

Not Signed

RESOLUTION NO. 2015-16-3

A RESOLUTION AUTHORIZING THE SALE OF TAXABLE GENERAL REVENUE BOND AND EXECUTION OF A SUPPLEMENTAL REVENUE BOND DECLARATION

The Board of Commissioners of the Port of Hood River finds that:

- A. The Port Board of Commissioners adopted Resolution No. 2002-03-5 on June 17, 2003 (“**Resolution No. 2002-03-5**”), authorizing the Port to execute and deliver the Master General Revenue Bond Declaration (the “**Master Declaration**”), which establishes the terms under which the Port may issue general revenue bonds, and to issue up to \$8,000,000 of its general revenue bonds (the “**Series 2003 Bonds**”).
- B. The Series 2003 Bonds are dated August 15, 2003, and were issued under Oregon Revised Statutes (“**ORS**”) Section 777.560 in the aggregate principal amount of \$8,000,000.
- C. Section 7 of the Master Declaration provides that Parity Obligations may be issued for any purpose relating to the Facilities that is authorized by law.
- D. The Port Board of Commission adopted Resolution No. 2013-14-1 on September 10, 2013 authorizing the Port to execute and deliver a first Supplemental Master Revenue Bond Declaration (the “**First Supplement**”) which established the terms under which the Port issued its General Revenue Refunding Bond, Series 2013 in the principal amount of \$3,703,000 (the “**Series 2013 Bond**”) for the purpose of refunding the Series 2003 Bonds.
- E. Notice of Regular Meeting of the Board of Commissioners was given for a period of not less than two consecutive weeks prior to the meeting by publication in the Hood River News, a newspaper of general circulation published within the Port.
- F. The Port adopts this resolution to authorize the sale of its Taxable General Revenue Bond, Series 2015 (the “**Series 2015 Bond**”) and execution of a Second Supplemental Revenue Bond Declaration (the “**Second Supplement**”) for the purpose of financing the acquisition of and improvements to certain Port Facilities (the “**Project**”), fund any required debt service reserve and pay costs of issuance of the Series 2015 Bond.
- G. Capitalized terms used but not defined herein shall have their respective meanings as set forth in the Master Declaration.

NOW, THEREFORE, based upon the above findings,

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE PORT OF HOOD RIVER, a municipal corporation of the State of Oregon, as follows:

Section 1. Bond Authorized

- 1.1 The Port hereby authorizes the sale and delivery of the Series 2015 Bond in a maximum aggregate principal amount not to exceed \$2,000,000, to finance the Project and fund any required debt service reserve and pay costs of issuance of the Series 2015 Bond in accordance with this Resolution and the Master Declaration, as supplemented.
- 1.2 The Series 2015 Bond is Parity Obligations payable from the Net Operating Revenues of the Port as provided in the Master Declaration. The Owner of the Series 2015 Bond shall not have a lien or security interest on any property of the Port, including any property financed with the proceeds of the Series 2015 Bond.
- 1.3 The purchaser of the Series 2015 Bond shall be Columbia State Bank (the “**Bank**”).

Section 2. Delegation

The Executive Director or the Chief Financial Officer are designated by the Board of Commissioners to act on behalf of the Port under this resolution and the Master Declaration, as supplemented (any of whom is referred to in this resolution as a “Port Official”) and the Port Official may, on behalf of the Port:

- 2.1 Establish the final principal amounts, maturity schedules, interest rates, sale prices, redemption terms, payment terms and dates, reserve amount, record dates and other terms for the Series 2015 Bond.
- 2.2 Determine if any required debt service reserve amount will be funded with Series 2015 Bond proceeds or funds of the Port.
- 2.3 Finalize the terms of, execute and deliver the Second Supplement, which describes the terms under which the Series 2015 Bond may be issued. The Second Supplement shall be in substantially the form attached to this Resolution as Exhibit A, with such insertions and changes as the Port Official may approve. The Port Official may approve and execute and deliver additional covenants and terms for the Series 2015 Bond. The covenants contained in the Second Supplement and covenants, terms or events of default in the closing documents for the Series 2015 Bond, including but not limited to additional covenants, terms or events of default in any credit facility agreements approved by the Port Official, shall constitute contracts with the Owner of the Series 2015 Bond, and shall be enforceable by them.

SECOND SUPPLEMENTAL REVENUE BOND DECLARATION

THIS SECOND SUPPLEMENTAL REVENUE BOND DECLARATION is executed as of October 9, 2015, by the Port Official of the Port of Hood River, Hood River County, Oregon pursuant to authority granted to the Port Official by Port Resolution 2015-16-3 to establish the terms under which the Port's Taxable General Revenue Bond, Series 2015 may be issued.

