

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF APPROVING THE)	RESOLUTION NO. 97-2473
INSTALLMENT/PURCHASE FINANCING)	
WHEREBY SAWY LEASING CORP. SELLS)	Introduced by Mike Burton
CERTAIN EQUIPMENT TO METRO PURSUANT)	Executive Officer
TO AN INSTALLMENT PURCHASE)	
AGREEMENT; AND AUTHORIZING THE CHIEF)	
FINANCIAL OFFICER OR HER DESIGNEE TO)	
EXECUTE THE INSTALLMENT PURCHASE)	
AGREEMENT AND SUCH OTHER DOCUMENTS)	
AND CERTIFICATES AS MAY BE NECESSARY)	
TO CARRY OUT THE TRANSACTIONS)	
CONTEMPLATED BY THE AFOREMENTIONED)	
AGREEMENT)	

WHEREAS, Oregon Revised Statutes ("ORS") § 279.101(1) authorizes the governing bodies of special districts, as defined in ORS § 198.010, to enter into binding agreements for purchase of property on an installment basis; and

WHEREAS, the Special Districts Association of Oregon (the "Association") has established its cooperative financing program called the FlexLease Program (the "Program"), which allows special districts in the State of Oregon, as defined in ORS § 198.010 (the "Participating Districts"), to participate in a pooling of the individual Participating Districts' lease/purchase and installment purchase agreements to achieve better interest rates and lower administrative and legal costs; and

WHEREAS, to accomplish the Program, the Association has entered into that certain Master Financing Agreement dated as of June 1, 1995 (the "Master Financing Agreement") with Strand, Atkinson, Williams & York, Incorporated (the "Underwriter") pursuant to which lease/purchase and installment purchase financing and refinancing will be made available by the Underwriter to Participating Districts under the terms set forth in the Master Financing Agreement; and

WHEREAS, Metro (the "District"), is authorized under ORS § 279.101(1) and under the 1992 Metro Charter and Section 8.01.050 of the Metro Code to purchase property on an installment basis; and

WHEREAS, the District desires to finance the purchase of certain personal property pursuant to the Program from SAWY Leasing Corp. ("Lessor"); and

WHEREAS, it is intended that SAWY Leasing Corp. will, pursuant to an Installment Purchase Agreement attached hereto as Exhibit A (the "Agreement") sell certain property more particularly described therein (the "Project") to the District, subject to the terms and conditions of and for the purposes set forth in the Agreement; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

Section 1. Recitals. All of the above recitals are true and correct and the Council of the District so finds and determines.

Section 2. Approval of Agreement. The Agreement is hereby approved in substantially the form submitted to and reviewed by the Council, and as attached hereto, with such changes therein as shall be approved by the representative of the District executing said document, said representative's execution thereof to be conclusive evidence of said representative's approval.

Section 3. Executing Officials. Jennifer Sims, Chief Financial Officer, and Craig Prosser, Financial Planning Manager are designated "Executing Officials" and are hereby separately authorized and directed to execute, attest to and deliver the Agreement attached hereto on behalf of and as the act and deed of the District.

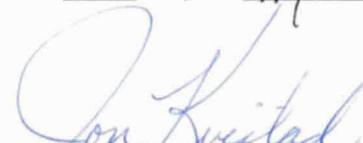
Section 4. Terms of Financing. The District shall participate in the Program. The total principal component of installment payments under Agreement shall not exceed \$723,000. The interest rate for each principal component of installment payments payable under the Agreement shall not exceed the interest rate designated under the Program for the due date of such installment payment in the month in which the Commencement Date of the Agreement falls. In no event shall the total interest cost exceed 5.85%. The term of the financing shall not exceed 5 years, provided that the term may be rounded up or down to coincide with the payment of

installment payments under the Program. Execution of the Agreement by the Executing Official shall be deemed to be final approval of the final payment schedule to the Agreement.

Section 5. Disclosure Relating to Agreement. The District shall cooperate with the Underwriter in the preparation of a mutually acceptable disclosure document relating to the offering of certificates of participation in the Agreement and other installment purchase agreements and lease/purchase agreements of other Participating Districts with the same commencement date as the Agreement. In the event that the aggregate principal amount of certificates of participation of which the Agreement is a part exceeds \$1,000,000, then the Executing Official is authorized to do the following: (a) review the disclosure information on the District in the disclosure document prepared by the Underwriter, and upon conformance with any changes requested by the Executing Official, to deem it a final disclosure document (the near final official statement) under Securities and Exchange Commission Rule 15c2-12 (the "Rule"), and (b) execute and deliver a continuing disclosure agreement whereunder the District will agree to comply with the information reporting requirements of the Rule.

Section 6. Further Authority. The District shall, and the Executing Officials are hereby authorized and directed to, take such action, expend such funds and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution and to carry out, comply with and perform the duties of the District with respect to the Agreement.

ADOPTED by the Metro Council this 27th day of March, 1997.



Jon Kvistad, Presiding Officer

Approved as to Form:



Daniel B. Cooper, General Counsel
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EXHIBIT A

INSTALLMENT PURCHASE AGREEMENT

THIS INSTALLMENT PURCHASE AGREEMENT (the "Agreement") is dated as of April 1, 1997, and is entered into between SAWY Leasing Corp. ("Seller"), an Oregon corporation, with its principal office in the State of Oregon, and Metro (the "District"), a body corporate and politic existing under the laws of the State of Oregon.

