

EXHIBIT A
FORM OF
MASTER BORROWING DECLARATION

Town Center Development Agency

Urban Renewal and Redevelopment Bond
(Tigard Triangle Urban Renewal Area)
Series _____

Executed by the Agency Official of Town Center Development Agency, Oregon

As of the __ day of _____, 20__

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MASTER BORROWING DECLARATION

THIS MASTER BORROWING DECLARATION is executed as of _____, 20__, by the “Agency Official” of the Town Center Development Agency, Oregon pursuant to the authority granted to the Agency Official by Agency Resolution No. _____ (the “Resolution”) to establish the terms under which the Agency’s Urban Renewal and Redevelopment Bond (Tigard Triangle Urban Renewal Area), Series 20__ (the “Initial Bond”), and future Parity Senior Lien Indebtedness may be issued.

Section 1. Findings.

The Agency finds:

1.1 The Agency is authorized to issue borrowings which are payable from the tax increment revenues of the Tigard Triangle Urban Renewal Area.

1.2 The Agency has no obligations outstanding that are secured by a pledge of or lien on the tax increment revenues of the Tigard Triangle Urban Renewal Area.

1.3 The Agency now desires to issue borrowings that have a senior lien on the tax increment revenues from the Tigard Triangle Urban Renewal Area.

1.4 The Agency executes this Master Borrowing Declaration to establish the terms under which the Initial Bond is issued and the terms under which any Parity Senior Lien Indebtedness may be issued.

Section 2. Definitions.

Unless the context clearly requires otherwise, the following terms shall have the following meanings:

“Agency” means the Tigard Town Center Development Agency, Oregon.

“Agency Official” means the Executive Director or the person designated by the Executive Director to act on behalf of the Agency under the Resolution

“Annual Debt Service” means the amount required to pay principal and interest on Outstanding Senior Lien Borrowings in a Fiscal Year, calculated as follows:

(i) Interest which is to be paid from proceeds of Senior Lien Borrowings shall be subtracted.

(ii) Senior Lien Borrowings which are subject to scheduled, noncontingent redemption or tender shall be deemed to mature on the dates and in the amounts which are subject to mandatory redemption or tender, and only the amount scheduled to be Outstanding on the final maturity date shall be treated as maturing on that date.

(iii) Senior Lien Borrowings which are subject to contingent redemption or tender shall be treated as maturing on their stated maturity dates.

(iv) If the Agency issues Senior Lien Borrowings that qualify for federal interest

subsidies, such as the subsidies for “Build America Bonds,” and commits to use the subsidies to pay those Senior Lien Borrowings, then the subsidies that the Agency receives, or reasonably expects to receive, may be deducted from Annual Debt Service for purposes of making the calculations and determining compliance with the tests for issuing Additional Parity Senior Lien Indebtedness, meeting a Reserve Funding Requirement, releasing property and any other tests affected by “Annual Debt Service.”

(v) Each Balloon Payment shall be assumed to be paid according to its Estimated Debt Service Requirement.

“Area” means the Tigard Triangle Urban Renewal Area which is described in the Plan, and all additions thereto.

“Balloon Payment” means any principal payment for a Series of Senior Lien Borrowings, which comprises more than twenty-five percent (25%) of the original principal amount of that Series, but only if that principal payment is designated as a Balloon Payment in the closing documents for the Series.

“Base Period” means any 12 consecutive months from the 24 full months preceding the issuance of a series of Parity Senior Lien Indebtedness.

“Business Day” means any day except a Saturday, a Sunday, a legal holiday, a day on which the offices of banks in Oregon or New York are authorized or required by law or executive order to remain closed, or a day on which the New York Stock Exchange is closed.

“City” means the City of Tigard, Oregon, a duly organized and existing city under and by virtue of the laws of the State of Oregon.

“Closing” means the date on which a Series of Senior Lien Borrowings is delivered in exchange for payment.

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

“Debt Service” means Senior Lien Borrowing principal, interest and any redemption premium.

“Divide the Taxes Revenues” means the taxes which are divided based on the increase in value of property in the Area and which are payable to the Agency under the provisions of Article IX, Section 1c of the Oregon Constitution and ORS Chapter 457, as those provisions exist on the date of this Master Borrowing Declaration. Divide the Taxes Revenues includes the impact of “sharing” as required by ORS Chapter 457.

“Estimated Debt Service Requirement” is calculated as provided in Section 5.4.

“Event of Default” refers to an Event of Default listed in Section 9.1 of this Master Borrowing Declaration.

“First Reserve Funding Requirement” means the lesser of Maximum Annual Debt Service on all Outstanding Senior Lien Borrowings that are secured by the First Reserve Subaccount, or the amount described in the next sentence. If, at the time of issuance of a Series of Senior Lien

Borrowing that is secured by the First Reserve Subaccount, the amounts required to be added to the First Reserve Subaccount to make the balance in that subaccount equal to the Maximum Annual Debt Service on all Senior Lien Borrowings that are secured by the First Reserve Subaccount exceeds the Tax Maximum calculated with respect to that Series, then the First Reserve Funding Requirement means the First Reserve Funding Requirement in effect immediately before the issuance of that Series (calculated as if that Series were not Outstanding), plus the tax Maximum for that Series.

“First Reserve Subaccount” means the subaccount of that name in the Senior Lien Reserve Account described in Section 4.3.

“First Reserve Subaccount Valuation Date” means the first Business Day of each Fiscal Year and the Business Day following any day on which a withdrawal is made from the Senior Lien Reserve Account, and each Closing date for a Series of Senior Lien Borrowings that is secured by the First Reserve Subaccount.

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

“Fund” or “Account” refers to any fund, account, or other accounting concept that permits the Agency to account accurately for amounts that are credited to it under this Master Borrowing Declaration. A “Fund” in this Master Borrowing Declaration does not need to appear as a “fund” in the Agency’s budget.