Section 1. Recitals.

The Port finds:

- 1.1 The Port's Master General Revenue Bond Declaration (the "Master Declaration") was executed as of August 28, 2003 by the Port Official of the Port of Hood River, Hood River County, Oregon pursuant to authority granted to the Port Official by Port Resolution 2002-03-5 to establish the terms under which the Port's General Revenue Bonds, Series 2003 and future general revenue bonds may be issued.
- 1.2 The Port issued its Series 2003 Bonds in the aggregate principal amount of \$8,000,000 under the authority of the Master Declaration and Oregon Revised Statutes ("ORS") Section 777.560 for the purpose of financing improvements to the Port's toll bridge, other improvements, funding the reserve account and paying the costs of issuance of the Series 2003 Bonds. The Series 2003 Bonds are dated August 15, 2003.
- 1.3 In 2013, the Port issued a general revenue bond the aggregate principal amount of \$3,730,000, under the authority of the Master Declaration, the First Supplemental Declaration, Port Resolution No. 2013-14-1, for the purpose of refinancing the Series 2003 Bonds. The Series 2013 Bonds are dated October 3, 2013.
- 1.4 Section 7 of the Master Declaration provides that Parity Obligations may be issued for any purpose relating to the Facilities that is authorized by law.
- 1.5 The Board of Port Commissioners has adopted Resolution No. 2015-16-3, authorizing the Port to issue its taxable general revenue bond in the maximum principal amount of \$2,000,000 (the "Series 2015 Bond"), to finance the acquisition of and improvements to certain Port Facilities (the "Project"), fund any required debt service reserve and pay costs of issuance of the Series 2015 Bond, and to execute and deliver this Second Supplemental Declaration which establishes the terms under which the Series 2015 Bond is issued.

Section 2. Definitions.

As used in this Second Supplemental Declaration, the following words shall have the following meanings. Capitalized terms used but not defined herein shall have the meanings assigned in the Master Declaration, as modified by the First Supplemental Declaration.

“Agreement” means the Facility Agreement, dated as of October 9, 2015, between the Port and Columbia State Bank in connection with the Series 2015 Bond.

“Bond Counsel” means Mersereau Shannon LLP or such other counsel designated by the Port.

“Closing Date” means October 9, 2015.

“Declaration” means collectively the Master Declaration, the First Supplemental Declaration and this Second Supplemental Declaration.

“First Supplemental Declaration” means the Port’s Supplemental Declaration executed October 3, 2013.

“Master Declaration” means the Port’s Master Revenue Bond Declaration executed on August 28, 2003.

“Payment Date” means each April 15 and October 15, commencing April 15, 2016.

“Port Official” means the Executive Director of the Port or the Chief Financial Officer of the Port.

“Second Supplemental Declaration” means this Second Supplemental Revenue Bond Declaration dated as of October 9, 2015, authorized by the Resolution and executed by the Port Official.

Section 3. The 2015 Bond.

3.1 Sale Authorized. Pursuant to Section 7 of the Master Declaration, ORS Chapter 777 and Port Resolution 2015-16-3, the Port issues its Series 2015 Bond in the principal amount of \$2,000,000 for the purpose of financing the Project, any required debt service reserve and to pay costs of issuance of the Series 2015 Bond. The Series 2015 Bond shall be a Bond as defined in the Master Declaration and shall have a lien on the Net Operating Revenues that is equal to the lien of all then Outstanding Bonds and all Parity Obligations issued in accordance with Section 7 of the Master Declaration. The Series 2015 Bond shall bear interest payable on April 15 and October 15 of each year at the rate of three and fifty-one hundredths percent (3.51%) per annum, commencing April 15, 2016. Principal and interest of the Series 2015 Bond is payable by the Port on the dates and in the amounts set forth in the amortization schedule attached as Exhibit A to the Agreement.

3.2 Limitation on Payment. The Series 2015 Bond shall be a special obligation of the Port, and shall be payable from the Net Operating Revenues and amounts required to be deposited in the Revenue Bond Reserve Account as required and as provided by the Declaration.

3.3 Bond Form. The Series 2015 Bond shall be in substantially the form attached as Exhibit A hereto and shall be signed with the facsimile or manual signatures of the President and Secretary of the Board of Port Commissioners.

3.4 Purchaser; Authentication. Columbia State Bank (“Bank”) shall be the purchaser of the Series 2015 Bond. The Series 2015 Bond shall not be entitled to any right or benefit under the Declaration unless it shall have been authenticated by the Port.

