

RESOLUTION NO. 92-012-D

A RESOLUTION AUTHORIZING THE CASH DEFEASANCE OF THE COLUMBIA GATEWAY URBAN RENEWAL AGENCY OF THE CITY OF THE DALLES, OREGON URBAN RENEWAL AND REDEVELOPMENT BONDS, 1991 SERIES A AND 1991 SERIES B; APPROVING OF AND AUTHORIZING THE EXECUTION OF AN ESCROW DEPOSIT AGREEMENT; AND AUTHORIZING THE EXECUTION OF RELATED DOCUMENTS.

WHEREAS, pursuant to Resolution No. 91-009 adopted by the Columbia Gateway Urban Renewal Agency (the "Agency") of the City of The Dalles, Oregon (the "City") on September 11, 1991, the Agency issued its Urban Renewal and Redevelopment Bonds, 1991 Series A in the aggregate principal amount of \$1,775,000 (the "1991 Series A Bonds") and its Urban Renewal and Redevelopment Bonds, 1991 Series B in the aggregate principal amount of \$570,000 (the "1991 Series B Bonds"). The outstanding principal amount of the 1991 Series A Bonds is \$1,775,000 and the outstanding principal amount of the 1991 Series B Bonds is \$570,000; and

WHEREAS, Oregon Revised Statutes 288.677 provides that if a public body causes government obligations, as defined in Oregon Revised Statutes 288.605 (the "Government Obligations"), to be placed irrevocably in escrow in an amount calculated to be sufficient to pay principal and interest on outstanding bonds issued by the public body as they mature or have been irrevocably called for prior redemption, in accordance with rules established by the Oregon State Treasurer, the amount of money and investments credited to or on deposit for the payment of such outstanding bonds shall be deducted from the amount of outstanding indebtedness in computing indebtedness for the purpose of any constitutional or statutory debt limitation. Such bonds for which governmental obligations have been so irrevocably placed in escrow shall be deemed to be defeased; and

WHEREAS, a cash defeasance plan for the 1991 Series A Bonds and the 1991 Series B Bonds has been prepared by Security Pacific Securities, Inc. ("Financial Advisor"), the financial advisor to the Agency.

NOW, THEREFORE, THE COLUMBIA GATEWAY URBAN RENEWAL AGENCY OF THE CITY OF THE DALLES RESOLVES:

1. The cash defeasance plan prepared by the Financial Advisor is hereby approved.
2. The Escrow Deposit Agreement, in substantially the form attached hereto as Exhibit A, with such changes as may be recommended and approved by the Finance

Director of the City, the City Attorney and Bond Counsel, provided such changes shall not materially affect the rights, obligations and duties of the Agency, is hereby authorized and approved. The Finance Director of the City is authorized to execute and deliver, for and on behalf of the Agency, the final Escrow Deposit Agreement.

3. The Agency shall transfer from the Series A Proceeds Account, the Series A Bond Account, the Series A Reserve Account and the General Account and irrevocably deposit to the 1991 Series A Escrow Deposit Fund such funds that shall be sufficient to defease and pay, in whole, the principal and interest in the 1991 Series A Bonds maturing after the date hereof when due and on the redemption date of August 1, 1996, together with administrative costs, expenses and fees incurred in connection with the defeasance of the 1991 Series A Bonds.

3. The Agency shall transfer from the Series B Proceeds Account, the Series B Bond Account, the Series B Reserve Account and the General Account and irrevocably deposit to the 1991 Series B Escrow Deposit Fund such funds that shall be sufficient to defease and pay, in whole, the principal and interest in the 1991 Series B Bonds maturing after the date hereof when due and on the redemption date of August 1, 1992, together with administrative costs, expenses and fees incurred in connection with the defeasance of the 1991 Series B Bonds.

4. Bank of America Oregon is appointed escrow agent (the "Escrow Agent") in connection with the defeasance of the 1991 Series A Bonds and the 1991 Series B Bonds. The Escrow Agent is authorized to purchase Government Obligations for the account of the 1991 Series A Escrow Deposit Fund and the 1991 Series B Escrow Deposit Fund.

5. The Finance Director of the City is authorized to execute and deliver on behalf of the Agency any other documents, instruments or certificates which may be necessary or appropriate in connection with the Escrow Deposit Agreement and the defeasance of the 1991 Series A Bonds and the 1991 Series B Bonds.