WITNESSETH:

WHEREAS, Oregon Revised Statutes ("ORS") § 279.101(1) authorizes the governing bodies of special districts in the State of Oregon, as defined in ORS § 198.010, to enter into binding contracts for the purchase of property; and

WHEREAS, the Special Districts Association of Oregon (the "Association") has established its cooperative financing program called the FlexLease Program (the "Program"), which allows districts in the State of Oregon, as defined in ORS § 198.010 (the "Participating Districts"), to participate in a pooling of the individual Participating Districts' agreements to achieve better interest rates and lower administrative and legal costs; and

WHEREAS, to accomplish the Program, the Association has entered into that certain Master Financing Agreement, dated June 1, 1995 (the "Master Financing Agreement"), with Strand, Atkinson, Williams & York, Incorporated (the "Underwriter") pursuant to which lease/purchase financing will be made available by the Underwriter to Participating Districts under the terms set forth in the Master Financing Agreement; and

WHEREAS, the District desires to finance the purchase of certain personal property described herein (the "Project") pursuant to the Program; and

WHEREAS, Seller, a wholly owned subsidiary of the Underwriter, desires to sell the Project, as hereinafter described, to the District and the District desires to purchase the Project from Seller pursuant to the Program and subject to the terms and conditions of and for the purposes set forth in this Agreement; and

WHEREAS, the District is authorized under ORS § 279.101(1) and under the 1992 Metro Charter and Section 8.01.050 of the Metro Code to enter into this Agreement for the purposes set forth herein;

NOW, THEREFORE, for and in consideration of the premises and covenants hereinafter contained, the parties hereby agree as follows:

ARTICLE I

Section 1.01. Covenants of the District. The District represents, covenants and warrants for the benefit of the Seller, the Underwriter and any Registered Owners (as hereinafter defined) as follows:

(a) The District is a public body corporate and politic duly organized and existing under the constitution and laws of the State of Oregon with full power and authority to enter into this Agreement and the transactions contemplated hereby and to perform all of its obligations hereunder.

(b) The District will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a body corporate and politic. To the extent the District should merge with another public corporation or body under the laws of the State of Oregon, the District agrees that as a condition to such merger it will require that the remaining or resulting entity shall be assigned the District's rights and shall assume the District's obligations hereunder, and that it will promptly submit to the Seller written notice of any such merger together with evidence of the assignment of the District's rights and obligations hereunder.

(c) The District has been duly authorized to execute and deliver this Agreement by proper action by its governing body, or by other appropriate official approval, and all requirements have been met and procedures have occurred in order to ensure the validity and enforceability of this Agreement and the District has complied with such public bidding requirements as may be applicable, if any, to the acquisition by the District of the Project hereunder.

(d) During the Term, the Project will perform and will be used by the District only for the purpose of performing essential governmental uses and public functions of the District consistent with the permissible scope of the District's authority.

(e) The District will annually provide the Underwriter with current financial statements, budgets, proof of appropriation for the current budget year and such other financial information relating to the ability of the District to continue this Agreement as may be requested by the Underwriter.

(f) The District will comply with all applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), including Sections 103 and 148 thereof, and the regulations of the Treasury Department thereunder, from time to time proposed or in effect, in order to maintain the excludability from gross income for federal income tax purposes of the interest component of Installment Payments. The District will pay the Payments due hereunder from the Metropolitan Exposition and Recreation Commission operating fund, or its equivalent, and will not dedicate or segregate any of the revenues generated by the Project for purposes of paying the Payments.

(g) The District covenants and agrees that it will use the proceeds of this Agreement as soon as practicable and with all reasonable dispatch for the purpose for which this Agreement has been entered into, and that no part of the proceeds of this Agreement shall be invested in any securities, obligations or other investments except for the temporary period pending such use nor used, at any time, directly or indirectly, in a manner which, if such use had been reasonably anticipated on the date of issuance of this Agreement, would have caused any portion of this Agreement to be or become "arbitrage bonds" within the meaning of Section 103(b)(2) or Section 148 of the Code and the regulations of the Treasury Department thereunder proposed or in effect at the time of such use and applicable to obligations issued on the date of issuance of this Agreement.

(h) The District hereby designates this Agreement as a "qualified tax-exempt obligation" as defined in Section 265(b)(3)(B) of the Code. The District reasonably anticipates issuing tax-exempt obligations (excluding private activity bonds other than qualified 501(c)(3) bonds and including all tax-exempt obligations of subordinate entities of the District) during the calendar year in which Commencement Date of this Agreement falls in an amount not exceeding \$10,000,000.

(i) The District represents and warrants that (i) it is a governmental unit under the law of the State of Oregon with general taxing powers, (ii) this Agreement is not a private activity bond as defined in Section 141 of the Code, (iii) 95% or more of the net proceeds of this Agreement will be used for local government activities of the District and (iv) the aggregate face amount of all tax-exempt obligations (other than private activity bonds) issued by the District (and all subordinate entities thereof) during the calendar year in which the Commencement Date of this Agreement falls is not reasonably expected to exceed \$5,000,000.

ARTICLE II

Section 2.01. Definitions. The following terms will have the meanings indicated below unless the context clearly requires otherwise:

"Administrative Expense Payments" is defined in Section 5.01.

"Agreement" means this Installment Purchase Agreement, including the Schedules attached hereto.

"Certificates of Participation" means certificates of participation in this Agreement as provided in Section 11.01.

"Commencement Date" is the date when the term of this Agreement and the District's obligation to pay Installment Payments hereunder commences, which date shall be the dated date of this Agreement.

