

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
MULTNOMAH COUNTY, OREGON
RESOLUTION NO. 00-017**

Authorizing Letter of Intent and Publication of a Notice of Intent to Issue Revenue Bonds Relating to the Issuance and Negotiated Sale of Education Facilities Revenue Bonds, Series 2000 (University of Portland Project), in an amount not exceeding \$19,000,000.

The Board of County Commissioners finds:

a. Multnomah County, Oregon (the "County") is authorized as a municipality, defined in Oregon Revised Statutes Sections 352.790 to 352.820, to issue education facilities revenue bonds for the benefit of non-profit educational institutions within the State of Oregon. The Bonds shall be issued pursuant to Oregon Revised Statutes Sections 352.790 to 352.820 and 288.805 to 288.945 (collectively, the "Act"); and

b. The County has received a request as set forth in a Letter of Intent, attached hereto as Exhibit "A", from the University of Portland, a qualified 501(c)(3) organization and an Oregon nonprofit corporation (the "University") wherein the University requests the County to issue Education Facilities Revenue Bonds, Series 2000 (University of Portland Project) (the "Bonds") for the following purposes:

(1) to construct, equip and furnish a facility for additional student housing and related facilities;

(2) to construct, equip and furnish other qualified education facilities;

(3) to construct and equip a parking garage;

(4) to make street and lighting improvements; and

(5) to pay architect and engineering fees, to pay fees for permits, to fund certain reserve accounts, to pay costs of bond insurance, if necessary, and to pay costs of issuing the Bonds.

The above purposes are collectively referred to herein as the "Project"; and

c. Section 145 of the Internal Revenue Code of 1986, as amended, authorizes a governmental unit to issue its tax-exempt bonds for qualified Section 501(c)(3) organizations; and

d. The County is advised that upon issuance of the Bonds, the County shall enter into a loan agreement whereby the proceeds of the Bonds will be loaned to the University for the purpose of financing the acquisition of qualified education facilities and paying qualified educational facilities costs. The Bonds will be secured solely by the covenant of the University to provide sufficient funds for the repayment of the maturing principal, interest and premium, if any, on the Bonds as they respectively become due. The County does not assume any liability for the payment of the Bonds nor are any assets or funds of the County pledged therefor. The Bonds shall not be a charge upon the tax

revenues of the County and shall be secured solely by the education facility revenues pledged by the University; and

e. The Act requires that the County publish a Notice of Intent to Issue Revenue Bonds, attached hereto as Exhibit "B", in one issue of a newspaper of general circulation within the County and that no Bonds may be sold nor a bond purchase agreement executed for at least sixty (60) days following such publication. The notice shall advise the electors of the County that they may file a petition with the County asking to have the question of whether to issue such Bonds referred to a vote. If the County receives petitions totaling not less than five percent (5%) of the County's electors, no Bonds may be sold until the issuance of the Bonds is approved by a majority of the electors of the County; and

f. The University requests that the County proceed with the issuance of the Bonds and to negotiate the sale of the Bonds as expeditiously as possible in order that the University may proceed with the Project.

The Board Resolves:

a. Letter of Intent. The Board has received the Letter of Intent between the County and the University wherein the University proposes that the County issue the Bonds pursuant to the Act to provide funds for the construction and equipping of education facilities within the meaning of the Act and to loan the proceeds of the Bonds to the University for such purposes. To induce the County to undertake the issuance of the Bonds, the University has agreed to cooperate with the County for the approval by the County of all the terms and conditions of the issuance of the Bonds and the sale thereof in an aggregate principal amount not to exceed \$19,000,000. The University shall pay to the County from the revenue bond proceeds and other available University funds an issuer's fee as more fully set forth in paragraph 3(b) of the Letter of Intent. The County approves of the Letter of Intent and authorizes the Chair to execute and deliver the Letter of Intent for and on behalf of the County.