3.5 Paying Agent. The Paying Agent shall deliver each Series 2015 Bond interest and principal payment on the Payment Date (or the next business day if the payment date is not a business day) to the Bank. The Port will act as Paying Agent for the Series 2015 Bond.

3.6 Prepayment. The Series 2015 Bond may be prepaid, in whole or in part, at the election of the Port on any Payment Date with thirty (30) days prior written notice to the Bank, together with accrued interest through the date fixed for prepayment.

3.7 Disposition of Series 2015 Bond Proceeds. The Sale Proceeds actually or constructively received by the Port from the sale of the Bond is as follows:

Face Amount of Bond	<u>\$2,000,000.00</u>
Sale Proceeds	\$2,000,000.00
Total	<u>\$2,000,000.00</u>

The Sale Proceeds received by the Port from the sale of the Series 2015 Bond will be allocated to the following uses in the following amounts:

Commitment Fee	2,500.00
Bank Counsel Fee	4,500.00
MDAC Fee	
Deposit to Reserve Account	
Deposit to Port Account	
Total	<u>\$2,000,000.00</u>

3.8 Covenants.

(A) The Port shall charge rates and fees projected to generate Net Operating Revenues equal to the amount described in Section 5.1 of the Master Declaration, including the Series 2015 Bond.

(B) The Port shall make a deposit to the Revenue Bond Reserve Account in an amount sufficient to make the balance in the Revenue Bond Reserve Account at least equal to the Required Reserve.

- (C) The Port Official may approve and execute and deliver additional covenants, terms or events of default for the Series 2015 Bond. The covenants contained in this Section 3.8 and any covenants in the closing documents for the Series 2015 Bond, including but not limited to additional covenants, terms or events of default in any credit facility agreements approved by the Port Official, shall constitute contracts with the Owners of the Series 2015 Bond, and shall be enforceable by them.
- (D) To the extent permitted by law, the Port agrees to indemnify and hold harmless the Bank and all of its agents and employees against any and all losses, claims, damages, liabilities and expenses arising out of any statement made by the Port to the Bank, its agents or employees, that relates to the Agreement or the Series 2015 Bond and that is untrue or incorrect in any material respect.
- (E) The Port shall provide the Bank with all financial reporting required under the Agreement.
- (F) The Port shall not issue Bonds or other obligations having a claims superior to the claim of the Series 2015 Bond upon Net Operating Revenues.
- (G) While the Series 2015 Bond is outstanding, the Port shall maintain a balance in the Revenue Bond Reserve Account at least equal to the annual debt service due on the Series 2015 Bond in the then current Fiscal Year.

3.10 Series 2015 Event of Default. If Series 2015 Event of Default occurs, the Bank may exercise any remedy available for an Event of Default, subject to the requirements of the Master Declaration, at law or in equity, and under section 3.5 of the Agreement. No remedy shall be exclusive. The Bank may waive any Series 2015 Event of Default, but no such waiver shall extend to a subsequent Series 2015 Event of Default.

“Series 2015 Event of Default” means the occurrence of any of the following: (i) a failure to pay when due any principal, interest or other amount that is required to be paid under this Agreement; (ii) a failure by the Port to comply with any of its obligations or to perform any of its duties under this Agreement, other than a failure described in clause (i) of this definition, which failure continues and is not cured for a period of more than 30 days after the Bank has made written demand on the Port to cure such failure (iii) a material misrepresentation by the Port in this Agreement, the Resolution or the Series 2015 Bond; or (iv) a material breach or Default under the Declaration.

If a Series 2015 Event of Default shall occur, then the interest rate under the Series 2015 Bond may be increased at the option of the Bank to an interest rate five percentage points (5.0%) in excess of the interest rate otherwise applicable to the Series 2015 Bond.

Dated as of October 9, 2015.

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

By: _____
Port Official

ACCEPTED:

By: _____
Columbia State Bank

3.11 Fees, Costs and Expenses.

(A) Bank Fees. The Port shall pay the Bank an origination fee of \$2,500 on the Closing Date.

(B) Bank Costs of Enforcement. If the Bank incurs any expenses in connection with enforcing the Agreement or the Series 2015 Bond, or if the Bank takes collection action under the Agreement or the Series 2015 Bond, the Port shall pay to the Bank, on demand, the Bank's reasonable costs and attorneys' fees, whether at trial, on appeal, in bankruptcy or insolvency proceedings or otherwise, including any allocated costs of in-house counsel.

