
Ordinance No. 90-321

The Council of the Metropolitan Service District

An ordinance enacted as a Supplemental Ordinance to Ordinance No. 89-319; establishing a plan for financing the Metro East Transfer Station to serve as a part of the Metropolitan Service District's solid waste disposal system; authorizing the issuance of the Metro East Transfer Station Bonds for such purpose; and establishing and determining other matters in connection therewith.

Enacted on February 22, 1990

Prepared by:

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Metropolitan Service District
Counties of Multnomah, Clackamas and Washington
State of Oregon

Ordinance No. 90-321

An ordinance enacted as a Supplemental Ordinance to Ordinance No. 89-319; establishing a plan for financing the Metro East Transfer Station to serve as a part of the Metropolitan Service District's solid waste disposal system; authorizing the issuance of the Metro East Transfer Station Bonds for such purpose; and establishing and determining other matters in connection therewith.

Be it enacted by the Council of the Metropolitan Service District:

Section A. Findings. The Council (the "Council") of the Metropolitan Service District, a political subdivision organized and existing under the laws of the State of Oregon (the "Issuer"), hereby finds and determines as follows:

(a) Pursuant to and in accordance with the provisions of Oregon Revised Statutes Chapter 268 (the "Act") and related provisions of the Oregon Revised Statutes, the Issuer is responsible for and now operates a solid waste disposal system (as more particularly described in the Master Ordinance referred to below, the "System") for the purpose of managing and disposing of solid waste (as such terms are used in the Act) generated within and without the Service Area (as defined in the Master Ordinance referred to below).

(b) Pursuant to the provisions of the Act and other applicable provisions of law, the Issuer is authorized to issue revenue bonds to finance landfills, transfer facilities, resource recovery facilities and other improvements, facilities and equipment necessary or desirable for the System regardless of whether such improvements, facilities and equipment are to be owned by the Issuer or any other person and regardless of whether such improvements, facilities or equipment are to be located within or without the jurisdictional boundaries of the Issuer.

(c) The Issuer has enacted Ordinance No. 89-319 (the "Master Ordinance") in order to establish a plan for

financing from time to time various components and other fiscal needs of the System and authorizing the issuance of one or more series of revenue bonds for such purpose under the provisions of supplemental ordinances adopted pursuant to the Master Ordinance.

(d) In order to refinance the DEQ Loans (as herein defined) and to finance the acquisition, construction and installation of the Metro East Transfer Station (as more particularly described herein), which Metro East Transfer Station will be owned by the Issuer and initially operated by Trans Industries, a joint venture of Browning-Ferris Industries of Oregon, Inc., an Oregon corporation, and Transwaste, Inc., an Oregon corporation (said joint venture or any other person or entity hereafter acting as the operator of the Metro East Transfer Station being herein called the "Operator") and used in the operation of the System, the Issuer has determined to issue pursuant to and as authorized by the Act its Waste Disposal System Revenue Bonds (Metro East Transfer Station Project), 1990 Series A (the "Metro East Transfer Station Bonds") in an aggregate principal amount of not to exceed \$28,500,000, as a Series of System Bonds under and as defined in the Master Ordinance, and is enacting this Ordinance No. 90-321 (the "1990 Supplemental System Ordinance") to establish and determine the terms and conditions of the Metro East Transfer Station Bonds, to secure the repayment of the Metro East Transfer Station Bonds and to set forth, establish and determine other matters relevant to the Metro East Transfer Station Bonds.

ARTICLE I

DEFINITIONS

Section 101. Terms Defined in Master Ordinance; Conflicting Definitions. All terms used herein and not otherwise defined herein shall have the same meanings assigned thereto in the Master Ordinance. In the event of any conflict between the definition of a term as set forth in the Master Ordinance and the definition of that same term as set forth herein, then unless the Master Ordinance expressly allows the definition of such term to be controlled or varied by a Supplemental Ordinance or unless otherwise expressly provided herein, the definition of such term as set forth in the Master Ordinance shall govern and control for all purposes of this 1990 Supplemental System Ordinance.

Section 102. Definitions. As used in this 1990 Supplemental System Ordinance, the following terms shall have the respective meanings set forth below:

"Authorized Denomination" means, with respect to the Metro East Transfer Station Bonds, \$5,000 or any integral multiple thereof.

"Beneficial Owners" shall mean, whenever used with respect to a Metro East Transfer Station Bond, the person or entity in whose name such Metro East Transfer Station Bond is recorded as the beneficial owner of such Metro East Transfer Station Bond by a Participant on the records of such Participant pursuant to the arrangements for book-entry determination of ownership applicable to the Securities Depository.

"Bond Registrar" means, with respect to the Metro East Transfer Station Bonds, the Master Trustee.

"Book-Entry System" shall mean that system whereby the clearance and settlement of securities transactions is made through electronic book-entry changes, thereby eliminating the need of physical movement of securities.

"Business Day" means, with respect to the Metro East Transfer Station Bonds, any day which is not a Saturday, Sunday or holiday or day upon which the principal corporate trust office of the Master Trustee is closed.

"Cede & Co." shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Metro East Transfer Station Bonds.

"DEQ Loans" means the following loans made by the Oregon Department of Environmental Quality to the Issuer:

(i) the loan pursuant to ORS 468.220 for Project Number SWC 118 pursuant to an Offer and Acceptance of State Financial Assistance dated May 18, 1981; and

(ii) the loan pursuant to ORS 468.220 for Project Number SWC 115 pursuant to an Offer and Acceptance of State Financial Assistance dated April 21, 1977.

"DTC" shall mean The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns.

"Interest Payment Date(s)" means, with respect to the Metro East Transfer Station Bonds, each January 1 and July 1 of each year, commencing with the first such date following the issuance of such bonds or, if so determined by the Executive Officer pursuant to the authority conferred thereon pursuant to Section 401 hereof, the second such date following the date of issuance of such bonds.

"Management Contract" means, at any particular time, the Issuer Agreement, if any, then in effect between the Issuer and the Operator pursuant to which the Operator undertakes to operate the Metro East Transfer Station, the initial Management Contract being that certain Metro East Transfer Station Operation Agreement dated as of December 8, 1989 by and between the Issuer and Trans Industries, a joint venture of Browning-Ferris Industries of Oregon, Inc., an Oregon corporation, and Transwaste, Inc., an Oregon corporation.

"Mandatory Redemption Amount" shall have the meaning assigned thereto in Section 204(a) hereof.

"Mandatory Redemption Date(s)" shall have the meaning assigned thereto in Section 204(a) hereof.

"Mandatory Redemption Schedule" means, with respect to the Metro East Transfer Station Bonds issued hereunder as Term Bonds, the mandatory redemption schedule established and determined therefor by the Executive Officer pursuant to the authority conferred thereon under Section 401 hereof.

"Metro East Transfer Station" means the waste transfer station to be located at 6161 NW 61st Avenue, Portland, Oregon to be owned by the Issuer and used as part of the System.

"Metro East Transfer Station Bonds" means the Issuer's Waste Disposal System Revenue Bonds (Metro East Transfer Station Project), 1990 Series A authorized to be issued and sold under this 1990 Supplemental System Ordinance in an aggregate principal amount of not to exceed \$28,500,000, together with any Completion Bonds issued pursuant to the Master Ordinance for the purpose of financing any Capital Costs of the Metro East Transfer Station.

"Operator" means, at any particular time, the person or entity, if any, then agreeing pursuant to the Management Contract to serve as operator of the Metro East Transfer Station.

"Participant" shall mean a brokers-dealer, bank or other financial institution for which DTC holds Metro East Transfer Station Bonds as Securities Depository.

"Paying Agent" means, with respect to the Metro East Transfer Station Bonds, the Master Trustee.

"Requisition Certificate" means, with respect to the Metro East Transfer Station Bonds, a certificate substantially in the form of Exhibit A attached hereto, but with such variations, deletions, insertions and other changes as may be deemed necessary or appropriate by the Executive Officer.

"Securities Depository" shall mean, initially, The Depository Trust Company, New York, New York, and its successors and replacement securities depository appointed hereunder.

"Underwriters" means PaineWebber Incorporated, Shearson Lehman Hutton Inc. and Dean Witter Reynolds Inc.

ARTICLE II

AUTHORIZATION, ISSUANCE AND PROVISIONS OF METRO EAST TRANSFER STATION BONDS

Section 201. Authorization of Metro East Transfer Station Bonds; Limited Obligations.

(a) **Principal Amount.** The Metro East Transfer Station Bonds are hereby authorized to be issued in an aggregate principal amount not to exceed \$28,500,000 for the purposes enumerated in the recitals hereto; *provided that*, for purposes of the foregoing, in the event any Metro East Transfer Station Bonds are issued and sold at an original issue discount, such original issue discount shall not, for purposes of the amount of Metro East Transfer Station Bonds authorized to be issued hereunder, be deemed to be a part of the principal amount thereof, it being the intent hereof that the stated principal amount of the Metro East Transfer Station Bonds less any such original issue discount shall not exceed \$28,500,000. The Metro East Transfer Station Bonds shall be issued in a single series, such series to be designated "Metropolitan Service District Waste Disposal System Revenue Bonds (Metro East Transfer Station Project), 1990 Series A".

(b) **Metro East Transfer Station Bonds to Constitute System Bonds of a Single Series Under Master Ordinance.** The Metro East Transfer Station Bonds, together with any Completion Bonds issued pursuant to the Master Ordinance for the purpose of financing any Capital Costs of the Metro East Transfer Station, shall be System Bonds and shall constitute a single Series, all as defined in and within the meaning of the Master Ordinance.