"Defeasance Escrow Agreement" is defined in Section 5.04.

"District" means the entity described as such in the first paragraph of this Agreement, its successors and assigns.

"Event of Default" is defined in Section 12.01.

"Installment Payment Dates" shall mean the dates on which Installment Payments or Administrative Expense Payments are due under this Agreement, as set forth in Schedule 3.

"Installment Payments" means the basic installment payments payable by the District pursuant to Article VI.

"Payments" is defined in Section 5.01.

"Project" means the property described in Schedule 1 and all replacements, repairs, restorations, modifications and improvements thereof or thereto made pursuant to Section 7.01 or Article VIII.

"Seller" means the entity described as such in the first paragraph of this Agreement, its successors and its assigns.

"Registered Owners" means the registered owners of Certificates of Participation as shown on the registration books maintained by the Trustee.

"Term" means the term set forth in Section 4.01.

"Trustee" is defined in Section 11.01.

"Trust Agreement" means the Master Trust Agreement dated as of July 1, 1995, as amended, by and among the Seller, the Underwriter and the Trustee, as it may be amended from time to time.

"Vendor" means any manufacturer of the Project or any portion thereof as well as the agents or dealers of the manufacturer from whom the Project is purchased for sale to the District.

ARTICLE III

Section 3.01. Sale of Project. The Seller hereby sells, assigns, transfers and conveys the Project to the District, and the District hereby purchases and accepts the

Project from the Seller, in accordance with this Agreement, for the Term of this Agreement.

ARTICLE IV

Section 4.01. Term. The term of this Agreement shall commence on the Commencement Date and shall terminate on the date upon which all Installment Payments are paid in full, unless terminated earlier in accordance with the provisions of this Agreement.

Section 4.02. Delivery, Installation and Acceptance of Project. The District shall order the Project, shall cause the Project to be delivered and installed at the location specified on Schedule 1 to this Agreement and shall pay all delivery and installation costs, if any, in connection therewith. The proceeds of this Agreement will be disbursed in accordance with the closing memorandum prepared by the Underwriter. Proceeds disbursed to the District, including accrued interest hereon, will be disbursed in accordance with the Disbursement Instructions attached hereto as Schedule 2 to the Agreement, and shall be expended on costs of the Project, in accordance with Section 13.02.

ARTICLE V

Section 5.01. Payment of Installment Payments. The District shall promptly pay Installment Payments in such amounts and on such dates as described in Schedule 3 hereto. The District shall also pay, and as compensation to the Trustee for its services in connection with this Agreement, Administrative Expense Payments, in such amounts and on such dates as described in Schedule 3 hereto. Installment Payments and Administrative Expense Payments are referred to herein as "Payments." Payments shall be made exclusively from legally available funds and in lawful money of the United States of America. Payment shall be such that the Seller or its assigns shall be in receipt of the Payment on the date such Payment is due. In the event the District shall pay by check or draft, such check or draft must be mailed at least three (3) business days prior to the date such Installment Payment is due. In the event the District shall pay by wired funds, such funds must be received on the date such Payment is due. If the District shall fail to mail the check or wire the funds as required by the two previous sentences, the District shall pay the Seller a charge on any delinquent Payment at the rate of 12% per annum or the maximum amount permitted by law, whichever is less.

Section 5.02. Installment Payments to Constitute a Binding Contractual Obligation of the District. The Seller and the District understand and intend that the obligation of the District to pay Installment Payments hereunder shall constitute a binding contractual obligation of the District for the full Term of this Agreement. The District covenants to include all such Installment Payments due hereunder in its annual budgets and to make the necessary annual appropriation for all such Installment

Payments. This Agreement shall not be subject to termination by the District in the event the District fails to appropriate Installment Payments.

Section 5.03. Interest Component. A portion of each Installment Payment is paid as, and represents payment of, interest, and Schedule 3 hereto sets forth the interest component of each Installment Payment during the Term of this Agreement.

Section 5.04. Defeasance of Installment Payments. The District may at any time irrevocably deposit in escrow pursuant to an escrow agreement (the "Defeasance Escrow Agreement") between the District and an escrow agent (which escrow agent may be the Trustee) for the purpose of paying all of the principal component and interest component of Installment Payments accruing under this Agreement and the Administrative Expense Payment accruing to the later of the first applicable prepayment date or the next forthcoming Payment Date on which such an Administrative Expense Payment is due, a sum of cash and non-callable securities of the types described in ORS § 288.650 in such aggregate amount, bearing interest at such rates and maturing on such dates as shall be required, in the opinion of an independent public accountant, to provide funds sufficient for such purpose and for the purpose of paying any applicable fee to the Trustee. Moneys and securities held by the escrow agent shall be invested in accordance with the terms of the Defeasance Escrow Agreement. The Defeasance Escrow Agreement shall provide for the transfer to the Trustee for deposit in the Installment Payment Fund or the Administrative Expense Fund, as applicable, on or before each Installment Payment Date of sufficient funds for the payment of the principal component and the interest component of the Installment Payment due hereunder on that date. The District shall take all actions with respect to such deposit of cash and securities which may be necessary or desirable in order to ensure that the exclusion from gross income of the interest component of Installment Payments is not adversely affected.

