

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR COLUMBIA COUNTY, OREGON

IN THE MATTER OF AUTHORIZING THE)
ISSUANCE, NEGOTIATED SALE AND) RESOLUTION No. 83-2006
DELIVERY OF GENERAL OBLIGATION)
REFUNDING BONDS; DESIGNATING AN)
AUTHORIZED REPRESENTATIVE;)
DELEGATING THE APPROVAL AND)
DISTRIBUTION OF THE PRELIMINARY)
AND FINAL OFFICIAL STATEMENTS;)
AUTHORIZING EXECUTION OF A BOND)
PURCHASE AGREEMENT; AND)
RELATED MATTERS)

The Board of County Commissioners (the "Board") of Columbia County, Oregon (the "County") finds:

- a. The County previously issued its General Obligation Bonds (Correction Facility Project), Series 1999, which are dated May 1, 1999 (the "Refundable Bonds"). The Refundable Bonds were authorized by an approving vote of the electors of the County, and bear interest rates that are higher than current market rates;
- b. The County is authorized pursuant to the Oregon Constitution and Oregon Revised Statutes Sections 288.605 through 288.695 (the "Act") to issue refunding bonds to refund all or any portion of its outstanding bonds;
- c. The County has determined that it is in the best interest of the taxpayers of the County if the County is able to advance refund all or a portion of the Refundable Bonds and achieve significant debt service savings;
- d. The County has directed Seattle-Northwest Securities Corporation to prepare an advance refunding plan for the Refundable Bonds to submit to the Oregon State Treasurer for review and approval; and
- e. The County adopts this Resolution to provide the terms under which advance refunding general obligation bonds may be issued to refund the Refundable Bonds, subject to the municipal bond market providing the required present value savings to the County and the required approval of the Oregon State Treasurer.

NOW THEREFORE, BE IT RESOLVED, as follows:

SECTION 1. PLAN SUBMISSION

Seattle-Northwest Securities Corporation is hereby authorized, on behalf of the County, to submit an advance refunding plan for the Refundable Bonds to the Oregon State Treasurer for review and approval to the extent required by law.

SECTION 2. REFUNDING BONDS AUTHORIZED

Upon approval by the State Treasurer of the advance refunding plan, the County is hereby authorized to issue advance refunding general obligation bonds (the "Refunding Bonds") in a principal amount sufficient to refund all or any portion of the Refundable Bonds, and to pay the costs related to the authorization, sale, issuance and delivery of the Refunding Bonds so long as three percent (3%) present value savings, as required by OAR 170-062-000, is achieved.

The Refunding Bonds shall be subject initially to a book-entry only system of ownership and transfer as provided for in SECTION 8 hereof. The remaining terms of the Refunding Bonds shall be established as provided in SECTION 11 hereof.

SECTION 3. DESIGNATION OF AUTHORIZED REPRESENTATIVES

The Board designates the County Treasurer or Chair of the Board of Commissioners, or his/her designee (collectively, the "Authorized Representative"), to act on behalf of the County as specified in SECTION 11 hereof.

SECTION 4. SECURITY

The Refunding Bonds shall be general obligations of the County, and the full faith and credit of the County are hereby pledged to pay the Refunding Bonds when due. The County covenants for the benefit of the owners of the Refunding Bonds that the County shall levy annually, as provided by law, in addition to its other ad valorem property taxes and outside the limitations of Sections 11 and 11b of Article IX of the Oregon Constitution, a direct ad valorem tax upon all of the taxable property within the County in sufficient amount, after considering discounts taken and delinquencies that may occur in the payment of taxes, to pay the refunding bonds promptly as they mature. The County covenants with the owners of the Refunding Bonds to levy such a tax annually during each year that the Refunding Bonds are outstanding.

SECTION 5. FORM OF REFUNDING BONDS

The Refunding Bonds shall be in substantially the form attached hereto as Exhibit A, with such changes as may be approved by Authorized Representative. The Refunding Bonds may be printed or typewritten.