(c) **Limited Obligations.** The Metro East Transfer Station Bonds and all obligations of the Issuer under or with respect to the Metro East Transfer Station Bonds and this 1990 Supplemental System Ordinance shall be and remain limited obligations of the Issuer payable solely and only out of the System Trust Estate. No recourse shall be had against any properties, funds or assets of the Issuer (other than the System Trust Estate) for the payment of

any amounts owing under or with respect to the Metro East Transfer Station Bonds or this 1990 Supplemental System Ordinance. Neither the Metro East Transfer Station Bonds, this 1990 Supplemental System Ordinance nor the obligations of the Issuer under or with respect thereto constitute or create an indebtedness of the Issuer within the meaning of any constitutional or statutory debt limitation.

(d) Tax-Exempt Obligations. The Metro East Transfer Station Bonds are issued as, and are intended to be, Tax-Exempt Obligations.

Section 202. Interest Rates, Maturity Dates, Serial Bonds, Term Bonds and Mandatory Redemption Schedules for the Metro East Transfer Station Bonds. The Metro East Transfer Station Bonds shall bear interest at such rate or rates and mature on such dates and in such principal amounts as shall be established and determined by the Executive Officer upon the sale thereof as provided in and pursuant to Section 401 hereof; *provided that* in no event shall the final maturity date of the Metro East Transfer Station Bonds be later than January 1, 2014. The aggregate principal amounts of the Metro East Transfer Station Bonds to be issued as Term Bonds and Serial Bonds and the Mandatory Redemption Schedule for the Metro East Transfer Station Bonds issued as Term Bonds shall be established and determined by the Executive Officer upon the sale of the Metro East Transfer Station Bonds as provided in and pursuant to Section 401 hereof.

Section 203. Denominations; Dating; Interest Accrual; Computation of Interest; Payments Due on Holidays; Book-Entry System; Form of Bonds.

(a) Denominations, Numbering and Dating. The Metro East Transfer Station Bonds shall be issued in Authorized Denominations. Each Metro East Transfer Station Bond shall be dated as of the first day of the month in which such bonds are issued. Each Metro East Transfer Station Bond also shall bear its date of authentication as noted thereon by the Master Trustee and shall be numbered consecutively in the order in which it is authenticated by the Master Trustee.

(b) Interest Accrual. Each Metro East Transfer Station Bond shall bear interest from the Interest Payment Date to which interest has been paid next preceding the date of its authentication, unless the date of its authentication:

(i) is an Interest Payment Date to which interest on such Metro East Transfer Station Bond has been paid, in which event such Metro East Transfer Station Bond shall bear interest from its date of authentication; or

(ii) is prior to the first Interest Payment Date for the Metro East Transfer Station Bond, in which event, such Metro East Transfer Station Bond shall bear interest from its date.

(c) Payments Due on Holidays. Interest on the Metro East Transfer Station Bonds shall be due and payable on each Interest Payment Date for such bonds; *provided that* whenever a payment of principal of, premium (if any) or interest on a Metro East Transfer Station Bond is due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day with the same force and effect as if made on the stated due date.

(d) Computation of Interest. Interest on the Metro East Transfer Station Bonds shall be computed on the basis of a 360-day year of twelve 30-day months.

(e) Method of Payment. Payments of interest on the Metro East Transfer Station Bonds shall be made to the registered Owners thereof (as determined at the close of business on the Record Date next preceding the related Interest Payment Date) by Wire Transfer (if requested in writing of the Master Trustee by an Owner of not less than

\$1,000,000 aggregate principal amount of Metro East Transfer Station Bonds not less than five days prior to the applicable Interest Payment Date) or by check or draft mailed on the Interest Payment Date to the address of each such Owner as it appears on the registration books of the Issuer maintained by the Master Trustee as Bond Registrar, or to such other address as may be furnished in writing to the Master Trustee prior to the applicable Record Date by such registered Owner.

Payment of the principal of and redemption premium (if any) on the Metro East Transfer Station Bonds shall be made only upon presentation and surrender of such Metro East Transfer Station Bonds on or after the maturity or redemption date, as appropriate, at the principal corporate trust office of the Master Trustee.

(f) Provisions for Book-Entry System. The Metro East Transfer Station Bonds will be subject to a Book-Entry System of ownership and transfer, except as provided in (iii) below. The general provisions for effecting such Book-Entry System are as follows:

(i) The Issuer hereby designates The Depository Trust Company, New York, New York, as the initial Securities Depository hereunder.

(ii) Notwithstanding the provisions regarding exchange and transfer of Metro East Transfer Station Bonds under the Master Ordinance, the Metro East Transfer Station Bonds shall initially be evidenced by one certificate for each maturity (including one certificate for each principal amount due pursuant to a Mandatory Redemption Schedule), in an amount equal to the aggregate principal amount thereof. The Metro East Transfer Station Bonds so initially delivered shall be registered in the name of "Cede & Co." as nominee for The Depository Trust Company. The Metro East Transfer Station Bonds may not thereafter be transferred or exchanged on the registration books of the Issuer held by the Master Trustee as Bond Registrar except:

(A) to any successor Securities Depository designated pursuant to (iii) below;

(B) to any successor nominee designated by a Securities Depository; or

(C) if the Issuer shall, by resolution, elect to discontinue the Book-Entry System pursuant to (iii) below, the Issuer will cause the Master Trustee to authenticate and deliver replacement Metro East Transfer Station Bonds in fully registered form in Authorized Denominations in the names of the beneficial Owners or their nominees; thereafter the provisions of the Master Ordinance regarding registration, transfer and exchange of Metro East Transfer Station Bonds shall apply.

(iii) Upon the resignation of any institution acting as Securities Depository hereunder, or if the Issuer determines that continuation of any institution in the role of Securities Depository is not in the best interests of the Beneficial Owners, the Issuer will attempt to identify another institution qualified to act as Securities Depository hereunder or will discontinue the Book-Entry System by resolution. If the Issuer is unable to identify such successor Securities Depository prior to the effective date of the resignation, the Issuer shall discontinue the Book-Entry System, as provided in (ii)(C) above.

(iv) So long as the Book-Entry System is used for the Metro East Transfer Station Bonds, the Master Trustee will give any notice of redemption or any other notices required to be given to Owners of Metro East Transfer Station Bonds only to the Securities Depository or its nominee registered as the Owner thereof. Any failure of the Securities Depository to advise any of its Participants, or of any Participant to notify the Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of the Metro East Transfer Station Bonds called for redemption or of any other action premised on such notice. Neither the Issuer nor the Master Trustee is responsible or liable for the failure of the

Securities Depository or any Participant thereof to make any payment or give any notice to a Beneficial Owner in respect of the Metro East Transfer Station Bonds or any error or delay relating thereto.

(g) **Form of Bonds.** The Metro East Transfer Station Bonds shall be issued in substantially the form attached hereto as the Bond Form Appendix but with such appropriate modifications, changes, additions and deletions as may be necessary or appropriate and not inconsistent with the provisions of this 1990 Supplemental System Ordinance or applicable law.

Section 204. Redemption Provisions.

(a) **Redemption Pursuant to Mandatory Redemption Schedule(s).** The Metro East Transfer Station Bonds issued as Term Bonds shall be subject to mandatory redemption prior to maturity in such principal amounts and on such Mandatory Redemption Dates as shall be established pursuant to the applicable Mandatory Redemption Schedule, any such redemption to be at a redemption price equal to 100% of the principal amount to be redeemed plus accrued and unpaid interest thereon through the date fixed for redemption thereof. The principal amount of Metro East Transfer Station Bonds required to be redeemed pursuant to this Section on any particular date is herein called the "Mandatory Redemption Amount" for such date; and "Mandatory Redemption Date" shall mean the Interest Payment Date(s) in each calendar year as shall be selected by the Executive Officer pursuant to Section 401 hereof.

(b) **Optional Redemption.** The Metro East Transfer Station Bonds shall be subject to redemption at the option of the Issuer, in whole or in part, on such dates as shall be established and determined by the Executive Officer upon the sale thereof as provided in Section 401 hereof, any such redemption to be at a price equal to 100% of the principal amount to be redeemed plus accrued and unpaid interest thereon through the date fixed for redemption thereof plus any applicable premium as may be established and determined by the Executive Officer upon the sale thereof as provided in Section 401 hereof.

ARTICLE III

DEPOSIT AND APPLICATION OF BOND PROCEEDS; ESTABLISHMENT AND OPERATION OF ACCOUNTS

Section 301. Establishment of Accounts; Purpose. There are hereby established with the Master Trustee the following account:

(i) the Metro East Transfer Station Construction Account, which shall be a special subaccount of the System Construction Account;

(ii) the Metro East Transfer Station Reserve Account, which shall be a special subaccount of the System Reserve Account;

(iii) the Metro East Transfer Station Debt Service Account, which shall be a special subaccount of the System Debt Service Account;

(iv) the Metro East Transfer Station Rebate Account, which shall be a special subaccount of the

System Rebate Account; and

(v) the Metro East Transfer Station Refunding Account, which shall be a special subaccount of the System Construction Account.

The foregoing special subaccounts of the System Construction Account, the System Debt Service Account, the System Reserve Account and the System Rebate Account are being created in connection with the issuance and sale of the Metro East Transfer Station Bonds solely to facilitate the compliance by the Issuer with the provisions of Section 513 of the Master Ordinance with respect to the Metro East Transfer Station Bonds. Neither the creation, existence nor deposit or retention of any funds in such subaccounts is intended to confer on the Owners of the Metro East Transfer Station Bonds any privilege, priority, preference, superior right or special security of any kind whatsoever in or with respect to such subaccounts or funds held therein not enjoyed by the Owners of other System Bonds of any Series hereafter issued. The moneys on deposit from time to time in the Metro East Transfer Station Reserve Account, the Metro East Transfer Station Debt Service Account, the Metro East Transfer Station Rebate Account, and the Metro East Transfer Station Construction Account shall be used, applied and invested in the manner and subject to the conditions and limitations set forth in the Master Ordinance with respect to moneys on deposit in the System Account of which such Accounts are a part. The moneys on deposit from time to time in the Metro East Transfer Station Refunding Account shall be used and applied in the manner and for the purposes set forth in Section 303 hereof.