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

“Incremental Assessed Value” means the difference between the assessed value of property in the Area for a Fiscal Year and the assessed value of property in the Area which is specified in the certified statement for the Area which is filed with the assessor pursuant to ORS 457.430.

“Initial Bond Lender” means Zions Bancorporation, N.A., or its successor, as owner of the Initial Bond.

“Initial Bond” means the Agency’s Urban Renewal and Redevelopment Bond (Tigard Triangle Urban Renewal Area), Series 20__ which is a Senior Lien Borrowing and is described in Section 14 of this Master Borrowing Declaration.

“Master Borrowing Declaration” means this Master Borrowing Declaration establishing the terms of the Initial Bond, and prescribing the conditions under which the Agency may issue Parity Senior Lien Indebtedness, as it may be amended from time to time pursuant to Section 8.

“Maximum Annual Debt Service” means the greatest amount of Annual Debt Service, calculated on all Senior Lien Borrowings which are Outstanding on the date of calculation, that is due in any Fiscal Year, beginning with the Fiscal Year for which the calculation is made, and ending with the last Fiscal Year in which Outstanding Senior Lien Borrowings are scheduled to be paid.

“Maximum Tax Increment Revenues” means the maximum amount of Tax Increment Revenues that the Agency is permitted to collect for a Fiscal Year.

“Outstanding” refers to all Senior Lien Borrowings except those which have been paid, canceled, or defeased, and, for Senior Lien Borrowings which must be presented to be paid, Senior Lien Borrowings which have matured but have not been presented for payment, but for the payment of which adequate money has been transferred to their Paying Agent.

“Owner” means the Initial Bond Lender as owner of the Initial Bond, and the registered owner of any Parity Senior Lien Indebtedness.

“Parity Senior Lien Indebtedness” means obligations issued in compliance with Section 5 of this Master Borrowing Declaration which are secured by a lien on, and pledge of, the Security which is on a parity with the lien on, and pledge of, the Security which secures the Initial Bond.

“Paying Agent” means the paying agent for any Senior Lien Borrowings issued in registered form.

“Payment Date” means a date on which Senior Lien Borrowing principal or interest is due, whether at maturity or prior redemption.

“Permitted Investments” means any investments in which the Agency is authorized to invest surplus funds under the laws of the State of Oregon.

“Plan” means the Agency’s Urban Renewal Plan for the Tigard Triangle Urban Renewal Area originally approved by Ordinance No. 16-24 on December 13, 2016, as it has been and may in the future be amended pursuant to its terms.

“Qualified Consultant” means an independent engineer, an independent auditor, an independent municipal advisor, or similar independent professional consultant of recognized standing and having experience and expertise in the area for which such person or firm is retained by the Agency for purposes of performing activities specified in this Master Borrowing Declaration.

“Reserve Equivalent” means any arrangement in which the Agency pays a fee in exchange for an agreement of a third party to advance money to the Agency in the future that the Agency will use in lieu of using cash or Permitted Investments credited to a subaccount in the Senior Lien Reserve Account. “Reserve Equivalent” does not include guaranteed investment contracts, master repurchase agreements and similar Permitted Investments.

“Reserve Funding Requirement” means a set of rules for funding a subaccount in the Senior Lien Reserve Account. Each Reserve Funding Requirement shall indicate the amount that is required to be credited to the subaccount, the dates by which that amount must be credited to the subaccount, and the requirements for restoring amounts to the subaccount if amounts are withdrawn to pay Borrowings that are secured by the subaccount.

“Security” means the Tax Increment Revenues and any additional amounts credited to the Senior Lien Account. Security also includes, for each Series of Senior Lien Borrowings, the unspent

proceeds of that Series and amounts credited to any subaccount in the Senior Lien Reserve Account pledged to that Series of Senior Lien Borrowings.

“Senior Lien Account” means the fund of that name described in Section 4. The Senior Lien Account is a part of the “Tax Increment Account.”

“Senior Lien Borrowings” means the Initial Bond and any Parity Senior Lien Indebtedness.

“Senior Lien Debt Service Account” means the account of that name in the Senior Lien Account described in Section 4.2.

“Senior Lien Reserve Account” means the account of that name in the Senior Lien Account described in Section 4.3.

“Series” or “Series of Senior Lien Borrowings” refers to all Senior Lien Borrowings which are issued at one time, pursuant to a single resolution, ordinance, declaration or other authorizing document of the issuer, regardless of variations in maturity, interest rate or other provisions, unless the documents authorizing the Senior Lien Borrowings declares them to be part of a separate Series.

“Subordinate Lien Account” means the account of that name in the Tax Increment Account established in Section 4.5.

“Subordinate Lien Borrowings” means obligations that are issued in compliance with Section 6 of this Master Borrowing Declaration and that are not payable from or secured by any Tax Increment Revenues except Tax Increment Revenues that are available to be deposited in the Subordinate Lien Account.

“Supplemental Declaration” means any declaration amending or supplementing this Master Borrowing Declaration, which is adopted in accordance with Section 8.

“Tax Increment Account” means the special fund established under ORS 457.440(6)(b) to hold the Tax Increment Revenues. The Tax Increment Account may consist of one or more funds and accounts for budget purposes.

“Tax Increment Revenues” means the Divide the Taxes Revenues and all earnings on the Divide the Taxes Revenues prior to their expenditure.

“Tax Maximum” means, for any Series of Senior Lien Borrowings, the lesser of: the Maximum Annual Debt Service on such Series; 125% of average Annual Debt Service on such Series during all Fiscal Years in which such Series will be Outstanding, calculated as of the date of issuance of such Series; or, ten percent of the proceeds of such Series, as “proceeds” is defined for purposes of Section 148(d) of the Code.