6. Subject to the creation of the 1991 Series A Escrow Deposit Fund and the deposit of Government Obligations and other funds sufficient to pay the principal and interest due on the 1991 Series A Bonds from the date hereof until August 1, 1996, all of the outstanding 1991 Series A Bonds are irrevocably called for redemption on August 1, 1996, the first date the 1991 Series A Bonds can be optionally called for redemption, at par plus accrued interest to the redemption date. The Paying Agent for the 1991 Series A Bonds shall provided notice of redemption as required by Resolution 91-009 and Oregon law.

7. Subject to the creation of the 1991 Series B Escrow Deposit Fund and the deposit of Government Obligations and other funds sufficient to pay the principal and interest due on the 1991 Series B Bonds from the date hereof until August 1, 1992, all of the outstanding 1991 Series B Bonds are irrevocably called for redemption on August 1,

1992, the first date the 1991 Series B Bonds can be optionally called for redemption, at par plus accrued interest to the redemption date. The Paying Agent for the 1991 Series B Bonds shall provided notice of redemption as required by Resolution 91-009 and Oregon law.

ADOPTED this 11th day of June, 1992.

COLUMBIA GATEWAY URBAN
RENEWAL AGENCY OF CITY
OF THE DALLES

By _____
Chair

ATTEST:

By _____
Secretary

EXHIBIT A
ESCROW DEPOSIT AGREEMENT

This Escrow Deposit Agreement is dated as of the 15th day of June, 1992 and is executed by and between the Urban Renewal Agency of the City of The Dalles, Oregon (the "Agency") and Bank of America Oregon (the "Escrow Agent") and its successors.

The Agency, pursuant to Resolution No. 91-009 adopted on September 11, 1991 issued its Urban Renewal and Redevelopment Bonds, 1991 Series A in the aggregate principal amount of \$1,775,000 (the "1991 Series A Bonds") and its Urban Renewal and Redevelopment Bonds, 1991 Series B in the aggregate principal amount of \$570,000 (the "1991 Series B Bonds") for the purpose of financing redevelopment projects within the Columbia Gateway/Downtown Area which are described in the Columbia Gateway/Downtown Urban Renewal Area Plan. The outstanding 1991 Series A Bonds are subject to optional redemption on August 1, 1996, at par value, and the outstanding 1991 Series B Bonds are subject to optional redemption on any payment date, at par value. The 1991 Series A Bonds and the 1991 Series B Bonds are collectively referred to herein as the "Defeased Bonds".

Pursuant to Resolution No. 92-012-D adopted June 11, 1992, the Agency authorized the defeasance of the 1991 Series A Bonds and the 1991 Series B Bonds.

The Agency shall deposit with the Escrow Agent sufficient moneys to purchase Government Obligations (as that term is defined in Section 5 hereof), which, together with the interest earnings thereon, will be sufficient to provide for payment of the principal of and interest on the 1991 Series A Bonds from the date hereof through their date of redemption on August 1, 1996, to provide for the payment of the principal of and interest on the 1991 Series B Bonds from the date hereof through their date of redemption on August 1, 1992. The deposit of the Government Obligations and cash in the Escrow Deposit Fund shall constitute an irrevocable deposit and escrow for the benefit of the holders of the 1991 Series A Bonds and the 1991 Series B Bonds.

The Agency and the Escrow Agent agree:

Section 1. The Escrow Agent agrees to serve as Escrow Agent and acknowledges the receipt of a certified copy of Resolution No. 92-012-D dated June 11, 1992 and a true copy of the mathematical calculations by Ernst & Young, Certified Public Accountants, dated June __, 1992. Resolution No. 92-012-D is incorporated by this reference into this Escrow Deposit Agreement.

Section 2. (a) The Agency has irrevocably exercised its option to call and redeem on August 1, 1996 the outstanding principal of the 1991 Series A Bonds plus accrued interest to the date of redemption. The Escrow Agent shall mail the Notice of Redemption, attached hereto as Exhibit A, by registered or certified mail not less than thirty (30) days nor more than sixty (60) days prior to August 1, 1996 (the "1991 Series A Bonds Redemption Date") to the Owners of the 1991 Series A Bonds to be redeemed at the address shown on the Bond Register.

(b) The Agency has irrevocably exercised its option to call and redeem on August 1, 1992 the outstanding principal of the 1991 Series B Bonds plus accrued interest to the date of redemption. The Escrow Agent shall mail the Notice of Redemption, attached hereto as Exhibit B, by registered or certified mail not less than thirty (30) days nor more than sixty (60) days prior to August 1, 1992 (the "1991 Series B Bonds Redemption Date") to the Owners of the 1991 Series B Bonds to be redeemed at the address shown on the Bond Register.