Section 302. Use of Metro East Transfer Station Bond Proceeds. The proceeds of sale of the Metro East Transfer Station Bonds shall, as soon as practicable upon the delivery thereof to the Master Trustee, be applied as follows:

(a) an amount equal to the accrued interest paid by the initial purchasers of the Metro East Transfer Station Bonds shall be deposited in the Metro East Transfer Station Debt Service Account;

(b) an amount equal to the System Reserve Requirement shall be deposited in the Metro East Transfer Station Reserve Account; *provided that*, if so determined by the Executive Officer pursuant to Section 401 hereof, in lieu of funding the System Reserve Requirement in full out of the proceeds of the Metro East Transfer Station Bonds, the System Reserve Requirement may be met in whole or in part by means of a Credit Facility provided to the Master Trustee on the date of issuance of the Metro East Transfer Station Bonds, and in such event an amount of the Metro East Transfer Station Bond proceeds sufficient to pay the cost of acquiring such Credit Facility shall be promptly applied by the Master Trustee to the payment of such costs as directed in writing by the Issuer and if such Credit Facility is not sufficient to fully satisfy the System Reserve Requirement, then proceeds of the Metro East Transfer Station Bonds shall be deposited by the Master Trustee in the Metro East Transfer Station Reserve Account in an amount which, when added to the amount available to be drawn by the Master Trustee under such Credit Facility, shall equal the System Reserve Requirement;

(c) such amount as shall be specified by the Issuer in writing to the Master Trustee upon the date of issuance and delivery of the Metro East Transfer Station Bonds shall be deposited in the Metro East Transfer Station Refunding Account; and

(d) the balance shall be deposited in the Metro East Transfer Station Construction Account and disbursed in accordance with the terms of the Master Ordinance to pay the Capital Costs of the Metro East Transfer Station; *provided that* if, for any reason, the moneys so deposited in the Metro East Transfer Station Construction Account (including the investment earnings thereon) are not fully expended for the payment of the Capital Costs of the Metro East Transfer Station, then and in such event the Issuer may apply such moneys and investment earnings to any lawful purpose relating to the System so long as the Issuer first causes to be delivered to the Master Trustee an opinion of Bond Counsel to the effect that such

application will not adversely affect the excludability from gross income for federal income tax purposes of the interest on the Metro East Transfer Station Bonds.

Section 303. The Metro East Transfer Station Refunding Account. The moneys on deposit in the Metro East Transfer Station Refunding Account shall be applied for the purpose of prepaying, in accordance with the written instructions of the Authorized Issuer Representative, the DEQ Loans. Any moneys remaining on deposit in the Metro East Transfer Station Refunding Account following the payment in full of all amounts owing under the DEQ Loans shall be transferred to the Metro East Transfer Station Construction Account.

Section 304. Investment of Moneys in Accounts. All moneys on deposit from time to time in the Accounts established pursuant to this 1990 Supplemental System Ordinance shall be invested in such Permitted Investments as the Authorized Issuer Representative shall specify in writing from time to time to the Master Trustee.

ARTICLE IV

MISCELLANEOUS

Section 401. Sale of Metro East Transfer Station Bonds; Authorization of Other Acts. The Metro East Transfer Station Bonds shall be sold in a negotiated sale to the Underwriters as provided in this Section 401. The Executive Officer of the Issuer is hereby authorized, empowered and directed, for and on behalf of the Issuer, to determine and establish the following terms of and other matters relating to the Metro East Transfer Station Bonds subject to the limitations set forth below:

(a) the aggregate principal amount of the Metro East Transfer Station Bonds, provided that in no event shall the aggregate principal amount of the Metro East Transfer Station Bonds exceed the sum of \$28,500,000;

(b) the aggregate principal amount of Metro East Transfer Station Bonds to be issued as Term Bonds and the maturity date or dates of such Term Bonds;

(c) the aggregate principal amount of Metro East Transfer Station Bonds to be issued as Serial Bonds and the maturity dates of such Serial Bonds;

(d) the Mandatory Redemption Schedule(s) and the related Mandatory Redemption Dates for the Metro East Transfer Station Bonds to be issued as Term Bonds;

(e) the rates of interest to be applicable to the Metro East Transfer Station Bonds of each maturity;

(f) the first Interest Payment Date for the Metro East Transfer Station Bonds; and

(g) the price at which the Metro East Transfer Station Bonds are to be sold to the Underwriters;

The Executive Officer of the Issuer is further authorized, empowered and directed, for and on behalf of the Issuer, to determine whether the System Reserve Requirement shall be met in whole or in part by means of a Credit Facility and to determine and establish such other terms of and other matters relating to the Metro East Transfer

Station Bonds as may be necessary or appropriate and not in conflict with the provisions of the Master Ordinance, this 1990 Supplemental System Ordinance or applicable law.

The authority of the Executive Officer of the Issuer to determine and establish the terms of and other matters relating to the Metro East Transfer Station Bonds as provided in this Section shall be exercised by setting forth such terms and other matters as so determined and established in a certificate executed and delivered by the Executive Officer on or prior to the date of issuance and delivery of the Metro East Transfer Station Bonds.

The Contract of Purchase between the Issuer and the Underwriters relating to the Metro East Transfer Station Bonds in substantially the form submitted to the Council of the Issuer in connection with the enactment of this 1990 Supplemental System Ordinance is hereby approved. The Executive Officer, the Deputy Executive Officer and the Director of Finance and Administration of the Issuer, and any one of them, are each hereby authorized, empowered and directed, for and on behalf of the Issuer:

(i) to execute and deliver such Contract of Purchase in substantially the form approved hereby but with such changes, additions and deletions as may be necessary or appropriate and not inconsistent with the terms of this 1990 Supplemental System Ordinance or applicable law;

(ii) to execute and deliver such other documents, instruments, certificates and agreements as may be necessary or appropriate to carry out and consummate the transactions contemplated by this 1990 Supplemental System Ordinance; and

(iii) to do and perform all other acts and things necessary or appropriate to carry out and consummate the transactions contemplated by this 1990 Supplemental System Ordinance.

The distribution by the Underwriters of a preliminary and a final Official Statement describing the Metro East Transfer Station Bonds and matters pertaining thereto is authorized and/or ratified in all respects and the Executive Officer is hereby authorized to sign and deliver such preliminary and final Official Statements to the Underwriters.

The action taken on December 21, 1989 by the Executive Officer in appointing First Interstate Bank of Oregon, N.A. to act as Master Trustee and as 1989 Trustee (as such term is defined in the Issuer's Ordinance No. 89-320) is hereby approved, ratified and confirmed in all respects.

Section 402. Special Tax Covenant Relating to the Management Contract. In light of the existence of the initial Management Contract for the Metro East Transfer Station and the possibility that upon the expiration of said initial Management Contract the Issuer will enter into another Management Contract with respect to the Metro East Transfer Station, the Issuer hereby covenants and agrees that so long as any Metro East Transfer Station Bonds are Outstanding, it will not enter into any Management Contract (howsoever designated) or any other Issuer Agreement relating to the Metro East Transfer Station having such terms and provisions as to cause the interest on the Metro East Transfer Station Bonds to be or become includable for federal income tax purposes in the gross incomes of the Owners thereof.

Section 403. Governing Law. This 1990 Supplemental System Ordinance shall be interpreted governed by and construed under the laws of the State of Oregon, including the Act, as if executed and to be performed wholly within the State of Oregon.

Section 404. Headings Not Binding. The headings in this 1990 Supplemental System Ordinance are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this 1990 Supplemental System Ordinance.

Section 405. Effectiveness of This Ordinance. This 1990 Supplemental System Ordinance shall, except as otherwise provided by law, become effective immediately upon enactment.

This Bond and the rights of the Owner are in all respects subject to and governed by the Ordinance, and the Owner, by acceptance of this Bond, assents to and agrees to be bound by all terms and provisions set forth in the Ordinance.

The Metro East Transfer Station Bonds are being issued to provide funds which, together with other available funds, will be used to: (1) pay part of the cost of acquiring, constructing and equipping the Metro East Transfer Station to be used as part of the Issuer's solid waste disposal system; (2) refund certain outstanding indebtedness relating to the Issuer's solid waste disposal system; (3) make a deposit to the System Reserve Account established under the 1990 Supplemental System Ordinance in an amount equal to the System Reserve Requirement; and (4) pay certain Costs of Issuance incurred in connection with the issuance and sale of the Metro East Transfer Station Bonds. The Metro East Transfer Station Bonds, together with any Additional Bonds hereafter issued under the Master Ordinance, are equally and ratably secured by a pledge of the System Trust Estate, which includes a pledge of the Net Revenues derived by the Issuer from the operation of the System. For a more detailed description of the collateral pledged as security for the Metro East Transfer Station Bonds and the terms of such pledge, reference should be made to the Ordinance. The Metro East Transfer Station Bonds are not in any manner or to any extent a general obligation of the Issuer nor a charge upon any revenues or property of the Issuer not specifically pledged thereto. The Owners of the Metro East Transfer Station Bonds cannot compel the Issuer to levy any taxes for the purpose of paying any amounts owing under the Metro East Transfer Station Bonds. The Metro East Transfer Station Bonds are payable solely and only out of the System Trust Estate pledged thereto.

The Metro East Transfer Station Bonds are subject to mandatory and optional redemption prior to maturity only as provided in the Ordinance.