(C) Other Fees and Costs. The Port shall pay the fees and costs of Bond Counsel, and any other expenses and costs that the Port incurs in connection with the Agreement. The Port shall pay all of the Bank's attorney fees for the Agreement in an amount not to exceed \$4,500.

3.12 Waiver of Jury Trial. To the extent permitted by applicable law, each of the parties waives any right to have a jury participate in resolving any dispute, whether sounding in contract, tort, or otherwise between the parties arising out of, connected with, related to, or incidental to the relationship between any of them in connection with the Agreement or the transactions contemplated hereby. Instead, any such dispute resolved in court will be resolved in a bench trial without a jury.

Section 4. Notices.

Port: Port of Hood River, Oregon
1000 E. Port Marina Driver
Hood River, OR 97031

Bank: Columbia State Bank
1000 SW Broadway, Suite 1100
Portland, OR 97205

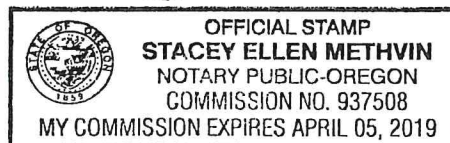
AFFIDAVIT OF PUBLICATION

STATE OF OREGON
COUNTY OF HOOD RIVER

I, Chelsea Marr, being first duly sworn, depose and say that I am the publisher of the Hood River News, 419 State St., Hood River, Oregon, a newspaper of general circulation printed and published at Hood River in the aforesaid county and state, as defined by ORS 193.010 and 193.020 and that GENERAL REVENUE BOND 2015, a printed copy of which is hereto annexed, was published in the entire issue of said newspaper for 2 times in the following issues:
Sept. 19 & 26, 2015



Subscribed and sworn to before me this 2nd
Day of October, 2015



**PUBLIC NOTICE
NOTICE OF REGU-
LAR MEETING OF
THE BOARD OF
COMMISSIONERS
OF THE PORT OF
HOOD RIVER,
OREGON**

PUBLIC NOTICE IS HEREBY GIVEN, that on October 6, 2015, the Board of Commissioners (the "Board") of the Port of Hood River, Oregon (the "Port") will hold a regular meeting commencing at approximately 5:00 p.m. The public meeting will be held at the regular meeting place of the Board, located at the Marina Center

Boardroom, 1000 E. Port Marina Drive, Hood River, Oregon 97031.

One purpose of the meeting is to consider a resolution authorizing the issuance, sale, execution and delivery of a Facility Agreement, General Revenue Bond, Series 2015 and Second Supplemental Declaration in an aggregate principal amount not to exceed \$2,000,000 (the "Bond") to finance improvements to Port facilities and to pay related costs.

Additional infor-

mation may be obtained from the Board at their office at the Port, or from Fred Kowell, Chief Financial Officer, Port of Hood River, 1000 E. Port Marina Drive, Hood River, Oregon 97031, Telephone: (541) 386-1645. This notice is published pursuant to ORS 777.565.

DATED: September 17, 2015.

Fred Kowell, Chief Financial Officer, Port of Hood River, Oregon, Published: September 19, 2015 and September 26, 2015

75,76-2t

**UNITED STATES OF AMERICA
STATE OF OREGON
PORT OF HOOD RIVER
HOOD RIVER COUNTY, OREGON
TAXABLE GENERAL REVENUE BOND
SERIES 2015**

NUMBER: R-1

*****\$2,000,000*****

<u>DATED</u>	<u>RATE OF INTEREST</u>	<u>MATURITY DATE</u>
October 9, 2015	3.51%	October 15, 2018

Port of Hood River, Hood River County, Oregon (the "Port"), for value received, acknowledges itself indebted and hereby promises to pay to the order of Columbia State Bank (the "Bank"), the aggregate principal amount of TWO MILLION NO/100 U.S. DOLLARS (\$2,000,000.00). The outstanding principal amount shall bear interest at 3.51% per annum, based on an Actual/360-day basis. Principal and interest shall be due and payable in accordance with the schedule attached as Exhibit A to the Agreement.

Capitalized terms used in this Bond have the meanings defined for such terms in the Master Revenue Bond Declaration dated as of August 28, 2003, as supplemented by the Supplemental Revenue Bond Declaration dated as of October 3, 2013 and the Second Supplemental Revenue Bond Declaration dated as of October 9, 2015 (collectively, the "Declaration").

This Bond is authorized by Port Resolution 2015-16-3 adopted October 6, 2015 and the Declaration. This Bond is issued for the purpose of financing the Project, as that term is defined in the Declaration.

