

RESOLUTION NO. 02-046

A RESOLUTION OF THE COLUMBIA GATEWAY URBAN RENEWAL AGENCY OF THE CITY OF THE DALLES, OREGON IN THE MATTER OF PROVIDING FOR THE ISSUANCE OF URBAN RENEWAL BONDS AND OTHER OBLIGATIONS FROM THE TAX INCREMENT REVENUES OF THE COLUMBIA GATEWAY/DOWNTOWN AREA

WHEREAS, the Columbia Gateway Urban Renewal Agency of the City of The Dalles, Oregon (the "Agency") is authorized to issue bonds and other obligations payable from the Tax Increment Revenues of the Columbia Gateway/Downtown Area; and

WHEREAS, on June 28, 2000 the Agency issued its Urban Renewal Bond, Series 2000 in the aggregate principal amount of \$3,500,000 (the "Series 2000 Bond"); and

WHEREAS, the Agency has determined it is in its best interest to refinance the Series 2000 Bond and issue additional urban renewal bonds to finance Projects to be undertaken in the Columbia Gateway/Downtown Area; and

WHEREAS, the Agency adopts this resolution to authorize the refinancing of the Series 2000 Bond and the issuance of additional bonds or other obligations which are payable from the Tax Increment Revenues of the Columbia Gateway/Downtown Area, plus any available amounts in the Tax Increment Fund, in a principal amount not to exceed the amount necessary to refund the Series 2000 Bond plus \$1,000,000 to finance costs of the Project, and to provide the terms under which future parity bonds may be issued.

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE COLUMBIA GATEWAY URBAN RENEWAL AGENCY OF THE CITY OF THE DALLES, OREGON:

Section 1. Definitions

A. As used in this Resolution, the following words shall have the following meanings:

"Act" shall mean Chapter 457 of Oregon Revised Statutes.

"Additional Bonds" means Bonds or other obligations, other than the Series 2002 Bonds, issued pursuant to Section 6 of this Resolution and any Supplemental Resolution, which Additional Bonds shall be secured on an equal and ratable (pari

passu) basis with the Series 2002 Bonds with respect to the lien on the Security. Additional Bonds may also be issued to advance refund or to currently refund Outstanding Bonds.

"Agency" means the Columbia Gateway Urban Renewal Agency of the City of The Dalles, Oregon.

"Annual Debt Service" shall mean the amount required to be paid in the then current or any succeeding Fiscal Year in respect of the principal and/or interest on any Outstanding Bonds, reduced by the amount of any Bond interest which is scheduled to be paid from Bond proceeds.

"Area" means The Columbia Gateway/Downtown Area which is described in the Plan.

"Authorized Representative" means, each individually, the City Manager or Finance Director of the City, or their designee.

"Bond Counsel" means Mersereau & Shannon, LLP or any other law firm appointed as bond counsel to the Agency and having knowledge and expertise in the field of municipal law and whose opinions are generally accepted by purchasers of municipal bonds.

"Bonds" or "Bond" means the Series 2002 Bonds or any other obligations and any Additional Bonds issued pursuant to this Resolution or a Supplemental Resolution with an equal and ratable lien on the Security.

"Bondowner" or "Owner" means a registered owner of a Bond.

"City" means the City of The Dalles, Oregon.

"Code" means the Internal Revenue Code of 1986, as amended, together with the rules and regulations promulgated hereunder and amendments thereto.

"Construction Account" means The Dalles URA Construction Account created and established pursuant to Section 4 of this Resolution.

"Debt Service Account" means The Dalles URA Debt Service Account created and established pursuant to Section 4 of this Resolution.

"Fiscal Year" means the period beginning on July 1 of each year and ending on the next succeeding June 30, or as otherwise defined by laws of the State.

"Resolution" means this Resolution adopted on September 23, 2002.

"Maximum Annual Debt Service" means the greatest Annual Debt Service, calculated on all Bonds which are Outstanding on the date of the calculation.

"Operations Account" means The Dalles Urban Renewal District Operations Account created and established pursuant to Section 4 of this Resolution.

"ORS" means Oregon Revised Statutes.

"Outstanding Bonds" or "Outstanding" means all Bonds authorized and delivered pursuant to this Resolution and any Supplemental Resolution except Bonds theretofore canceled or defeased.

"Plan" means The Dalles Urban Renewal Plan of the Agency.

"Project" means any capital project authorized by the Plan which may be lawfully financed with the proceeds of the Bonds.

