

BEFORE THE METRO COUNCIL

A RESOLUTION OF THE METRO) RESOLUTION NO. 01-3076
COUNCIL AUTHORIZING GENERAL)
OBLIGATION REFUNDING BONDS,) Introduced by Mike Burton, Executive
2001 SERIES A) Officer

WHEREAS, Metro has previously issued its General Obligation Refunding Bonds (Oregon Convention Center), 1992 Series A, which are currently outstanding in a principal amount of \$47,115,000; and,

WHEREAS, Current interest rates are lower than the rates borne by the Series 1992 A Bonds, and Metro may reduce property taxes for its citizens by refunding the 1992 Series A Bonds; and,

WHEREAS, Metro is authorized to issue refunding bonds pursuant to ORS 288.592; now, therefore,

BE IT RESOLVED by the Metro Council as follows:

Section 1. Definitions.

Capitalized terms used in this resolution shall have the following meanings unless the context clearly requires otherwise:

“1992 Series A Bonds” means Metro’s General Obligation Refunding Bonds (Oregon Convention Center), 1992 Series A.

“BEO Form” means book entry only form, and refers to a system for registration of ownership interests in Bonds which does not require delivery of printed bonds to beneficial owners of Bonds.

“Bonds” means Metro’s General Refunding Obligation Bonds, 2001 Series A, which are authorized by this resolution.

“Code” means the United States Internal Revenue Code of 1986, as amended.

“DTC” means The Depository Trust Company of New York, New York, or its successor, which will act as the initial securities depository for the Bonds while they are in BEO form.

“Executive Officer” means Executive Officer of Metro or the person designated by the Executive Officer to act on behalf of Metro under this Resolution.

“Government Obligations” means direct obligations of the United States, or obligations the principal of and interest on which are fully and unconditionally guaranteed by the United States.

“Metro” means Metro, Oregon, a Metropolitan service district organized pursuant to Article XI, Section 14 of the Oregon Constitution, ORS Chapter 268, and the 1992 Metro Charter, and located in Multnomah, Clackamas and Washington Counties in the State of Oregon.

“Owners” means the persons shown as the owners of the Bonds on the Bond register maintained by the Paying Agent.

“Paying Agent” means the registrar and paying agent for the Bonds.

“Record Date” means the date for determination of ownership of bonds for purposes of sending payments to Owners, which shall be the fifteenth day of the month preceding each Bond interest payment date unless Executive Officer establishes a different date.

Section 2. Bonds Authorized.

Metro is hereby authorized to issue and sell the Bonds in a principal amount sufficient to pay and redeem all or any portion of its outstanding 1992 Series A Bonds and to pay costs of issuing the Bonds. The Executive Officer, on behalf of Metro and without further action by Metro Council, may:

- 2.1 Participate in the preparation of, authorize the distribution of and deem final the preliminary and final official statements or other disclosure documents for the Bonds;
- 2.2 Appoint the Paying Agent;
- 2.3 Obtain bond insurance for the Bonds, and enter into related agreements;
- 2.4 Advertise the sale of the Bonds and receive competitive bids for the Bonds, or select an underwriter and negotiate the terms of, and execute, a bond purchase agreement for the Bonds;
- 2.5 Enter into an agreement to provide continuing disclosure for the Bonds, as required under federal securities laws;
- 2.6 Establish the final principal amounts, interest rates, redemption terms, payment dates and other terms of the Bonds, provided that the Bonds shall only be sold if the Bonds produce net present value savings of at least three percent;
- 2.7 Issue, sell and deliver the Bonds, call and redeem 1992 Series A Bonds, execute and deliver any related certificates or documents, and take any other actions which Executive Officer determines are reasonably required to carry out this resolution.

Section 3. Security For Bonds.