Section 3. Security for Senior Lien Borrowings.

3.1 The Senior Lien Borrowings shall not be general obligations of the Agency or the City. The Agency shall be obligated to pay the Senior Lien Borrowings solely from the Security as provided in this Master Borrowing Declaration.

3.2 The Agency hereby irrevocably pledges the Security to pay the Senior Lien Borrowings. Pursuant to ORS 287A.310, this pledge shall be valid and binding from the time of execution of this Master Borrowing Declaration. The amounts so pledged and hereafter received by the Agency shall immediately be subject to the lien of this pledge without any physical delivery or further act, and the lien of this pledge shall be superior to all other claims and liens to the fullest extent permitted by ORS 287A.310.

3.3 Except as provided in the following sentence, so long as any Senior Lien Borrowings are Outstanding, each Fiscal Year the Agency shall collect the full amount of the Divide the Taxes Revenues for that Fiscal Year. The Agency may collect less than the full amount of the Divide the Taxes Revenues in a Fiscal Year if the Agency provides instructions to the Assessor that the Agency reasonably projects will result in collecting an amount of Divide the Taxes Revenues in the Fiscal Year equaling at least [one hundred twenty five percent (125%)] of the Annual Debt Service that is scheduled to be paid during that Fiscal Year.

3.4 The provisions of this Master Borrowing Declaration shall constitute a contract with the Owners, and shall be enforceable by them.

3.5 The Agency acknowledges that the covenants contained in Section 3.3 and the collection each year of the amounts described in that Section, are required to obtain favorable terms for the Initial Bond and to protect the rights of the Owners, and that the Owners will rely on that covenant. The Agency enters into that covenant pursuant to ORS 287A.325(4), which authorizes the Agency to enter into covenants to maintain levels of pledged revenues at least equal to operations and maintenance expenses of the system that produces the pledged revenues, plus debt service on a borrowing, plus an additional amount that is reasonably required to obtain favorable terms for the borrowing. The Area and the Plan are the system which produces the Tax Increment Revenues. The system does not have operations and maintenance expenses.

3.6 If a Reserve Equivalent is permitted to fund a subaccount in the Senior Lien Reserve Account, the Agency may pledge the Security available for transfer to that subaccount of the Senior Lien Reserve Account to pay amounts due under any Reserve Equivalent securing that subaccount.

Section 4. The Tax Increment Account.

The Agency has previously established the Tax Increment Account. The Tax Increment Account shall contain the following funds: the Senior Lien Account and the Subordinate Lien Account. The Senior Lien Account shall contain the Senior Lien Debt Service Account and the Senior Lien Reserve Account.

4.1 Beginning with the closing of the Initial Bond and continuing until all Senior Lien Borrowings are paid or defeased, the Agency shall deposit all Tax Increment Revenues in the

Tax Increment Account, and shall credit each deposit to the following accounts within the Tax Increment Account in the following order of priority:

- (A) To the Senior Lien Debt Service Account, until the Senior Lien Debt Service Account contains an amount sufficient to pay the Annual Debt Service for that Fiscal Year;
- (B) To the subaccounts in the Senior Lien Reserve Account as provided in Section 4.3, and in any documents authorizing a series of Parity Senior Lien Indebtedness that is secured by a subaccount in the Senior Lien Reserve Account in connection with Parity Senior Lien Indebtedness, pro rata if the Tax Increment Revenues available for deposit are not sufficient to make all required deposits to those subaccounts; and,
- (C) To the Subordinate Lien Account, any amounts which remain after the foregoing deposits have been made.

4.2 The Senior Lien Debt Service Account.

- (A) Money in the Senior Lien Debt Service Account shall be used only to pay Senior Lien Borrowing principal, interest and premium.
- (B) Amounts credited to the Senior Lien Debt Service Account may be invested in Permitted Investments which mature no later than the payment dates to which funds in the Senior Lien Debt Service Account are attributable. Earnings shall be credited as provided in Section 4.6.
- (C) Five (5) days before any payment of principal, premium or interest on the Senior Lien Borrowings is due, if the balance in the Senior Lien Debt Service Account is less than the amount due, the Agency shall credit an amount equal to the deficiency from Tax Increment Revenues in the Subordinate Lien Account.
- (D) If the balance in the Senior Lien Debt Service Account after the transfer described in Section 4.2(C) is not sufficient to pay all Senior Lien Borrowings, the Agency shall allocate the balance among outstanding Series of Senior Lien Borrowings pro rata based on the debt service that is next due on each Series and calculate the remaining deficiency for each Series. If any Senior Lien Borrowings are secured by a subaccount in the Senior Lien Reserve Account, the Agency shall transfer the remaining deficiency from that subaccount to the Senior Lien Debt Service Account and apply it solely to pay Senior Lien Borrowings that are secured by that subaccount.

4.3 Senior Lien Reserve Account.

- (A) The Agency shall create the Senior Lien Reserve Account, and may create subaccounts in that account to secure Senior Lien Borrowings; however, the Agency is not obligated to create any subaccounts in the Senior Lien Reserve Account, and is not obligated to secure any Series of Senior Lien Borrowings with a subaccount in the Senior Lien Reserve Account. When each subaccount is created, the Agency shall determine whether the subaccount will secure one or more Series of Senior Lien Borrowings. If the Agency creates a subaccount in the Senior Lien Reserve Account, the Agency shall, before it issues the first Series of Senior Lien Borrowings that is secured by that subaccount, a) establish the Reserve Funding Requirement, withdrawal procedures, replenishment requirements, permitted investments, valuation provisions, and other terms and conditions for that subaccount; b) pledge amounts credited to that subaccount to pay the Senior Lien Borrowings that are secured by that subaccount; and c) determine if the Reserve Funding Requirement for that subaccount may be funded with Reserve Equivalents and the requirements for those Reserve Equivalents, and the valuation and replenishment provisions that apply to that subaccount.
- (B) The Agency shall not create any subaccounts in the Senior Lien Reserve Account for any purpose except securing Senior Lien Borrowings in accordance with this Master Borrowing Declaration.

