

2020 SUPPLEMENTAL BOND DECLARATION

(RIVERFRONT/DOWNTOWN URBAN RENEWAL AREA)

Urban Renewal Agency of the City of Salem, Oregon

**[\$____] Urban Renewal Bond
(Riverfront/Downtown Urban Renewal
Area), Series 2020A (Tax-Exempt)**

**[\$____] Urban Renewal Bond
(Riverfront/Downtown Urban Renewal
Area), Series 2020B (Federally Taxable)**

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2020 SUPPLEMENTAL BOND DECLARATION (RIVERFRONT/DOWNTOWN URBAN RENEWAL AREA)

This 2020 Supplemental Bond Declaration (Riverfront/Downtown Urban Renewal Area) is executed as of the [____ day of ____, 2020], to provide for the issuance by the Urban Renewal Agency of the City of Salem, Oregon, of its Urban Renewal Bond (Riverfront/Downtown Urban Renewal Area), Series 2020A (Tax-Exempt) and Urban Renewal Bond (Riverfront/Downtown Urban Renewal Area), Series 2020B (Federally Taxable).

Section 1. Recitals.

1.1.The Agency is authorized by ORS Chapter 457 and the urban renewal plan for the Riverfront/Downtown Urban Renewal Area to issue bonds which are payable from the tax increment revenues of the Riverfront/Downtown Urban Renewal Area.

1.2.The Agency executed its Master Bond Declaration (Riverfront/Downtown Urban Renewal Area) on July 29, 2003, providing the terms under which the Agency may issue obligations that are secured by a first lien on the Tax Increment Revenues of the Riverfront/Downtown Urban Renewal Area. That declaration was amended and supplemented on September 17, 2009, in connection with the issuance of the Agency’s Riverfront/Downtown Urban Renewal Bond, Series 2009, and supplemented on August 27, 2015 in connection with the issuance of the Agency’s Riverfront/Downtown Urban Renewal Bonds, Series 2015A (Tax-Exempt) and Series 2015B (Taxable).

1.3.The Agency adopted Resolution No. 20-9 URA on October 12, 2020 authorizing the issuance of up to [\$10,000,000] of bonds that are secured by a first lien on the Tax Increment Revenues of the Riverfront/Downtown Urban Renewal Area.

1.4.The Agency executes this 2020 Supplemental Bond Declaration to describe the terms under which its Urban Renewal Bond (Riverfront/Downtown Urban Renewal Area), Series 2020A (Tax-Exempt) (the “Series 202A Bond”) and its Urban Renewal Bond (Riverfront/Downtown Urban Renewal Area), Series 2020B (the “Series 2020B Bond,” and together with the Series 2020A Bond, “Series 2020 Bonds”) will be issued pursuant to Resolution No. [__] URA and the Master Bond Declaration (Riverfront/Downtown Urban Renewal Area), as amended and supplemented.

1.5. The Board approved a maximum indebtedness limit for the Area of \$315,000,000. The Agency has not exceeded that limit and issuance of the Series 2020 Bonds will not cause the Agency to exceed that limit.

Section 2. Definitions.

Capitalized terms which are used, but not defined, in this 2020 Supplemental Declaration shall have the meanings defined for such terms in the Master Bond Declaration, as defined below. Capitalized terms which are used in this 2020 Supplemental Declaration and are defined in this Section 2 shall have the following meanings:

“2020 Supplemental Declaration” means this Supplemental Bond Declaration describing the Series 2020 Bonds.

“Agency” means the Urban Renewal Agency of the City of Salem, Oregon.

“Bank” means [Lender] and its successors and assigns, as initial purchaser of the Series 2020 Bonds.

“City” means the City of Salem, Oregon.

“Master Bond Declaration” means the Master Bond Declaration (Riverfront/Downtown Urban Renewal Area) dated July 29, 2003, establishing the terms and conditions under which the Agency may issue obligations that are secured by a first lien on the Tax Increment Revenues of the Riverfront/Downtown Urban Renewal Area, as that declaration has been and may in the future be amended and supplemented in accordance with its terms.

“Purchase Agreement” means the Bond Purchase Agreement between the Agency and the Bank that is dated as of [____, 2020] and relates to the Series 2020 Bonds.

“Resolution” means Agency Resolution No. 20-9 URA adopted by the Board of the Agency on October 12, 2020.

“Series 2020A Bond” means the Agency’s Urban Renewal Bond (Riverfront/Downtown Urban Renewal Area), Series 2020A (Tax-Exempt), that is described in Section 4 of this 2020 Supplemental Declaration.