b. Public Notice. Pursuant to the requirements of the Act, no Bonds may be sold, and in the case of a private negotiated sale, no purchase agreement can be executed for sixty (60) days following the publication of the notice, as set forth in Oregon Revised Statutes Section 288.815(6). The County directs that a notice shall be published in *The Oregonian*, a newspaper of general circulation within the County in the same manner as are other public notices of the County and that such notice shall contain the information required in Oregon Revised Statutes Section 288.815(6). If electors of the County file the appropriate petition with the County within sixty (60) days following publication of the notice, then the Bonds shall not be issued by the County until this Resolution is approved by a majority of the electors of the County.

c. 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 University 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 education facilities are to be located. The County directs that such public hearing be

conducted following reasonable public notice and that the Director, Finance Division, be designated as the hearing official for the County to conduct such hearing. The Director, Finance Division, 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 University.

d. Authorized Representative. The County authorizes the Director, Finance Division, or any other person designated by the Chair of the Board, as the "Authorized Representative" to take such action for and on behalf of the County as is reasonably necessary to carry out the provisions of this Resolution. The formal authorization for the issuance and sale of the Bonds shall be subject to the approval of the Board.

e. Designation of Bond Counsel and Special Counsel, Underwriter and Expert Advisor. The Board designates Ater Wynne LLP, as Bond Counsel and as the County's Special Counsel to advise the County on matters relating to the issuance of the Bonds, compliance with federal and state law and in the negotiation, issuance and sale of the Bonds. In addition, the Board designates Seattle-Northwest Securities Corporation as the Underwriter (the "Underwriter") of the Bonds and the Board designates The Charles Carter Company as Expert Advisor to the County for the Bonds.

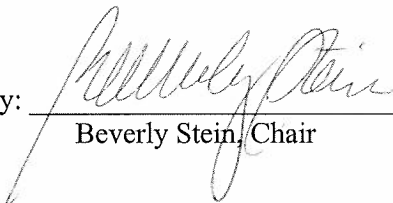
f. Distribution of Preliminary Official Statement. For purposes of compliance by the Underwriter with Rule 15c2-12(b)(1) of the federal Securities and Exchange Commission, the Board authorizes the Director, Finance Division, or the Board's designee (the "Authorized Representative"), to authorize the distribution of the Preliminary Official Statement by the Underwriter and deem as near "final" the Preliminary Official Statement, in substantially the form presented to the Authorized Representative.

g. Issuance of Bonds. The Board agrees to use its best efforts to issue and negotiate the sale of the Bonds for and on behalf of the University.

ADOPTED this 27th day of January, 2000.



BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

By: 
Beverly Stein, Chair

REVIEWED:

THOMAS SPONSLER, COUNTY COUNSEL
FOR MULTNOMAH COUNTY, OREGON


By: 
John Thomas, Assistant County Counsel

EXHIBIT "A"

LETTER OF INTENT

between

MULTNOMAH COUNTY, OREGON

and

UNIVERSITY OF PORTLAND

THIS LETTER OF INTENT is between MULTNOMAH COUNTY, OREGON, a political subdivision of the State of Oregon (the "County"), and the UNIVERSITY OF PORTLAND, an Oregon nonprofit corporation (the "University").

1. Preliminary Statement. Among the matters of mutual inducement, which have resulted in the execution of this Letter of Intent are the following:

A. The County is a political subdivision of the State of Oregon, authorized and empowered by ORS 352.790 to ORS 352.820 and by ORS 288.805 to ORS 288.945 (collectively, the "Act") to issue revenue bonds for the purposes specified therein upon such terms and conditions as the County may deem advisable.

B. The County proposes to issue revenue bonds pursuant to the Act to provide permanent financing to (1) construct, equip and furnish a facility for additional student housing and related facilities; (2) construct, equip and furnish other qualified education facilities; (3) construct and equip a parking garage; (4) make street and lighting improvements; and (5) pay architect and engineering fees, to pay fees for permits, to fund certain reserve accounts, to pay costs of bond insurance, if necessary, and to pay costs of issuance of the bonds (the "Bond Project") and to loan the proceeds of such revenue bonds to the University for such purposes. Revenue bonds for the Bond Project are referred to herein as the "revenue bonds."

C. The County deems it necessary and advisable that it take such action as may be required under the Act to authorize and issue revenue bonds to finance the cost of the Bond Project in a total amount not to exceed \$19,000,000.