Metro hereby pledges its full faith and credit to pay the Bonds. Metro hereby covenants for the benefit of the Owners to levy a direct ad valorem tax upon all of the taxable property within Metro which is sufficient, after taking into consideration discounts taken and delinquencies that may occur in the payment of such taxes, to pay all Bond principal and interest when due. Metro covenants to levy this tax each year until all the Bonds are paid. This tax shall be in addition to all other taxes of Metro, and this tax shall not be limited in rate, amount or otherwise, by Sections 11 or 11b of Article XI of the Oregon Constitution.

Section 4. Book Entry Form.

The Bonds shall be initially issued BEO form through DTC. While the Bonds are in BEO form:

- 4.1 No physical Bonds shall be provided to beneficial owners of the Bonds.
- 4.2 Registration and transfer of beneficial interests in the Bonds shall be governed by the operational arrangements of DTC or any substitute depository, as they may be amended from time to time, as provided in Metro's blanket letter of representations with DTC, as it may be amended from time to time.
- 4.3 Metro may discontinue maintaining the Bonds in BEO form at any time. Metro shall discontinue maintaining the Bonds in BEO form if DTC determines not to continue to act as securities depository for the Bonds, or fails to perform satisfactorily as depository, and a satisfactory substitute depository cannot reasonably be found.
- 4.4 If Metro discontinues maintaining the Bonds in BEO form, Metro shall cause the Paying Agent to authenticate and deliver to the beneficial owners or their nominees replacement Bonds in fully registered form in denominations of \$5,000 or integral multiples.
- 4.5 While the Bonds are in BEO form, Metro may treat the registered owner of the Bonds as the owner for all purposes, and Metro and the Paying Agent shall have no responsibility or obligation to any participant or correspondent of DTC or to any beneficial owner on behalf of which such participants or correspondents act as agent for the beneficial owner with respect to:
 - (1) the accuracy of the records of DTC, the nominee or any participant or correspondent with respect to any participant's or beneficial owner's interest in the Bonds;
 - (2) the delivery to any participant or correspondent or any other person of any notice with respect to the Bonds, including any notice of redemption or purchase;

- (3) the selection by DTC of the beneficial interest in Bonds to be redeemed prior to maturity; or
- (4) the payment to any participant, correspondent, or any other person other than the registered owner of the Bonds as shown in the registration books maintained by the Paying Agent, of any amount with respect to principal, premium, if any, or interest on the Bonds.

Section 5. Places of Payment and Paying Agents.

- 5.1 While the Bonds are in BEO form, the Paying Agent shall pay Bond principal, interest and any redemption price to DTC or its nominee in accordance with the Letter of Representations.
- 5.2 While the Bonds are not in BEO form, Bond principal, interest and redemption price, if any, shall be payable through the corporate trust office of the Paying Agent, by a check drawn on the Paying Agent and mailed on the interest payment date to the Owners, as shown on the record date in the registration books maintained by the Paying Agent for the Bonds.

Section 6. Notice of Redemption.

- 6.1 Unless a shorter period is agreed to by the Paying Agent, Metro shall give the Paying Agent at least thirty-five (35) days' prior written notice of any proposed optional redemption of the Bonds.
- 6.2 Unless the notice states that the redemption is conditioned upon receipt by the Paying Agent of sufficient funds for redemption, the notice shall contain a certification by Metro that it has funds available to it sufficient to pay in full the principal, premium (if any) and interest portions of the redemption price of the Bonds to be redeemed.
- 6.3 While the Bonds are in BEO form, the Paying Agent shall give notice of redemption only to DTC or its nominee, in the manner required by the rules of DTC.
- 6.4 The Paying Agent shall give notice of redemption under this Section 6.4 only for the Bonds which are not then in BEO form. The notice shall specify the date of redemption, the redemption price, CUSIP numbers, maturity date, and the place or places where amounts due upon such redemption will be payable and any other information which may be required to identify the Bonds which are to be redeemed. The notice may state that the redemption is conditioned upon the deposit with the Paying Agent of sufficient funds to pay the redemption price of the Bonds to be redeemed. The notice shall state that, provided that sufficient funds are on deposit with the Paying Agent, the Bonds which are being called for redemption shall become due and payable on the date specified in the notice, and that interest on those Bonds shall cease to accrue on that date. The Paying Agent shall mail a copy of such notice by first class mail, postage prepaid, not