The Metro East Transfer Station Bonds are issuable as fully registered Bonds without coupons as provided for in the Ordinance. This Bond is transferable by the Owner as provided for in the Ordinance.

No recourse shall be had for the payment of the principal of, or premium, if any, or interest on, any of the Metro East Transfer Station Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained in the Ordinance against any past, present or future councilor, officer, employee or agent of the Issuer, or any successor, under any rule of law of equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such councilor, officer, employee or agent as such is hereby expressly waived and released as a condition of, and in consideration for, the issuance of this Bond.

The Owner shall have no right to enforce the provisions of the Ordinance or to institute action to enforce the covenants therein, or to take any action with respect to any System Event of Default under the Ordinance, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Ordinance. If a System Event of Default (as defined in the Ordinance) occurs, the principal of all Metro East Transfer Station Bonds then outstanding under the Ordinance may be declared due and payable upon the conditions and in the manner and with the effect provided in the Ordinance.

The Issuer, the Master Trustee and any paying agent of the Issuer or the Master Trustee may treat the person in whose name this Bond is registered as the Owner hereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not this Bond be overdue, and neither the Issuer, the Master Trustee nor any paying agent shall be affected by notice to the contrary.

The Ordinance prescribes the manner in which it may be discharged, including a provision that the Metro East Transfer Station Bonds shall be deemed to be paid if cash and/or Government Obligations (as defined in the Ordinance) maturing as to principal and interest in such amounts and at such times as will be such to insure the availability of sufficient moneys to pay the principal of, and premium, if any, and interest on, the Metro East Transfer Station Bonds shall have been deposited with the Master Trustee, after which the Metro East Transfer Station Bonds shall no longer be secured by or entitled to the benefits of the Ordinance, except for the purposes of registration and exchange of Metro East Transfer Station Bonds and of payment from such source.

Reference is hereby made to the Ordinance, copies of which are on file with the Master Trustee, for the provisions, among others, with respect to the nature and extent of the rights, duties and obligations of the Issuer, the Master Trustee and the Owners of the Metro East Transfer Station Bonds, the terms upon which the Metro East Transfer Station Bonds are issued and secured, the collection and disposition of the Net Revenues pledged as security for the Metro East Transfer Station Bonds, the modification, amendment or supplementation of the Ordinance, and other matters, to all of which the Owner assents by the acceptance of this Bond.

Modifications and alterations of the Ordinance or of any supplements thereto may be made only to the extent and in the circumstances permitted by the Ordinance.

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers unto _____

(please insert social security or other tax identification number of assignee)

the within Bond and does hereby irrevocably constitute and appoint _____ as attorney to transfer this Bond on the books kept for registration thereof with the full power of substitution in the premises.

Date:

Note: the signature(s) must correspond with the name(s) as written on the face of this Bond in every particular without enlargement, alteration or any change whatsoever.

Signature Guarantees:

(Bank, Trust Company or NYSE Firm)

(Authorized Officer)

Certification of Ordinance

The undersigned do hereby certify that we are the duly elected or appointed, qualified and acting Presiding Officer of the Council, Clerk of the Council and Executive Officer of the Metropolitan Service District, Counties of Multnomah, Clackamas and Washington, State of Oregon; that the foregoing is a true and complete copy of Ordinance No. 90-321 as enacted by the Council of said district at a regular meeting duly called and held in accordance with law on February 22, 1990; and that the following Councilors voted in favor of said Ordinance:

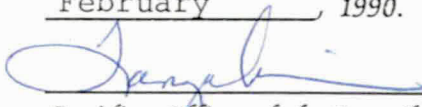
Tanya Collier (Presiding Officer), Gary Hansen (Deputy Presiding Officer)
Mike Ragsdale, Lawrence Bauer, Jim Gardner, Richard Devlin, Tom DeJardin,
George Van Bergen, Judy Wyers, Roger Buchanan and David Knowles

the following Councilors voted against said Ordinance:


None

and the following Councilors abstained from voting on said Ordinance:

In witness whereof, the undersigned have hereunto set their hands as of this 22nd day of
February, 1990.



Presiding Officer of the Council



Clerk of the Council

The undersigned Executive Officer hereby certifies that the foregoing Ordinance has not been
betoed.



Rena Cusma, Executive Officer
Date: March 1, 1990

**Bond Form Appendix
to
Ordinance No. 90-321**

EXHIBIT A

REQUISITION CERTIFICATE

TO: First Interstate Bank of Oregon, N.A., Master Trustee

FROM: Metropolitan Service District (the 'Issuer')

SUBJECT: \$_____ Metropolitan Service District Waste Disposal System Revenue Bonds (Metro East Transfer Station Project), 1990 Series A

This represents Requisition Certificate No. _____ in the total amount of \$_____ to pay those costs of the Metro East Transfer Station detailed in the schedule attached.

The undersigned does certify that:

1. The expenditures for which moneys are requisitioned hereby represent proper charges against the Metro East Transfer Station Construction Account for the subject Metro East Transfer Station Bond issue, have not been included in a previous requisition and have been properly recorded on the Issuer's books. The expenditures for which moneys are hereby requisitioned are set forth in the schedule attached hereto.
2. The moneys requisitioned hereby are not greater than those necessary to meet obligations due and payable or to reimburse the Issuer for its funds actually advanced for costs of the Metro East Transfer Station.
3. All of the funds being requisitioned are being used in a manner which will not cause the interest on the Metro East Transfer Station Bonds to be or become includable for federal income tax purposes in the gross incomes of the Owners thereof.

Executed this ____ day of _____, 19__.

Metropolitan Service District

By: _____
Authorized Issuer Representative

AR-_____

**METROPOLITAN SERVICE DISTRICT
WASTE DISPOSAL SYSTEM REVENUE BONDS
(Metro East Transfer Station Project)
1990 SERIES A**

\$ _____

ORIGINAL ISSUE DATE
March 1, 1990

MATURITY DATE

INTEREST RATE

CUSIP

REGISTERED OWNER:

***** Cede & Co. *****

PRINCIPAL AMOUNT:

DOLLARS

The Metropolitan Service District, a political subdivision organized and existing under the laws of the State of Oregon (the "Issuer"), for value received hereby promises to pay (but only from the sources hereinafter provided and not otherwise) to the Registered Owner of this Bond (the "Owner") the Principal Amount specified above on the Maturity Date specified above together with interest on said Principal Amount at the Interest Rate *per annum* set forth above, with all accrued and unpaid interest being due and payable on January 1 and July 1 of each year, commencing July 1, 1990. This Bond is one of an authorized series of Bonds (the "Metro East Transfer Station Bonds") being issued pursuant to the provisions of Chapter 268 of the Oregon Revised Statutes, as amended, and certain other provisions of the laws of the State of Oregon (the "Act"), Ordinance No. 89-319 (the "Master Ordinance"), and Ordinance No. 90-321 (the "1990 Supplemental System Ordinance" and, together with the Master Ordinance being herein called the "Ordinance"). All terms used in this Bond but not otherwise defined herein shall have the respective meanings assigned thereto in the Ordinance.

THE TERMS AND CONDITIONS OF THIS BOND ARE CONTINUED ON THE REVERSE SIDE HEREOF, WHICH CONTINUED TERMS AND CONDITIONS SHALL HAVE THE SAME EFFECT AS IF PRINTED ABOVE.

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and laws of the State of Oregon and the Ordinance to have happened, to exist and to have been performed precedent to and in the issuance of this Bond and the Metro East Transfer Station Bonds do exist, have happened and have been performed in regular and due time, form and manner as required by said Constitution, laws and Ordinance; that this Bond and the Metro East Transfer Station Bonds do not exceed any constitutional or statutory limitation or indebtedness; and that provision has been made for the payment of the principal of and interest on this Bond and the Metro East Transfer Station Bonds as provided in the Ordinance.

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Metro East Transfer Station Bonds issued pursuant to the Ordinance.

FIRST INTERSTATE BANK OF OREGON, N.A.
as Master Trustee

By: _____
Its Authorized Officer

Date of Authentication: _____

This Bond shall not be valid or become obligatory for any purpose unless and until it has been authenticated in the space provided below by a duly Authorized Officer of the Master Trustee.

IN WITNESS WHEREOF, THE METROPOLITAN SERVICE DISTRICT has caused this Bond to be signed by means of the manual or facsimile signatures of its Presiding Officer and Executive Officer, all as of the Original Issue Date set forth above.

METROPOLITAN SERVICE DISTRICT

Presiding Officer

Executive Officer



METRO

2000 S.W. First Avenue
Portland, OR 97201-5398
503/221-1646

Memorandum

DATE: February 23, 1990

TO: Rena Cusma, Executive Officer

FROM: Gwen Ware-Barrett, ^{AWB} Acting Clerk of the Council

RE: TRANSMITTAL OF ORDINANCE NOS. 90-321 and 90-328A FOR
CONSIDERATION OF VETO

Attached for your consideration are true copies of Ordinance No. 90-321, An Ordinance Enacted as a Supplemental Ordinance to Ordinance No. 89-319; Establishing a Plan for Financing the Metro East Transfer Station to Serve as a Part of the Metropolitan Service District's Solid Waste Disposal System; Authorizing the Issuance of the Metro East Transfer Station Bonds for Such Purpose; and Establishing and Determining Other Matters in Connection Therewith; and Ordinance No. 90-328A, An Ordinance Amending Ordinance No. 89-294A Revising the FY 1989-90 Schedule for the Purpose of Adding a Construction Coordinator Position in the Solid Waste Department. The Metro Council adopted both ordinances February 22, 1990.