This Bond constitutes a valid and legally binding special obligation of the Port and is authorized pursuant to Oregon Revised Statutes Chapter 777, the Declaration, and Resolution No 2015-16-3 of the Port adopted October 6, 2015. The Net Operating Revenues, as defined in the Declaration, are pledged for the punctual payment of the principal of and interest on this Bond. The Port is not authorized to levy any additional taxes to pay this Bond. Parity Obligations may be issued on a parity of lien with this Bond, subject to certain conditions described in the Declaration.

This Bond does not constitute a debt or indebtedness of Hood River County, the State of Oregon or any political subdivision thereof other than the Port.

This Bond is subject to prepayment as described in the Declaration.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in the form and manner required by the Constitution and Statutes of the State of Oregon and that this Bond, together with all other indebtedness of the Port does not exceed any limitation prescribed by law.

INDEX

**\$2,000,000
Port of Hood River
Hood River County, Oregon
Taxable General Revenue Bond
Series 2015**

Document
Number

Document

1 Transcript Certification

BASIC BOND DOCUMENTS

2 Proposal Letter

3 Taxable Facility Agreement

4 Specimen Bond

5 Receipt for Bond

6 Closing Memorandum

ISSUER DOCUMENTS

7 Resolution No. 2015-16-3 dated October 6, 2015 authorizing the Supplemental Declaration and Bond and minutes of October 6, 2015 meeting

8 Affidavit of Publication of Notice of Meeting

9 Master Revenue Bond Declaration

10 First Supplemental Revenue Bond Declaration

11 Second Supplemental Revenue Bond Declaration

12 Certificate of Determination

13 General Certificate

14 Issuer Receipt for Bond Proceeds

15 Certificate of Proceedings

OPINION

16 Bond Counsel Opinion

CERTIFICATE OF DETERMINATION

\$2,000,000
Port of Hood River
Hood River County, Oregon
Taxable General Revenue Bond
Series 2015

The undersigned, Fred Kowell, Chief Financial Officer of the Port of Hood River, Hood River County, Oregon (the “Port”) and as authorized in Resolution No. 2015-16-3 of the Port adopted on October 6, 2015 (the “Resolution”), and acting pursuant to the Resolution, hereby determines and establishes certain terms and other matters relating to the Port’s Second Supplemental Revenue Bond Declaration dated October 9, 2015 (the “Second Supplemental Declaration”), the Taxable Facility Agreement between the Port and Columbia State Bank (the “Bank”) dated October 9, 2015 (the “Agreement”), and the Port’s Taxable General Revenue Bond, Series 2015, dated October 9, 2015 (the “Bond”), and as set forth herein. All capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Resolution and Master Revenue Bond Declaration dated August 28, 2003 (the “Master Declaration”), as supplemented by the First Supplemental Declaration and the Second Supplemental Declaration (collectively the “Declaration”).

Section 1. PURCHASE OF BOND

The Bond shall be purchased by Bank and shall be in the principal amount of \$2,000,000.00. The Bank shall receive an origination fee of \$2,500.00 and payment of its legal fees of \$4,500.00 for purchasing the Bond. The authority to enter into the Second Supplemental Declaration, the Agreement and the Bond is the Resolution.

Section 2. PAYMENT SCHEDULE

The Bond shall bear interest at the rate of three and fifty-one hundredths percent (3.51%) per annum, calculated on an Actual/360-day basis. The Port will repay the Bond, including principal and interest, as set forth on Exhibit A attached to the Financing Agreement (as such term is defined in the Second Supplemental Declaration).

Section 3. PREPAYMENT

The Bond may be prepaid, in whole or in part, at 100% of par at the election of the Port on any Payment Date with thirty (30) days written notice, together with accrued interest through the date fixed for prepayment.

[Signature appears on the following page]

Dated this 9th day of October, 2015.

PORT OF HOOD RIVER
HOOD RIVER COUNTY, OREGON

By _____
Fred Kowell, Chief Financial Officer

SECOND SUPPLEMENTAL REVENUE BOND DECLARATION

THIS SECOND SUPPLEMENTAL REVENUE BOND DECLARATION is executed as of October 9, 2015, by the Port Official of the Port of Hood River, Hood River County, Oregon pursuant to authority granted to the Port Official by Port Resolution 2015-16-3 to establish the terms under which the Port's Taxable General Revenue Bond, Series 2015 may be issued.

Section 1. Recitals.