less than thirty (30) days before the redemption date, to the Owners of any Bonds which are to be redeemed, at their last address, if any, appearing upon the registration books as of the record date, but no defect in any notice and no failure to give any notice shall invalidate the redemption of any Bonds for which proper notice was given. No notice of redemption need be given to any Owners of any Bonds who have filed a written waiver of notice with the Paying Agent. Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner actually receives the notice.

Section 7. Authentication, Registration And Transfer.

- 7.1 No Bond shall be entitled to any right or benefit under this resolution unless it shall have been authenticated by an authorized officer of the Paying Agent. The Paying Agent shall authenticate all Bonds to be delivered at closing of the Bonds, and shall additionally authenticate all Bonds properly surrendered for exchange or transfer pursuant to this resolution.
- 7.2 The ownership of all Bonds shall be entered in the bond register maintained by the Paying Agent, and Metro and the Paying Agent may treat the person listed as owner in the bond register as the owner of the Bond for all purposes.
- 7.3 While the Bonds are in book-entry form, the Paying Agent shall transfer Bond principal and interest payments to DTC in the manner required by DTC.
- 7.4 If the Bonds cease to be in book-entry form, the Paying Agent shall mail each interest payment on the interest payment date (or the next business day if the payment date is not a business day) to the name and address of the Owners as they appear on the bond register as of Record Date. If payment is so mailed, neither Metro nor the Paying Agent shall have any further liability to any party for such payment.
- 7.5 Bonds may be exchanged for an equal principal amount of Bonds of the same maturity which are in different denominations, and Bonds may be transferred to other owners if the Owner submits the following to the Paying Agent:
 - (1) written instructions for exchange or transfer satisfactory to the Paying Agent, signed by the Owner or the Owner's attorney in fact and guaranteed or witnessed in a manner satisfactory to the Paying Agent; and
 - (2) the Bonds to be exchanged or transferred.
- 7.6 The Paying Agent shall not be required to exchange or transfer any Bonds submitted to it during any period beginning with a Record Date and ending on the next following payment date; however, such Bonds shall be exchanged or transferred promptly following that payment date.
- 7.7 The Paying Agent shall note the date of authentication on each Bond. The date of authentication shall be the date on which the Owner's name is listed on the Bond register.

- 7.8 For purposes of this section, Bonds shall be considered submitted to the Paying Agent on the date the Paying Agent actually receives the materials described in Section 7.5.
- 7.9 Metro may alter these provisions regarding registration and transfer without consent of Owners in order to conform to changes in registration customs by mailing notification of the altered provisions to all Owners. The altered provisions shall take effect on the date stated in the notice, which shall not be earlier than 45 days after notice is mailed.

Section 8. Form of Bonds.

The Bonds shall be in substantially the form attached hereto as Exhibit A, with such changes as may be approved by Executive Officer. The Bonds may be printed or typewritten. The Bonds shall be executed on behalf of Metro with the manual or facsimile signatures of the Presiding Officer and Executive Officer.

Section 9. Tax Covenants.

Metro covenants for the benefit of the owner of the Bonds to comply with all provisions of the Code which are required for Bond interest to be excluded from gross income for federal income tax purposes. Metro makes the following specific covenants with respect to the Code:

- 9.1 Metro shall not take any action or omit any action, if it would cause the Bonds to become "arbitrage bonds" under Section 148 of the Code.
- 9.2 Metro shall operate the Oregon Convention Center so that the Bonds are not "private activity bonds" within the meaning of Section 141 of the Code.
- 9.3 The covenants contained in this Section and any covenants in the closing documents for the Bonds shall constitute contracts with the Owners, and shall be enforceable by the Owners.