"Reserve Account" means The Dalles URA Debt Service Reserve Account created and established pursuant to Section 4 of this Resolution.

"Reserve Requirement" means an amount, if any, determined by the Authorized Representative to be held as a reserve and security for the Bonds.

"Security" shall mean the revenues and funds set forth in Section 2E.

"Series" or "Series of Bonds" means all of the Bonds issued, authenticated and delivered pursuant to this Resolution or a Supplemental Resolution and any Bonds thereafter authenticated and delivered in lieu of or in substitution therefor pursuant to this Resolution or such Supplemental Resolution regardless of variations in maturity, interest rate or other provisions.

"Series 2000 Bond" means the Agency's Urban Renewal Bond, Series 2000, issued June 28, 2000 in the aggregate principal amount of \$3,500,000.

"Series 2002 Bonds" means the Series of Bonds authorized pursuant to Section 2A of this Resolution.

"State" shall mean the State of Oregon.

"Subordinate Obligations" means any bonds or other obligations of the Agency which are secured by and payable from the Security on a subordinate basis in relation to the Bonds.

"Subordinate Obligations Account" means The Dalles URA Subordinate Obligations Account created and established pursuant to Section 4 of this Resolution.

"Supplemental Resolution" shall mean any resolution supplemental to or amendatory of this Resolution, entered into by the Agency in accordance with this Resolution.

"Tax Increment Fund" means The Dalles Urban Renewal Fund established under ORS 457.440(6)(b) to hold the Tax Increment Revenues which is designated in the Agency's financial statements as The Dalles URA Tax Increment Fund.

"Tax Increment Revenues" means all ad valorem tax revenues from property within the Area which are attributable to the increase in assessed value of property within the Area pursuant to Section 1c, Article IX of the Oregon Constitution and Oregon Revised Statutes, Chapter 457, all taxes levied in connection with the Plan pursuant to Article XI, Section 11(16) of the Oregon Constitution and Chapter 457, and all earnings thereon while the Tax Increment Revenues are held in the Tax Increment Fund.

Section 2. The Series 2002 Bonds

A. Pursuant to the Act, and to provide sufficient funds to refinance the Series 2000 Bond and for the capital costs of the Project, the Agency hereby authorizes and directs the issuance of its Urban Renewal Bonds (The Columbia Gateway/Downtown Area), Series 2002 (the "Series 2002 Bonds"). The aggregate principal amount of the Series 2002 Bonds shall not exceed the amount necessary to refund the Series 2000 Bond plus One Million Dollars (\$1,000,000) to pay for costs of the Project, shall mature not later than thirteen (13) years from date of issuance, shall be sold with an underwriter's discount or purchaser fee of not greater than ten (10) basis points and the true interest cost shall not exceed five and one-half percent (5.5%) per annum. The Series 2002 Bonds may be sold at a public sale or a private negotiated sale as determined by the Authorized Representative.

B. The proceeds of the Series 2002 Bonds will be used to refinance the Series 2000 Bond, fund the Projects, the Reserve Account (if so determined by the Authorized Representative), and to pay the costs of issuance of the Series 2002 Bonds.

C. The Series 2002 Bonds may be issued in one or more Series, in such form and in such maturities, bearing interest at such rates, and with such captions or designations and subject to such redemption and to other terms and conditions as stated in this Section 2 for the Series 2002 Bonds and in a Supplemental Resolution for any Additional Bonds.

D. Principal and interest on the Series 2002 Bonds shall be payable solely from the Security as provided by this Resolution.

E. As security for the payment of the principal, interest and premium (if any) on all Outstanding Bonds, the Agency hereby pledges to the Bondowner a first lien on and security interest in the Agency's right, title and interest in the following:

- (i) the Tax Increment Revenues;
- (ii) the moneys and investments (including investment earnings thereon) on deposit in the Tax Increment Fund and the Reserve Account;
- (iii) such other properties and assets as may be hereafter pledged to the payment of Bonds pursuant to any Supplemental Resolution or which may be delivered, pledged, mortgaged or assigned by any person as security for Bonds.