Section 3. (a) The Escrow Agent shall establish and maintain the special, segregated and irrevocable trust funds designated the Urban Renewal Agency of the City of The Dalles, Oregon Urban Renewal and Redevelopment Bonds, 1991 Series A Escrow Deposit Fund (the "1991 Series A Escrow Deposit Fund") and the Urban Renewal Agency of the City of The Dalles, Oregon Urban Renewal and Redevelopment Bonds, 1991 Series B Escrow Deposit Fund (the "1991 Series B Escrow Deposit Fund"). The 1991 Series A Escrow Deposit Fund and the 1991 Series B Escrow Deposit Fund are collectively referred to herein as the "Escrow Deposit Funds".

(b) The Agency shall deposit to the 1991 Series A Escrow Deposit Fund cash funds in the amount of \$ _____ and Government Obligations in such amounts, terms and rates of interest sufficient that the cash funds and maturing principal and interest on the Government Obligations will be sufficient to pay the principal and interest due and payable on the 1991 Series A Bonds from the date hereof to and including the 1991 Series A Redemption Date of August 1, 1996. Funds on deposit in the 1991 Series A Escrow Deposit Fund shall be used solely for the purposes set forth in this Agreement. Amounts earned on the cash and Government Obligations in the 1991 Series A Escrow Deposit Fund shall be retained therein until applied in accordance with this Agreement. The cash funds for deposit to the 1991 Series A Escrow Deposit Fund shall be invested by the Escrow Agent in Government Obligations and upon redemption of the 1991 Series A Bonds the earnings on the cash funds shall be transferred to the Agency.

(c) The Agency shall deposit to the 1991 Series B Escrow Deposit Fund cash funds in the amount of \$ _____ and Government Obligations in such amounts, terms and rates of interest sufficient that the cash funds and maturing principal and interest on the Government Obligations will be sufficient to pay the principal and interest due and payable on the 1991 Series B Bonds from the date hereof to and including the 1991 Series B Redemption Date of August 1, 1992. Funds on deposit in the 1991 Series B Escrow Deposit Fund shall be used solely for the purposes set forth in this Agreement. Amounts earned on the cash and Government Obligations in the 1991 Series B Escrow Deposit Fund shall be retained therein until applied in accordance with this Agreement. The cash funds for deposit to the 1991 Series B Escrow Deposit Fund shall be invested by the Escrow Agent in Government Obligations and upon redemption of the 1991 Series B Bonds the earnings on the cash funds shall be transferred to the Agency.

Section 4. The Agency covenants that no part of the moneys or funds at any time in the Escrow Deposit Funds will be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any of the Defeased Bonds to be "arbitrage bonds" as defined in Section 148 of the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder.

Section 5. "Government Obligations" shall mean non-callable direct obligations of, or non-callable obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America. The 1991 Series A Government Obligations shall consist of the obligations described in the attached Exhibit C, and any such obligations substituted for them in accordance with this Escrow Deposit Agreement. The 1991 Series B Government Obligations shall consist of the obligations described in the attached Exhibit D, and any such obligations substituted for them in accordance with this Escrow Deposit Agreement.

Section 6. The Escrow Agent establishes the Escrow Deposit Funds and accepts total cash in the amount of \$ _____ and the Government Obligations as described in Exhibits C and D attached hereto for deposit pursuant to this Escrow Deposit Agreement. Except as otherwise expressly provided herein, the Escrow Agent shall have no duty to make substitutions of the Government Obligations, or to sell, transfer or otherwise dispose of the Government Obligations. At the written request of the Agency and upon compliance with the conditions stated in this Escrow Deposit Agreement, the Escrow Agent shall have the power to sell, transfer, otherwise dispose of or request the redemption of the Government Obligations and to substitute other Government Obligations. The Escrow Agent shall purchase the substituted Government Obligations with the proceeds derived from the sale, transfer, disposition or redemption of Government Obligations. Government Obligations may be substituted only if the Agency provides the Escrow Agent with (a) an unqualified opinion of a firm of nationally recognized municipal bond attorneys to the effect that the substitution will not cause the Defeased Bonds to be "arbitrage bonds" as hereinafter defined and (b) a certification of an independent accountant that such substitution or reinvestment complies with this Escrow Deposit Agreement, setting forth in reasonable detail the calculations underlying such certification.

If the foregoing conditions have been met and substitution is made, the Escrow Agent shall pay to the Agency as and when realized and collected any moneys in excess of the amount required to pay when due the amounts as set forth in Section 3 hereof. The Agency agrees to reimburse the Escrow Agent for all expenses and professional fees incurred in connection with any substitution of Government Obligations made at the request of the Agency.