D. The County finds that the issuance of revenue bonds to finance the cost of the Bond Project and the loaning of the proceeds thereof to the University for the Bond Project constitutes a valid public purpose.

E. The University wishes to proceed with the preparation of necessary plans and specifications, and to incur expenses in connection with the Bond Project. The University does not wish to incur the costs and expenses and proceed with its plans for the Bond Project without reasonable assurances from the County that proceeds of the sale of revenue bonds of the County may be made available to finance the Bond Project. The parties consider it appropriate that the action contemplated hereunder be the subject of this Letter of Intent.

F. All references in this Letter of Intent to the County shall be deemed to include where appropriate its elected and appointed officials, employees and agents.

2. Undertakings on the Part of the County. Subject to the conditions stated herein, including the preparation and approval of the various financing documents and review and approval by Special Counsel to the County (as hereinafter defined), the County agrees and represents as follows:

A. The County will use its best efforts, subject to the satisfaction by the University of all conditions stated herein and all other conditions imposed on the University by the County prior to issuance of the revenue bonds, to authorize and cause the issuance of its revenue bonds to be payable solely out of the loan payments payable by the University to the County pursuant to a loan agreement or other financing agreement between the University and the County, which revenue bonds will be in an aggregate principal amount not to exceed \$19,000,000.

B. The County will adopt such proceedings and authorize the execution of such documents as may be necessary and advisable for the authorization, issuance, sale and delivery of the revenue bonds, and the loan of the proceeds of the revenue bonds to the University to finance the Bond Project, all as authorized by law and as mutually satisfactory to the University and the County.

C. The amounts payable to the County under the loan agreement or other financing agreement shall be sufficient to pay the principal of and the interest on, and redemption premium, if any, of the revenue bonds as and when the same become due and payable.

D. The County has appointed Ater Wynne LLP, as bond counsel and special counsel to the County (collectively, "Special Counsel"), to participate in the proceedings, to prepare any resolutions of the Board of County Commissioners, to prepare the indenture and loan agreement and the principal closing documents, to review the preliminary and final official statements for the revenue bonds and to approve the legality of the actions of the County and the revenue bonds.

E. Neither the revenue bonds nor the interest thereon shall be an obligation of Multnomah County, nor of the State of Oregon, nor the personal obligations of the elected or appointed officials, employees or agents of the County within the meaning of any constitutional or statutory provisions whatsoever, but shall be payable solely from amounts received by the County from the loan agreement

and other monies pledged therefor. The revenue bonds shall not be a general obligation of the County nor a pledge of the faith and credit of the County or its elected or appointed officials, employees or agents nor a debt or pledge of the faith and credit of the State of Oregon.

F. No assets of the County shall be given to secure the revenue bonds and the bonds shall be repayable out of, and only out of, the University's assets and income and a municipal bond insurance policy, if any.

3. Undertakings on the Part of the University. Subject to the conditions above stated, the University agrees as follows:

A. The University will cooperate with the County for the approval of all of the terms and conditions of the issuance of the revenue bonds, and the sale of the revenue bonds in an aggregate principal amount not to exceed \$19,000,000, to finance the Bond Project.

B. At the time of closing of the revenue bond sale, the University will pay to the County, from revenue bond proceeds or other available University funds, an issuer's fee equal to one dollar (\$1.00) per one thousand dollars (\$1,000) of the principal amount of the revenue bonds, but not less than \$10,000 and the University will pay, from revenue bond proceeds or other available University funds, to Ater Wynne LLP, Attorneys, as Special Counsel to the County, fees based on the time incurred with respect to the revenue bonds and the Project and based on its standard hourly rates.

C. Concurrently with the closing of the revenue bonds, the University will execute and deliver a loan agreement or other financing agreement with the County, under which terms the University will agree to pay the County loan payments sufficient in the aggregate to pay the principal of and interest on, and redemption premium, if any, of the revenue bonds as and when the same shall become due and payable.

