

BOND PURCHASE AGREEMENT

between

U.S. BANK NATIONAL ASSOCIATION
as Purchaser

and the

OREGON CITY URBAN RENEWAL COMMISSION OF
THE CITY OF OREGON CITY, OREGON
as Issuer

Relating to

\$1,231,970.64
Oregon City Urban Renewal Commission
Urban Renewal Revenue Bond
Series 2013 (Tax-Exempt)

and

\$2,214,429.36
Oregon City Urban Renewal Commission
Urban Renewal Revenue Bond
Series 2013 (Federally Taxable)

Dated as of January 31, 2013

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BOND PURCHASE AGREEMENT

This BOND PURCHASE AGREEMENT (the "Purchase Agreement") is entered into between the **OREGON CITY URBAN RENEWAL COMMISSION OF THE CITY OF OREGON CITY, OREGON**, as Issuer (the "Issuer"), and **U.S. BANK NATIONAL ASSOCIATION**, as Purchaser (the "Purchaser"), as of this 31st day of January 2013. The parties hereby agree as follows:

WHEREAS, on December 19, 1990, the City Commission of the City of Oregon City, Oregon (the "City") adopted the Downtown/North End Urban Renewal Plan (the "Original Urban Renewal Plan") for the Downtown Urban Renewal Area (the "Urban Renewal Area") pursuant to Oregon Revised Statutes (the "ORS") Chapter 457.

WHEREAS, on October 3, 2007, the City enacted Ordinance No. 07-1014, effective November 2, 2007, approving the Tenth Amendment to the Original Urban Renewal Plan for the Urban Renewal Area (the "Tenth Amendment") (the Original Urban Renewal Plan as previously amended and as further amended by the Tenth Amendment, the "Plan").

WHEREAS, pursuant to ORS Sections 457.420 through 457.450, the Issuer is authorized to issue tax increment indebtedness for projects approved in the Plan and located within the Urban Renewal Area.

WHEREAS, the Plan establishes a maximum indebtedness of One Hundred Thirty Million One Hundred Thousand Dollars (\$130,100,000) to carry out the goals and objectives of the Plan, of which \$16,711,532 of indebtedness has been incurred and \$14,016,221 remains outstanding.

WHEREAS, pursuant to Resolution No. 08-03 dated June 18, 2008, as supplemented by Resolution No. 08-05 dated July 16, 2008, (collectively, the "Series 2008A Bonds Resolutions"), the Issuer previously executed and delivered its Master Bond Declaration, and caused to be issued, pursuant to the Master Bond Declaration and the Series 2008A Bonds Resolutions, its \$10,000,000 aggregate principal amount of Downtown Urban Renewal Revenue Bonds, Series 2008A (Tax-Exempt) (the "Series 2008A Bonds") to finance certain projects authorized by the Plan and within the Urban Renewal Area.

WHEREAS, the Issuer amended and supplemented the Master Bond Declaration to undertake and finance certain additional projects authorized by the Plan within the Urban Renewal Area by securing a non-revolving line of credit in an aggregate principal amount of \$9,000,000 (the "2009 Credit Facility") from U.S. Bank National Association (the "Bank"), with the payment obligations of the Issuer with respect to the 2009 Credit Facility evidenced by an Amended and Restated Urban Renewal Revenue Bond Anticipation Note, Series 2010 (the "2010 Note") in favor of the Bank.

WHEREAS, the Bank has agreed to refinance the 2009 Credit Facility and the 2010 Note through the issuance by the Issuer of its Urban Renewal Revenue Bonds, Series 2013, which Bonds will be issued in two separate series, one issued on a tax-exempt basis and the other

issued on a federally taxable basis (the “Series 2013 Tax-Exempt Bond” and the “Series 2013 Taxable Bond,” respectively, and together, the “Series 2013 Bonds”).

WHEREAS, the Issuer intends to designate the Series 2013 Tax-Exempt Bond a “qualified-tax exempt obligation” within the meaning of Section 265(b) of the Internal Revenue Code of 1986, as amended (the “Code”).