4.4 The First Reserve Subaccount and the First Reserve Subaccount Funding Requirement.

- (A) The First Reserve Subaccount is hereby created in the Senior Lien Reserve Account. The First Reserve Subaccount shall secure the Initial Bond and any Parity Senior Lien Indebtedness the Agency subsequently elects to secure with the First Reserve Subaccount. Except as specifically provided in this Section 4.4, amounts credited to the First Reserve Subaccount shall be used only to pay principal, interest and premium on the Initial Bond and any other Senior Lien Borrowings that are secured by the First Reserve Subaccount, and only if amounts in the Senior Lien Debt Service Account and the Subordinate Lien Account are not sufficient to make those payments. The Agency hereby irrevocably pledges the amounts that are credited to the First Reserve Subaccount to pay the Initial Bond. Pursuant to ORS 287A.310, this pledge shall be valid and binding from the Closing date of the Initial Bond. The amounts so pledged and hereafter received by the Agency shall immediately be subject to the lien of this pledge without any physical delivery or further act, and the lien of this pledge shall be superior to all other claims and liens whatsoever.
- (B) At Closing of the Initial Bond and any Series of Senior Lien Borrowings that the Agency elects to secure with the First Reserve Subaccount, the Agency shall deposit into the First Reserve Subaccount an amount sufficient to make the balance in the First Reserve Subaccount equal to the First Reserve Subaccount Funding Requirement. The deposit may be made from amounts available in the Subordinate Lien Account, from proceeds of the Series, or from other amounts legally available to the Agency.

- (C) If, on any Payment Date after the transfer described in Section 4.2(C) of the Master Declaration, the amounts credited to the Senior Lien Debt Service Account are insufficient to pay all the principal of, premium (if any) and interest due on that payment date on the Initial Bond and any other Series of Senior Lien Borrowings that the Agency has subsequently elected to secure with the First Reserve Subaccount, the Agency shall transfer an amount equal to the deficiency from the First Reserve Subaccount to the Senior Lien Debt Service Account and apply the amount so transferred solely to pay the Senior Lien Borrowings that are secured by the First Reserve Subaccount.
- (D) The Agency covenants to maintain a balance in the First Reserve Subaccount that is at least equal to the First Reserve Subaccount Funding Requirement, but solely from deposits of Tax Increment Revenues pursuant to Section 4.1(B) and Closing deposits pursuant to Section 4.4(B). The Agency shall value the amounts in the First Reserve Subaccount on each First Reserve Subaccount Valuation Date.
- (E) Replenishment of First Reserve Subaccount.

[If the balance in the First Reserve Subaccount on a First Reserve Subaccount Valuation Date is less than the First Reserve Subaccount Funding Requirement as a result of a withdrawal from the First Reserve Subaccount pursuant to 4.4(C), the Agency shall begin making transfers of Tax Increment Revenues to the First Reserve Subaccount in accordance with Section 4.1(B).

Transfers under 4.1(B) shall commence immediately following each First Reserve Subaccount Valuation Date on which the balance in the First Reserve Subaccount is less than the First Reserve Subaccount Funding Requirement, and shall continue until the balance in the First Reserve Subaccount is equal to the First Reserve Subaccount Funding Requirement.]

- (F) If the balance in the First Reserve Subaccount on a First Reserve Subaccount Valuation Date is greater than the First Reserve Subaccount Funding Requirement, the Agency may transfer the excess to the Senior Lien Debt Service Account.
- (G) Moneys in the First Reserve Subaccount may be invested in accordance with the Agency's investment policy and only in debt securities that mature within five years, or in the Oregon Short Term Fund. Earnings shall be credited as provided in Section 4.6.
- (H) Demand deposits, deposits in the Oregon Short Term Fund and other investments which mature in five years or less after the First Reserve Subaccount Valuation Date shall be valued at their face amount, plus accrued interest.
- (I) Amounts in the First Reserve Subaccount may be applied to the final payment (whether at maturity or by prior redemption) of any Series of Outstanding Senior Lien Borrowings that are secured by the First Reserve Subaccount, but only if the balance remaining in the First Reserve Subaccount after the transfer is at least equal to the First Reserve Subaccount Funding Requirement for the Senior Lien Borrowings that are secured by the First Reserve Subaccount and which remain Outstanding after that final payment.

Amounts so applied shall be credited against the amounts the Agency is required to transfer into the Senior Lien Debt Service Account under this Master Bond Declaration.

4.5 Amounts in the First Reserve Subaccount may be transferred into escrow to defease Senior Lien Borrowings that are secured by the First Reserve Subaccount, but only if the balance remaining in the First Reserve Subaccount after the transfer is at least equal to the First Reserve Subaccount Funding Requirement for the Senior Lien Borrowings that are secured by the First Reserve Subaccount and which remain Outstanding after the defeasance. Subordinate Lien Account. Tax Increment Revenues in the Subordinate Lien Account may be used at any time for any legal purpose permitted under Chapter 457 of the Oregon Revised Statutes. The Agency may create subaccounts in the Subordinate Lien Account.

4.6 Earnings. Earnings on all funds in the Senior Lien Debt Service Account shall be credited to that account. Earnings on each subaccount in the Senior Lien Reserve Account shall be credited to that subaccount whenever the balance in that subaccount is less than that subaccount's Reserve Funding Requirement. If earnings would cause the balance in a subaccount to exceed its Reserve Funding Requirement the earnings shall be [credited first, to any subaccount in the Senior Lien Reserve Account having a balance that is less than its Reserve Funding Requirement, and second, to the Senior Lien Debt Service Account.]