Section 5.05. Installment Payments to be Unconditional. THE OBLIGATIONS OF THE DISTRICT TO MAKE PAYMENT OF THE INSTALLMENT PAYMENTS AND TO PERFORM AND OBSERVE THE OTHER COVENANTS AND AGREEMENTS CONTAINED HEREIN SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS WITHOUT ABATEMENT, DIMINUTION, DEDUCTION, SET-OFF OR DEFENSE, FOR ANY REASON, INCLUDING WITHOUT LIMITATION, ANY DEFECTS, MALFUNCTIONS, BREAKDOWNS OR INFIRMITIES IN THE PROJECT OR ANY PORTION THEREOF OR ANY ACCIDENT, CONDEMNATION OR UNFORESEEN CIRCUMSTANCES.

ARTICLE VI

Section 6.01. Title to the Project. Upon acceptance of the Project by the District, title to the Project shall vest in the District.

Section 6.02 Substitution. The District may substitute for any item of property constituting a portion of the Project acquired under this Agreement another item of personal property. Prior to such substitution, the District shall deliver to the Seller an opinion of counsel acceptable to the Seller to the effect that such substitution will not adversely affect the exemption of the interest component of Installment Payments from federal income taxation. The District shall be responsible for all costs and expenses, including counsel fees, of the Seller in connection with any such substitution.

ARTICLE VII

Section 7.01. Maintenance of Project by the District. The District agrees that it will, at its own cost and expense, maintain, preserve and keep the Project in good repair and working order. The Seller shall have no responsibility to maintain, repair or make improvements or additions to the Project.

Section 7.02. Liens, Taxes, Other Governmental Charges and Utility Charges. The District shall keep the Project free of all levies, liens and encumbrances. The parties to this Agreement contemplate that the Project will be exempt from all property taxes. Nevertheless, if the use, possession or acquisition of the Project is determined to be subject to taxation, or if the District fails to make such filings and claims which may be necessary to secure the exemption from property taxation, the District shall pay when due all taxes and governmental charges lawfully assessed or levied against or with respect to the Project. The District shall pay all gas, water, steam, electricity, heat, power, telephone, utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Project. The District shall pay such taxes or charges as the same may become due; provided that, with respect to any such taxes or charges that may lawfully be paid in installments over a period of years, the District shall be obligated to pay only such installments as accrue during the then current fiscal year of the Term of this Agreement.

Section 7.03. Insurance. At its own expense, the District shall maintain casualty insurance insuring the Project against loss or damage by fire and all other risks covered by the standard extended coverage endorsement then in use in the State of Oregon in an amount equal to at least the replacement cost of the Project. The District shall maintain liability insurance and worker's compensation insurance in accordance with ORS Chapters 30 and 656. The District may self-insure against such risks. All insurance proceeds from casualty losses shall be applied as provided in Article VIII of this Agreement.

ARTICLE VIII

Section 8.01. Damage, Destruction and Condemnation. If (a) the Project or any portion thereof is destroyed, in whole or in part, or is damaged by fire or other casualty or (b) title to, or the temporary use of, the Project or any part thereof shall be taken under the exercise or threat of the power of eminent domain by any governmental body

or by any person, firm or corporation acting pursuant to governmental authority, the District will cause the Net Proceeds (as hereinafter defined) of any insurance claim, condemnation award or sale under threat of condemnation to be applied to the prompt replacement, repair, restoration, modification or improvement of the Project, unless the District shall have exercised its right to prepay or defease this Agreement as provided herein. Any balance of the Net Proceeds remaining after such work has been completed shall be retained by the District. For purposes of Section 7.03 and this Article, the term "Net Proceeds" shall mean the amount remaining from the gross proceeds of any insurance claim, condemnation award or sale under threat of condemnation after deducting all expenses, including attorneys' fees, incurred in the collection thereof.

Section 8.02. Insufficiency of Net Proceeds. If the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification or improvement referred to in Section 8.01, the District shall either (a) complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds and, if the District shall make any payments pursuant to this Section, the District shall not be entitled to any reimbursement therefor from the Seller nor shall the District be entitled to any diminution of the amounts payable under Article V, (b) defease this Agreement pursuant to Section 5.04, or (c) prepay the Installment Payments pursuant to Article X. The amount of the Net Proceeds, if any, remaining after completing such repair, restoration, modification or improvement or after such defeasance or prepayment may be retained by the District.

ARTICLE IX

Section 9.01. Disclaimer of Warranties. THE SELLER MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF THE PROJECT OR WARRANTY WITH RESPECT THERETO. In no event shall the Seller be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Agreement or the existence, furnishing, functioning or the District's use of any item, product or service provided for in this Agreement.

Section 9.02. Vendor's Warranties. The Seller hereby irrevocably appoints the District its agent and attorney-in-fact to assert from time to time whatever claims and rights (including without limitation warranties) related to the Project that the Seller may have against any Vendor. The District's sole remedy for the breach of such warranty, indemnification or representation shall be against the Vendor of the Project and not against the Seller nor shall such matter have any effect whatsoever on the rights and obligations of the Seller with respect to this Agreement, including the right to receive full and timely payments hereunder. The District expressly acknowledges that the

Seller makes, and has made, no representations or warranties whatsoever as to the existence or the availability of such warranties of the Vendor of the Project.

Section 9.03. Use of the Project. The District will not install, use, operate or maintain the Project improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Agreement. The District shall provide all permits and licenses, if any, necessary for the installation and operation of the Project. In addition, the District agrees to comply in all respects with all laws of the jurisdiction in which its operations involving any item of Project may extend and any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the items of the Project; provided that the District may contest in good faith the validity or application of any such law or rule in any reasonable manner that does not, in the opinion of the Seller, adversely affect the interest or rights of the Seller under this Agreement.