“Series 2020B Bond” means the Agency’s Urban Renewal Bond (Riverfront/Downtown Urban Renewal Area), Series 2020B (Federally Taxable), that is described in Section 5 of this 2020 Supplemental Declaration.

“Series 2020 Bonds” means the Series 2020A Bond and Series 2020B Bond.

Section 3. Series 2020 Bonds as an Additional Bond.

3.1. The Series 2020 Bonds are being issued as an Additional Bond under Section 10 of the Master Bond Declaration.

3.2. Pursuant to Section 10.A. of the Master Bond Declaration, I certify that:

- (A) No Default under the Master Bond Declaration or any Supplemental Declaration has occurred and is continuing; and,
- (B) There is no deficiency in the Reserve Account.

3.3. Pursuant to Section 10.A(3) of the Master Bond Declaration, the Agency shall make a deposit to the Reserve Account in an amount necessary, together with other available funds, to meet the Reserve Requirement at the time of issuance of the Series 2020 Bonds.

3.4. Pursuant to Section 10.A(4) of the Master Bond Declaration, the Authorized Representative has filed with the Agency a certificate stating that Tax Increment Revenues in the Base Period preceding the delivery of the Series 2020 Bonds are not less than 1.25 times Maximum Annual Debt Service due in the Base Period on Outstanding Bonds plus the Series 2020 Bonds.

Section 4. The Series 2020A Bond.

4.1. The Agency shall issue the Series 2020A Bond pursuant to the Resolution, the Master Bond Declaration and this 2020 Supplemental Declaration. The Series 2020A Bond shall be an Additional Bond and the Agency hereby reaffirms all of its covenants in the Master Bond Declaration for the benefit of the owner of the Series 2020A Bond.

4.2. The Series 2020A Bond shall be in the principal amount of \$[___], shall be dated [___, 2020], shall mature in the following amounts on the following dates, and shall bear interest at the following rates: [TO FOLLOW]

<u>Principal Payment Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
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4.3. Interest on the Series 2020 Bond is calculated on a 30/360-day basis, and is payable _____ on _____ of each year, commencing _____.

4.4. The Series 2020A Bond shall be a Tax-Exempt Obligation, and the Agency covenants not to take any action, or omit to take any action, if the taking or omitting would cause interest on the Series 2020A Bond to become includable in gross income under the Code.

4.5. The proceeds of the Series 2020A Bond shall be used to finance the costs of urban renewal projects authorized by the Plan.

4.6. Form. The Series 2020A Bond shall be in substantially the form attached hereto as Appendix A, with such changes as may be approved by the Authorized Representative.

Section 5. The Series 2020B Bond.

5.1. The Agency shall issue the Series 2020B Bond pursuant to the Resolution, the Master Bond Declaration and this 2020 Supplemental Declaration. The Series 2020B Bond shall be an Additional Bond and the Agency hereby reaffirms all of its covenants in the Master Bond Declaration for the benefit of the owner of the Series 2020B Bond.

5.2. The Series 2020B Bond shall be in the principal amount of \$[___], shall be dated [___, 2020], shall mature in the following amounts on the following dates, and shall bear interest at the following rates: [TO FOLLOW]

<u>Principal Payment Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
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5.3. Interest on the Series 2020B Bond is calculated on a 30/360-day basis, and is payable _____ on _____ of each year, commencing _____.

5.4. The proceeds of the Series 2020B Bond shall be used to finance the costs of urban renewal projects authorized by the Plan.

5.5. Form. The Series 2020B Bond shall be in substantially the form attached hereto as Appendix A, with such changes as may be approved by the Authorized Representative.

Section 6. Disposition of Proceeds Series 2020 Bonds.

- (A) At closing an amount of tax increment revenues or proceeds of the Series 2020 Bonds shall be deposited in the Reserve Account so that the balance in the Reserve Account is equal to the Reserve Requirement, calculated with the Series 2020 Bonds Outstanding.
- (B) After depositing proceeds in accordance with Section 6(A), the Series 2020A Bond proceeds shall be applied as follows:
 - (1) The balance of the proceeds of the Series 2020A Bond shall be placed in the Tax-Exempt Project Account of the Capital Project Fund and shall be disbursed for the purposes described in Section 4.5.
 - (2) If proceeds of the Series 2020A Bond are not required for the purposes described in Section 4.5, the remaining proceeds may be transferred to the Debt Service Account and applied to pay or prepay the Series 2020A Bond.
- (C) After depositing proceeds in accordance with Section 6(A), the Series 2020B Bond proceeds shall be applied as follows:
 - (1) The balance of the proceeds of the Series 2020B Bond shall be placed in the Taxable Project Account of the Capital Project Fund and shall be disbursed for the purposes described in Section 5.4.
 - (2) If proceeds of the Series 2020B Bond are not required for the purposes described in Section 5.4, the remaining proceeds may be transferred to the Debt Service Account and applied to pay or prepay the Series 2020B Bond.