If you wish to veto either of these ordinances, I must receive a signed and dated written veto message from you no later than 5:00 p.m., Thursday, March 1, 1990. The veto message, if submitted, will become part of the permanent record. If no veto message is received by the time stated above, the ordinances will be considered finally adopted.

I, Kathleen S. Barrett, received this memo and a true copy of Ordinance Nos. 90-321 and 90-328A from the Council Clerk February 23, 1990.

Dated: 2/23/90

GPWB:pa
#1C:\MEM.ORD



METRO

2000 SW First Avenue
Portland, OR 97201-5398
(503) 221-1646
Fax 241-7417

January 19, 1990

The Honorable Tanya Collier
Council Presiding Officer
Metropolitan Service District
2000 S. W. First Avenue
Portland, OR 97201-5398

Dear Presiding Officer Collier:

Re: Ordinance No. 90-321

Executive Officer
Rena Cusma

Metro Council

Mike Ragsdale
Presiding Officer
District 1

Gary Hansen
Deputy Presiding
Officer
District 12

Lawrence Bauer
District 2

Jim Gardner
District 3

Richard Devlin
District 4

Tom DeJardin
District 5

George Van Bergen
District 6

Ruth McFarland
District 7

Judy Wyers
District 8

Tanya Collier
District 9

Roger Buchanan
District 10

David Knowles
District 11

After the Council Solid Waste Committee acted to recommend that the Council adopt Ordinance No. 90-321, the Director of the Department of Finance & Administration advised me that the amount of bonds authorized in Ordinance No. 90-321 would be insufficient to finance both the Metro East Station and to repay the outstanding loans to the DEQ as provided for in the bond ordinance. This resulted from the failure of Department staff to include the amount of the DEQ loans in the amounts to be paid.

Because notice has been published for the required public hearing for the issuance of revenue bonds for the Council meeting on January 25, 1990, it is my recommendation that the Council hold the required public hearing on this ordinance, as indicated in the public notice. After conducting the public hearing the ordinance should be re-referred to the Solid Waste Committee so the Committee can have the full opportunity to discuss and make its recommendation on the necessary changes to the ordinance to correct the error that has occurred.

The necessary delay will not have an adverse affect on the District since the present schedule for issuance of these bonds already projects that the issuance date will be delayed beyond the first Council meeting in February for other reasons.

Yours very truly,

Daniel B. Cooper,
General Counsel

gl₁₀₂₃

Ordinance No. 90-321

The Council of the Metropolitan Service District

An ordinance enacted as a Supplemental Ordinance to Ordinance No. 89-319; establishing a plan for financing the Metro East Transfer Station to serve as a part of the Metropolitan Service District's solid waste disposal system; authorizing the issuance of the Metro East Transfer Station Bonds for such purpose; and establishing and determining other matters in connection therewith.

Enacted on February 8, 1990

Prepared by:

*Stoel Rives Boley Jones & Grey,
Bond Counsel*

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[Note: This Table of Contents is provided solely for the convenience of the reader and does not constitute a part of this Ordinance.]

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Metropolitan Service District
Counties of Multnomah, Clackamas and Washington
State of Oregon

Ordinance No. 90-321

An ordinance enacted as a Supplemental Ordinance to Ordinance No. 89-319; establishing a plan for financing the Metro East Transfer Station to serve as a part of the Metropolitan Service District's solid waste disposal system; authorizing the issuance of the Metro East Transfer Station Bonds for such purpose; and establishing and determining other matters in connection therewith.

Be it enacted by the Council of the Metropolitan Service District:

Section A. Findings. The Council (the "Council") of the Metropolitan Service District, a political subdivision organized and existing under the laws of the State of Oregon (the "Issuer"), hereby finds and determines as follows:

(a) Pursuant to and in accordance with the provisions of Oregon Revised Statutes Chapter 268 (the "Act") and related provisions of the Oregon Revised Statutes, the Issuer is responsible for and now operates a solid waste disposal system (as more particularly described in the Master Ordinance referred to below, the "System") for the purpose of managing and disposing of solid waste (as such terms are used in the Act) generated within and without the Service Area (as defined in the Master Ordinance referred to below).

(b) Pursuant to the provisions of the Act and other applicable provisions of law, the Issuer is authorized to issue revenue bonds to finance landfills, transfer facilities, resource recovery facilities and other improvements, facilities and equipment necessary or desirable for the System regardless of whether such improvements, facilities and equipment are to be owned by the Issuer or any other person and regardless of whether such improvements, facilities or equipment are to be located within or without the jurisdictional boundaries of the Issuer.

(c) The Issuer has enacted Ordinance No. 89-319 (the "Master Ordinance") in order to establish a plan for

financing from time to time various components and other fiscal needs of the System and authorizing the issuance of one or more series of revenue bonds for such purpose under the provisions of supplemental ordinances adopted pursuant to the Master Ordinance.

(d) In order to refinance the DEQ Loans (as herein defined) and to finance the acquisition, construction and installation of the Metro East Transfer Station (as more particularly described herein), which Metro East Transfer Station will be owned by the Issuer and initially operated by Trans Industries, a joint venture of Browning-Ferris Industries of Oregon, Inc., an Oregon corporation, and Transwaste, Inc., an Oregon corporation (said joint venture or any other person or entity hereafter acting as the operator of the Metro East Transfer Station being herein called the "Operator") and used in the operation of the System, the Issuer has determined to issue pursuant to and as authorized by the Act its Waste Disposal System Revenue Bonds (Metro East Transfer Station Project), 1990 Series A (the "Metro East Transfer Station Bonds") in an aggregate principal amount of not to exceed \$28,500,000, as a Series of System Bonds under and as defined in the Master Ordinance, and is enacting this Ordinance No. 90-321 (the "1990 Supplemental System Ordinance") to establish and determine the terms and conditions of the Metro East Transfer Station Bonds, to secure the repayment of the Metro East Transfer Station Bonds and to set forth, establish and determine other matters relevant to the Metro East Transfer Station Bonds.

ARTICLE I

DEFINITIONS

Section 101. Terms Defined in Master Ordinance; Conflicting Definitions. All terms used herein and not otherwise defined herein shall have the same meanings assigned thereto in the Master Ordinance. In the event of any conflict between the definition of a term as set forth in the Master Ordinance and the definition of that same term as set forth herein, then unless the Master Ordinance expressly allows the definition of such term to be controlled or varied by a Supplemental Ordinance or unless otherwise expressly provided herein, the definition of such term as set forth in the Master Ordinance shall govern and control for all purposes of this 1990 Supplemental System Ordinance.

Section 102. Definitions. As used in this 1990 Supplemental System Ordinance, the following terms shall have the respective meanings set forth below:

"Authorized Denomination" means, with respect to the Metro East Transfer Station Bonds, \$5,000 or any integral multiple thereof.

"Beneficial Owners" shall mean, whenever used with respect to a Metro East Transfer Station Bond, the person or entity in whose name such Metro East Transfer Station Bond is recorded as the beneficial owner of such Metro East Transfer Station Bond by a Participant on the records of such Participant pursuant to the arrangements for book-entry determination of ownership applicable to the Securities Depository.

"Bond Registrar" means, with respect to the Metro East Transfer Station Bonds, the Master Trustee.

"Book-Entry System" shall mean that system whereby the clearance and settlement of securities transactions is made through electronic book-entry changes, thereby eliminating the need of physical movement of securities.

"Business Day" means, with respect to the Metro East Transfer Station Bonds, any day which is not a Saturday, Sunday or holiday or day upon which the principal corporate trust office of the Master Trustee is closed.

"Cede & Co." shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Metro East Transfer Station Bonds.

"DEQ Loans" means the following loans made by the Oregon Department of Environmental Quality to the Issuer:

(i) the loan pursuant to ORS 468.220 for Project Number SWC 118 pursuant to an Offer and Acceptance of State Financial Assistance dated May 18, 1981; and

(ii) the loan pursuant to ORS 468.220 for Project Number SWC 115 pursuant to an Offer and Acceptance of State Financial Assistance dated April 21, 1977.

"DTC" shall mean The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns.

"Interest Payment Date(s)" means, with respect to the Metro East Transfer Station Bonds, each January 1 and July 1 of each year, commencing with the first such date following the issuance of such bonds or, if so determined by the Executive Officer pursuant to the authority conferred thereon pursuant to Section 401 hereof, the second such date following the date of issuance of such bonds.

"Management Contract" means, at any particular time, the Issuer Agreement, if any, then in effect between the Issuer and the Operator pursuant to which the Operator undertakes to ~~manage and~~ operate the Metro East Transfer Station, the initial Management Contract being that certain Metro East Transfer Station Service Operation Agreement dated as of December 8, 1989 by and between the Issuer and Trans Industries, a joint venture of Browning-Ferris Industries of Oregon, Inc., an Oregon corporation, and Transwaste, Inc., an Oregon corporation.

"Mandatory Redemption Amount" shall have the meaning assigned thereto in Section 204(a) hereof.

"Mandatory Redemption Date(s)" shall have the meaning assigned thereto in Section 204(a) hereof.

"Mandatory Redemption Schedule" means, with respect to the Metro East Transfer Station Bonds issued hereunder as Term Bonds, the mandatory redemption schedule established and determined therefor by the Executive Officer pursuant to the authority conferred thereon under Section 401 hereof.

"Metro East Transfer Station" means the waste transfer station to be located at 6161 NW 61st Avenue, Portland, Oregon to be owned by the Issuer and used as part of the System.

"Metro East Transfer Station Bonds" means the Issuer's Waste Disposal System Revenue Bonds (Metro East Transfer Station Project), 1990 Series A authorized to be issued and sold under this 1990 Supplemental System Ordinance in an aggregate principal amount of not to exceed \$28,500,000, together with any Completion Bonds issued pursuant to the Master Ordinance for the purpose of financing any Capital Costs of the Metro East Transfer Station.