ARTICLE X

Section 10.01. Optional Prepayment. Installment Payments coming due before January 1, 1999 may not be prepaid. The District shall have the option to prepay, in whole or in part (in integral multiples of \$5,000), the unpaid principal component of Installment Payments, on January 1, 1999, or on any January 1 or July 1 thereafter. In order to prepay the Installment Payments in whole, the District shall deposit with the Trustee the sum of (a) the interest accrued to the date of prepayment, (b) the Prepayment Price set forth below as a percentage of the principal component of the Installment Payments to be prepaid, (c) the Administrative Expense Payment accruing to the next forthcoming Payment Date on which such an Administrative Expense Payment is due, and (d) a fee to the Trustee in the amount of \$500. In order to prepay the Installment Payments in part, the District shall deposit with the Trustee an amount sufficient to pay a portion of the unpaid principal component of Installment Payments that is divisible by \$5,000, which shall equal (a) the interest accrued thereon to the date of prepayment, (b) the Prepayment Price set forth below as a percentage of the principal component of the Installment Payments being prepaid, and (c) a fee to the Trustee in the amount of \$500. If the District elects to prepay the Installment Payments in part, sums deposited with the Trustee for that purpose shall be applied to the Installment Payments in inverse order of maturity. The Prepayment Price to be paid in connection with the optional prepayment of the Installment Payments, expressed as a percentage of the principal component of Installment Payments to be prepaid, is as follows:

<u>Prepayment Dates</u>	<u>Prepayment Price</u>
January 1, 1999 and July 1, 1999	104%
January 1, 2000 and July 1, 2000	103%

Section 10.02. Exercise of Option. The District's option to prepay the principal component of Installment Payments shall be exercised by (a) giving written notice to the Trustee of the exercise of such option in the form attached hereto as Schedule 5 at least forty-five (45) days but not more than sixty (60) days prior to the prepayment date, and (b) depositing with the Trustee, along with the written notice of prepayment referred to above, for deposit into the Prepayment Fund or the Administrative Expense Fund established under the Trust Agreement, as applicable, the amount of such prepayment. Monies deposited in the Prepayment Fund shall be held uninvested by the Trustee until required to redeem Certificates of Participation. In the event that the District gives written notice to the Trustee of its intention to exercise its option to prepay but fails to deposit with such notice, the amount required under Section 10.01, the District shall be obligated to continue to pay Payments as if no such written notice were given and no prepayment shall occur. If the District exercises its option to prepay the principal component of Installment Payments in part, the amount of Installment Payments to be paid by the District over the remaining Term shall be adjusted so as to reflect the prepayment of the principal component of Installment Payments, and the Underwriter shall prepare a revised Schedule 3 to this Agreement setting forth the amounts of such adjusted Installment Payments.

Section 10.03. Effect of Exercise of Option. Upon the prepayment of the Installment Payments in full pursuant to Section 10.02, this Agreement shall cease, terminate and be discharged, and the District shall thereafter hold title to the Project free and clear of any and all interests or claims of Seller and any assignee of Seller (including but not limited to the Trustee). Upon the request of the District, Seller and the Trustee, and any assignee of either, shall execute and deliver such documents and instruments as the District shall reasonably deem necessary or appropriate in order to evidence such termination and discharge of this Agreement.

ARTICLE XI

Section 11.01. Assignment by the Seller. As part of the Program, the Seller's right, title and interest in, to and under this Agreement will be assigned on the Commencement Date to First Trust, National Association as paying agent, registrar and trustee (the "Trustee"), under the Trust Agreement. Pursuant to the Trust Agreement, lease/purchase agreements and installment purchase agreements of other Participating Districts with the same Commencement Date as this Agreement shall be pooled and jointly marketed pursuant to the Program, and the Trustee shall at the Underwriter's direction execute and deliver certificates representing undivided proportionate interests in the pooled lease/purchase agreements and installment purchase agreements ("Certificates of Participation"). The Trustee has agreed to maintain a register of the owners of all Certificates of Participation issued under the Trust Agreement. The District agrees to execute all documents that may be reasonably requested by the Seller or the Trustee to protect their respective interests in this Agreement. In the event that the Certificates of Participation of which this Agreement is a part are issued

in book entry form, the District hereby appoints the Seller its attorney-in-fact for purposes of executing, delivering and performing a letter of representations to the Depository Trust Company.

Section 11.02 Rule 15c2-12 Compliance. Seller and the District agree to cooperate in the preparation of a mutually acceptable disclosure document relating to the offering of Certificates of Participation in this Agreement and lease/purchase agreements and installment purchase agreements of other participating districts with the same Commencement Date. In the event that the aggregate principal amount of Certificates of Participation of which this Agreement is a part exceeds \$1,000,000, then the District agrees to do the following: (a) review the disclosure information relating to the District in disclosure documents prepared by the Underwriter and upon conformance with any changes requested by the District deem it a final disclosure document (the near final official statement) under Securities and Exchange Commission Rule 15c2-12 (the "Rule"); and (b) execute and deliver a continuing disclosure agreement in form and substance satisfactory to the Underwriter, agreeing to comply with the information reporting requirements of the Rule. The District shall not be required to review or be responsible for any information in such disclosure document other than information relating to the District.