Section 5. Parity Senior Lien Indebtedness.

5.1 Except as provided in Section 5.2, the Agency may issue Parity Senior Lien Indebtedness only if all of the following conditions are met:

- (A) As of the date of Closing of the Parity Senior Lien Indebtedness, no Event of Default under this Master Borrowing Declaration or any Supplemental Declaration has occurred and is continuing.
- (B) As of the date of Closing of the Parity Senior Lien Indebtedness, there is no deficiency in the Senior Lien Debt Service Account, and all required deposits to all subaccounts in the Senior Lien Reserve Account have been made.
- (C) On or before the date of Closing of the Parity Senior Lien Indebtedness the Agency provides either:
 - (1) a certificate of the Agency Official stating that the Maximum Tax Increment Revenues for the Base Period at least equaled one hundred fifty percent (150.00%) of the average Annual Debt Service that is scheduled to be paid during each Fiscal Year that the Parity Senior Lien Indebtedness will be Outstanding, calculated with the proposed Parity Senior Lien Indebtedness treated as Outstanding; or,
 - (2) a report from an Qualified Consultant projecting that the Maximum Tax Increment Revenues will be at least one hundred fifty percent (150.00%) of the average Annual Debt Service in the current Fiscal Year and the five subsequent Fiscal Years, calculated with the proposed Parity Senior Lien Indebtedness treated as Outstanding.

5.2 The Agency may issue Parity Senior Lien Indebtedness to refund Outstanding Senior Lien Borrowings without complying with Section 5.1 if:

- (A) the refunded Senior Lien Borrowings are paid or defeased on the date of delivery of the refunding Parity Senior Lien Indebtedness; and,
- (B) the Annual Debt Service on the refunding Parity Senior Lien Indebtedness does not exceed the Annual Debt Service on the refunded Senior Lien Borrowings in any Fiscal Year by more than \$5,000.

In addition to allowing refunding of maturities of Outstanding Senior Lien Borrowings which are not Balloon Payments, this Section 5.2 is intended to allow Outstanding Senior Lien Borrowings which comprise a Balloon Payment to be refunded with Parity Senior Lien Indebtedness when the Annual Debt Service on the refunding Parity Senior Lien Indebtedness does not exceed the Estimated Debt Service Requirement for the refunded Outstanding Senior Lien Borrowings in any Fiscal Year by more than \$5,000.

5.3 All Parity Senior Lien Indebtedness issued in accordance with this Section 5 shall have a lien on the Security which is equal to the lien of all other Outstanding Senior Lien Borrowings.

5.4 The Estimated Debt Service Requirement for Balloon Payments shall be calculated in accordance with this Section 5.4.

- (A) Whenever a Balloon Payment is part of a new issue of Series of Parity Senior Lien Indebtedness, the Agency Official shall prepare a schedule of principal and interest payments for a hypothetical Series of Parity Senior Lien Indebtedness that refunds each Outstanding Balloon Payment in accordance with this Section 5.4. The Agency Official shall prepare that schedule as of the date the Parity Senior Lien Indebtedness is sold, and that schedule shall be used to determine compliance with the tests for Parity Senior Lien Indebtedness, the Senior Lien Reserve Account, the release covenant as described in Section 7.4 and any other applicable test in this Master Borrowing Declaration.
- (B) Each hypothetical Series of refunding Parity Senior Lien Indebtedness shall be assumed to be paid in equal annual installments of principal and interest sufficient to amortize the principal amount of the Balloon Payment over the term specified in the closing documents for the Balloon Payment or, if those documents do not specify a term, for the term selected by the Agency Official. However, the Agency Official shall not select a term that exceeds the lesser of: a) the difference between the date the Balloon Payment is due and 20 years from the date on which the Series of Parity Senior Lien Indebtedness containing the Balloon Payment was issued, or b) the Agency's estimate of the remaining weighted average useful life (expressed in years and rounded to the next highest integer) of the assets which are financed with the Balloon Payment. The first annual installment shall be assumed to be due on the date the Balloon Payment is due.
- (C) The hypothetical Series of refunding Parity Senior Lien Indebtedness shall be assumed to bear interest at the rate the Balloon Payment bears interest.

- (D) For the First Senior Lien Reserve Subaccount: The schedule described in this Section 5.4 shall be combined with the schedule for payment of any debt service on that Series that is not a Balloon Payment, and that combined schedule shall be used to determine the Reserve Funding Requirement as long as that Series is Outstanding.
- (E) For the tests for issuing Parity Senior Lien Indebtedness in Section 5.1, the covenants in Section 7.4, and any other applicable tests in this Master Borrowing Declaration: The schedule described in this Section 5.4 shall be used to calculate each Estimated Debt Service Requirement.

Section 6. Subordinate Lien Borrowings.

The Agency may issue Subordinate Lien Borrowings only if the Subordinate Lien Borrowings comply with the requirements of this Section 6. Subordinate Lien Borrowings shall not be payable from any account of the Tax Increment Account except the Subordinate Lien Account or a subaccount of the Subordinate Lien Account. All Subordinate Lien Borrowings shall state clearly that:

6.1 They are secured by a lien on or pledge of the Tax Increment Revenues which is subordinate to the lien on, and pledge of, the Tax Increment Revenues that secure the Senior Lien Borrowings; and,

6.2 They are not payable from any account of the Tax Increment Account except the Subordinate Lien Account or a subaccount of the Subordinate Lien Account.