WHEREAS, the Issuer adopted Resolution No. UR13-01 on January 16, 2013 (the “Authorizing Resolution”), authorizing and directing the Authorized Representative to execute and deliver a Second Supplemental Bond Declaration and to negotiate, enter into, execute and deliver this Purchase Agreement with the Bank to establish the terms and conditions of and relating to the Issuer’s Series 2013 Bonds, with such obligations secured by Tax Increment Revenues (as defined in the Master Bond Declaration).

WHEREAS, the Series 2013 Bonds will be issued as Parity Obligations (as defined in the Master Bond Declaration) under the Master Bond Declaration and the Second Supplement which, along with this Purchase Agreement, establish the terms and conditions of the Series 2013 Bonds as authorized and directed by the Authorizing Resolution.

NOW THEREFORE, pursuant to the Authorizing Resolution, the Master Bond Declaration and the Second Supplement, the Issuer desires to execute and deliver this Purchase Agreement and issue the Series 2013 Bonds to the Purchaser, and the Purchaser desires to execute and deliver this Purchase Agreement purchase the Series 2013 Bonds and thereby refinance the obligations of the Issuer to the Purchaser under the 2009 Credit Facility that are evidenced by the 2010 Note.

ARTICLE I DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1 Definitions. Unless the context otherwise requires, capitalized terms used but not otherwise defined in this Purchase Agreement shall have the meanings given in the Master Bond Declaration and the Second Supplement. In addition, for purposes of this Purchase Agreement, the following capitalized words and terms shall have the following meanings, unless the context clearly requires otherwise:

“**Authorized Representative**” means the Chair of the Agency, City Manager or the Finance Director, or their designee.

“**Authorizing Resolution**” means the Issuer’s Resolution No. UR13-01 adopted on January 16, 2013 authorizing the issuance of the Series 2013 Bonds.

“**Bond Counsel**” means the law firm of Orrick, Herrington & Sutcliffe LLP, of Portland, Oregon.

“**Business Day**” means any day other than a Saturday, Sunday or a day on which the Purchaser is authorized by law to remain closed.

“Closing Date” means January 31, 2013, or such other date upon which this Purchase Agreement is executed and delivered and the Series 2013 Bonds are issued by the Issuer and delivered to the Purchaser.

“Event of Default” means the declaration by the Purchaser of an event of default as a result of a determination by the Purchaser that there has been: (i) a failure to pay principal or interest on any Series 2013 Bonds Note when due, as provided in the such Bonds and this Purchase Agreement; or (ii) a failure by the Issuer to comply with any of its obligations, or to perform any of its duties, under the Authorizing Resolution, the Master Bond Declaration, the Second Supplement or this Purchase Agreement, which failure continues, and is not cured, for a period of more than 30 days after the Purchaser has made written demand on the Issuer to cure such failure; or, (iii) a material misrepresentation to the Purchaser by the Issuer in this Purchase Agreement, as reasonably concluded by the Purchaser after investigation and discussion with the Issuer.

“Financing Documents” means this Purchase Agreement, the Series 2013 Bonds, the Authorizing Resolution and the Second Supplement.

“Financing Payments” means all payments of principal and interest that Issuer is required to make on Series 2013 Bonds and under this Purchase Agreement, including all required payments of interest, fees and costs. “Financing Payments” include both the scheduled payments and any permitted prepayments of those scheduled payments.

“Fiscal Year” means the period beginning July 1 of each year and ending on the next succeeding June 30, or as otherwise defined by Oregon law.

“Interest Payment Date” means February 1 and August 1 of each year, commencing on August 1, 2013 and continuing through the Maturity Date.

“Maturity Date” means February 1, 2023, upon which this Purchase Agreement shall terminate and all amounts outstanding under the Series 2013 Bonds and this Purchase Agreement shall be due and payable.

“Payment Date” means the Principal Payment Date and Interest Payment Dates.

“Principal Office” means the office of the Purchaser located in Portland, Oregon, or such other or additional offices as may be designated in writing by the Purchaser to the Issuer.

“Principal Payment Date” means February 1 of each year commencing February 1, 2014 and continuing through the Maturity Date.