Section 11.03. Assignment or Sale by the District. Except as provided in Section 1.01(b), none of the District's right, title and interest in, to and under this Agreement and in the Project may be sold, leased, assigned, conveyed or encumbered by the District for any reason; except that the District may sell or lease all or part of the Project if the District obtains the prior written consent of the Seller and an opinion of counsel satisfactory to the Seller that such sale or leasing will not adversely affect the exemption of the interest components of the Installment Payments from federal income taxation.

Section 11.04. Release and Indemnification Covenants. To the extent permitted by the law, the District shall indemnify, protect, hold harmless, save and keep harmless the Seller, the Underwriter and the Trustee and their respective officers, directors, employees, successors and assigns, from and against any and all liability, obligation, loss, claim and damage whatsoever, regardless of cause thereof, and all expenses in connection therewith, including, without limitation, counsel fees, costs and expenses, whether incurred prior to trial, at trial, on appeal or in any bankruptcy proceeding or arbitration proceeding, penalties and interest, arising out of or as the result of the entering into of this Agreement, the ownership of any item of the Project, the ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage or return of any item of the Project or any accident in connection with the operation, use, condition, possession, storage or return of any item of the Project resulting in damage to property or injury to or death to any person; provided that the District shall not be required to indemnify the Seller, the Underwriter or the Trustee for their own willful or grossly negligent conduct. The indemnification arising under this Section shall continue in full

force and effect notwithstanding the full payment of all obligations under this Agreement or the termination of the Term for any reason.

ARTICLE XII

Section 12.01. Events of Default Defined. Any of the following shall constitute an "Event of Default" under this Agreement:

(a) Failure by the District to pay any Installment Payment or other payment required to be paid hereunder at the time specified herein;

(b) Failure by the District to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subparagraph (a) above, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied is given to the District by the Seller, unless the Seller shall agree in writing to an extension of such time prior to its expiration; provided that, if the failure stated in the notice cannot be corrected within the applicable period, the Seller will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the District within the applicable period and diligently pursued until the default is corrected;

(c) Any statement, representation or warranty made by the District in or pursuant to this Agreement or its execution, delivery or performance shall prove to have been false, incorrect, misleading or breached in any material respect on the date when made;

(d) The District shall (i) apply for or consent to the appointment of a receiver, trustee, custodian or liquidator of the District or of all or a substantial part of the assets of the District, (ii) be unable, fail or admit in writing its inability generally to pay its debts as they become due, (iii) make a general assignment for the benefit of creditors, (iv) have an order for relief entered against it under applicable federal bankruptcy law, or (v) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or taking advantage of any insolvency law or any answer admitting the material allegations of a petition filed against the District in any bankruptcy, reorganization or insolvency proceeding; or

(e) An order, judgment or decree shall be entered by any court of competent jurisdiction, approving a petition or appointing a receiver, trustee, custodian or liquidator of the District or of all or a substantial part of the assets of the District in each case without its application, approval or consent, and such order, judgment or decree shall continue unstayed and in effect for any period of 60 consecutive days.

Section 12.02. Remedies on Default. Whenever any Event of Default exists, the Seller shall have the right, at its sole option without any further demand or notice, to take one or any combination of the following remedial steps:

(a) Without terminating this Agreement, and by written notice to the District, the Seller may declare all Installment Payments and other amounts payable by the District hereunder to the end of the then current budget year of the District to be due, including without limitation delinquent Installment Payments from prior budget years;

(b) Terminating this Agreement, and by written notice to the District, the Seller may accelerate all outstanding Installment Payments, in which case the District agrees to pay to the Seller a sum sufficient to defease this Agreement under Section 5.04 as well as any other sums due hereunder;

(c) The Seller may take whatever action at law or in equity necessary or desirable to enforce its rights under this Agreement.

Section 12.03. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Seller is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Seller to exercise any remedy reserved to it in this Article it shall not be necessary to give any notice, other than such notice as may be required in this Article.

ARTICLE XIII

Section 13.01. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by first class mail, postage prepaid, to the parties hereto at the addresses immediately after the signatures to this Agreement (or at such other address as either party hereto shall designate in writing to the other for notices to such party), to any assignee (other than a Registered Owner) at its address as it appears on the registration books maintained by the District and to any Registered Owner at its address as it appears on the registration books maintained by the Trustee.

Section 13.02. Certification as to Arbitrage. The District hereby represents as follows:

(a) The estimated total cost of the Project, together with related costs associated with the preparation and execution of this Agreement, will not be less than the total principal amount of the Installment Payments.

(b) The District has entered into, or expects to enter into, a substantial binding obligation to expend at least five percent (5%) of the net proceeds of this Agreement on the Improvements within six months after the Commencement Date. The Project is expected to be acquired, constructed and installed, and the Vendor fully paid, within three years after the Commencement Date. The District shall diligently proceed with such acquisition.

(c) The District has not created or established, and does not expect to create or establish, any sinking fund or other similar fund (i) that is reasonably expected to be used to pay the Installment Payments, or (ii) that may be used solely to prevent a default in the payment of the Installment Payments.

(d) The Project has not been and is not expected to be sold or otherwise disposed of by the District, either in whole or in major part, prior to the last maturity of the Installment Payments.

(e) To the best of the District's knowledge, information and belief, the facts and estimates set forth in this Section are accurate and the expectations of the District set forth in this Section are reasonable.

Section 13.03. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the District and the Seller and their respective successors and assigns.

Section 13.04. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 13.05. Amendments, Changes and Modifications. This Agreement may be amended by the District and the Seller, provided that no amendment that affects the rights of the Registered Owners shall be effective unless it shall have been consented to by the Registered Owners of a majority, in principal amount, of the Certificates of Participation, if any, then outstanding.