On the date of this Master Borrowing Declaration the Agency has approximately \$[____] in aggregate principal amount of Subordinate Lien Borrowings outstanding under the Intergovernmental Agreement for the Provision of Administrative and Development Services between the City and the Agency dated July 30, 2019.

Section 7. General Covenants.

The Agency hereby covenants and agrees with the Owners of all Outstanding Senior Lien Borrowings as follows:

7.1 The Agency shall promptly cause the principal, premium, if any, and interest on the Senior Lien Borrowings to be paid as they become due in accordance with the provisions of this Master Borrowing Declaration and any Supplemental Declaration, but solely from the Security pledged under this Master Borrowing Declaration.

7.2 The Agency shall not issue any obligations which have a lien or claim on the Security, which is superior to the lien or claim of the Owners so long as any Senior Lien Borrowings are Outstanding.

7.3 The Agency shall issue obligations which have a lien or claim on the Security which is on a parity with the lien and claim of the Owners only as provided in Section 5.

7.4 The Agency covenants that it shall not remove property from the Area unless the Agency first provides to all Paying Agents for Senior Lien Borrowings (and to any lenders which purchased Senior Lien Borrowings directly from the Agency) a certification that the Maximum Tax Increment Revenues for the Fiscal Year in which the removal occurs would have been no less than one hundred and twenty-five percent (125%) of average Annual Debt Service after taking into account the reasonable effects of the removal.

7.5 The Agency shall refinance or otherwise provide for the payment of any Balloon Payments not later than the date on which the Balloon Payments are actually due.

7.6 The Agency shall maintain complete books and records relating to the Tax Increment Account, the Tax Increment Revenues and the Senior Lien Borrowings in accordance with generally accepted accounting principles, and will cause such books and records to be audited annually at the end of each Fiscal Year, and an audit report prepared by the an independent auditor and made available for the inspection of Owners.

Section 8. Amendment of Declaration.

8.1 The Agency may adopt a Supplemental Declaration to amend this Master Borrowing Declaration without the consent of any Owner for any one or more of the following purposes:

- (A) To cure any ambiguity or formal defect or omission in this Master Borrowing Declaration;
- (B) To add to the covenants and agreements of the Agency in this Master Borrowing Declaration other covenants and agreements to be observed by the Agency which are not contrary to or inconsistent with this Master Borrowing Declaration as theretofore in effect;
- (C) To confirm, as further assurance, any security interest or pledge created under this Master Borrowing Declaration or any Supplemental Declaration;
- (D) To issue Parity Senior Lien Indebtedness or Subordinate Lien Borrowings pursuant to this Master Borrowing Declaration; or,
- (E) To make any change which, in the reasonable judgment of the Agency, does not materially and adversely affect the rights of the Owners of Senior Lien Borrowings.

8.2 The Agency may amend this Master Borrowing Declaration for any other purpose, but only if the Agency obtains the consent of Owners representing not less than fifty-one percent (51%) in aggregate principal amount of the adversely affected Senior Lien Borrowings then Outstanding in accordance with Section 10. However, no amendment shall be valid which:

- (A) extends the maturity of any Senior Lien Borrowings,
- (B) reduces the rate of interest on any Senior Lien Borrowings,
- (C) extends the time of payment of interest on any Senior Lien Borrowings,

- (D) reduces the amount of principal payable on any Senior Lien Borrowings,
- (E) reduces any premium payable on any Senior Lien Borrowings, without the consent of all affected Owners;
- (F) reduces the percent of Owners required to approve amendments to this Master Borrowing Declaration; or
- (G) amends this Section 8.2.

Section 9. Default and Remedies.

9.1 The occurrence of one or more of the following shall constitute an Event of Default under this Master Borrowing Declaration:

- (A) Failure by the Agency to pay Senior Lien Borrowing principal, interest or premium when due;
- (B) Failure by the Agency to observe and perform any covenant, condition or agreement which this Master Borrowing Declaration requires the Agency to observe or perform for the benefit of Owners of Senior Lien Borrowings, which failure continues for a period of 30 days after written notice to the Agency by the Owners of ten percent or more of the principal amount of Senior Lien Borrowings then Outstanding specifying such failure and requesting that it be remedied; provided however, that if the failure stated in the notice cannot be corrected within such 30 day period, it shall not constitute an Event of Default so long as corrective action is instituted by the Agency within the 30 day period and diligently pursued, and the default is corrected as promptly as practicable after the written notice referred to in this paragraph (B); or,
- (C) The Agency is adjudged insolvent by a court of competent jurisdiction, admits in writing its inability to pay its debts generally as they become due, files a petition in bankruptcy, or consents to the appointment of a receiver for Tax Incremental Revenues.

9.2 The Owners of fifty-one percent (51%) or more of the principal amount of Senior Lien Borrowings then Outstanding may waive any Event of Default and its consequences, except an Event of Default described in Section 9.1(A).

9.3 If an Event of Default occurs, any Owner may exercise any remedy available at law or in equity including mandamus where applicable. However, the Senior Lien Borrowings shall not be subject to acceleration.

9.4 No remedy by the terms of this Master Declaration conferred upon or reserved to the Owners is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Master Borrowing Declaration or existing at law or in equity or by statute on or after the date of adoption of this Master Borrowing Declaration.

Section 10. Ownership of Senior Lien Borrowings.

10.1 For purposes of determining the percentage of Owners consenting to, waiving or otherwise acting with respect to any matter that may arise under this Master Borrowing Declaration:

- (A) the initial purchaser of a Series of Senior Lien Borrowings may be treated as the Owner of that Series at the time that Series is delivered in exchange for payment; and,
- (B) the issuer of a municipal bond insurance policy which insures payment of all principal and interest due on one or more Series of Senior Lien Borrowings may be treated as the Owner of all Senior Lien Borrowings insured by that policy.

Section 11. Defeasance.