F. The Agency authorizes the Authorized Representative to:

- (i) establish the dated date, maturity and interest payment dates, principal amounts, optional and/or mandatory redemption provisions (with or without premium), interest rates, and denominations and all other terms for the Series 2002 Bonds including the final form of the Series 2002 Bonds;
- (ii) determine whether to sell the Bonds at a public sale or a private negotiated sale and whether there will be any original issue discount or premium;
- (iii) if sold at a public sale, prepare and publish a notice of sale; if sold at a negotiated sale, negotiate the terms under which the Bonds will be sold, enter into a Bond Purchase Agreement for sale of the Series 2002 Bonds, and execute and deliver that Bond Purchase Agreement;
- (iv) approve and authorize the preparation and distribution of preliminary and final official statements for the Bonds;
- (v) obtain a rating on the Bonds, if available and to the benefit of the Agency;

(vi) if deemed desirable by the Authorized Representative, contract with an expert advisor for purposes of evaluating the terms of the negotiated sale, and to receive prior to the sale of the Series 2002 Bonds, an evaluation of the sale;

(vii) determine whether the Series 2002 Bonds shall be book-entry certificates and to take such actions as are necessary to qualify the Series 2002 Bonds for the Book-Entry-Only-System of DTC;

(viii) contract for municipal bond insurance for the Bonds and execute and deliver into any agreements required by the provider of such insurance, if such Authorized Representative determines such use is in the best interests of the Agency, and expend Bond proceeds to pay any bond insurance premium;

(ix) approve, execute and deliver the Series 2002 Bond closing agreements, documents and certificates;

(x) enter into covenants regarding the use of the proceeds of the Series 2002 Bonds and the Project financed with the proceeds of the Bonds, to maintain the tax-exempt status of the Series 2002 Bonds;

(xi) make representations and enter into covenants for the protection of the owners of the Series 2002 Bonds;

(xii) execute and deliver a certificate specifying the action taken pursuant to this paragraph, and any other certificates, documents or agreements that the Authorized Representative determines are desirable to issue, sell and deliver the Series 2002 Bonds in accordance with this Resolution; and

(xiii) determine such other provisions as are deemed necessary and desirable for the sale and issuance of the Series 2002 Bonds.

Section 3. Redemption of Series 2002 Bonds

The Series 2002 Bonds may be subject to optional or mandatory redemption prior to maturity at the prices, terms and on the dates specified by the Authorized Representative.

Section 4. Funds and Accounts

A. Tax Increment Fund is hereby established for the purpose of receiving, holding and disbursing the Tax Increment Funds under ORS 457.440(3). Tax Increment Revenues shall be deposited, as and when received by the Agency, in the

Tax Increment Fund and shall be applied in accordance with Section 5 of this Resolution.

B. The following accounts of the Tax Increment Fund are hereby affirmed, created and established: (1) the Operations Account, (2) the Debt Service Account, (3) the Reserve Account, (4) the Construction Account, and (5) the Subordinate Obligations Account and any subaccounts of such Accounts.

C. The Operations Account is hereby established for the purpose of receiving and disbursing funds to pay for the operations of the Agency.

D. The Debt Service Account is hereby established for the purpose of paying the principal of, premium, if any, and interest on the Bonds.

E. The Reserve Account is hereby established for the purpose of receiving, holding and disbursing funds held in reserve for the payment of the Bonds.

F. The Construction Account is hereby established for the purpose of receiving the proceeds of the Bonds and disbursing such funds in payment of the costs of the Project.

G. The Subordinate Obligations Account is hereby established to pay debt service on Subordinate Obligations.

Section 5. Deposit, Pledge and Use of Tax Increment Revenues

A. All Tax Increment Revenues shall be deposited to and maintained in the Tax Increment Fund. As long as any Bonds remain Outstanding, monies and investments in the Tax Increment Fund shall be applied each Bond Year to pay the following amounts in the following order:

(i) To the Debt Service Account until it contains an amount sufficient to pay Annual Debt Service on all Outstanding Bonds;

(ii) To the Reserve Account to maintain the Reserve Requirement for and to secure the payment of any Outstanding Bonds;

(iii) To pay rebates or penalties to the federal government or credit a rebate account with respect to any Bonds;

(iv) To the Subordinate Obligations Account to make all other payments required to be made in connection with Subordinate Obligations;

(v) To retire by optional redemption or purchase in the open market any Outstanding Bonds or other obligations of the Agency as authorized in Supplemental Resolutions of the Agency.

B. The Agency pledges the Tax Increment Revenues to the payment of principal of, premium (if any) and interest on all Bonds as herein provided. Pursuant to ORS 288.594, the pledge of the Tax Increment Revenues hereby made by the Agency shall be valid and binding from the time of the adoption of this Resolution. The Tax Increment Revenues so pledged and hereafter received by the Agency shall immediately be subject to the lien of such pledge without any physical delivery or further act, and the lien of the pledge shall be superior to all other claims and liens whatsoever (except for the lien of the Bonds) to the fullest extent permitted by ORS 288.594(2).