“Project” means the Project, as defined in the Master Bond Declaration.

“Purchase Agreement” means this Purchase Agreement, including any exhibits to this Purchase Agreement and any amendments to this Purchase Agreement and its exhibits.

“Purchaser” means U.S. Bank National Association or its successors or assigns.

“**Security**” means the Tax Increment Revenues and the Security as described and defined in the Master Bond Declaration and the Second Supplement.

“**Series 2013 Bonds**” mean the Series 2013 Tax-Exempt Bond and the Series 2013 Taxable Bond.

“**Series 2013 Tax-Exempt Bond**” means the “Oregon City Urban Renewal Commission Urban Renewal Revenue Bond, Series 2013 (Tax-Exempt)” in the initial principal amount of \$1,231,970.64.

“**Series 2013 Taxable Bond**” means the “Oregon City Urban Renewal Commission Urban Renewal Revenue Bond, Series 2013 (Federally Taxable)” in the initial principal amount of \$2,214,429.36.

“**Tax Certificate**” means the Tax Certificate of the Issuer, dated January 31, 2013, including any exhibits to the Tax Certificate.

“**Tax-Exempt Interest Rate**” means _____ percent (____%) per annum.

“**Taxable Interest Rate**” means _____ percent (____%) per annum.

Section 1.2 Rules of Construction. References to section numbers in documents which do not specify the document in which the section is located shall be construed as references to section numbers in this Purchase Agreement.

ARTICLE II TERMS OF THE PURCHASE AGREEMENT

Section 2.1 Agreement for Financing. The Purchaser hereby agrees to purchase the Series 2013 Bonds, subject to the terms and conditions contained in this Purchase Agreement. This Purchase Agreement shall commence on the Closing Date and shall end on the later of the date when no Series 2013 Bonds remain outstanding or the date that no other amounts remain outstanding and payable by the Issuer under this Purchase Agreement.

Section 2.2 Interest Rate. The outstanding principal balance of the Series 2013 Tax-Exempt Bond shall bear interest at the Tax-Exempt Interest Rate from the Closing Date through the earlier of the Maturity Date or the date of prepayment. The outstanding principal balance of the Series 2013 Taxable Bond shall bear interest at the Taxable Interest Rate from the Closing Date through the earlier of the Maturity Date or the date of prepayment. Interest shall be calculated on the Series 2013 Bonds using a 30/360 day year.

Section 2.3 Payment Dates. Principal on the Series 2013 Bonds shall be payable on the Principal Payment Date. Interest on the Series 2013 Bonds shall be payable semi-annually on February 1 and August 1 of each year, commencing with the payment due August 1, 2013. Each installment payment shall be first applied to interest to the due date of such installment with the balance, if any, applied to principal.

Section 2.4 Delivery of Series 2013 Bonds. The Issuer promises and agrees to cause the Series 2013 Bonds to be executed and delivered to the Purchaser and to repay the principal of, interest on, and all fees and costs, in accordance with the terms of the Financing Documents.

Section 2.5 Estoppel. The Issuer hereby certifies, recites and declares that all things, conditions and acts required by the Constitution and Statutes of the State of Oregon and by this Purchase Agreement to exist, to have happened and to have been performed precedent to and in the execution and the delivery of this Purchase Agreement, do exist, have happened and have been performed in due time, form and manner, as required by law, and that this Purchase Agreement is a valid and binding obligation of Issuer which is enforceable against Issuer in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other laws or judicial decisions or principles of equity relating to or affecting the enforcement of creditors' rights or contractual obligations generally.

ARTICLE III PREPAYMENT

The Series 2013 Bonds may be prepaid on any Business Day without premium or penalty upon one Business Day prior written notice to the Purchaser. Payments by the Issuer to the Purchaser shall be applied first, to pay accrued interest, and second, to reduce the principal balance of the designated Bond. The Purchaser shall mail to the Issuer a summary of prepayments, and a statement showing the outstanding principal amount of each Bond at least annually, and, upon the Issuer's written request, after any prepayments.

ARTICLE IV SECURITY; PARITY OBLIGATIONS

Section 4.1 Security; Parity Obligations.