Section 7. The Escrow Agent shall collect the matured principal of and interest on the Government Obligations and shall provide funds to Bank of America Oregon, as the Paying Agent and Bond Registrar of the Defeased Bonds, to pay the principal and interest due on the 1991 Series A Bonds and the 1991 Series B Bonds from the date of this Escrow Deposit Agreement to the 1991 Series A Redemption Date and the 1991 Series B Redemption Date, respectively. Funds, if any, remaining (i) in the 1991 Series A Escrow Deposit Fund after the redemption of the 1991 Series A Bonds and (ii) in the 1991 Series B Escrow Deposit Fund after the redemption of the 1991 Series B Bonds shall be transferred to the Agency.

The obligation of the Escrow Agent to provide such payments as herein provided shall be limited to the principal of and any interest on the Government Obligations and the cash in the Escrow Deposit Funds. The Escrow Agent shall have no liability for the insufficiency of the principal of and interest earned on the Government Obligations or other

funds deposited with it in the Escrow Deposit Funds or the failure of any obligor on said Government Obligations or funds to make timely payments thereon, except for the obligation to notify the Agency of the occurrence of a failure of payment. The Escrow Agent shall not be liable for any loss resulting from or diminution in the market value of any investment made pursuant to this Agreement in compliance with the provisions thereof.

Section 8. In consideration of its fee, the Escrow Agent agrees to establish the Escrow Deposit Funds and to comply with the provisions of this Escrow Deposit Agreement. The Agency agrees to pay to the Escrow Agent its reasonable fees and expenses for any additional action taken pursuant to this Escrow Deposit Agreement at the request of the Agency and the fees of any independent consultants, including, without limitation, attorneys, accountants and any other special consultants, from any moneys of the Agency lawfully available therefor. However, in no event shall the Escrow Agent have any lien whatsoever upon any of the moneys and Government Obligations in the Escrow Deposit Funds for the payment of such fees and expenses. The Agency assumes liability for, and to the extent permitted by law agrees to indemnify, protect, save and keep harmless the Escrow Agent and its respective successors, assigns, agents and employees from and against all liabilities of whatsoever kind and nature which may be imposed on, incurred by or asserted against the Escrow Agent and in any manner relating to or arising out of the execution and delivery of this Escrow Deposit Agreement, the establishment of the Escrow Deposit Funds, the acceptance of moneys and securities deposited therein, the purchase of Government Obligations, the retention of moneys and Government Obligations or the proceeds thereof and any payment, transfer or other application of moneys or securities by the Escrow Agent in accordance with the provisions of this Escrow Deposit Agreement, which may arise by reason of any act, omission or error of the Escrow Agent made in good faith in the conduct of its duties; provided, however, that the Agency shall not be required to indemnify the Escrow Agent against its own negligence, active or passive, or its own misconduct. In no event shall the Agency be liable to any person by reason of the transactions contemplated hereby other than to the Escrow Agent. The indemnities contained in this paragraph shall survive the termination of this Escrow Deposit Agreement.

Section 9. No paying agents' fees or other charges of any nature may be paid from the escrowed money or Government Obligations. The Agency agrees that it will pay any and all such fees from its other legally available funds as such payments become due prior to such payment.

Section 10. If at any time there shall be insufficient funds on hand in the 1991 Series A Escrow Deposit Fund for the payment of the principal and interest due on the 1991 Series A Bonds, or in the 1991 Series B Escrow Deposit Fund for the payment of the principal and interest due on the 1991 Series B Bonds, the Escrow Agent shall promptly notify the Agency of such deficiency.

Section 11. The Escrow Agent shall mail annual reports to the Agency of the receipts, income, investments, redemptions and payments to and from the Escrow Deposit Funds established hereunder.

Section 12. This Escrow Deposit Agreement shall terminate when all transfers and payments required by this Agreement have been made.

IN WITNESS WHEREOF, the parties hereto have each caused this Escrow Deposit Agreement to be executed by their duly authorized officers as of this 15th day of June, 1992.

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

By: _____

"Agency"

BANK OF AMERICA OREGON

By: _____

Title: _____

"Escrow Agent"

EXHIBIT A

NOTICE OF REDEMPTION
TO HOLDERS OF
URBAN RENEWAL AGENCY OF THE CITY OF THE DALLES
WASCO COUNTY, OREGON
URBAN RENEWAL AND REDEVELOPMENT BONDS,
1991 SERIES A
DATED: SEPTEMBER 15, 1991

NOTICE IS HEREBY GIVEN that, pursuant to Resolution No. 92-012-D adopted by the Urban Renewal Agency of the City of The Dalles, Oregon (the "Agency") on the 11th day of June, 1992, the Agency has irrevocably exercised its option to call and redeem on August 1, 1996 all of the outstanding Urban Renewal Agency of the City of The Dalles, Oregon Urban Renewal and Redevelopment Bonds, 1991 Series A (the "Bonds"). The Bonds to be redeemed have the following maturity date, maturity amount, interest rate, CUSIP and redemption price:

<u>Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>CUSIP*</u>	<u>Redemption Price</u>
August 1, 1997	\$ 60,000	6.20%		par
August 1, 1998	65,000	6.35%		par
August 1, 1999	70,000	6.50%		par
August 1, 2000	75,000	6.60%		par
August 1, 2001	80,000	6.70%		par
August 1, 2011	1,165,000	7.00%		par

The Bonds will be redeemed at par value plus accrued interest to August 1, 1996. The Bonds will be redeemed upon presentation and surrender of the Bonds for redemption at the principal corporate trust office of Bank of America Oregon, as follows:

BANK OF AMERICA OREGON
CORPORATE TRUST DEPARTMENT
1001 S.W. Fifth Ave.
Portland, Oregon 97208

Interest on the Bonds being redeemed shall be payable on the above-listed bonds on August 1, 1996. Interest on the Bonds being redeemed shall cease to accrue on August 1, 1996.

Under the Interest and Dividend Tax Compliance Act of 1983, the Paying Agent may be required to withhold 20% of the redemption price from any bondholder who fails to provide the Paying Agent with, and certify under penalties of perjury, a correct taxpayer

identifying number (employer identification number or social security number, as appropriate) or an exemption certificate on or before the date the Bonds are presented for payment. Bondholders who wish to avoid the application of these provisions should submit a completed Form W-9 when presenting their Bonds.

* This CUSIP number has been assigned by Standard & Poor's Corp. and is included solely for the convenience of the holders. Neither the Agency nor the Paying Agent shall be responsible for the selection or use of this CUSIP number, nor is any representation made to its correctness on the bond or as indicated in any redemption notice.

URBAN RENEWAL AGENCY
OF THE CITY OF THE DALLES
WASCO COUNTY, OREGON

Published June ____, 1996.

EXHIBIT B

NOTICE OF REDEMPTION
TO HOLDERS OF
URBAN RENEWAL AGENCY OF THE CITY OF THE DALLES
WASCO COUNTY, OREGON
URBAN RENEWAL AND REDEVELOPMENT BONDS,
1991 SERIES B
DATED: SEPTEMBER 15, 1991

NOTICE IS HEREBY GIVEN that, pursuant to Resolution No. 92-012-D adopted by the Urban Renewal Agency of the City of The Dalles, Oregon (the "Agency") on the 11th day of June, 1992, the Agency has irrevocably exercised its option to call and redeem on August 1, 1992 all of the outstanding Urban Renewal Agency of the City of The Dalles, Oregon Urban Renewal and Redevelopment Bonds, 1991 Series B (the "Bonds"). The Bonds to be redeemed have the following maturity date, maturity amount, interest rate, CUSIP and redemption price:

<u>Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>CUSIP*</u>	<u>Redemption Price</u>
August 1, 2011	\$ 570,000	7.00%		par

The Bonds will be redeemed at par value plus accrued interest to August 1, 1992. The Bonds will be redeemed upon presentation and surrender of the Bonds for redemption at the principal corporate trust office of Bank of America Oregon, as follows:

BANK OF AMERICA OREGON
CORPORATE TRUST DEPARTMENT
1001 S.W. Fifth Ave.
Portland, Oregon 97208

Interest on the Bonds being redeemed shall be payable on the above-listed bonds on August 1, 1992. Interest on the Bonds being redeemed shall cease to accrue on August 1, 1992.

Under the Interest and Dividend Tax Compliance Act of 1983, the Paying Agent may be required to withhold 20% of the redemption price from any bondholder who fails to provide the Paying Agent with, and certify under penalties of perjury, a correct taxpayer identifying number (employer identification number or social security number, as appropriate) or an exemption certificate on or before the date the Bonds are presented for payment. Bondholders who wish to avoid the application of these provisions should submit a completed Form W-9 when presenting their Bonds.

* This CUSIP number has been assigned by Standard & Poor's Corp. and is included solely for the convenience of the holders. Neither the Agency nor the Paying Agent shall be responsible for the selection or use of this CUSIP number, nor is any representation made to its correctness on the bond or as indicated in any redemption notice.

URBAN RENEWAL AGENCY
OF THE CITY OF THE DALLES
WASCO COUNTY, OREGON

Published June ____, 1992.

EXHIBIT C

[1991 Series A Government Obligations]

EXHIBIT D

[1991 Series B Government Obligations]