The Agency shall be obligated to pay any Senior Lien Borrowings which are defeased in accordance with this Section 11 solely from the cash and Government Obligations which are deposited in escrow pursuant to this Section 11. Senior Lien Borrowings shall be deemed defeased if the Agency:

11.1 irrevocably deposits money or noncallable Government Obligations in escrow with an independent trustee or escrow agent which are calculated to be sufficient without reinvestment for the payment of the Senior Lien Borrowings which are to be defeased; and,

11.2 files with the escrow agent or trustee an opinion from a Qualified Consultant to the effect that the money and the principal and interest to be received from the Government Obligations are calculated to be sufficient, without further reinvestment, to pay the defeased Senior Lien Borrowings when due.

Section 12. Rules of Construction.

In determining the meaning of provisions of this Master Borrowing Declaration, the following rules shall apply unless the context clearly requires application of a different meaning:

12.1 References to section numbers shall be construed as references to sections of this Master Borrowing Declaration.

12.2 References to one gender shall include all genders.

12.3 References to the singular include the plural, and references to the plural include the singular.

Section 13. The Initial Bond as Parity Senior Lien Indebtedness.

13.1 The Initial Bond is the first Senior Lien Borrowing issued under this Master Borrowing Declaration, and the tests for Parity Senior Lien Indebtedness under Section 5 of this Master Borrowing Declaration do not apply to issuance of the Initial Bond.

Section 14. The Initial Bond.

14.1 Security. The Agency shall issue the Initial Bond pursuant to the Resolution and this Master Borrowing Declaration. The Initial Bond shall be Parity Senior Lien Indebtedness. The Initial Bond is secured by the First Reserve Subaccount.

14.2 Payment Dates and Interest Rate.

- (A) The Initial Bond shall be issued in the principal amount of \$[Principal], shall be dated _____, 20__ and shall bear interest at a rate of [__] percent ([__]%) computed on a 30/360 basis. Interest on the Initial Bond shall be payable semiannually on [June 1 and December 1], commencing [December 1, 20__] and principal shall be payable annually on [June 1] as provided in the table below:

<u>Date</u>	<u>Principal (\$)</u>
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_____	_____
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- (B) All principal of the Initial Bond, plus accrued interest, shall be paid no later than [_____, 20__].
- (C) Any payment by the Agency to the Initial Bond Lender shall be applied first to pay accrued interest, and second to pay Initial Bond principal.

14.3 [Prepayment.

- (A) The Initial Bond may be prepaid in whole or in part on any Business Day, without penalty upon 30 days' prior written notice to the Initial Bond Lender.
- (B) Prepayments by the Agency to the Initial Bond Lender shall be applied first, to pay accrued interest on the principal amount that is prepaid, and second to reduce the outstanding principal balance.
- (C) The Initial Bond Lender will apply the prepayments to the final payments. The Initial Bond Lender will provide the updated payment schedule promptly to the Agency.]

14.4 Event of Default. If an Event of Default occurs while the Initial Bond is Outstanding, the Initial Bond Lender may exercise any remedy available at law or in equity and as set forth in this Master Borrowing Declaration. However, the Initial Bond shall not be subject to acceleration.

14.5 Form of Initial Bond. The Initial Bond shall be in substantially the form attached hereto as Appendix A, with such changes as may be approved by the Agency Official.

14.6 Agreements between the Agency and the Initial Bond Lender.

- (A) If either party incurs any expenses in connection with enforcing the Initial Bond, or if the Initial Bond Lender takes collection action under Initial Bond, the losing party shall pay to the prevailing party, on demand, the prevailing party's reasonable costs and reasonable attorneys' fees, whether at trial, on appeal or otherwise, including any allocated costs of in-house counsel.
- (B) Other Fees and Costs. The Agency shall pay the fees and costs of legal counsel, and any other expenses and costs that the Agency incurs in connection with the Initial Bond. The Agency shall also pay the Initial Bond Lender a fee of \$[_____] promptly at closing. The Initial Bond Lender shall pay all out-of-pocket expenses of the Initial Bond Lender and Initial Bond Lender's counsel, including travel and other expenses.

14.7 Representations of the Agency to the Initial Bond Lender so long as amounts are Outstanding under the Initial Bond.

- (A) The Agency shall make its audited financial statements available on the Agency's or the City's website or the Electronic Municipal Market Access system ("EMMA") within 270 days after the end of each Fiscal Year. If not otherwise available publicly on the Agency's or the City's website or EMMA, the Agency shall provide the Initial Bond Lender its audited financial statements within 270 days after the end of each Fiscal Year. However, if the Agency's audited financial statements are not available within 270 days after the end of a Fiscal Year, the Agency shall file its unaudited financial statements for that Fiscal Year with the Initial Bond Lender not later than 270 days after the end of that Fiscal Year, and shall make the audited financial statements for that Fiscal Year available on the Agency's or the City's website or EMMA or provide them to the Initial Bond Lender promptly after the audited financial statements become available
- (B) The Agency is duly created and existing under the laws of the State of Oregon, has all necessary power and authority to enter into this Master Borrowing Declaration and perform its duties under this Master Borrowing Declaration.
- (C) The adoption of the Resolution, the execution of this Master Borrowing Declaration and the performance of the Agency's obligations under this Master Borrowing Declaration do not conflict in any material respect with, or constitute a material breach of or default under, any law, court decree, administrative regulation, resolution or other agreement to which the Agency is a party or by which it is bound.
- (D) There is no action, suit, proceeding or investigation at law or in equity before or by any court or governmental agency having jurisdiction over the Agency that is pending or, to the best of the knowledge of the Agency, is threatened against the Agency to restrain or enjoin the execution of this Master Borrowing Declaration, the adoption of the Resolution, or the collection and application of the funds as contemplated by the Resolution and this Master Borrowing Declaration, or any other action, that, if such

matter were adversely decided against the Agency would, in the reasonable judgment of the Agency, have a material and adverse effect on the ability of the Agency to pay the amounts due under this Master Borrowing Declaration.