Section 13.06. Execution in Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 13.07. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon.

Section 13.08. Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

IN WITNESS WHEREOF, the Seller and the District have caused this Installment Purchase Agreement to be executed in their names by their duly authorized representatives as of the date first above written.

THE SELLER:

SAWY LEASING CORP.

By _____
David Ulbricht, Secretary

Address: 720 S. W. Washington Street, Suite 610
Portland, Oregon 97205

THE DISTRICT:

METRO

By: _____
Jennifer Sims, Chief Financial Officer

ATTEST:

By: _____
Craig Prosser, Financial Planning Manager

Address: 600 N.E. Grand Avenue
Portland, Oregon 97232

COUNTERPART # ____ OF 2 COUNTERPARTS. ONLY
COUNTERPART #1 SHALL BE DEEMED TO BE THE ORIGINAL. NO
SECURITY INTEREST MAY BE CREATED IN THIS AGREEMENT
EXCEPT BY THE TRANSFER AND POSSESSION OF THE ORIGINAL.

SCHEDULE 1 TO INSTALLMENT PURCHASE AGREEMENT

PROJECT DESCRIPTION

Re: Installment Purchase Agreement, dated as of April 1, 1997, between SAWY Leasing Corp. and Metro.

The Project is as follows:

SCHEDULE 2 TO INSTALLMENT PURCHASE AGREEMENT

DISBURSEMENT INSTRUCTIONS

First Trust National Association
1000 S. W. Broadway, Suite 1750
Portland, Oregon 97205
Attention: SDAO FlexLease Program

Re: Installment Purchase Agreement dated as of April 1, 1997 (the "Agreement"), between SAWY Leasing Corp. (the "Seller") and Metro (the "District").

Dear Sir or Madam:

The undersigned, an Authorized Representative of the District, hereby requests and authorizes First Trust National Association (the "Trustee") under the Master Trust Agreement among the Seller, the Trustee and Strand, Atkinson, Williams & York, Incorporated, to disburse the net proceeds of the Agreement as follows:

Name of Payee: _____

By check _____ By wire transfer _____

If by check, Payee's address: _____

If by wire transfer, instructions as follows:

Pay to (name of bank): _____

For Account of: _____

Account No.: _____

ABA No.: _____

Metro

By: _____
Jennifer Sims, Chief Financial Officer

SCHEDULE 3 TO INSTALLMENT PURCHASE AGREEMENT

PAYMENT SCHEDULE

Re: Installment Purchase Agreement, dated as of April 1, 1997, between SAWY Leasing Corp. and Metro.

All terms used herein have the meanings ascribed to them in the above-referenced Agreement.

A. Installment Payments. The Installment Payments shall be in the amounts set forth in the "Total Rental Payments" column of the Payment Schedule contained in this Schedule 3. The interest component of these Installment Payments is calculated on the basis of 30-day months and a 360-day year. The principal component of each Installment Payment, set forth in the "Principal" column, bears interest at the rate set forth in the "Annual Coupon" column opposite said amount.

B. Administrative Expense Payments. The Administrative Expense Payments shall be in the amounts set forth in the "Annual Trustee Fee" column of the Payment Schedule contained in this Schedule 3.

C. Payment Schedule. The Payment Schedule is attached.

SCHEDULE 4 TO INSTALLMENT PURCHASE AGREEMENT

DISTRICT'S CERTIFICATE

Re: Installment Purchase Agreement, dated as of April 1, 1997, between SAWY Leasing Corp. and Metro (the "District").

I, the undersigned, the duly appointed, qualified and acting Financial Planning Manager of the above-captioned District do hereby certify this April 7, 1997 as follows:

1. The District did, at a regular special meeting of the governing body of the District (the "Council") held _____ 1997 by motion duly made, seconded and carried, in accordance with all requirements of law, approve and authorize the execution and delivery of the above-referenced Installment Purchase Agreement (the "Agreement") on its behalf by the following named representative of the District, to wit:

<u>Name</u>	<u>Title</u>	<u>Signature</u>
Jennifer Sims	Chief Financial Officer	_____

2. The above-named representative of the District held at the time of such authorization and holds at the present time the office set forth above.

3. The meeting of the Council at which the Agreement was approved and authorized to be executed was duly called, regularly convened and attended throughout by the requisite majority of the members thereof and the action approving the Agreement and authorizing the execution thereof has not been altered or rescinded. All meetings of the Council relating to the authorization and delivery of the Agreement have been:

- (a) held within the geographic boundaries of the District;
- (b) open to the public, allowing all people to attend;
- (c) held at places that do not practice discrimination on the basis of race, creed, color, sex, age, national origin or disability;
- (d) announced by public notice reasonably calculated to give actual notice to interested persons, including the news media which have requested notice, such notice has included the time and place of the meeting and the principal subjects anticipated to be considered at such meeting;

- (e) in the case of special meetings, announced with at least 24 hours notice to members of the governing body, the news media which have requested notice and to the general public; and
- (f) conducted in accordance with internal procedures of the governing body with a quorum of the governing body in attendance.

4. The District has, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for the current budget year to make the Installment Payments scheduled to come due during the current budget year and to meet its other obligations for the current budget year and such funds have not been expended for other purposes.

5. No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default (as such term is defined in the Agreement) exists at the date hereof.