D. The loan agreement or other financing agreement shall contain a provision that the University shall indemnify and hold the County harmless from all liabilities incurred in connection with the offer, sale or issuance of the revenue bonds or the Bond Project.

E. The University will cause University counsel to provide the County with a legal opinion in form and substance satisfactory to the County and its Special Counsel.

F. The loan agreement shall also contain such other provisions as may be required or permitted by law and as are mutually acceptable to the parties.

G. In accordance with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the University, as an "Obligated Person" within the meaning of the Rule, agrees to execute and deliver a Continuing Disclosure Certificate, in a form and substance satisfactory to the County and its Special Counsel and agrees to provide information as specified in the Continuing

Disclosure Certificate on an annual basis and will undertake to provide in a timely manner notices of a material event, as defined in the Continuing Disclosure Certificate, with respect to the Bonds.

H. The University will take such further action and adopt such further proceedings as may be required to implement these understandings.

4. General Provisions.

A. Except as provided in Section 4(b) and Section 5(a) hereof or as otherwise provided herein, all obligations arising under this Letter of Intent are conditioned upon the parties agreeing to mutually acceptable terms for the sale of the revenue bonds and mutually acceptable terms and conditions for the contracts and agreements contemplated herein.

B. The County will not charge any periodic administrative fee in connection with the on-going administration of the revenue bonds. However, the University will pay, or cause to be paid, whether the revenue bonds are actually issued or not, any fees and expenses incurred in connection with the issuance, sale and on-going administration of the revenue bonds, including without limitation, the fees and expenses of Special Counsel (including, without limitation, their fees and expenses as bond counsel), financial advisor, the trustee, registrar, and paying agent. The University will also pay the cost of its counsel, its financial advisor, municipal bond insurance or reserve fund or surety bond premiums or fees, if any, rating agency fees, if any, and underwriters costs with respect to the revenue bonds.

C. The University shall obtain, at its expense, all necessary governmental approvals and opinions of Special Counsel to ensure the legality and tax exempt status of the revenue bonds. In addition, the University shall make no use of the revenue bond proceeds so as to cause the revenue bonds to be classified as arbitrage bonds as that term is defined in the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (the "Code"). The University also agrees to maintain its status as a qualified 501(c)(3) organization under the Code.

D. The University agrees to execute and deliver the Continuing Disclosure Certificate as required by Section 3(g) hereof.

5. Miscellaneous Provisions.

A. The University shall and hereby agrees to indemnify and save the County harmless against and from all claims by or on behalf of any person, firm, corporation or other legal entity arising from the approval of and execution of this Letter of Intent and any other actions to be taken by the County relating to the Bond Project or the offer, sale or issuance of the revenue bonds, including, without limitation, the conduct or management of, or from any work or thing done related to the Bond Project, including without limitation, (i) any condition related to the Bond Project, (ii) any breach or default on the

part of the University in the performance of any of its obligations under this Letter of Intent and any of the bond documents, (iii) any act or negligence of the University or of any of its agents, contractors, servants, employees or licensees or (iv) any act or negligence of any assignee or lessee of the University, or of any agents, contractors, servants, employees or licensees of any assignee or lessee of the University. The University shall indemnify and save the County and its elected or appointed officials, employees or agents harmless from any such claim arising as aforesaid, or in connection with any action or proceeding or costs or fees incurred in any action or proceedings brought thereon whether at trial, on appeal, in bankruptcy proceedings or otherwise, and upon notice from the County or its elected or appointed officials, employees or agents, the University shall defend them or either of them in any such action or proceeding at the University's expense.