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EXECUTED BY THE AUTHORIZED REPRESENTATIVE OF THE AGENCY as of
the [____ day of ____], 2020.

URBAN RENEWAL AGENCY OF THE CITY OF
SALEM, OREGON

By: _____
Authorized Representative

**APPENDIX A
Bond Form**

Bond No. R-1

\$[_____]

UNITED STATES OF AMERICA
STATE OF OREGON
MARION AND POLK COUNTIES
URBAN RENEWAL AGENCY OF THE CITY OF SALEM, OREGON
URBAN RENEWAL BOND
(RIVERFRONT/DOWNTOWN URBAN RENEWAL AREA)
[SERIES 2020A (TAX-EXEMPT)][SERIES 2020B (FEDERALLY TAXABLE)]

<u>DATED DATE</u> [____, 2020]	<u>INTEREST RATE PER ANNUM</u> [____]%	<u>MATURITY DATE</u> [____, 20__]
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REGISTERED OWNER: -----[Lender]-----

PRINCIPAL AMOUNT: [____] DOLLARS

THE URBAN RENEWAL AGENCY OF THE CITY OF SALEM, OREGON in the Counties of Marion and Polk, State of Oregon (the “Agency”), for value received, acknowledges itself indebted and hereby promises to pay to the Registered Owner hereof, or registered assigns, the principal amount indicated above on the above maturity date together with interest thereon from the date hereof at the rate per annum indicated above, computed on the basis of a 360-day year consisting of twelve 30-day months. Interest is payable _____ on the _____ in each year until maturity, commencing _____, at the rates and with the annual principal payments as set forth below: [TO FOLLOW]

<u>Principal</u> <u>Payment Date</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
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This Bond is a single Urban Renewal Bond (Riverfront/Downtown Urban Renewal Area) [Series 2020A (Tax-Exempt)][Series 2020B (Federally Taxable)], in the principal amount of \$[_____] (the “Series 2020[A][B] Bond”), and is issued pursuant to the Resolution and the Agency’s Master Bond Declaration (Riverfront/Downtown Urban Renewal Area) originally executed as of July 29, 2003, as amended and supplemented (the “Master Bond Declaration”).

This Series 2020[A][B] Bond is not a general obligation or liability of the Agency, but is payable solely from the Security as provided in the Master Bond Declaration. Capitalized terms that are used, but not defined, in this Series 2020[A][B] Bond shall have the meanings defined

Bond Form (Appendix A to 2020 Supplemental Bond Declaration)

for such terms in the Master Bond Declaration and the Agency's 2020 Supplemental Bond Declaration dated as of [____, 2020].

[TO BE DETERMINED][This Series 2020[A][B] Bond is not subject to prepayment by the Agency prior to maturity./ This Series 2020[A][B] Bond is subject to prepayment by the Agency without penalty on any Business Day on or after [____] with one Business Day notice to the Bank.]

The Agency covenants and agrees with the owner of this Series 2020[A][B] Bond that it will keep and perform all of the covenants in this Series 2020[A][B] Bond, the Resolution and the Master Bond Declaration that are made for the benefit of the Owner of this Series 2020[A][B] Bond. The Agency has pledged the Security, as defined in the Master Bond Declaration to pay the principal and interest on this Series 2020[A][B] Bond on a parity with Additional Bonds issued under the Master Bond Declaration.

Any transfer of this Series 2020[A][B] Bond must meet the requirements in the Purchase Agreement.

IT IS HEREBY CERTIFIED, RECITED, AND DECLARED that all conditions, acts, and things required to exist, to happen, and to be performed precedent to and in the issuance of this Series 2020[A][B] Bond have existed, have happened, and have been performed in due time, form, and manner as required by the constitution and statutes of the State of Oregon; that the amount of this Series 2020[A][B] Bond together with all other obligations of the Agency, are within every debt limitation and other limit prescribed by such constitution and statutes.

IN WITNESS WHEREOF, the Urban Renewal Agency of the City of Salem, Oregon in Marion and Polk Counties, Oregon has caused this Series 2020[A][B] Bond to be signed by the manual signature of the [Authorized Representative], as of the date indicated above.

**URBAN RENEWAL AGENCY OF THE CITY
OF SALEM, OREGON**

By: _____
[Authorized Representative]