The Port finds:

- 1.1 The Port's Master General Revenue Bond Declaration (the "Master Declaration") was executed as of August 28, 2003 by the Port Official of the Port of Hood River, Hood River County, Oregon pursuant to authority granted to the Port Official by Port Resolution 2002-03-5 to establish the terms under which the Port's General Revenue Bonds, Series 2003 and future general revenue bonds may be issued.
- 1.2 The Port issued its Series 2003 Bonds in the aggregate principal amount of \$8,000,000 under the authority of the Master Declaration and Oregon Revised Statutes ("ORS") Section 777.560 for the purpose of financing improvements to the Port's toll bridge, other improvements, funding the reserve account and paying the costs of issuance of the Series 2003 Bonds. The Series 2003 Bonds are dated August 15, 2003.
- 1.3 In 2013, the Port issued a general revenue bond the aggregate principal amount of \$3,730,000, under the authority of the Master Declaration, the First Supplemental Declaration, Port Resolution No. 2013-14-1, for the purpose of refinancing the Series 2003 Bonds. The Series 2013 Bonds are dated October 3, 2013.
- 1.4 Section 7 of the Master Declaration provides that Parity Obligations may be issued for any purpose relating to the Facilities that is authorized by law.
- 1.5 The Board of Port Commissioners has adopted Resolution No. 2015-16-3, authorizing the Port to issue its taxable general revenue bond in the maximum principal amount of \$2,000,000 (the "Series 2015 Bond"), to finance the acquisition of and improvements to certain Port Facilities (the "Project"), fund any required debt service reserve and pay costs of issuance of the Series 2015 Bond, and to execute and deliver this Second Supplemental Declaration which establishes the terms under which the Series 2015 Bond is issued.

3.2 Limitation on Payment. The Series 2015 Bond shall be a special obligation of the Port, and shall be payable from the Net Operating Revenues and amounts required to be deposited in the Revenue Bond Reserve Account as required and as provided by the Declaration.

3.3 Bond Form. The Series 2015 Bond shall be in substantially the form attached as Exhibit A hereto and shall be signed with the facsimile or manual signatures of the President and Secretary of the Board of Port Commissioners.

3.4 Purchaser; Authentication. Columbia State Bank (“Bank”) shall be the purchaser of the Series 2015 Bond. The Series 2015 Bond shall not be entitled to any right or benefit under the Declaration unless it shall have been authenticated by the Port.

3.5 Paying Agent. The Paying Agent shall deliver each Series 2015 Bond interest and principal payment on the Payment Date (or the next business day if the payment date is not a business day) to the Bank. The Port will act as Paying Agent for the Series 2015 Bond.

3.6 Prepayment. The Series 2015 Bond may be prepaid, in whole or in part, at the election of the Port on any Payment Date with thirty (30) days prior written notice to the Bank, together with accrued interest through the date fixed for prepayment.

3.7 Disposition of Series 2015 Bond Proceeds. The Sale Proceeds actually or constructively received by the Port from the sale of the Bond is as follows:

Face Amount of Bond	<u>\$2,000,000.00</u>
Sale Proceeds	\$2,000,000.00
Total	<u>\$2,000,000.00</u>

The Sale Proceeds received by the Port from the sale of the Series 2015 Bond will be allocated to the following uses in the following amounts:

Commitment Fee	2,500.00
Bank Counsel Fee	4,500.00
MDAC Fee	800.00
Deposit to Port Account	1,992,200.00
Total	<u>\$2,000,000.00</u>

The Port expects to use general funds of the Port to make a deposit to the Revenue Bond Reserve Account in an amount sufficient to make the balance in the Revenue Bond Reserve Account at least equal to the Required Reserve.

3.8 Covenants.

(A) The Port shall charge rates and fees projected to generate Net Operating Revenues equal to the amount described in Section 5.1 of the Master Declaration, including the Series 2015 Bond.

If a Series 2015 Event of Default shall occur, then the interest rate under the Series 2015 Bond may be increased at the option of the Bank to an interest rate five percentage points (5.0%) in excess of the interest rate otherwise applicable to the Series 2015 Bond.

3.11 Fees, Costs and Expenses.

(A) Bank Fees. The Port shall pay the Bank an origination fee of \$2,500 on the Closing Date.

(B) Bank Costs of Enforcement. If the Bank incurs any expenses in connection with enforcing the Agreement or the Series 2015 Bond, or if the Bank takes collection action under the Agreement or the Series 2015 Bond, the Port shall pay to the Bank, on demand, the Bank's reasonable costs and attorneys' fees, whether at trial, on appeal, in bankruptcy or insolvency proceedings or otherwise, including any allocated costs of in-house counsel.

(C) Other Fees and Costs. The Port shall pay the fees and costs of Bond Counsel, and any other expenses and costs that the Port incurs in connection with the Agreement. The Port shall pay all of the Bank's attorney fees for the Agreement in an amount not to exceed \$4,500.