SECTION 6. EXECUTION OF REFUNDING BONDS

The Refunding Bonds shall be executed on behalf of the County with the manual or facsimile signature of the Chair of the Board of Commissioners and attested to by the manual or facsimile signature of the County Clerk. Additionally, the Refunding Bonds shall be authenticated by the manual signature of an authorized officer of the registrar and paying agent for the Refunding Bonds (the "Registrar").

SECTION 7. AUTHENTICATION, REGISTRATION, PAYMENT, EXCHANGE AND TRANSFER

- a. No Refunding Bond shall be entitled to any right or benefit under this Resolution unless it shall have been authenticated by an authorized officer of the Registrar. The date of authentication shall be the date the Bondowner's name is listed on the Bond register.

- b. All Refunding Bonds shall be in registered form. The Registrar shall authenticate all Refunding Bonds to be delivered at closing of this bond issue, and shall additionally authenticate all Refunding Bonds properly surrendered for exchange or transfer pursuant to this Resolution.
- c. The ownership of all Refunding Bonds shall be entered in the Bond register maintained by the Registrar, and the County and the Registrar may treat the person listed as owner in the Bond register as the owner of the Refunding Bond for all purposes.
- d. While the Refunding Bonds are in book-entry form, the Registrar shall pay the Refunding Bonds in accordance with the requirements of the book-entry system. If the Refunding Bonds cease to be in book-entry form, the Registrar shall mail or cause to be delivered the amount due under each Refunding Bond to the registered owner at the address appearing on the Bond register on the fifteenth day of the month preceding the payment date (the "Record Date"). If payment is so mailed, neither the County nor the Registrar shall have any further liability to any party for such payment.
- e. Refunding Bonds may be exchanged for equal principal component amounts of Refunding Bonds of the same maturity which are in different authorized denominations, and Refunding Bonds may be transferred to other owners if the Bondowners submit the following to the Registrar:
 - i. written instructions for exchange or transfer satisfactory to the Registrar, signed by the Bondowner or his attorney in fact and guaranteed or witnessed in a manner satisfactory to the Registrar; and
 - ii. the Refunding Bonds to be exchanged or transferred.
- f. The Registrar shall not be required to exchange or transfer any Refunding Bonds submitted to it during any period beginning with a Record Date and ending on the next following payment date; however, such Refunding Bonds shall be exchanged or transferred promptly following that payment date.
- g. The Registrar shall not be required to exchange or transfer any Refunding Bonds which have been designated for redemption if such Refunding Bonds are submitted to the Registrar during the 15-day period preceding the designated redemption date.
- h. For purposes of this section, Refunding Bonds shall be considered submitted to the Registrar on the date the Registrar actually receives the materials described in subsection (e) of this section.
- i. In the event any Refunding Bond is mutilated, lost, stolen or destroyed, the Registrar may issue a new Refunding Bond of like maturity, interest rate and denomination if the asserted owner of such Refunding Bond provides to the Registrar and the County an affidavit, certificate or other reliable proof that the Registrar or the County reasonably finds protects the County from conflicting claims for payment under the Refunding Bond. Pursuant to Oregon Revised Statutes Section 288.435, the Registrar may waive the requirements of ORS 288.420 and the County may waive the requirements of ORS 288.430 with respect to the Refunding Bond.

- j. The County may alter these provisions regarding registration, exchange and transfer by mailing notification of the altered provisions to all Bondowners and the Registrar. The altered provisions shall take effect on the date stated in the notice, which shall not be earlier than 45 days after notice is mailed.

SECTION 8. BOOK-ENTRY SYSTEM

During any time that the Refunding Bonds are held in a book-entry only system (the "Book-Entry System"), the registered owner of all of the Refunding Bonds shall be The Depository Trust Company, New York, New York ("DTC"), and the Refunding Bonds shall be registered in the name of Cede & Co., as nominee for DTC. The Refunding Bonds shall be subject to the operational arrangements of DTC.