B. Notwithstanding the fact that is the intention of the parties hereto that the County and its elected or appointed officials, employees or agents shall not incur any pecuniary liability by reason of the terms of this Letter of Intent or the undertakings required of the County or its elected or appointed officials, employees or agents hereunder, by reason of the issuance of the revenue bonds or by reason of the execution of any financing documents relating thereto, or by reason of the performance of any act requested of the County, its elected or appointed officials, employees or agents by the University, including all claims, liabilities or losses arising in connection with the violation of any statutes or regulation pertaining to the foregoing; nevertheless, if the County or its elected or appointed officials, employees or agents should incur any such pecuniary liability, then in such event the University shall indemnify and hold the County and its elected or appointed officials, employees or agents harmless against all claims, demands or causes of action whatsoever, by or on behalf of any person, firm or corporation or other legal entity arising out of the same or out of any Offering Statement, preliminary or final official statement or lack of Offering Statement or preliminary or final official statement in connection with the offer, sale or resale of the revenue bonds and all costs, fees and expenses, including without limitation, legal fees and expenses whether incurred at trial, on appeal, in bankruptcy proceedings or otherwise incurred in connection with any such claim or in connection with any action or proceeding brought thereon, and upon notice from the County or its elected or appointed officials, employees or agents, the University, at its expense, shall defend the County and its elected or appointed officials, employees or agents in any such action or proceeding.

C. Notwithstanding anything to the contrary contained herein, the University shall have no liability to indemnify the County, or its elected or appointed officials, employees or agents, against claims or damages resulting from the County's or its elected or appointed officials, employees or agents own gross negligence, willful misconduct or information specifically provided by the County and included in any Offering Statement or preliminary or final official statement.

D. In the event any claim is made against the County, its elected or appointed officials, employees or agents (collectively, the "Indemnified Parties") for which indemnification may be sought from the University under the foregoing provisions, the Indemnified Parties shall promptly give written notice thereof to the University; *provided that* any failure to give or delay in giving such written notice shall not relieve the University's indemnification obligations as set forth above except to the extent such failure or delay prejudices the University's ability to defend or settle such claim. Upon receipt of such notice, the University shall assume the defense thereof in all respects and may settle such claim in such manner as it deems appropriate so long as there is no liability, cost or expense to the Indemnified Party. The University shall select legal counsel to represent the Indemnified Party and shall not be responsible for the legal fees and expenses of any legal counsel retained by any Indemnified Party without the written consent of the University, unless the County shall have reasonably concluded that there may be a conflict of interest between the County and the University in the conduct of the defense of such action (in which case the University shall not have the right to direct the defense of such act on behalf of the County and shall be responsible for the legal fees and expenses of the counsel retained by the Indemnified Party whether incurred at trial, on appeal, in bankruptcy proceedings or otherwise).

E. If the revenue bond proceeds are not sufficient to complete the Bond Project, the University agrees to pay, or cause to be paid, the deficiency.

The County and the University have caused this Letter of Intent to be authorized by their respective governing body or board of directors, and executed by their duly authorized officers as of this 27th day of January, 2000.

MULTNOMAH COUNTY, OREGON

UNIVERSITY OF PORTLAND

By: _____
Chair

By: _____
Vice President for Financial Affairs

EXHIBIT "B"

NOTICE OF INTENT TO ISSUE REVENUE BONDS

NOTICE IS HEREBY GIVEN that the Board of County Commissioners of Multnomah County, Oregon (the "Board"), adopted Resolution No. _____ on January 27, 2000 authorizing the issuance of Multnomah County, Oregon Education Facilities Revenue Bonds, Series 2000 (University of Portland Project) in an amount not exceeding \$19,000,000 (the "Project").

The Board may establish by subsequent resolution all terms, conditions and covenants regarding the Bonds and the pledge of revenues to pay the principal of and interest on the Bonds.

The Bonds will not be general obligations of the County nor a charge upon its tax or other revenues or any of its assets or properties but will be payable solely from the revenue payments from the University of Portland, which the County pledges to the payment of the Bonds.

The Bonds are being issued to provide permanent financing to (1) construct, equip and furnish a facility for additional student housing and related facilities; (2) construct, equip and furnish other qualified education facilities; (3) construct and equip a parking garage; (4) make street and lighting improvements; and (5) pay architect and engineering fees, to pay fees for permits, to fund certain reserve accounts, to pay costs of bond insurance, if necessary, and to pay costs of issuance of the bonds (the "Project").