3.12 Waiver of Jury Trial. To the extent permitted by applicable law, each of the parties waives any right to have a jury participate in resolving any dispute, whether sounding in contract, tort, or otherwise between the parties arising out of, connected with, related to, or incidental to the relationship between any of them in connection with the Agreement or the transactions contemplated hereby. Instead, any such dispute resolved in court will be resolved in a bench trial without a jury.

Section 4. Notices.

Port: Port of Hood River, Oregon
1000 E. Port Marina Drive
Hood River, OR 97031

Bank: Columbia State Bank
1000 SW Broadway, Suite 1100
Portland, OR 97205

**UNITED STATES OF AMERICA
STATE OF OREGON
PORT OF HOOD RIVER
HOOD RIVER COUNTY, OREGON
TAXABLE GENERAL REVENUE BOND
SERIES 2015**

NUMBER: R-1

*****\$2,000,000*****

<u>DATED</u>	<u>RATE OF INTEREST</u>	<u>MATURITY DATE</u>
October 9, 2015	3.51%	October 15, 2018

Port of Hood River, Hood River County, Oregon (the "Port"), for value received, acknowledges itself indebted and hereby promises to pay to the order of Columbia State Bank (the "Bank"), the aggregate principal amount of TWO MILLION NO/100 U.S. DOLLARS (\$2,000,000.00). The outstanding principal amount shall bear interest at 3.51% per annum, based on an Actual/360-day basis. Principal and interest shall be due and payable in accordance with the schedule attached as Exhibit A to the Agreement.

Capitalized terms used in this Bond have the meanings defined for such terms in the Master Revenue Bond Declaration dated as of August 28, 2003, as supplemented by the Supplemental Revenue Bond Declaration dated as of October 3, 2013 and the Second Supplemental Revenue Bond Declaration dated as of October 9, 2015 (collectively, the "Declaration").

This Bond is authorized by Port Resolution 2015-16-3 adopted October 6, 2015 and the Declaration. This Bond is issued for the purpose of financing the Project, as that term is defined in the Declaration.

This Bond constitutes a valid and legally binding special obligation of the Port and is authorized pursuant to Oregon Revised Statutes Chapter 777, the Declaration, and Resolution No 2015-16-3 of the Port adopted October 6, 2015. The Net Operating Revenues, as defined in the Declaration, are pledged for the punctual payment of the principal of and interest on this Bond. The Port is not authorized to levy any additional taxes to pay this Bond. Parity Obligations may be issued on a parity of lien with this Bond, subject to certain conditions described in the Declaration.

This Bond does not constitute a debt or indebtedness of Hood River County, the State of Oregon or any political subdivision thereof other than the Port.

This Bond is subject to prepayment as described in the Declaration.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in the form and manner required by the Constitution and Statutes of the State of Oregon and that this Bond, together with all other indebtedness of the Port does not exceed any limitation prescribed by law.

RECEIPT FOR BOND PROCEEDS

\$2,000,000
Port of Hood River
Hood River County, Oregon
Taxable General Revenue Bond
Series 2015

On behalf of the Port of Hood River, Hood River County, Oregon (the "Port") I, Fred Kowell, Chief Financial Officer of the Port, acknowledge receipt of the proceeds of the Port's Taxable General Revenue Bond, Series 2015 (the "Bond"), dated October 9, 2015, issued to Columbia State Bank (the "Bank") by the Port in the principal amount of \$2,000,000 as follows:

Proceeds	\$2,000,000.00
Less: Bank fee	(2,500.00)
Less: Bank legal expense	<u>(4,500.00)</u>
Total Received	\$1,993,000.00

Dated this 9th day of October, 2015.

PORT OF HOOD RIVER
HOOD RIVER COUNTY, OREGON

By _____
Fred Kowell, Chief Financial Officer

GENERAL CERTIFICATE

\$2,000,000
Port of Hood River
Hood River County, Oregon
Taxable General Revenue Bond
Series 2015

I, Fred Kowell, certify that:

1. I am the Chief Financial Officer of the Port of Hood River, Hood River County, Oregon (the "Port").

2. Capitalized terms used, but not defined herein shall have the respective meanings assigned in the Port's Master Revenue Bond Declaration dated August 28, 2003 (the "Master Declaration") together with the Supplemental Revenue Bond Declaration (the "First Supplemental Declaration") and the Second Supplemental Revenue Bond Declaration (the "Second Supplemental Declaration") (collectively, "Declaration").