"~~Manager~~ Operator" means, at any particular time, the person or entity, if any, then agreeing pursuant to the Management Contract to serve as ~~manager and~~ operator of the Metro East Transfer Station.

"**Participant**" shall mean a broker-dealer, bank or other financial institution for which DTC holds Metro East Transfer Station Bonds as Securities Depository.

"**Paying Agent**" means, with respect to the Metro East Transfer Station Bonds, the Master Trustee.

"**Requisition Certificate**" means, with respect to the Metro East Transfer Station Bonds, a certificate substantially in the form of Exhibit A attached hereto, but with such variations, deletions, insertions and other changes as may be deemed necessary or appropriate by the Executive Officer.

"**Securities Depository**" shall mean, initially, The Depository Trust Company, New York, New York, and its successors and replacement securities depository appointed hereunder.

"**Underwriters**" means PaineWebber Incorporated, Shearson Lehman Hutton Inc. and Dean Witter Reynolds Inc.

ARTICLE II

AUTHORIZATION, ISSUANCE AND PROVISIONS OF METRO EAST TRANSFER STATION BONDS

Section 201. Authorization of Metro East Transfer Station Bonds; Limited Obligations.

(a) **Principal Amount.** The Metro East Transfer Station Bonds are hereby authorized to be issued in an aggregate principal amount not to exceed \$28,500,000 for the purposes enumerated in the recitals hereto; provided that, for purposes of the foregoing, in the event any Metro East Transfer Station Bonds are issued and sold at an original issue discount, such original issue discount shall not, for purposes of the amount of Metro East Transfer Station Bonds authorized to be issued hereunder, be deemed to be a part of the principal amount thereof, it being the intent hereof that the stated principal amount of the Metro East Transfer Station Bonds less any such original issue discount shall not exceed \$28,500,000. The Metro East Transfer Station Bonds shall be issued in a single series, such series to be designated "Metropolitan Service District Waste Disposal System Revenue Bonds (Metro East Transfer Station Project), 1990 Series A".

(b) **Metro East Transfer Station Bonds to Constitute System Bonds of a Single Series Under Master Ordinance.** The Metro East Transfer Station Bonds, together with any Completion Bonds issued pursuant to the Master Ordinance for the purpose of financing any Capital Costs of the Metro East Transfer Station, shall be System Bonds and shall constitute a single Series, all as defined in and within the meaning of the Master Ordinance.

(c) **Limited Obligations.** The Metro East Transfer Station Bonds and all obligations of the Issuer under or with respect to the Metro East Transfer Station Bonds and this 1990 Supplemental System Ordinance shall be and remain limited obligations of the Issuer payable solely and only out of the System Trust Estate. No recourse shall be had against any properties, funds or assets of the Issuer (other than the System Trust Estate) for the payment of

any amounts owing under or with respect to the Metro East Transfer Station Bonds or this 1990 Supplemental System Ordinance. Neither the Metro East Transfer Station Bonds, this 1990 Supplemental System Ordinance nor the obligations of the Issuer under or with respect thereto constitute or create an indebtedness of the Issuer within the meaning of any constitutional or statutory debt limitation.

(d) Tax-Exempt Obligations. The Metro East Transfer Station Bonds are issued as, and are intended to be, Tax-Exempt Obligations.

Section 202. Interest Rates, Maturity Dates, Serial Bonds, Term Bonds and Mandatory Redemption Schedules for the Metro East Transfer Station Bonds. The Metro East Transfer Station Bonds shall bear interest at such rate or rates and mature on such dates and in such principal amounts as shall be established and determined by the Executive Officer upon the sale thereof as provided in and pursuant to Section 401 hereof; *provided that* in no event shall the final maturity date of the Metro East Transfer Station Bonds be later than January 1, 2014. The aggregate principal amounts of the Metro East Transfer Station Bonds to be issued as Term Bonds and Serial Bonds and the Mandatory Redemption Schedule for the Metro East Transfer Station Bonds issued as Term Bonds shall be established and determined by the Executive Officer upon the sale of the Metro East Transfer Station Bonds as provided in and pursuant to Section 401 hereof.

Section 203. Denominations; Dating; Interest Accrual; Computation of Interest; Payments Due on Holidays; Book-Entry System; Form of Bonds.

(a) Denominations, Numbering and Dating. The Metro East Transfer Station Bonds shall be issued in Authorized Denominations. Each Metro East Transfer Station Bond shall be dated as of the first day of the month in which such bonds are issued. Each Metro East Transfer Station Bond also shall bear its date of authentication as noted thereon by the Master Trustee and shall be numbered consecutively in the order in which it is authenticated by the Master Trustee.

(b) Interest Accrual. Each Metro East Transfer Station Bond shall bear interest from the Interest Payment Date to which interest has been paid next preceding the date of its authentication, unless the date of its authentication:

(i) is an Interest Payment Date to which interest on such Metro East Transfer Station Bond has been paid, in which event such Metro East Transfer Station Bond shall bear interest from its date of authentication; or

(ii) is prior to the first Interest Payment Date for the Metro East Transfer Station Bond, in which event, such Metro East Transfer Station Bond shall bear interest from its date.

(c) Payments Due on Holidays. Interest on the Metro East Transfer Station Bonds shall be due and payable on each Interest Payment Date for such bonds; *provided that* whenever a payment of principal of, premium (if any) or interest on a Metro East Transfer Station Bond is due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day with the same force and effect as if made on the stated due date.

(d) Computation of Interest. Interest on the Metro East Transfer Station Bonds shall be computed on the basis of a 360-day year of twelve 30-day months.

(e) Method of Payment. Payments of interest on the Metro East Transfer Station Bonds shall be made to the registered Owners thereof (as determined at the close of business on the Record Date next preceding the related Interest Payment Date) by Wire Transfer (if requested in writing of the Master Trustee by an Owner of not less than

\$1,000,000 aggregate principal amount of Metro East Transfer Station Bonds not less than five days prior to the applicable Interest Payment Date) or by check or draft mailed on the Interest Payment Date to the address of each such Owner as it appears on the registration books of the Issuer maintained by the Master Trustee as Bond Registrar, or to such other address as may be furnished in writing to the Master Trustee prior to the applicable Record Date by such registered Owner.

Payment of the principal of and redemption premium (if any) on the Metro East Transfer Station Bonds shall be made only upon presentation and surrender of such Metro East Transfer Station Bonds on or after the maturity or redemption date, as appropriate, at the principal corporate trust office of the Master Trustee.

(f) Provisions for Book-Entry System. The Metro East Transfer Station Bonds will be subject to a Book-Entry System of ownership and transfer, except as provided in (iii) below. The general provisions for effecting such Book-Entry System are as follows:

(i) The Issuer hereby designates The Depository Trust Company, New York, New York, as the initial Securities Depository hereunder.

(ii) Notwithstanding the provisions regarding exchange and transfer of Metro East Transfer Station Bonds under the Master Ordinance, the Metro East Transfer Station Bonds shall initially be evidenced by one certificate for each maturity (including one certificate for each principal amount due pursuant to a Mandatory Redemption Schedule), in an amount equal to the aggregate principal amount thereof. The Metro East Transfer Station Bonds so initially delivered shall be registered in the name of "Cede & Co." as nominee for The Depository Trust Company. The Metro East Transfer Station Bonds may not thereafter be transferred or exchanged on the registration books of the Issuer held by the Master Trustee as Bond Registrar except:

(A) to any successor Securities Depository designated pursuant to (iii) below;

(B) to any successor nominee designated by a Securities Depository; or

(C) if the Issuer shall, by resolution, elect to discontinue the Book-Entry System pursuant to (iii) below, the Issuer will cause the Master Trustee to authenticate and deliver replacement Metro East Transfer Station Bonds in fully registered form in Authorized Denominations in the names of the Beneficial Owners or their nominees; thereafter the provisions of the Master Ordinance regarding registration, transfer and exchange of Metro East Transfer Station Bonds shall apply. slc

(iii) Upon the resignation of any institution acting as Securities Depository hereunder, or if the Issuer determines that continuation of any institution in the role of Securities Depository is not in the best interests of the Beneficial Owners, the Issuer will attempt to identify another institution qualified to act as Securities Depository hereunder or will discontinue the Book-Entry System by resolution. If the Issuer is unable to identify such successor Securities Depository prior to the effective date of the resignation, the Issuer shall discontinue the Book-Entry System, as provided in (ii)(C) above.

(iv) So long as the Book-Entry System is used for the Metro East Transfer Station Bonds, the Master Trustee will give any notice of redemption or any other notices required to be given to Owners of Metro East Transfer Station Bonds only to the Securities Depository or its nominee registered as the Owner thereof. Any failure of the Securities Depository to advise any of its Participants, or of any Participant to notify the Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of the Metro East Transfer Station Bonds called for redemption or of any other action premised on such notice. Neither the Issuer nor the Master Trustee is responsible or liable for the failure of the

Securities Depository or any Participant thereof to make any payment or give any notice to a Beneficial Owner in respect of the Metro East Transfer Station Bonds or any error or delay relating thereto.

(g) **Form of Bonds.** The Metro East Transfer Station Bonds shall be issued in substantially the form attached hereto as the Bond Form Appendix but with such appropriate modifications, changes, additions and deletions as may be necessary or appropriate and not inconsistent with the provisions of this 1990 Supplemental System Ordinance or applicable law.

Section 204. Redemption Provisions.