(a) **Security.** The Series 2013 Bonds and the Issuer's obligations under this Purchase Agreement and all other Financing Documents related to such Bonds shall be Parity Obligations under the Master Bond Declaration and the Second Supplement payable solely and only from the Security. The Purchaser shall not have a lien on or security interest in the Project or any other property of the Issuer except as expressly provided in the Master Bond Declaration, the Second Supplement and herein.

(b) Issuer hereby agrees that its obligation to pay all Financing Payments from the Security shall not be subject to annual appropriation or any of the following:

- (i) any setoff, counterclaim, recoupment, defense or other right which Issuer may have against the Purchaser, any contractor or anyone else for any reason whatsoever;
- (ii) any insolvency, bankruptcy, reorganization or similar proceedings by Issuer;

(iii) abatement through damage, destruction or non-availability of the Project; or

(iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing.

Section 4.2 No Purchaser Obligations with Respect to Project. The Purchaser shall have no obligation to maintain or modify the Project, or to pay any taxes, fees or charges associated with the Project, or to take any action related to the Project except actions specifically required by the Financing Documents.

ARTICLE V REFINANCING OF 2009 CREDIT FACILITY AND 2010 NOTE

The Issuer and the Purchaser acknowledge and agree that Series 2013 Bonds are being issued to refinance the obligations of the Issuer to the Purchaser under the 2009 Credit Facility that are evidenced by the 2010 Note, and that upon issuance, execution and delivery of the Series 2013 Bonds by the Issuer to the Purchaser the 2009 Credit Facility shall be terminated the 2010 Note shall be cancelled by the Purchaser and delivered to the Issuer.

ARTICLE VI EVENTS OF DEFAULT

If an Event of Default occurs, the Purchaser may exercise any remedy available at law or in equity, except for acceleration. No remedy shall be exclusive. The Purchaser may waive any Event of Default, but no such waiver shall extend to a subsequent Event of Default.

ARTICLE VII WAIVER OF JURY TRIAL

Section 7.1 Waiver of Jury Trial Generally. This Section concerns the resolution of any controversies or claims between the Issuer and the Purchaser, including but not limited to those that arise from:

- (a) this Purchase Agreement or with respect to the Series 2013 Bonds,
- (b) the Authorizing Resolution, the Master Bond Declaration, the Second Supplement or any document, agreement or procedure related to or delivered in connection with this Purchase Agreement,
- (c) any default under this Purchase Agreement or with respect to the Series 2013 Bonds, or
- (d) any claims for damages resulting from any business conducted between the Issuer and the Purchaser relating to this Purchase Agreement or any other Financing Document, including claims for injury to persons, property or business interest (torts).

Section 7.2 Waiver of Jury Trial Provisions. The Issuer and the Purchaser each waive their respective rights to a trial by jury or any claim or cause of action based upon or arising out of or related to this Purchase Agreement or any other Financing Documents delivered in connection herewith or the transactions contemplated hereby or in any action, proceeding or other litigation of any type brought by any of the parties against any other party or any related person, participant or assignee whether with respect to contract claims, tort claims or otherwise. To the full extent permitted by law, the Issuer and the Purchaser each further agree that any such claim or cause of action shall be tried in a court without jury and waive trial by jury in any action respecting this Purchase Agreement or any of the related Financing Documents without limiting the foregoing, to the extent permitted by law, the parties further agree that their respective right to a trial by jury is waived by operation of this paragraph as to any action, counterclaim or other proceeding which seeks, in whole or in part, to challenge the validity or enforceability of the Purchase Agreement or any other Financing Document delivered in connection herewith or any provision hereof or thereof. This waiver shall apply to any subsequent amendments, supplements or modifications to this Purchase Agreement and any other Financing Documents delivered in connection therewith.

ARTICLE VIII FEES, COSTS AND EXPENSES

Section 8.1 Purchaser Fees. The Issuer shall pay the Purchaser an origination fee of \$7,000 on the Closing Date.