Under the Book-Entry System, the Refunding Bonds shall be initially issued in the form of a single fully registered certificate, one for each maturity of the Refunding Bonds. Upon initial issuance, the ownership of such Refunding Bonds shall be registered by the Registrar on the registration books in the name of Cede & Co., as nominee of DTC. The County and the Registrar may treat DTC (or its nominee) as the sole and exclusive registered owner of the Refunding Bonds registered in its name for the purposes of payment of the principal of, redemption price of, and premium, if any, or interest on the Refunding Bonds, selecting the Refunding Bonds or portions thereof to be redeemed, if any, giving notice as required under this Resolution, registering the transfer of Refunding Bonds, obtaining any consent or other action to be taken by the owners and for all other purposes whatsoever; and neither the Registrar nor the County shall be affected by any notice to the contrary. The Registrar shall not have any responsibility or obligation to any person claiming a beneficial ownership interest in the Refunding Bonds under or through DTC or any Participant, or any other person which is not shown on the registration books of the Registrar as being a registered owner, with respect to the accuracy of any records maintained by DTC or any Participant; the payment by DTC or any Participant of any amount in respect of the principal or redemption price of or interest on the Refunding Bonds; any notice or direction which is permitted or required to be given to or received from owners under this Resolution; the selection by DTC or any DTC Participant of any person to receive payment in the event of a partial redemption of the Refunding Bonds; or any consent given or other action taken by DTC as owner; nor shall any DTC Participant or any such person be deemed to be a third party beneficiary of any owners' rights under this Resolution. The Registrar shall pay from moneys available hereunder all principal of and premium, if any, and interest on the Refunding Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the County's obligations with respect to the principal of and premium, if any, and interest on the Refunding Bonds to the extent of the sum or sums so paid. So long as the Refunding Bonds are held in the Book-Entry System, no person other than DTC shall receive an authenticated Refunding Bond for each separate stated maturity evidencing the obligation of the Registrar to make payments of principal of and premium, if any, and interest pursuant to this Resolution. Upon delivery by DTC to the Registrar of DTC's written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions of this Resolution with respect to transfers of Refunding Bonds, the term "Cede & Co.," in this Resolution shall refer to such new nominee of DTC.

At any time it determines that it is in the best interests of the owners, the County may notify the Registrar, and the Registrar will subsequently notify DTC, whereupon DTC will notify the DTC Participants, of the availability through DTC of Bond certificates. In such event, the Registrar shall issue, transfer and exchange, at the County's expense, Bond certificates as requested in writing by DTC in appropriate amounts. DTC may determine to discontinue providing its

services with respect to the Refunding Bonds at any time by giving written notice to the Registrar and discharging its responsibilities with respect thereto under applicable law. If DTC resigns as securities depository for the Refunding Bonds, Bond certificates shall be delivered pursuant to this section. Under such circumstances (if there is no successor securities depository), the Registrar shall be obligated to deliver Bond certificates as described in this Resolution, provided that the expense in connection therewith shall be paid by the County. In the event Bond certificates are issued, the provisions of this Resolution shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of, premium, if any, and interest on such Refunding Bonds. Whenever DTC requests the Registrar to do so, the Registrar will cooperate with DTC in taking appropriate action after written notice (a) to make available one or more separate certificates evidencing the Refunding Bonds to any DTC Participant having Refunding Bonds credited to its DTC account, or (b) to arrange for another securities depository to maintain custody of certificates evidencing the Refunding Bonds.