(a) **Redemption Pursuant to Mandatory Redemption Schedule(s).** The Metro East Transfer Station Bonds issued as Term Bonds shall be subject to mandatory redemption prior to maturity in such principal amounts and on such Mandatory Redemption Dates as shall be established pursuant to the applicable Mandatory Redemption Schedule, any such redemption to be at a redemption price equal to 100% of the principal amount to be redeemed plus accrued and unpaid interest thereon through the date fixed for redemption thereof. The principal amount of Metro East Transfer Station Bonds required to be redeemed pursuant to this Section on any particular date is herein called the "Mandatory Redemption Amount" for such date; and "Mandatory Redemption Date" shall mean the Interest Payment Date(s) in each calendar year as shall be selected by the Executive Officer pursuant to Section 401 hereof.

(b) **Optional Redemption.** The Metro East Transfer Station Bonds shall be subject to redemption at the option of the Issuer, in whole or in part, on such dates as shall be established and determined by the Executive Officer upon the sale thereof as provided in Section 401 hereof, any such redemption to be at a price equal to 100% of the principal amount to be redeemed plus accrued and unpaid interest thereon through the date fixed for redemption thereof plus any applicable premium as may be established and determined by the Executive Officer upon the sale thereof as provided in Section 401 hereof.

ARTICLE III

DEPOSIT AND APPLICATION OF BOND PROCEEDS; ESTABLISHMENT AND OPERATION OF ACCOUNTS

Section 301. Establishment of Accounts; Purpose. There are hereby established with the Master Trustee the following account:

(i) the Metro East Transfer Station Construction Account, which shall be a special subaccount of the System Construction Account;

(ii) the Metro East Transfer Station Reserve Account, which shall be a special subaccount of the System Reserve Account;

(iii) the Metro East Transfer Station Debt Service Account, which shall be a special subaccount of the System Debt Service Account;

(iv) the Metro East Transfer Station Rebate Account, which shall be a special subaccount of the

System Rebate Account; and

(v) the Metro East Transfer Station Refunding Account, which shall be a special subaccount of the System Construction Account.

The foregoing special subaccounts of the System Construction Account, the System Debt Service Account, the System Reserve Account and the System Rebate Account are being created in connection with the issuance and sale of the Metro East Transfer Station Bonds solely to facilitate the compliance by the Issuer with the provisions of Section 513 of the Master Ordinance with respect to the Metro East Transfer Station Bonds. Neither the creation, existence nor deposit or retention of any funds in such subaccounts is intended to confer on the Owners of the Metro East Transfer Station Bonds any privilege, priority, preference, superior right or special security of any kind whatsoever in or with respect to such subaccounts or funds held therein not enjoyed by the Owners of other System Bonds of any Series hereafter issued. The moneys on deposit from time to time in the Metro East Transfer Station Reserve Account, the Metro East Transfer Station Debt Service Account, the Metro East Transfer Station Rebate Account, and the Metro East Transfer Station Construction Account shall be used, applied and invested in the manner and subject to the conditions and limitations set forth in the Master Ordinance with respect to moneys on deposit in the System Account of which such Accounts are a part. The moneys on deposit from time to time in the Metro East Transfer Station Refunding Account shall be used and applied in the manner and for the purposes set forth in Section 303 hereof.

Section 302. Use of Metro East Transfer Station Bond Proceeds. The proceeds of sale of the Metro East Transfer Station Bonds shall, as soon as practicable upon the delivery thereof to the Master Trustee, be applied as follows:

(a) an amount equal to the accrued interest paid by the initial purchasers of the Metro East Transfer Station Bonds shall be deposited in the Metro East Transfer Station Debt Service Account;

(b) an amount equal to the System Reserve Requirement shall be deposited in the Metro East Transfer Station Reserve Account; *provided that*, if so determined by the Executive Officer pursuant to Section 401 hereof, in lieu of funding the System Reserve Requirement in full out of the proceeds of the Metro East Transfer Station Bonds, the System Reserve Requirement may be met in whole or in part by means of a Credit Facility provided to the Master Trustee on the date of issuance of the Metro East Transfer Station Bonds, and in such event an amount of the Metro East Transfer Station Bond proceeds sufficient to pay the cost of acquiring such Credit Facility shall be promptly applied by the Master Trustee to the payment of such costs as directed in writing by the Issuer and if such Credit Facility is not sufficient to fully satisfy the System Reserve Requirement, then proceeds of the Metro East Transfer Station Bonds shall be deposited by the Master Trustee in the Metro East Transfer Station Reserve Account in an amount which, when added to the amount available to be drawn by the Master Trustee under such Credit Facility, shall equal the System Reserve Requirement;

(c) such amount as shall be specified by the Issuer in writing to the Master Trustee upon the date of issuance and delivery of the Metro East Transfer Station Bonds shall be deposited in the Metro East Transfer Station Refunding Account; and

(d) the balance shall be deposited in the Metro East Transfer Station Construction Account and disbursed in accordance with the terms of the Master Ordinance to pay the Capital Costs of the Metro East Transfer Station; *provided that if, for any reason, the moneys so deposited in the Metro East Transfer Station Construction Account (including the investment earnings thereon) are not fully expended for the payment of the Capital Costs of the Metro East Transfer Station, then and in such event the Issuer may apply such moneys and investment earnings to any lawful purpose relating to the System so long as the Issuer first causes to be delivered to the Master Trustee an opinion of Bond Counsel to the effect that such*

application will not adversely affect the excludability from gross income for federal income tax purposes of the interest on the Metro East Transfer Station Bonds.

Section 303. The Metro East Transfer Station Refunding Account. The moneys on deposit in the Metro East Transfer Station Refunding Account shall be applied for the purpose of prepaying, in accordance with the written instructions of the Authorized Issuer Representative, the DEQ Loans. Any moneys remaining on deposit in the Metro East Transfer Station Refunding Account following the payment in full of all amounts owing under the DEQ Loans shall be transferred to the Metro East Transfer Station Construction Account.

Section 304. Investment of Moneys in Accounts. All moneys on deposit from time to time in the Accounts established pursuant to this 1990 Supplemental System Ordinance shall be invested in such Permitted Investments as the Authorized Issuer Representative shall specify in writing from time to time to the Master Trustee.

ARTICLE IV

MISCELLANEOUS

Section 401. Sale of Metro East Transfer Station Bonds; Authorization of Other Acts. The Metro East Transfer Station Bonds shall be sold in a negotiated sale to the Underwriters as provided in this Section 401. The Executive Officer of the Issuer is hereby authorized, empowered and directed, for and on behalf of the Issuer, to determine and establish the following terms of and other matters relating to the Metro East Transfer Station Bonds subject to the limitations set forth below:

(a) the aggregate principal amount of the Metro East Transfer Station Bonds, provided that in no event shall the aggregate principal amount of the Metro East Transfer Station Bonds exceed the sum of \$28,500,000;

(b) the aggregate principal amount of Metro East Transfer Station Bonds to be issued as Term Bonds and the maturity date or dates of such Term Bonds;

(c) the aggregate principal amount of Metro East Transfer Station Bonds to be issued as Serial Bonds and the maturity dates of such Serial Bonds;

(d) the Mandatory Redemption Schedule(s) and the related Mandatory Redemption Dates for the Metro East Transfer Station Bonds to be issued as Term Bonds;

(e) the rates of interest to be applicable to the Metro East Transfer Station Bonds of each maturity;

(f) the first Interest Payment Date for the Metro East Transfer Station Bonds; and

(g) the price at which the Metro East Transfer Station Bonds are to be sold to the Underwriters;

The Executive Officer of the Issuer is further authorized, empowered and directed, for and on behalf of the Issuer, to determine whether the System Reserve Requirement shall be met in whole or in part by means of a Credit Facility and to determine and establish such other terms of and other matters relating to the Metro East Transfer

Station Bonds as may be necessary or appropriate and not in conflict with the provisions of the Master Ordinance, this 1990 Supplemental System Ordinance or applicable law.

The authority of the Executive Officer of the Issuer to determine and establish the terms of and other matters relating to the Metro East Transfer Station Bonds as provided in this Section shall be exercised by setting forth such terms and other matters as so determined and established in a certificate executed and delivered by the Executive Officer on or prior to the date of issuance and delivery of the Metro East Transfer Station Bonds.

The Contract of Purchase between the Issuer and the Underwriters relating to the Metro East Transfer Station Bonds in substantially the form submitted to the Council of the Issuer in connection with the enactment of this 1990 Supplemental System Ordinance is hereby approved. The Executive Officer, the Deputy Executive Officer and the Director of Finance and Administration of the Issuer, and any one of them, are each hereby authorized, empowered and directed, for and on behalf of the Issuer:

(i) to execute and deliver such Contract of Purchase in substantially the form approved hereby but with such changes, additions and deletions as may be necessary or appropriate and not inconsistent with the terms of this 1990 Supplemental System Ordinance or applicable law;

(ii) to execute and deliver such other documents, instruments, certificates and agreements as may be necessary or appropriate to carry out and consummate the transactions contemplated by this 1990 Supplemental System Ordinance; and

(iii) to do and perform all other acts and things necessary or appropriate to carry out and consummate the transactions contemplated by this 1990 Supplemental System Ordinance.

The distribution by the Underwriters of a preliminary and a final Official Statement describing the Metro East Transfer Station Bonds and matters pertaining thereto is authorized and/or ratified in all respects and the Executive Officer is hereby authorized to sign and deliver such preliminary and final Official Statements to the Underwriters.

The action taken on December 21, 1989 by the Executive Officer in appointing First Interstate Bank of Oregon, N.A. to act as Master Trustee and as 1989 Trustee (as such term is defined in the Issuer's Ordinance No. 89-320) is hereby approved, ratified and confirmed in all respects.