Section 6. Additional Bonds

A. The Agency may issue Additional Bonds if, at the time of issuing the Additional Bonds:

(i) no event of default under the Resolution, the Series 2002 Bonds or the Purchase Agreement related to the Series 2002 Bonds has occurred or is occurring;

(ii) no deficiencies exist in the Debt Service Account

(iii) the balance in the Reserve Account is at least equal to the Reserve Requirement on the date of closing of the Additional Bonds, calculated as if the Additional Bonds was outstanding;

(iv) The Authorized Representative certifies that (1) the amount of Tax Increment Revenues for the most recently completed Fiscal Year was not less than 1.30 times Maximum Annual Debt Service on all of the Outstanding Bonds, with the Additional Bonds being treated as Outstanding, or (2) the Agency receives a report from a Qualified Consultant projecting that, in each of the three fiscal years immediately following the issuance of the Additional Bonds, inclusive of the year in which the Additional Bonds is to be issued, the Tax Increment Revenues will be no less than 1.40 times the Maximum Annual Debt Service on all Outstanding Bonds, with the Additional Bonds being treated as Outstanding.

B. The Agency may issue Additional Bonds to refund Outstanding Bonds if the Annual Debt Service of the refunding Additional Bonds does not exceed the Annual Debt Service for the refunded Bonds payable in any Fiscal Year by more than \$5,000.

Section 7. Defaults and Remedies

The Authorized Representative may establish the terms under which defaults may be declared under the Bonds and this Resolution, and the remedies available to Bondowners, pursuant to Section 2F hereof.

Section 8. Amendment of Resolution

The Authorized Representative may establish the terms under which this Resolution may be amended, pursuant to Section 2F hereof.

Section 9. Additional Actions

A. Form of Series 2002 Bonds. The Bonds shall be issued substantially in the form approved by the Authorized Representative and Bond Counsel.

B. Appointment of Bond Counsel. The Agency appoints as bond counsel for the issuance of the Series 2002 Bonds the firm of Mersereau & Shannon, LLP of Portland, Oregon.

C. Appointment of Expert Advisor, Paying Agent and Bond Registrar. The Authorized Representative is authorized to appoint an Expert Advisor, Paying Agent and Bond Registrar for the Bonds. The Authorized Representative is authorized to negotiate and execute and deliver on behalf of the Agency, the Paying Agent and Bond Registrar Agreement. This Agreement shall provide for compliance with Oregon Administrative Rule 170-61-010. The Agency requests and authorizes the Paying Agent and Bond Registrar to execute the Certificate of Authentication as of the date of delivery of the Bonds.

D. Designation of Series 2002 Bonds as Qualified Tax-Exempt Obligations. The Authorized Representative is authorized to designate on behalf of the Agency the Series 2002 Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code so long as the Series 2002 Bonds do not constitute private activity bonds as defined in Section 141 of the Code, and that not more than \$10,000,000 aggregate principal amount of obligations, the interest on which is excludable under Section 103(a) of the Code from gross income for federal income tax purposes (excluding, however, private activity bonds other than qualified 501(c)(3) bonds) including the Series 2002 Bonds, have been or shall be issued by the Agency, including all superior and subordinate entities of the Agency, if any, during the current calendar year in which the Series 2002, or a portion thereof, are issued.

E. Closing of the Sale and Delivery of the Series 2002 Bonds. The Authorized Representative is authorized to do any and all other things or acts

necessary for the sale and delivery of the Series 2002 Bonds as herein authorized. Such acts of the Authorized Representative are for and on behalf of the Agency and are hereby authorized by the Agency.

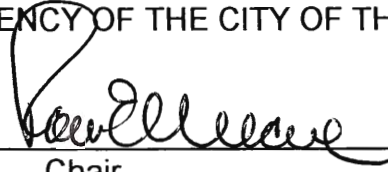
Section 10. Effect of Refunding on Series 2000 Bonds.

Upon completion of the refunding of the Series 2000 Bond, the Series 2000 Bond shall no longer be a debt of the Agency.

Adopted this 23rd day of September, 2002.

COLUMBIA GATEWAY URBAN RENEWAL
AGENCY OF THE CITY OF THE DALLES, OREGON


By



Chair

ATTEST:

By



Secretary