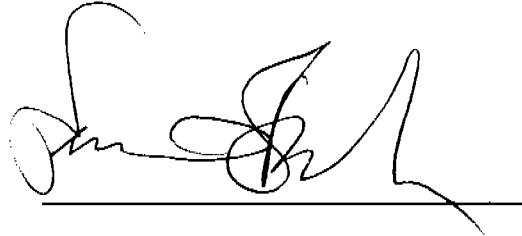
Section 10. Defeasance.

If Metro:

- 10.1 irrevocably deposits money or noncallable Government Obligations in escrow with an independent Paying Agent or escrow agent which are calculated to be sufficient for the payment of Bonds which are to be defeased; and,
- 10.2 files with the escrow agent or Paying Agent an opinion from an independent, certified public accountant to the effect that the money and the principal and interest to be received from the Government Obligations are calculated to be sufficient, without further reinvestment, to pay the defeased Bonds when due; and,
- 10.3 files with the escrow agent or Paying Agent an opinion of nationally recognized bond counsel that the proposed defeasance will not cause the interest component of the Bonds to be includable in gross income under the Code;

then Metro shall be obligated to pay the defeased Bonds solely from the money and Government Obligations deposited with the escrow agent or Paying Agent, and Metro shall have no further obligation to pay the defeased Bonds from any source except the amounts deposited in the escrow.

Adopted this 21st day of June, 2001.



Presiding Officer

Approved as to form:



Preston Gates & Ellis LLP

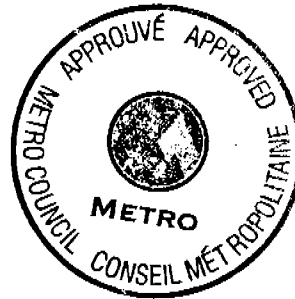


EXHIBIT A
(Form of Bond)

No. R- _____

\$ _____

UNITED STATES OF AMERICA
STATE OF OREGON
METRO
GENERAL OBLIGATION REFUNDING BONDS
2001 SERIES A

Dated Date: _____ 1, 2001

Interest Rate: _____ %

Maturity Date: _____ 1, _____

CUSIP Number: _____ - _____

Registered Owner: _____ Cede & Co. _____

Principal Amount: _____ Dollars _____

METRO, OREGON, a Metropolitan service district organized pursuant to Article XI, Section 14 of the Oregon Constitution, ORS Chapter 268, and the 1992 Metro Charter, and located in Multnomah, Clackamas and Washington Counties in the State of Oregon ("Metro"), for value received, acknowledges itself indebted and hereby promises to pay to the registered owner hereof, or registered assigns, the principal amount indicated above on the maturity date indicated above, together with interest thereon from the date hereof at the rate per annum indicated above, computed on the basis of a 360-day year of twelve 30-day months. Interest is payable semiannually on the first day of _____ and the first day of _____ in each year until maturity or prior redemption, commencing _____ 1, 200_.

This Bond is one of the \$ _____ Metro General Obligation Refunding Bonds, 2001 Series A (the "Bonds"). The Bonds are issued to refund Metro's General Obligation Refunding Bonds (Oregon Convention Center), 1992 Series A. The Bonds are issued under and pursuant to Resolution No. 01-3076 _____ (the "Resolution") of Metro adopted on _____ and in full and strict accordance and compliance with all of the provisions of the Constitution and Statutes of the State of Oregon and the Charter of Metro. Capitalized terms which are used, but not defined, in this Bond shall have the meanings defined for those terms in the Resolution.

The Bonds are initially issued as a book-entry-only security issue with no certificates provided to the Owners. Records of Bond ownership will be maintained by the Paying Agent and The Depository Trust Company and its participants.