Section 8.2 Purchaser Costs of Enforcement. If the Purchaser incurs any expenses in connection with enforcing this Purchase Agreement, or if the Purchaser takes collection action under this Purchase Agreement, the Issuer shall pay to the Purchaser, on demand, the Purchaser's reasonable attorneys' fees and costs, whether at trial, on appeal or otherwise, including any allocated costs of in-house counsel.

Section 8.3 Other Fees and Costs. The Issuer shall pay the fees and costs of Bond Counsel, and any other expenses and costs which the Issuer incurs in connection with this Purchase Agreement. The Purchaser shall pay all of the Purchaser's costs and expenses, including, but not limited to, any attorney's fees incurred by the Purchaser in connection with the Financing Documents, but shall not be obligated to pay any of the expenses and costs of the Issuer, including any fees of Bond Counsel.

ARTICLE IX REPRESENTATIONS, COVENANTS AND AGREEMENTS OF THE ISSUER AND PURCHASER

Section 9.1 Representations and Covenants of the Issuer. The Issuer represents and covenants to, and agrees with the Purchaser that:

(a) The Issuer is duly created, established and existing as an urban renewal agency under the laws of the State of Oregon, has all necessary power and authority to enter into this Purchase Agreement and perform its duties under this Purchase Agreement, the Master Bond Declaration and the Second Supplement and this Purchase

Agreement and Series 2013 Bonds will constitute legal, valid and binding obligations of the Issuer which are enforceable in accordance with their terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally.

(b) The execution and delivery of this Purchase Agreement and the Series 2013 Bonds, the adoption of the Authorizing Resolution and the Second Supplement will not conflict in any material respect with, or constitute a material breach of or default under, any law, court decree, administrative regulation, resolution, order or other agreement to which the Issuer is a party or by which it is bound.

(c) No Event of Default under this Purchase Agreement has occurred and is continuing and no event has occurred and is continuing which with the lapse of time or the giving of notice, or both, would constitute a breach or Event of Default under this Purchase Agreement.

(d) There is no action, suit, proceeding or investigation at law or in equity before or by any court or governmental body pending or, to the knowledge of the Issuer, threatened against the Issuer to restrain or enjoin the execution and delivery of this Purchase Agreement or the Series 2103 Bonds and the adoption of the Resolution or the Second Supplement, or the collection and application of the funds as contemplated by the Master Bond Declaration, the Second Supplement and this Purchase Agreement, which would have a material and adverse effect on the ability of the Issuer to pay the Series 2013 Bonds and any other amounts due under this Purchase Agreement.

(e) To the extent permitted by law, the Issuer agrees to indemnify and hold harmless the Purchaser and all of its agents and employees against any and all losses, claims, damages, liabilities and expenses arising out of any statement made by the Issuer to the Purchaser, its agents or employees, which relates to this Purchase Agreement or the Series 2013 Bonds, and which is untrue or incorrect in any material respect; provided, however, that any liability of the Issuer shall be payable solely and only from the Security.

(f) In consideration of the agreement of the Purchaser to purchase the Series 2013 Bonds pursuant to this Purchase Agreement, the provisions of the Master Bond Declaration, the Second Supplement and the Authorizing Resolution shall be deemed to be and shall constitute part of this Purchase Agreement between the Issuer and the Purchaser. The covenants, pledges, and agreements contained in the Master Bond Declaration, the Second Supplement and the Authorizing Resolution and in the closing documents executed in connection with the Series 2013 Bonds and this Purchase Agreement shall be contracts for the protection and security of the Purchaser.

Section 9.2 Representations and Covenants of the Purchaser. The Purchaser represents and covenants to, and agrees with the Issuer that:

(a) The Purchaser is a national banking association organized and existing under the laws of the United States of America and duly qualified to transact business of

the type contemplated by this Purchase Agreement in the State of Oregon, and has all necessary power to own its properties and assets and to carry on its business as now conducted.

(b) The consummation of the transactions contemplated by the Financing Documents will not violate the provisions of, or constitute a breach or default under, the charter or other governing documents of the Purchaser or any agreement to which the Purchaser is a party.