SECTION 9. REDEMPTION

- a. The Refunding Bonds may be subject to optional redemption or mandatory redemption prior to maturity as provided in SECTION 11 herein.
- b. The County reserves the right to purchase Refunding Bonds in the open market.
- c. If any Refunding Bonds are subject to mandatory redemption, the County may credit against the mandatory redemption requirement any Refunding Bonds of the same maturity which the County has previously purchased or which the County has previously redeemed pursuant to any optional redemption provision.
- d. So long as the Refunding Bonds are in book-entry only form, the Registrar shall notify DTC of any early redemption not less than 30 days prior to the date fixed for redemption, and shall provide such information in connection therewith as required by a letter of representation submitted to DTC in connection with the issuance of the Refunding Bonds.
- e. During any period in which the Refunding Bonds are not in book-entry only form, unless waived by any Bondowner of the Refunding Bonds to be redeemed, official notice of any redemption of Refunding Bonds shall be given by the Registrar on behalf of the County by mailing a copy of an official redemption notice by first class mail postage prepaid at least 30 days and not more than 60 days prior to the date fixed for redemption to the Bondowner of the Refunding Bond or Refunding Bonds to be redeemed at the address shown on the Refunding Bond register or at such other address as is furnished in writing by such Bondowner to the Registrar. The County shall notify the Registrar of any intended redemption not less than 45 days prior to the redemption date. All such official notices of redemption shall be dated and shall state:
 - i. the redemption date,
 - ii. the redemption price,
 - iii. if less than all outstanding Refunding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Refunding Bonds to be redeemed,

- iv. that on the redemption date the redemption price will become due and payable upon each such Refunding Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and
- v. the place where such Refunding Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Registrar.

SECTION 10. TAX-EXEMPT STATUS

The County covenants to use the proceeds of the Refunding Bonds, and the facilities originally financed with the Refundable Bonds, and to otherwise comply with the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), so that the interest paid on the Refunding Bonds will not be includable in the gross income of the Bondowners for federal income tax purposes. The County specifically covenants:

- a. to comply with the "arbitrage" provisions of Section 148 of the Code, and to pay any rebates due to the United States on the gross proceeds of the Refunding Bonds; and
- b. to operate the facilities originally financed with the proceeds of the Refundable Bonds so that the Refunding Bonds are not "private activity bonds" under Section 141 of the Code; and
- c. comply with all reporting requirements.

The Authorized Representative may enter into covenants on behalf of the County to protect the tax-exempt status of the Refunding Bonds.

SECTION 11. DELEGATION FOR ESTABLISHMENT OF TERMS AND SALE OF THE REFUNDING BONDS

The Authorized Representative is hereby authorized, on behalf of the County and without further action of the Board of County Commissioners, to:

- a. establish the principal and interest payment dates, principal amounts, interest rates, denominations and all other terms for the Refunding Bonds;
- b. negotiate the terms with Seattle-Northwest Securities Corporation under which the Refunding Bonds shall be sold; enter into a bond purchase agreement for the sale of the Refunding Bonds which incorporates those terms; and execute and deliver such bond purchase agreement;
- c. appoint an expert advisor to evaluate the negotiated terms and pricing of the Refunding Bonds, if required or determined by the Authorized Representative to be in the best interest of the County;
- d. execute a bond declaration with additional terms related to the Refunding Bonds;
- e. select the maturities of the Refundable Bonds to be refunded and cause notices of redemption and defeasance and material events notices of redemption and defeasance to be given as required by law;

- f. appoint an escrow agent for the Refundable Bonds and enter into an escrow deposit agreement, if necessary;
- g. appoint a registrar and paying agent for the Refunding Bonds;
- h. appoint a certified public accounting firm or other qualified consultant to act as verification agent to produce a report demonstrating the ability of the escrow account to meet all future debt service and related costs relative to the Refundable Bonds;
- i. take such actions as are necessary to qualify the Refunding Bonds for the book-entry only system of The Depository Trust Company if required;
- j. enter into covenants regarding the use of the proceeds of the Refunding Bonds and the projects financed with the proceeds of the Refunding Bonds, to maintain the tax-exempt status of the Refunding Bonds;
- k. participate in the preparation of, authorize the distribution of, and deem final the preliminary and final official statements for the Refunding Bonds;
- l. obtain one or more ratings on the Refunding Bonds if determined by the Authorized Representative to be in the best interest of the County, and expend Refunding Bond proceeds to pay the costs of obtaining such rating;
- m. obtain municipal bond insurance on the Refunding Bonds if determined by the Authorized Representative to be in the best interest of the County, execute and deliver any agreement required in connection with such insurance, and expend Refunding Bond proceeds to pay any bond insurance premium;
- n. approve, execute and deliver a Continuing Disclosure Certificate pursuant to SEC Rule 15c2-12, as amended (17 CFR Part 240, § 240.15c2-12);
- o. designate the Refunding Bonds as qualified tax-exempt obligations pursuant to Section 265(b)(3) of the Code, if applicable;
- p. approve, execute and deliver the Refunding Bond closing documents and certificates; and
- q. execute and deliver a certificate specifying the action taken by the Authorized Representative pursuant to this SECTION 11 and execute and deliver other certificates, documents or agreements and take any other actions that the Authorized Representative determines are desirable to issue, sell and deliver the Refunding Bonds in accordance with this Resolution.