- (E) The Agency 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 Master Borrowing Declaration to exist, to have happened and to have been performed precedent to and in the execution and the delivery of this Master Borrowing Declaration and the Initial Bond and all related documents, do exist, have happened and have been performed in due time, form and manner, as required by law, and that this Master Borrowing Declaration and the Initial Bond are valid and binding special obligations of the Agency that are enforceable against the Agency in accordance with their terms, except to the extent that enforceability may be limited by (i) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other laws affecting creditors' rights generally; (ii) the application of equitable principles and the exercise of judicial discretion in appropriate cases; (iii) common law and statutes affecting the enforceability of contractual obligations generally; and (iv) principles of public policy concerning, affecting or limiting the enforcement of rights or remedies against governmental entities such as the Agency.

14.8 Disclosure; Assignment.

- (A) No official statement or other disclosure document has been prepared in connection with the Initial Bond and the Agency has no obligation in connection with the Initial Bond to provide any disclosure regarding operating information or material events to the Municipal Securities Rulemaking Board or any dissemination agent. The Agency is obligated to provide information to the Initial Bond Lender in connection with the Initial Bond only as specifically stated in Section 14.7 hereof.
- (B) The Initial Bond Lender may not transfer or assign its rights and obligations under the Initial Bond unless the transferee delivers to the Agency an investor letter in substantially the form of the qualified investor letter delivered by the Initial Bond Lender on the closing date of the Initial Bond and the transferee is either (i) a successor in interest of the Initial Bond Lender by means of a corporate merger, an exchange of stock, or a sale of assets, (ii) a "Bank" as that term is defined in Section 3 (a)(2) of the Securities Act of 1933, or (iii) to an affiliate of the Initial Bond Lender.
- (C) The Agency may not assign its rights and obligations under the Initial Bond without the prior written consent of the Initial Bond Lender, which may be withheld in the Initial Bond Lender's sole discretion.

This Master Borrowing Declaration may be executed in several counterparts, which together shall constitute one and the same instrument.

[The remainder of this page is left blank intentionally.]

Dated as of the _____ day of _____, 20__.

Town Center Development Agency, Oregon

By: _____
Steve Rymer, Executive Director

Acknowledging and agreeing to the provisions in Section 14.

[Lender]

By: _____
[Authorized Officer]

Appendix A

No. R-1

\$(Principal)

United States of America
Town Center Development Agency
Washington County
State of Oregon

Urban Renewal and Redevelopment Bond (Tigard Triangle Urban Renewal Area)
Series 20__

The Town Center Development Agency, Oregon (the "Agency"), for value received, acknowledges itself indebted and hereby promises to pay, but solely from the Tax Increment Revenues and amounts described in the Master Borrowing Declaration dated _____, 20__ (the "Master Borrowing Declaration"), to [Lender] (the "Initial Bond Lender"), the aggregate principal amount of \$(Principal) in the installments described in Section [14.2] of the Master Borrowing Declaration.

Interest is payable semiannually on [June 1 and December 1] commencing [December 1, 2021], at the rate described in Section [14.2] of the Master Borrowing Declaration and shall be computed on the basis of a 360-day year of twelve 30-day months.

This Initial Bond is issued pursuant to Agency Resolution No. ____, which was adopted on _____, 20__, and the Master Borrowing Declaration (collectively, the "Resolution"). Capitalized terms used in this Initial Bond have the meanings defined for such terms in the Resolution.

This Initial Bond is issued by the Agency for the purpose of financing the costs of urban renewal projects within the Tigard Triangle Urban Renewal Area (the "Area"), which will be located in the Area in full and strict accordance and compliance with all of the provisions of the Constitution and statutes of the State of Oregon.

This Initial Bond is a special obligation of the Agency, payable solely from the Security as defined and provided in the Resolution. The Initial Bond is Parity Senior Lien Indebtedness under the Resolution. The Initial Bond is secured by the First Reserve Subaccount. The Agency has reserved the right to issue obligations on a parity lien with the Initial Bond in the future, as provided in the Resolution. The Agency also has the right to issue obligations which have a subordinate lien on the Tax Increment Revenues.

THIS INITIAL BOND IS NOT A GENERAL OBLIGATION OF THE AGENCY OR THE CITY OF TIGARD, OREGON AND IS PAYABLE SOLELY FROM THE SECURITY AS PROVIDED IN THE RESOLUTION.

This Initial Bond may be prepaid in whole or in part on any Business Day, without penalty, upon 30 days' prior written notice to the Initial Bond Lender.

This Initial Bond may only be transferred as permitted by the Resolution. Any transfer of this Initial Bond must be registered with the Agency and the Agency may treat the person in whose name this Initial Bond is registered as its absolute owner for all purposes.

The Owner may exchange or transfer any Initial Bond only by surrendering it, together with a written instrument of exchange or transfer which is satisfactory to the Agency and duly executed by the Owner or his or her duly authorized attorney.

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 Initial Bond have existed, have happened, and have been performed in due time, form, and manner as required by the Constitution and statutes of the State of Oregon; and that the issue of which this Initial Bond is a part, and all other obligations of the Agency, are within every debt limitation and other limit prescribed by such Constitution and statutes.

IN WITNESS WHEREOF, the Agency has caused this Initial Bond to be signed by the manual signature of the [_____] of the City of Tigard, Oregon], as Agency Official under the Resolution, as of the ____ day of _____, 20__.

Town Center Development Agency, Oregon

Steve Rymer, Executive Director