(c) The execution, delivery and performance by the Purchaser of this Purchase Agreement and all related agreements, instruments and documents to which the Purchaser is a party have been duly authorized and constitute legal, valid and binding obligations of the Purchaser, enforceable against the Purchaser in accordance with their terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally.

ARTICLE X ADDITIONAL ISSUER COVENANTS

Section 10.1 Financial Statements. As long as this Purchase Agreement is in effect, the Issuer shall provide the Purchaser with a copy of its complete, audited annual financial statements within 270 days after the end of each Fiscal Year.

Section 10.2 Collection of Tax Increment Revenues. As long as any of the Series 2013 Bonds are outstanding and this Purchase Agreement is in effect, the Issuer shall comply with all requirements of the Law, the Master Bond Declaration, the Second Supplement and the Authorizing Resolution with respect to the determination, filing and collection of Tax Increment Revenues in each Fiscal Year. Additionally, the Issuer covenants and agrees that it will cause its Finance Director to provide to the Purchaser within forty-five (45) days following the end of each Fiscal Year a written certification confirming that Tax Increment Revenues collected during the Fiscal Year pursuant to Section 6.01 of the Master Declaration were equal to or greater than 1.10 times the Annual Debt Service payable on all Outstanding Bonds during the same period.

Section 10.3 Notice of Adverse Developments. The Issuer shall notify the Purchaser promptly of any development which is likely to have a material, adverse effect (a) on the ability of the Issuer to pay principal of or interest on the Series 2013 Bonds, or (b) on the financial condition of the Issuer generally.

Section 10.4 Maintenance of Tax-Exemption. As long as the Series 2013 Tax-Exempt Bond is outstanding and this Purchase Agreement is in effect, the Issuer will not take any action, or fail to take any action that would adversely affect the exclusion from gross income of interest on the Series 2013 Tax Exempt Bond and shall comply with all covenants, obligations and agreements made pursuant to the Tax Certificate or otherwise with respect to the tax-exempt status of interest on the Series 2013 Tax-Exempt Bond.

Section 10.5 Tax Covenants.

(a) The Issuer covenants for the benefit of the Purchaser to comply with all provisions of the Code which are required for the interest on the Series 2013 Tax-Exempt Bond to be excludable from gross income under the Code. The Issuer further covenants for the benefit of the Purchaser to comply with all provisions of the Code that are required so that the Series 2013 Tax-Exempt Bond is not a “private activity bond” within the meaning of Section 141 of the Code. The Issuer specifically covenants herein that it shall not take any action or omit any action, if it would cause the Series 2013 Tax-Exempt Bond to become an “arbitrage bond” under Section 148 of the Code, and that it shall pay, but solely from the Security, all rebates or penalties on the “gross proceeds” of the Series 2013 Tax-Exempt Bond when and as required under that Section of the Code.

(b) The Issuer designates the Series 2013 Tax-Exempt Bond for purposes of paragraph (3) of Section 265(b) of the Code as a “qualified tax-exempt obligation” and covenants that the Series 2013 Tax-Exempt Bond does not and will not constitute a private activity bond as defined by Section 141 of the Code. Further, not more than \$10,000,000 aggregate principal amount of obligations, the interest on which is excludable under Section 103(a) of the Code from gross income for federal income tax purposes (excluding, however, private activity bonds other than qualified 501(c)(3) bonds and current refundings of tax-exempt obligations to the extent they do not exceed the amount of the refunded obligations) have been or are reasonably expected to be issued or drawn by the Issuer or any subordinate entities during the calendar year 2013.

Section 10.6 Reserve Requirement. The Issuer hereby represents and warrants that the amount on deposit in the Reserve Account is not less than \$[_____] on the Closing Date and that such amount is not less than the current Reserve Requirement for all Outstanding Bonds, including the Series 2103 Bonds. The Issuer further covenants and agrees that so long as the Series 2013 Bonds are outstanding or any amounts are due and payable to the Purchaser under this Purchase Agreement that the amount on deposit in the Reserve Account shall at all times not be less than the Reserve Requirements for all Outstanding Bonds.