SECTION 12. DEFEASANCE

The County may defease the Refunding Bonds by setting aside, with a duly appointed escrow agent, in a special escrow account irrevocably pledged to the payment of the Refunding Bonds to be defeased, cash, 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 in an amount which, is certified by an independent certified public accountant to be sufficient without reinvestment to pay all principal and interest on the defeased Refunding Bonds until their maturity date or any earlier redemption date. Refunding Bonds which have been defeased

pursuant to this section shall be deemed paid and no longer outstanding, and shall cease to be entitled to any lien, benefit or security under this Resolution except the right to receive payment from such special escrow account.

SECTION 13. AMENDMENT OF RESOLUTION

- a. The County may enact a Supplemental Resolution to amend this Resolution without the consent of any Bondowner for any one or more of the following purposes:
 - i. To cure any ambiguity or formal defect or omission in this Resolution;
 - ii. To add to the covenants and agreements of the County in this Resolution other covenants and agreements to be observed by the County which are not contrary to or inconsistent with this Resolution as theretofore in effect;
 - iii. To confirm, as further assurance, any security interest or pledge created under this Resolution or any Supplemental Resolution;
 - iv. To make any change which, in the reasonable judgment of the County, does not materially and adversely affect the rights of the Bondowners.
- b. This Resolution may be amended for any other purpose only upon consent of Bondowners representing not less than fifty-one percent (51%) in aggregate principal amount of the adversely affected Refunding Bonds then Outstanding. However, no amendment shall be valid which:
 - i. Extends the maturity of any Refunding Bonds, reduces the rate of interest upon any Refunding Bonds, extends the time of payment of interest on any Refunding Bonds, reduces the amount of principal payable on any Refunding Bonds, or reduces any premium payable on any Refunding Bonds, without the consent of the affected Bondowner; or
 - ii. Reduces the percent of Bondowners required to approve Supplemental Resolutions.

SECTION 14. DEFAULT AND REMEDIES

- a. The occurrence of one or more of the following shall constitute a Event of Default under this Resolution:
 - i. Failure by the County to pay Refunding Bond principal, interest or premium when due (whether at maturity, or upon redemption after a Refunding Bond has been properly called for redemption);
 - ii. Failure by the County to observe and perform any covenant, condition or agreement on its part to be observed or performed for the benefit of Bondowners of Refunding Bonds, for a period of 60 days after written notice to the County by the Bondowners of ten percent or more of the principal amount of Refunding Bonds 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 60 day period, it shall not constitute an Event of Default so

long as corrective action is instituted by the County within the 60 day period and diligently pursued, and the default is corrected as promptly as practicable after the written notice referred to in this SECTION 14.a.ii; or,

- iii. The County 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 the installment payments.
- b. The Bondowners of ten percent or more of the principal amount of Refunding Bonds then Outstanding may waive any Event of Default and its consequences, except a Event of Default described in SECTION 14.a.i.
- c. Upon the occurrence and continuance of any Event of Default hereunder the Bondowners of ten percent or more of the principal amount of Refunding Bonds then Outstanding may take whatever action may appear necessary or desirable to enforce or to protect any of the rights of the Bondowners of Refunding Bonds, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Resolution or in aid of the exercise of any power granted in this Resolution or for the enforcement of any other legal or equitable right vested in the Bondowners of Refunding Bonds by this Resolution or by law. However, the Refunding Bonds shall not be subject to acceleration.
- d. No remedy in this Resolution conferred upon or reserved to Bondowners of Refunding Bonds is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Resolution or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. To entitle the Bondowners of Refunding Bonds to exercise any remedy reserved to them, it shall not be necessary to give any notice other than such notice as may be required by this Resolution or by law.