Section 402. Special Tax Covenant Relating to the Management Contract. In light of the existence of the initial Management Contract for the Metro East Transfer Station and the possibility that upon the expiration of said initial Management Contract the Issuer will enter into another Management Contract with respect to the Metro East ~~Management Contract~~ Transfer Station, the Issuer hereby covenants and agrees that so long as any Metro East Transfer Station Bonds are Outstanding, it will not enter into any Management Contract (howsoever designated) or any other Issuer Agreement relating to the Metro East Transfer Station having such terms and provisions as to cause the interest on the Metro East Transfer Station Bonds to be or become includable for federal income tax purposes in the gross incomes of the Owners thereof.

Section 403. Governing Law. This 1990 Supplemental System Ordinance shall be interpreted governed by and construed under the laws of the State of Oregon, including the Act, as if executed and to be performed wholly within the State of Oregon.

Section 404. Headings Not Binding. The headings in this 1990 Supplemental System Ordinance are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this 1990 Supplemental System Ordinance.

Section 405. Effectiveness of This Ordinance. This 1990 Supplemental System Ordinance shall, except as otherwise provided by law, become effective immediately upon enactment.

EXHIBIT A

REQUISITION CERTIFICATE

TO: First Interstate Bank of Oregon, N.A., Master Trustee

FROM: Metropolitan Service District (the 'Issuer')

SUBJECT: \$_____ Metropolitan Service District Waste Disposal System Revenue Bonds (Metro East Transfer Station Project), 1990 Series A

This represents Requisition Certificate No. _____ in the total amount of \$_____ to pay those costs of the Metro East Transfer Station detailed in the schedule attached.

The undersigned does certify that:

1. The expenditures for which moneys are requisitioned hereby represent proper charges against the Metro East Transfer Station Construction Account for the subject Metro East Transfer Station Bond issue, have not been included in a previous requisition and have been properly recorded on the Issuer's books. The expenditures for which moneys are hereby requisitioned are set forth in the schedule attached hereto.

2. The moneys requisitioned hereby are not greater than those necessary to meet obligations due and payable or to reimburse the Issuer for its funds actually advanced for costs of the Metro East Transfer Station.

3. All of the funds being requisitioned are being used in a manner which will not cause the interest on the Metro East Transfer Station Bonds to be or become includable for federal income tax purposes in the gross incomes of the Owners thereof.

Executed this ____ day of _____, 19__.

Metropolitan Service District

By: _____
Authorized Issuer Representative

**Bond Form Appendix
to
Ordinance No. 90-321**

AR-_____

**METROPOLITAN SERVICE DISTRICT
WASTE DISPOSAL SYSTEM REVENUE BONDS
(Metro East Transfer Station Project)
1990 SERIES A**

\$ _____

ORIGINAL ISSUE DATE
March 1, 1990

MATURITY DATE

INTEREST RATE

CUSIP

REGISTERED OWNER:

***** Cede & Co. *****

PRINCIPAL AMOUNT:

DOLLARS

The Metropolitan Service District, a political subdivision organized and existing under the laws of the State of Oregon (the "Issuer"), for value received hereby promises to pay (but only from the sources hereinafter provided and not otherwise) to the Registered Owner of this Bond (the "Owner") the Principal Amount specified above on the Maturity Date specified above together with interest on said Principal Amount at the Interest Rate *per annum* set forth above, with all accrued and unpaid interest being due and payable on January 1 and July 1 of each year, commencing July 1, 1990. This Bond is one of an authorized series of Bonds (the "Metro East Transfer Station Bonds") being issued pursuant to the provisions of Chapter 268 of the Oregon Revised Statutes, as amended, and certain other provisions of the laws of the State of Oregon (the "Act"), Ordinance No. 89-319 (the "Master Ordinance"), and Ordinance No. 90-321 (the "1990 Supplemental System Ordinance" and, together with the Master Ordinance being herein called the "Ordinance"). All terms used in this Bond but not otherwise defined herein shall have the respective meanings assigned thereto in the Ordinance.

THE TERMS AND CONDITIONS OF THIS BOND ARE CONTINUED ON THE REVERSE SIDE HEREOF, WHICH CONTINUED TERMS AND CONDITIONS SHALL HAVE THE SAME EFFECT AS IF PRINTED ABOVE.

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and laws of the State of Oregon and the Ordinance to have happened, to exist and to have been performed precedent to and in the issuance of this Bond and the Metro East Transfer Station Bonds do exist, have happened and have been performed in regular and due time, form and manner as required by said Constitution, laws and Ordinance; that this Bond and the Metro East Transfer Station Bonds do not exceed any constitutional or statutory limitation or indebtedness; and that provision has been made for the payment of the principal of and interest on this Bond and the Metro East Transfer Station Bonds as provided in the Ordinance.

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Metro East Transfer Station Bonds issued pursuant to the Ordinance.

This Bond shall not be valid or become obligatory for any purpose unless and until it has been authenticated in the space provided below by a duly Authorized Officer of the Master Trustee.

FIRST INTERSTATE BANK OF OREGON, N.A.
as Master Trustee

IN WITNESS WHEREOF, THE METROPOLITAN SERVICE DISTRICT has caused this Bond to be signed by means of the manual or facsimile signatures of its Presiding Officer and Executive Officer, all as of the Original Issue Date set forth above.

By: _____
Its Authorized Officer

METROPOLITAN SERVICE DISTRICT

Date of Authentication: _____

Presiding Officer

Executive Officer

This Bond and the rights of the Owner are in all respects subject to and governed by the Ordinance, and the Owner, by acceptance of this Bond, assents to and agrees to be bound by all terms and provisions set forth in the Ordinance.

The Metro East Transfer Station Bonds are being issued to provide funds which, together with other available funds, will be used to: (1) pay part of the cost of acquiring, constructing and equipping the Metro East Transfer Station to be used as part of the Issuer's solid waste disposal system; (2) refund certain outstanding indebtedness relating to the Issuer's solid waste disposal system; (3) make a deposit to the System Reserve Account established under the 1990 Supplemental System Ordinance in an amount equal to the System Reserve Requirement; and (4) pay certain Costs of Issuance incurred in connection with the issuance and sale of the Metro East Transfer Station Bonds. The Metro East Transfer Station Bonds, together with any Additional Bonds hereafter issued under the Master Ordinance, are equally and ratably secured by a pledge of the System Trust Estate, which includes a pledge of the Net Revenues derived by the Issuer from the operation of the System. For a more detailed description of the collateral pledged as security for the Metro East Transfer Station Bonds and the terms of such pledge, reference should be made to the Ordinance. The Metro East Transfer Station Bonds are not in any manner or to any extent a general obligation of the Issuer nor a charge upon any revenues or property of the Issuer not specifically pledged thereto. The Owners of the Metro East Transfer Station Bonds cannot compel the Issuer to levy any taxes for the purpose of paying any amounts owing under the Metro East Transfer Station Bonds. The Metro East Transfer Station Bonds are payable solely and only out of the System Trust Estate pledged thereto.

The Metro East Transfer Station Bonds are subject to mandatory and optional redemption prior to maturity only as provided in the Ordinance.

The Metro East Transfer Station Bonds are issuable as fully registered Bonds without coupons as provided for in the Ordinance. This Bond is transferable by the Owner as provided for in the Ordinance.

No recourse shall be had for the payment of the principal of, or premium, if any, or interest on, any of the Metro East Transfer Station Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained in the Ordinance against any past, present or future councilor, officer, employee or agent of the Issuer, or any successor, under any rule of law of equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such councilor, officer, employee or agent as such is hereby expressly waived and released as a condition of, and in consideration for, the issuance of this Bond.

The Owner shall have no right to enforce the provisions of the Ordinance or to institute action to enforce the covenants therein, or to take any action with respect to any System Event of Default under the Ordinance, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Ordinance. If a System Event of Default (as defined in the Ordinance) occurs, the principal of all Metro East Transfer Station Bonds then outstanding under the Ordinance may be declared due and payable upon the conditions and in the manner and with the effect provided in the Ordinance.

The Issuer, the Master Trustee and any paying agent of the Issuer or the Master Trustee may treat the person in whose name this Bond is registered as the Owner hereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not this Bond be overdue, and neither the Issuer, the Master Trustee nor any paying agent shall be affected by notice to the contrary.

The Ordinance prescribes the manner in which it may be discharged, including a provision that the Metro East Transfer Station Bonds shall be deemed to be paid if cash and/or Government Obligations (as defined in the Ordinance) maturing as to principal and interest in such amounts and at such times as will be such to insure the availability of sufficient moneys to pay the principal of, and premium, if any, and interest on, the Metro East Transfer Station Bonds shall have been deposited with the Master Trustee, after which the Metro East Transfer Station Bonds shall no longer be secured by or entitled to the benefits of the Ordinance, except for the purposes of registration and exchange of Metro East Transfer Station Bonds and of payment from such source.

Reference is hereby made to the Ordinance, copies of which are on file with the Master Trustee, for the provisions, among others, with respect to the nature and extent of the rights, duties and obligations of the Issuer, the Master Trustee and the Owners of the Metro East Transfer Station Bonds, the terms upon which the Metro East Transfer Station Bonds are issued and secured, the collection and disposition of the Net Revenues pledged as security for the Metro East Transfer Station Bonds, the modification, amendment or supplementation of the Ordinance, and other matters, to all of which the Owner assents by the acceptance of this Bond.

Modifications and alterations of the Ordinance or of any supplements thereto may be made only to the extent and in the circumstances permitted by the Ordinance.

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers unto _____

(please insert social security or other tax identification number of assignee)

the within Bond and does hereby irrevocably constitute and appoint _____ as attorney to transfer this Bond on the books kept for registration thereof with the full power of substitution in the premises.

Date:

Note: the signature(s) must correspond with the name(s) as written on the face of this Bond in every particular without enlargement, alteration or any change whatsoever.

Signature Guarantees: _____
(Bank, Trust Company or NYSE Firm)

(Authorized Officer)