Section 10.7 Additional Bonds. In addition to all other conditions for the issuance of Additional Bonds contained in Article IV of the Master Resolution, the Issuer covenants and agrees that it will not issue any Additional Bonds so long as any of the Series 2013 Bonds are outstanding or any amounts are due and payable to the Purchaser under this Purchase Agreement unless on or before the date of closing of the Additional Bonds, there shall have been delivered to the Purchaser by the Issuer either:

(a) a Certificate of the Issuer stating that Available Tax Increment Revenues in the Base Period preceding the delivery of the Additional Bonds then proposed to be issued are not less than the sum of 1.25 times Annual Debt Service due in the Base Period on Outstanding Bonds plus 1.25 times Annual Debt Service on the Additional Bonds then proposed to be issued; or

(b) a report of a Qualified Consultant setting forth:

(i) the amount of the Available Tax Increment Revenues projected to be available for all Fiscal Years succeeding the date of delivery of the Additional Bonds, then proposed to be issued, or, if capitalized interest is used, all of the Fiscal Years after the last capitalized interest payment; and

(ii) the debt service on all Outstanding Bonds and the Annual Debt Service for each maturity of the Series of Additional Bonds then proposed to be issued, and stating that the amount shown in paragraph (A) above for all of the Fiscal Years succeeding the date of delivery of the Additional Bonds, then proposed to be issued, or, if capitalized interest is used, all of the Fiscal Years after the last capitalized interest payment is not less than the sum of 1.35 times Annual Debt Service on all Outstanding Bonds plus 1.35 times Annual Debt Service on the Additional Bonds then proposed to be issued.

ARTICLE XI

CONDITIONS TO THE OBLIGATIONS OF THE PURCHASER

Section 11.1 Obligation of Purchaser to Purchase Series 2013 Bonds. The Purchaser shall not be obligated to purchase the Series 2013 Bonds under this Purchase Agreement and thereby refinance the 2009 Credit Facility and the 2010 Note:

(a) unless, on or prior to the date of the first Closing Date the Purchaser shall have received:

(i) an opinion (or reliance letter thereon) of Bond Counsel to the Issuer in form and substance satisfactory to the Issuer and the Purchaser; and

(ii) The certificate of the Authorized Representative of the Issuer to the effect that:

(1) there is no action, suit, proceeding or investigation at law or in equity before or by any court or government, Issuer or body pending or, to the best of the knowledge of the Issuer, threatened against the Issuer to restrain or enjoin the adoption of the Resolution or the execution and delivery of the Second Supplement, this Purchase Agreement and the Series 2013 Bonds, or the collection and application of Tax Increment Revenues as contemplated by this Purchase Agreement or the Series 2013 Bonds, which, in the reasonable judgment of the Issuer, would have a material and adverse effect on the ability of the Issuer to pay the Series 2013 Bonds or any amounts due under this Purchase Agreement; and

(2) the adoption of the Authorizing Resolution and the execution and delivery of the Second Supplement, this Purchase Agreement and the Series 2013 Bonds do not and will not conflict in any material respect with or constitute on the part of the Issuer a breach of or

default under any law, court decree, administrative regulation, resolution, order or other agreement or instrument to which the Issuer is a party or by which it is bound.

(b) If the Purchaser reasonably determines that:

(i) the representations and covenants of the Issuer in this Purchase Agreement, the Authorizing Resolution, the Master Bond Declaration or the Second Supplement were untrue in any material respect when made; or

(ii) the Issuer has breached any of its obligations under the Authorizing Resolution, the Master Bond Declaration, the Second Supplement, this Purchase Agreement or the Series 2013 Bonds.

ARTICLE XII SURVIVAL; PURCHASE AGREEMENT CONSTITUTES CONTRACT

This Purchase Agreement may not be assigned by the Issuer or the Purchaser without the other party's consent. All representations, covenants, and agreements contained in this Purchase Agreement shall survive the execution and delivery of this Purchase Agreement and the issuance, execution and delivery of the Series 2013 Bonds. This Purchase Agreement and the Series 2013 Bonds shall constitute a contract between the Issuer and the Purchaser. The Purchaser's agreement to purchase the Series 2013 Bonds and thereby refinance the 2009 Credit Facility and the 2010 Note is expressly made in reliance on such contract.

