delivered at closing of this issue, and shall additionally authenticate all Bonds properly surrendered for exchange or transfer pursuant to this Resolution.
- c. The ownership of all Bonds 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 Bond for all purposes.
- d. The Registrar shall mail or cause to be delivered the amount due under each Bond to the registered owner at the address appearing on the Bond 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, Bonds may be exchanged for equal principal component amounts of Bonds of the same maturity which are in different authorized denominations, and Bonds may be transferred to other owners if the Bondowners submit the following to the Registrar:
 - i. written instructions for exchange or transfer satisfactory to the Registrar, signed by the Bondowner or his attorney in fact and guaranteed or witnessed in a manner satisfactory to the Registrar; and
 - ii. the Bonds to be exchanged or transferred.
- f. The Registrar shall not be required to exchange or transfer any Bonds submitted to it during any period beginning with a Record Date and ending on the next following payment date; however, such Bonds shall be exchanged or transferred promptly following that payment date.
- g. The Registrar shall not be required to exchange or transfer any Bonds which have been designated for redemption if such Bonds are submitted to the Registrar during the 15-day period preceding the designated redemption date.
- h. For purposes of this section, Bonds shall be considered submitted to the Registrar on the date the Registrar actually receives the materials described in subsection (5) of this section.
- i. In the event any Bond is mutilated, lost, stolen or destroyed, the Registrar may issue a new Bond of like maturity, interest rate and denomination if the asserted owner of such Bond 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 Bond. 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 Bonds.
- j. The County may alter these provisions regarding registration, exchange and transfer by mailing notification of the altered provisions to all Bondowners 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.

Section 7. Optional and Mandatory Redemption. The Bonds may be subject to optional redemption and mandatory redemption prior to maturity as determined by the Authorized Representative pursuant to Section 2 hereof.

Section 8. 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 Bond or Bonds 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 Bonds are to be redeemed, the identification of the Bonds to be redeemed; (4) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption; (5) that interest thereon shall cease to accrue from and after said date; (6) the place where such Bonds 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 Bonds 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 Bonds or portions of Bonds which are to be redeemed on that date.

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

Section 9. Book-Entry Only System. During any time the Bonds are held in a book-entry only system (the "Book-Entry System"), the registered owner of all of the Bonds shall be The Depository Trust Company, New York, New York ("DTC"), and the Bonds 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 Bonds shall be initially issued in the form of a single fully registered certificate, one for each maturity of the Bonds. Upon initial issuance, the ownership of such Bonds 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 Bonds registered in its name for the purposes of payment of the principal of, prepayment price of, and premium, if any, or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, if any, giving notice as required under this Resolution, registering the transfer of Bonds, 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 Bonds 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 Bonds; 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 Bonds; 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 Bonds 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 Bonds to the extent of

the sum or sums so paid. So long as the Bonds are held in the Book-Entry System, no person other than DTC shall receive an authenticated Bond 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 Bonds, 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 Bonds. In such event, the Registrar shall issue, transfer and exchange, at the County's expense, Bonds as requested in writing by DTC in appropriate amounts. DTC may determine to discontinue providing its services with respect to the Bonds 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 Bonds, 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 Bonds as described in this Resolution, provided that the expense in connection therewith shall be paid by the County. In the event the Bonds 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 Bonds. 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 Bonds to any DTC Participant having Bonds credited to its DTC account, or (b) to arrange for another securities depository to maintain custody of Bonds.

Section 10. Funds and Accounts. There are hereby established and created with the Trustee the following funds and accounts as more fully described in Article IV of the Indenture: the Bond Fund, the Projects Fund, and the Rebate Fund. Lessee shall be required to set aside or pay into such funds and accounts revenues for payment of its obligations under the Lease.

Section 11. Revenues Pledged. The County hereby pledges to the Bondholders an amount of the Motor Vehicle Rental Tax (MCC 5.40) sufficient, on an annual basis, to pay debt service on the Bonds in such fiscal year after taking into account amounts from the Lessee and other amounts available under the Indenture. Pursuant to Oregon Revised Statutes Section 288.594, this pledge shall be binding from the date hereof and revenues and other funds so pledged shall be immediately subject to the lien of the pledge without physical delivery, filing or other act and the lien of pledge shall be superior to all other claims and liens of any kind whatsoever.

Section 12. Limited Obligations. The Bonds shall be limited obligations of the County payable solely and only from the amounts required to be paid by Lessee pursuant to the Lease, from the Bond Fund and the Projects Fund established under the Indenture and from the Revenues as defined and pledged pursuant to the Indenture.

Section 13. Public Hearing. Pursuant to the provisions of Section 147(f) of the Internal Revenue Code of 1986, as amended, the Bonds may not be issued as tax-exempt qualified bonds until the elected legislative body of the County, as the unit of government issuing the Bonds and as the unit of government having jurisdiction over the area in which the Project is located, holds a public hearing, following reasonable public notice, in order that the residents of the County may have a reasonable opportunity to be heard by the County relating to the issuance of the Bonds. The County is the governmental unit issuing the Bonds and the governmental unit having jurisdiction over the area in which

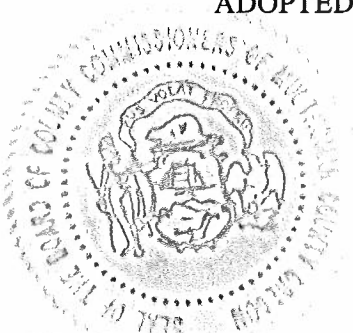
the facility is to be located. The County directs that such public hearing be conducted following reasonable public notice and that the Finance Director is designated as the hearing official for the County to conduct such hearing. The Finance Director shall report to the Board the results of the public hearing, whereupon the County may approve of the issuance of the Bonds for the benefit of the County.

Section 14. Continuing Disclosure. The County and the Lessee shall undertake in Continuing Disclosure Certificates for the benefit of registered and beneficial Bondowners 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")).

Section 15. Defeasance. The County may defease the Bonds by setting aside, with a duly appointed escrow agent, in a special escrow account irrevocably pledged to the payment of the Bonds 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 Bonds until their maturity date or any earlier redemption date. Bonds 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.

Section 16. Resolution to Constitute Contract. In consideration of the purchase and acceptance of any or all of the Bonds by those who shall own the same from time to time (the "Bondowners"), the provisions of this Resolution shall be part of the contract of the County with the Bondowners and shall be deemed to be and shall constitute a contract between the County and the Bondowners. The covenants, pledges, representations and warranties contained in this Resolution or in the closing documents executed in connection with the Bonds, including without limitation the County's covenants and pledges contained in Section 11 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 Bondowners, all of which shall be of equal rank without preference, priority or distinction of any of such Bonds over any other thereof, except as expressly provided in or pursuant to this Resolution.

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: _____

Dr Thomas Sponsler