Any transfer of this Bond must be registered, as provided in the Resolution, upon the bond register kept for that purpose at the principal corporate trust office of the Paying Agent. Metro and the Paying Agent may treat the person in whose name this Bond is registered on the bond register as its absolute owner for all purposes, as provided in the Resolution.

The Bonds are subject to optional redemption on the following dates and at the prices: [insert redemption terms after Bonds are priced].

Notice of any call for redemption shall be given only as required by the Resolution.

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

IT IS HEREBY CERTIFIED, RECITED, AND DECLARED that all conditions, acts, and things required to exist, to happen, and to be performed precedent to and in the issuance of this bond have existed, have happened, and have been performed in due time, form, and manner as required by the Constitution and Statutes of the State of Oregon and the charter of Metro; and that the issue of which this bond is a part, and all other obligations of such Metro, are within every debt limitation and other limit prescribed by such Constitution and Statutes; and that Metro has covenanted to levy a tax upon all taxable property within Metro in an amount sufficient to pay when due the interest on and the principal of the bonds.

IN WITNESS WHEREOF, Metro Council has caused this bond to be signed by facsimile signature of its Executive Officer and attested by facsimile signature of its Presiding Officer as of the date indicated above.

Metro, Oregon

Presiding Officer

ATTEST:

Executive Officer

This Bond shall not be valid unless properly authenticated by the Paying Agent in the space indicated below.

Dated:

Certificate of Authentication

This is one of Metro's \$_____ General Obligation Refunding Bonds, 2001 Series A, issued pursuant to the Resolution described herein.
<<Paying Agent>>, as Paying Agent

Authorized Officer

Assignment

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto:

(Please insert social security or other identifying number of assignee)

this 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.

Dated:

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of
this bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed

(Bank, Trust Company or Brokerage Firm)

Authorized Officer

The following abbreviations, when used in the inscription on the face of this bond, shall be construed as though they were
written out in full according to applicable laws or regulations.

TEN COM – tenants in common

TEN ENT – as tenants by the entireties

JT TEN – as joint tenants with right of survivorship and not as tenants in common

OREGON CUSTODIANS use the following:

CUST UL OREG

MIN

as custodian for (name of minor)

OR UNIF TRANS MIN ACT

under the Oregon Uniform Transfer to Minors Act

Additional abbreviations may also be used though not in the list above.

STAFF REPORT

A Resolution of the Metro Council authorizing general obligation refunding bonds, 2001 Series A

Date: May 24, 2001

Presented by: Jennifer Sims
Tony Mounts

DESCRIPTION

Resolution No. 01-3076 authorizes the refunding of the 1992 Series A General Obligation Refunding Bonds. It authorizes the Executive Officer to prepare all documents and conduct the sale and issuance of new bonds to redeem the 1992 Series A Bonds.

Existing Law

Metro is authorized to issue refunding bonds pursuant to ORS 288.592.

Background

On March 15, 1992 Metro issued general obligation bonds totaling \$65,760,000 (the Refunding Bonds) to refund bonds issued in 1987 to construct the Oregon Convention Center. At the time, lower interest rates allowed realization of approximately \$3.5 million in gross debt service savings. These Refunding Bonds are now callable and an advantageous interest rate environment allows further taxpayer savings.

Currently, Refunding Bond principle of \$47,115,000 is outstanding. These bonds are scheduled to be retired in January 2013. The average interest rate for these bonds is 6.24%. Metro's Financial Advisors estimate that the new refunding bonds will carry an interest rate of approximately 4.3% which will yield a savings to taxpayers of over \$4.2 million in reduced interest payments. The sale of the 2001 Series A General Obligation Refunding Bonds is scheduled for late June. These new bonds would be retired in January 2013 as well.

Budget Impact

None. Fees associated with the sale will be paid from the bond proceeds.

Outstanding Questions

None

Executive Officer's Recommendation

The Executive Officer recommends adoption of resolution 01-3076.