6. All insurance required in accordance with the Agreement is currently maintained by the District.

7. To the best of my knowledge after reasonable inquiry, there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any judicial or administrative court or agency, public board or body, pending or threatened against or which affects the District wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Agreement or the enforceability thereof.

8. The budget year of the District is from July 1 to June 30.

IN WITNESS WHEREOF, I hereunto set my hand the day and year first above written.

Metro

By: _____
Craig Prosser, Financial Planning Manager

SCHEDULE 5 TO INSTALLMENT PURCHASE AGREEMENT

NOTICE OF PREPAYMENT

VIA REGISTERED MAIL

First Trust National Association
1000 S. W. Broadway, Suite 1750
Portland, Oregon 97205
Attention: SDAO FlexLease Program

Re: Installment Purchase Agreement dated as of April 1, 1997, Series 1997E,
between SAWY Leasing Corp. and Metro

Ladies and Gentlemen:

In accordance with the above-referenced Installment Purchase Agreement (the "Agreement"); the undersigned ("District") hereby exercises its option to prepay the principal component of Installment Payments due under the Agreement on _____ (the "Prepayment Date"). The District exercises its option as follows (check one):

_____ The District is prepaying the principal component of Installment Payments in full. Enclosed herewith is a check made payable to the Trustee in the amount of the sum of (i) the interest accrued to the date of prepayment, (ii) the Prepayment Price set forth in the Agreement as a percentage of the principal component of the Installment Payments to be prepaid, (iii) the Administrative Expense Payment accruing to the next forthcoming Payment Date on which such an Administrative Expense Payment is due, and (iv) a fee to the Trustee in the amount of \$500.

_____ The District is prepaying the principal component of Installment Payments in part. The amount of the principal component that The District desires to prepay is \$_____ (amount prepaid must be at least \$5,000 and must be an integral multiple of \$5,000). Enclosed herewith is a check made payable to the Trustee in the amount of the sum of (i) the interest accrued thereon to the date of prepayment, (ii) the Prepayment Price set forth in the Agreement as a percentage of the principal component of the Installment Payments being prepaid, and (iii) a fee to the Trustee in the amount of \$500.

The District hereby acknowledges that the sum hereby deposited with the Trustee will be held uninvested by the Trustee until the Prepayment Date.

Date:

Metro

By: _____

Title: _____

STAFF REPORT

CONSIDERATION OF RESOLUTION 97-2473 FOR THE PURPOSE OF APPROVING THE LEASE/PURCHASE FINANCING WHEREBY SAWY LEASING CORP. SELLS CERTAIN EQUIPMENT TO METRO PURSUANT TO A LEASE/PURCHASE AGREEMENT; AND AUTHORIZING THE CFO OR HER DESIGNEE TO EXECUTE THE LEASE/PURCHASE AGREEMENT AND SUCH OTHER DOCUMENTS AND CERTIFICATES AS MAY BE NECESSARY TO CARRY OUT THE TRANSACTIONS CONTEMPLATED BY THE AFOREMENTIONED AGREEMENT.

March 7, 1997

Presented by: Craig Prosser

Factual Background and Analysis

Resolution 97-2473 approves a lease financing agreement with SAWY Leasing Corp. (the lessor) for the refinancing of a leases with Fine Host Corporation, the concessionaire at Expo, the Portland Center for the Performing Arts and the Civic Stadium.

The Fine Host - Expo contract was initiated June 14, 1995, for \$550,000 at 9% interest with final payment due June 13, 2001. The funds were used for improvements to the food and beverage operations at Expo. The remaining balance on April 9, 1997, will be approximately \$364,667. This balance is to be paid with proceeds from this FlexLease with final payment due April 2001.

The Fine Host - PCPA Contract was initiated June 14, 1995, for \$350,000 at 9% interest with final payment due June 20, 2001. The funds were used for improvements to the food and beverage operations at Portland Center for Performing Arts. The remaining balance on April 9, 1997, will be approximately \$260,860. This balance is to be paid with proceeds from this FlexLease with final payment due April 2001.

The Fine Host - Stadium Contract was initiated June 14, 1995, for \$100,000 at 9% interest with final payment due June 20, 2001. The funds were used for improvements to the food and beverage operations at the Civic Stadium. The remaining balance on April 9, 1997, will be approximately \$80,992. This balance is to be paid with proceeds from this FlexLease with final payment due April 2001.

Under this master lease arrangement, interest rates for purchases during a 30-day period are set once each month. Interest rates remain in force during the term of the financing. True interest cost (TIC) includes both interest expenses and all other expenses paid, such as charges by the trustee. The current anticipated TIC is 5.2%. The maximum TIC for this financing, however, can not exceed 5.85%. This rate is lower than other lease rates available at this time. The refinancing of the Fine Host lease will save about \$45,000 versus the existing contracts.

The total FlexLease for these this refinancing cannot exceed \$723,000, including costs of issuance.

This lease financing agreement is initiated under an existing master lease agreement between the Special Districts Association of Oregon and Strand, Atkinson, Williams & York (the underwriter). This master lease gives special districts (including Metro) access to low interest lease financing. This method of financing has been used four times before with Resolutions 93-1854, 94-1870, 95-2161 and 95-2208.

This lease financing agreement covers only the specified refinance. If Metro chooses to use this financing vehicle for future purchases, a new agreement will be required. Council approval will be required for any new agreements.

Executive Officer's Recommendation

The Executive Officer recommends approval of Resolution No. 97-2473.

\\FlexLeas\97-2473S.Doc