SECTION 15. DESIGNATION OF BOND COUNSEL AND UNDERWRITER

The County hereby designates Preston Gates & Ellis LLP as bond counsel for the Refunding Bonds and Seattle-Northwest Securities Corporation as underwriter for the Refunding Bonds.

SECTION 16. RESOLUTION TO CONSTITUTE CONTRACT

In consideration of the purchase and acceptance of any or all of the Refunding Bonds by those who shall own the Refunding Bonds from time to time (the "Bondowners"), the provisions of this Resolution shall be part of the contract of the County with the Bondowners and shall be deemed to be and shall constitute a contract between the County and the Bondowners. The covenants, pledges, representations and warranties contained in this Resolution or in the closing documents executed in connection with the Refunding Bonds, including without limitation the County's covenants and pledges contained in SECTION 4 hereof, and the other covenants and agreements herein set forth to be performed by or on behalf of the County shall be contracts for the equal benefit, protection and security of the Bondowners, all of which shall be of equal rank without preference, priority or distinction of any of such Refunding Bonds over any other thereof, except as expressly provided in or pursuant to this Resolution.

SECTION 17. EFFECTIVE DATE

This resolution shall take effect on the date of its passage by the Board of County Commissioners.

ADOPTED by the Board of Commissioners of Columbia County, Oregon this 25 day of Oct, 2006.

**BOARD OF COUNTY COMMISSIONERS FOR
COLUMBIA COUNTY, OREGON**



Joe Corsiglia, Chair



Anthony Hyde, Commissioner



Rita Bernhard, Commissioner

ATTEST:

By: 

Recording Secretary

**APPENDIX A
(Form of Refunding Bond)**

No. 1

\$ _____

United States of America
State of Oregon
County of Columbia, Oregon
General Obligation Refunding Bonds
Series _____

Dated Date: _____
Interest Rate Per Annum: «CouponRate»%
Maturity Date: _____, «MaturityYear»
CUSIP Number: «CUSIPNumbr»
Registered Owner: -----Cede & Co.-----
Principal Amount: -----«PrincipalAmtSpelled» Dollars-----

Columbia County, Oregon (the "County"), for value received, acknowledges itself indebted and hereby promises to pay to the Registered Owner hereof, or registered assigns, the Principal Amount indicated above on the Maturity Date indicated above together with interest thereon from the date hereof at the Interest Rate Per Annum indicated above, computed on the basis of a 360-day year of twelve 30-day months. Interest is payable semiannually on the ___ day of ___ and the ___ day of ___ in each year until maturity or prior redemption, commencing _____, _____. Payment of each installment of principal or interest shall be made on the payment date to the Registered Owner hereof whose name appears on the registration books of the County maintained by the County's paying agent and registrar, which is currently _____ (the "Registrar"), as the Registered Owners appear on the registration books as of the close of business on the _____ (___th) day of the calendar month immediately preceding the applicable interest payment date. For so long as this Bond is subject to a book-entry-only system, principal and interest payments shall be paid on each payment date to the nominee of the securities depository for the Bonds. On the date of issuance of this Bond, the securities depository for the Bonds is The Depository Trust Company, New York, New York, and Cede & Co. is the nominee of The Depository Trust Company. Such payments shall be made payable to the order of "Cede & Co."

This Bond is one of a duly authorized series of bonds aggregating \$ _____ in principal amount designated as General Obligation Refunding Bonds, Series _____ (the "Bonds"). The Bonds are issued to refund the outstanding principal amount of the County's General Obligation Bonds (Correction Facility Project), Series 1999. The Bonds are issued under and pursuant to Resolution _____ of the County adopted on _____, 2006. The Bonds are issued in full and strict accordance and compliance with all of the provisions of the Constitution and Statutes of the State of Oregon.

