

RESOLUTION NO. 2010-11-2
RESOLUTION APPROVING MARINA EXPANSION FINANCING

NAME OF DISTRICT: PORT OF HOOD RIVER

LOCATED IN: HOOD RIVER COUNTY

MAXIMUM PRINCIPAL COMPONENT: \$290,000

MAXIMUM FINANCING TERM: FIFTEEN (15) YEARS

MAXIMUM AVERAGE INTEREST RATE: 7.00%

EXECUTING OFFICIALS: President, Secretary, Treasurer, Executive Director,
Finance Manager

RESOLUTION APPROVING THE FINANCING AGREEMENT WHEREBY THE DISTRICT FINANCES CERTAIN REAL OR PERSONAL PROPERTY; AND AUTHORIZING THE OFFICERS OF THE DISTRICT TO EXECUTE THE FINANCING AGREEMENT AND SUCH OTHER DOCUMENTS AND CERTIFICATES AS MAY BE NECESSARY TO CARRY OUT THE TRANSACTIONS CONTEMPLATED BY THE AFOREMENTIONED AGREEMENT.

WHEREAS, the above-named District (the "District"), is authorized under Oregon Revised Statutes ("ORS") § 271.390 and § 287A to enter into binding financing agreements to finance and/or refinance certain real or personal property; and

WHEREAS, the Special Districts Association of Oregon (the "Association") has established its cooperative asset financing program (the "Asset Program") which includes the FlexLease Program (the "Program"). The Program allows members of the Association who are authorized by law (the "Participating Districts"), to participate in a pooling of the individual Participating Districts' financing agreements in order to achieve better interest rates and lower administrative and legal costs; and

WHEREAS, to accomplish the Program, the Association has entered into a Master Financing Agreement, dated as of June 10, 1998, as amended (the "Master Financing Agreement"), with Wedbush Morgan Securities, Inc. (the "Underwriter") pursuant to which financing and refinancing will be made available by the Underwriter to Participating Districts under the terms set forth in the Master Financing Agreement and interests in such financings will be certificated pursuant to a Master Trust Agreement, dated as of July 1, 1998, as amended (the "Master Trust Agreement") between the Underwriter and the Trustee; and

WHEREAS, it is intended that the District will enter into a Financing Agreement (the "Financing Agreement") to finance and/or refinance certain real or personal property more particularly described therein (the "Project") and as agreed and approved to by the Executing Officials subject to the terms and conditions and for the purposes set forth in the Financing Agreement; and

WHEREAS, the District anticipates incurring expenditures (the "Expenditures") to finance the costs of the Project and wishes to declare its official intent to reimburse itself for any Expenditures it may

make from its general funds on the Project from the proceeds of Certificates of Participation (the "COPs"), the interest on which shall be excluded from gross income under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code");

NOW, THEREFORE, THE BOARD OF THE PORT COMMISSIONERS DOES HEREBY FIND, DETERMINE, DECLARE AND RESOLVE AS FOLLOWS:

Section 1. Recitals. All of the above recitals are true and correct and the Board of the District so finds and determines. The District hereby determines that the Project is needed for District purposes.

Section 2. Approval of Financing Agreement. The Financing Agreement shall be approved in substantially the form submitted to and reviewed by the Board, with such changes therein as shall be approved by the representatives of the District executing said documents, said representatives' execution thereof to be conclusive evidence of said representatives' approval. The Board designates the Executing Officials or a designee of an Executing Official and authorizes and directs them to execute, attest to and deliver the Financing Agreement and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution on behalf of and as the act and deed of the District.

Section 3. Terms of Financing. The District shall participate in the Program. The total principal component of payments shall not exceed the Maximum Principal Component designated above. In no event shall the maximum average interest rate exceed the Maximum Average Interest Rate designated above. The term of the financing shall not exceed the Maximum Financing Term set forth above provided that the term may be rounded up or down to coincide with the payment dates of principal component under the Program. Execution of the Financing Agreement by the Executing Official shall be deemed to be final approval of the final payment schedule to the Financing Agreement.

Section 4. Security. The Financing Agreement shall be a full faith and credit obligation of the District, secured first from any available taxes levied by the District, subject to applicable statutory and constitutional limitations, and, to the extent such taxes are insufficient therefor, from Net Operating Revenues (as defined in the Master Revenue Bond Declaration executed August 28, 2003 of the District authorizing issuance of the District's general revenue bonds), subject to the limitations hereinafter described. Payment of the Financing Agreement from Net Operating Revenues shall be subject and subordinate to the pledge of Net Operating Revenues for payment of the following bonds of the District: General Revenue Bonds, Series 2003, dated August 15, 2003 and any bonds which may be issued as a parity with the foregoing bonds in the future.

Section 5. Disclosure Relating to Financing Agreement. The Executing Official is authorized to do the following: (a) review the disclosure information on the District in the disclosure document prepared by the Underwriter, and upon conformance with any changes requested by the Executing Official, to deem it a final disclosure document (the near final official statement) under Securities and Exchange Commission Rule 15c2-12 (the "Rule"), and (b) if required, execute and deliver a continuing disclosure certificate whereunder the District will agree to comply with the information reporting requirements of the Rule.

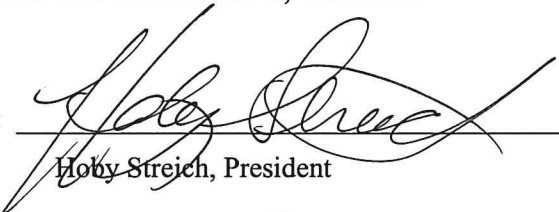
Section 6. Further Authority. The District shall, and the officers and agents of the District are hereby authorized and directed to, take such action, expend such funds and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent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

Section 7. Reimbursement of Prior Expenses. The District hereby declares its official intent to reimburse itself with the proceeds of the COPs for any of the Expenditures incurred by it prior to the issuance of the COPs.

Section 8. Effect. This Resolution shall take effect and be in full force and effect from and after its passage and approval. This Resolution supersedes and replaces Resolution No. 2009-10-9 adopted on June 30, 2010 which shall no longer be in effect.

APPROVED BY THE BOARD OF PORT COMMISSIONERS THIS 7TH DAY OF SEPTEMBER, 2010.

**PORT OF HOOD RIVER
HOOD RIVER COUNTY, OREGON**

By: 
Hobby Streich, President

By: 
Jon Davies, Secretary