ARTICLE XIII AMENDMENTS

Section 13.1 Amendments.

(a) Issuer, without the consent of or notice to the Purchaser, may amend, change or modify this Purchase Agreement as may be required to cure any ambiguity, formal defect or omission in this Purchase Agreement.

(b) Any amendment to this Purchase Agreement that is not described in Section 13.1(a) above shall require the consent of the Purchaser.

ARTICLE XIV COUNTERPARTS

This Purchase Agreement may be executed simultaneously in several counterparts, each of which shall be an original and all of which shall constitute one and the same agreement.

ARTICLE XV MISCELLANEOUS

Section 15.1 Notices. Any notices required to be given pursuant to this Purchase Agreement shall be given to the following addresses:

Issuer:	Oregon City Urban Renewal Commission City of Oregon City, Oregon 625 Center Street Oregon City, OR 97045 Telephone: (503) 657-0891 Facsimile: (503) 657-3339 Email: wparno@ci.oregon-city.or.us Attention: Finance Director
Purchaser:	U.S. Purchaser National Association Government and Nonprofit Banking Division 111 SW Fifth Avenue, Suite 550 Mail Code: PD-OR-T5GB Portland, OR 97204 Telephone: (503) 275-5001 Facsimile: (503) 275-7565 Email: ronald.howell@usbank.com Attn: Ronald D. Howell

Section 15.2 Records and Accounts; Transfer.

(a) The Purchaser shall, so long as the Series 2013 Bonds are outstanding or any other amounts are payable under this Purchase Agreement, keep complete and accurate records of all moneys received with respect to the Bonds or under this Purchase Agreement, which shall be available for inspection by Issuer at any time during reasonable business hours upon reasonable prior notice. Upon written notice, the Purchaser shall promptly make such records available to Issuer, or its auditors and other representatives, and shall cooperate with them in auditing and reproducing the records.

(b) The Series 2013 Bonds may not be transferred without the Issuer's consent, other than to a successor to the business and assets of the Purchaser. The Issuer shall maintain a record of all persons or entities holding an interest in the Series 2013 Bonds, and the right to principal and interest on the Series 2013 Bonds may only be transferred through reflection on the books and records maintained by the Issuer or its designated agent.

Section 15.3 Applicable Law. This Purchase Agreement shall be governed and interpreted in accordance with the laws of the State of Oregon.

Section 15.4 Severability and Waiver. If any part of this Purchase Agreement is not valid or enforceable by any court of competent jurisdiction, the rest of the Purchase Agreement may be enforced. The Purchaser retains all rights, even if it makes a loan after default. If the

Purchaser waives a default, it may enforce a later default. Any consent or waiver under this Purchase Agreement must be in writing.

Section 15.5 Binding Effect; Successors. This Purchase Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. Whenever in this Purchase Agreement any party hereto is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all covenants and agreements contained in this Purchase Agreement by or on behalf of any party hereto shall bind and inure to the benefit of the successors and assigns thereof whether so expressed or not.

Section 15.6 Headings. The headings, titles and table of contents in this Purchase Agreement are provided for convenience and shall not affect the meaning, construction or effect of this Purchase Agreement. All references herein to Sections, and other subdivisions which do not specify the document in which the subdivision is located shall be construed as references to this Purchase Agreement.

Section 15.7 Written Agreements. Under Oregon law, most agreements, promises and commitments made by the Purchaser concerning loans and other credit extensions which are not for personal, family or household purposes or secured solely by the Issuer's residence must be in writing, express consideration and be signed by the Purchaser to be enforceable.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Purchaser has executed this Purchase Agreement by its duly authorized officer and Issuer has caused this Purchase Agreement to be executed in its name by its duly authorized officer, all as of the date first above written.

U.S. BANK NATIONAL ASSOCIATION
as Purchaser

By: _____
Ronald D. Howell, Vice President

**OREGON CITY URBAN RENEWAL
COMMISSION, OF THE CITY OF
OREGON CITY, OREGON**
as Issuer

By: _____
Wyatt Parno, Finance Director