The Bonds constitute valid and legally binding obligations of the County. The full faith and credit of the County are pledged for the punctual payment of the principal of and interest on the Bonds. The County has pledged and is obligated by law to provide for the levy and collection annually of ad valorem taxes without limitation as to rate or amount on all taxable property within the boundaries of the County to pay the principal of and interest on the Bonds. The Bonds do not constitute a debt or indebtedness of the State of Oregon or any political subdivision thereof other than the County.

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

Should the book-entry-only system be discontinued, the Bonds shall be issued in the form of registered Bonds without coupons in denominations of \$5,000 or any integral multiple thereof. Such Bonds may be exchanged for Bonds of the same aggregate principal amount, interest rate and maturity date, but different authorized denominations, as provided in the Resolution.

The Bonds shall mature and be subject to redemption as described in the Final Official Statement for the Bonds which is dated _____, _____.

Unless the book-entry-only system is discontinued, notice of any call for redemption shall be given as required by the Blanket Issuer Letter of Representations to The Depository Trust Company, as referenced in the Resolution. Interest on any Bond or Bonds so called for redemption shall cease on the redemption date designated in the notice. The Registrar will notify The Depository Trust Company promptly of any Bonds called for redemption not less than 30 days prior to the date fixed for redemption. If the book-entry-only system is discontinued, notice of redemption shall be given by first-class mail, postage prepaid, not less than thirty days nor more than sixty days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the bond register; however, any failure to give notice shall not invalidate the redemption of the Bonds. All Bonds called for redemption shall cease to bear interest from the date designated in the notice.

Any exchange or transfer of this Bond must be registered, as provided in the Resolution, upon the bond register kept for that purpose by the Registrar. The exchange or transfer of this Bond may be registered only by surrendering it, together with a written instrument of exchange or transfer which is satisfactory to the Registrar and which is executed by the registered owner or duly authorized attorney. Upon registration, a new registered Bond or Bonds, of the same series and maturity and in the same aggregate principal amount, shall be issued to the transferee as provided in the Resolution. The County and the Registrar may treat the person in whose name this Bond is registered on the bond register as its absolute owner for all purposes, as provided in the Resolution.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC") to the County or the Registrar for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entry as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the Registered Owner hereof, Cede & Co., has an interest herein.

[This Bond shall remain in the Registrar's custody subject to the provisions of the FAST Balance Certificate Agreement currently in effect between the Registrar and DTC.]

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

IN WITNESS WHEREOF, the Board of Commissioners of Columbia County, Oregon, has authorized this Bond to be signed by the manual or facsimile signature of its Chair and attested to by the manual or facsimile signature of the County Clerk as of the ___ day of _____.

Columbia County, Oregon

Chair of the Board of Commissioners

Attest:

County Clerk

THIS BOND SHALL NOT BE VALID UNLESS PROPERLY AUTHENTICATED BY THE REGISTRAR IN THE SPACE INDICATED BELOW.

This Bond is one of a series of \$ _____ aggregate principal amount of Columbia County, Oregon General Obligation Refunding Bonds, Series _____, issued pursuant to the Resolution described herein.

Date of authentication: _____, _____.

, as Registrar

Authorized Officer

ASSIGNMENT

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

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

this Bond and does hereby irrevocably constitute and appoint _____ as attorney to transfer this Bond on the books kept for registration thereof with the full power of substitution in the premises.

Dated: _____

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

NOTICE: Signature(s) must be guaranteed by a member of the New York Stock Exchange or a commercial bank or trust company

Signature Guaranteed

(Bank, Trust Company or Brokerage Firm)

Authorized Officer

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

- TEN COM -- tenants in common
- TEN ENT -- as tenants by the entireties
- JT TEN -- as joint tenants with right of survivorship and not as tenants in common
- OREGON CUSTODIANS use the following _____ CUST UL OREG _____ MIN
as custodian for _____ (name of minor)
- OR UNIF TRANS MIN ACT
under the Oregon Uniform Transfer to Minors Act

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