The electors residing within the County may file a petition with the County asking to have the question of whether to issue such Bonds referred to a vote. If written petitions, signed by not less than five percent (5%) of the County's electors, are filed in the office of the Finance Director of Multnomah County, Oregon, at the address set forth below, on or before March 29, 2000 (being at least 60 days following publication of the notice on January 28, 2000), no Bonds may be sold, or in the case of a private negotiated sale, no purchase agreement can be executed, until the Resolution is approved by a majority of the electors of the County voting on the Resolution.

The Resolution is available for inspection at the office of the Finance Director, Multnomah County, 14th Floor, Portland Building, 1120 S.W. Fifth Avenue, Portland, Oregon 97204.

The Bonds will be issued and sold under the provisions of Oregon Revised Statutes Sections 352.790 to 352.820 and 288.805 to 288.945. This notice is published pursuant to Oregon Revised Statutes 288.815(6).

DATED: January 27, 2000.

BOARD OF COUNTY COMMISSIONERS
MULTNOMAH COUNTY, OREGON

PUBLISHED January 28, 2000 in *The Oregonian*, Portland, Oregon.
January 19, 2000

NOTICE OF PUBLIC HEARING

February 18, 2000

10:00 a.m.

Portland Building

1120 S.W. Fifth Avenue, 14th Floor

Conference Room D

Portland, Oregon 97204

MULTNOMAH COUNTY, OREGON

A public hearing will be held at **10:00 a.m.** on **Friday, February 18, 2000** in the Portland Building, 1120 S.W. Fifth Avenue, 14th Floor, Conference Room D, Portland, Oregon 97204 with respect to the issuance by Multnomah County, Oregon (the "Issuer") of its Educational Facilities Revenue Bonds, Series 2000 (University of Portland Project) in an amount not to exceed \$19,000,000 (the "Bonds").

Section 147(f) of the Internal Revenue Code of 1986, as amended, requires that qualified 501(c)(3) bonds be approved by the applicable elected representatives of the governmental unit issuing such bonds. Multnomah County, Oregon is the governmental unit issuing the Bonds and the governmental unit having jurisdiction over the area in which the University of Portland (the "University") is located. On January 27, 2000 the Board of County Commissioners of the Issuer, as the applicable elected representatives of the Issuer, adopted Resolution No. _____ (the "60-day Resolution") approving of the issuance of the Bonds, authorizing publication of a Notice of Intent to Issue Revenue Bonds and authorizing a public hearing in order that residents of Multnomah County, Oregon may have a reasonable opportunity to be heard by the Issuer relating to the issuance of the Bonds.

Bond proceeds will be applied for the following purposes:

(1) to construct, equip and furnish a facility for additional student housing and related facilities;

(2) to construct, equip and furnish other qualified education facilities;

(3) to construct and equip a parking garage;

(4) to make street and lighting improvements;

(5) to pay architect and engineering fees, to pay fees for permits, to fund certain reserve accounts, to pay costs of bond insurance, if necessary, and to pay costs of issuing the Bonds.

The above purposes are collectively referred to as the "Project."

The Project is located on the campus of the University of Portland whose address is 5000 North Willamette Boulevard, Portland, Oregon 97203-5798. The portion of the Project consisting of additional student housing, related facilities and parking garage is located on the University's campus on two half blocks on North Warren Street between North Portsmouth and North Monteith Street. The University is the owner, operator and manager of the Project.

The principal of and interest on the Bonds will not constitute a debt of the Issuer nor shall the Bonds be payable from a tax of any nature levied upon any property within Multnomah County, Oregon nor within any other political subdivision of the State of Oregon. The Bonds will be payable only from the revenues and resources of the University.

The purpose of the special meeting will be to provide a reasonable opportunity for members of the public to express their views, orally or in writing, regarding the issuance of the Bonds and the uses and purposes of the proceeds of the Bonds. The hearing will be conducted in a manner that provides a reasonable opportunity for persons with differing views to be heard on the question of the issuance of the Bonds. Written comments may be delivered at the public hearing or mailed to the Issuer at the address indicated above.

This notice is published pursuant to the public approval requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended and the regulations and rulings issued thereunder.

MULTNOMAH COUNTY, OREGON

Published January __, 2000.

(Published in *The Oregonian* 14 days prior to meeting date)

January 19, 2000