3. There is no action, suit, proceeding, or investigation at law or in equity before or by any court or governmental body pending or, to the best of the knowledge of the Port, threatened against the Port to restrain or enjoin the adoption of Resolution No. 201515-16-3 adopted October 6, 2015 (the "Resolution") or the execution and delivery of the Taxable General Revenue Bond, Series 2015 dated October 9, 2015 in the principal amount of \$2,000,000 (the "Series 2015 Bond"), the Taxable Facility Agreement between the Port and Columbia State Bank (the "Bank") dated October 9, 2015 (the "Agreement") and the Second Supplemental Declaration, or the collection and application of funds as contemplated by the Declaration, the Agreement and the Series 2015 Bond, that, in the reasonable judgment of the Port, would have a material and adverse effect on the ability of the Port to pay the amounts due under the Agreement and the Series 2015 Bond.

4. The adoption of the Resolution and the execution and delivery of the Second Supplemental Declaration, the Agreement and the Series 2015 Bond do not conflict in any material respect with, or constitute a material breach of or default under, any law, charter provision, court decree, administrative regulation, ordinance, resolution or other agreement to which the Port is a party or by which it is bound.

5. No Default under the Declaration has occurred and is continuing.

6. There is no deficiency in the Revenue Bond Account and the Revenue Bond Reserve Account.

7. The Net Operating Revenues for any 12 consecutive months during the 18 months preceding the date of issuance of the Series 2015 Bond (\$2,546,173) were not less than 1.30 times the sum of the actual debt service on the Bonds for the immediately preceding 12 months (\$959,160), plus the average annual debt service for the Series 2015 Bond (\$140,708).

Dated this 9th day of October, 2015.

PORT OF HOOD RIVER
HOOD RIVER COUNTY, OREGON

By _____
Fred Kowell, Chief Financial Officer

TAXABLE FACILITY AGREEMENT

This Taxable Facility Agreement is entered into between the Port of Hood River, Hood River County, Oregon, and Columbia State Bank, as of October 9, 2015.

Section 1. Definitions.

For purposes of this Agreement, the following capitalized terms shall have the following meanings, unless the context clearly requires otherwise. Capitalized terms used, but not defined herein shall have the respective meanings assigned in the Declaration.

“**Agreement**” means this Taxable Facility Agreement.

“**Bank**” means Columbia State Bank, or its successors or assigns.

“**Bond Counsel**” means the law firm of Mersereau Shannon LLP of Portland, Oregon.

“**Business Day**” means any day on which the Bank is open for business in Oregon other than a Saturday or a Sunday.

“**Closing Date**” means October 9, 2015.

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

“**Declaration**” means collectively the Master Declaration, the First Supplemental Declaration and the Second Supplemental Declaration.

“**First Supplemental Declaration**” means the Port’s Supplemental Revenue Bond Declaration executed on October 3, 2013.

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

“**Loan**” has the meaning given in Section 3.2 of this Agreement.

“**Master Declaration**” means the Port’s Master Revenue Bond Declaration executed on August 28, 2003.

“**Maturity Date**” means October 15, 2018.

“**Payment Date**” means each April 15 and October 15, commencing April 15, 2016.

“**Port**” means the Port of Hood River, Hood River County, Oregon.

“**Port Official**” means the Executive Director or the Chief Financial Officer of the Port.

“**Resolution**” means the Port’s Resolution No. 2015-16-3, adopted October 6, 2015, authorizing this Agreement, the Second Supplemental Declaration and the Series 2015 Bond.

Section 4. Prepayment.

The Series 2015 Bond may be prepaid, in whole or in part, at the election of the Port on any Payment Date with thirty (30) days written notice.

Section 5. Security for Agreement.

Pursuant to the Declaration, the payments under the Series 2015 Bond shall be payable from the Net Operating Revenues of the Port and the Revenue Bond Reserve Account, and the Port pledges the Net Operating Revenues to the payment of principal and interest on the Series 2015 Bond. This Agreement and the Series 2015 Bond are not secured by any lien or security interest on any property, real or personal.

Section 6. Closing.

The Bank shall make the Loan upon execution by the Port of this Agreement, the Second Supplemental Declaration and the Series 2015 Bond, and upon satisfaction of the conditions specified in Section 12 of this Agreement.

Section 7. Deposit and Use of Series 2015 Bond Proceeds.

The proceeds of the Series 2015 Bond shall be deposited and expended by the Port in accordance with the Declaration and Resolution.

Section 8. Default.

If a Series 2015 Event of Default occurs, the Bank may exercise any remedy available for an Event of Default, subject to the requirements of the Declaration, at law or in equity, and under Section 3.5 of this Agreement. No remedy shall be exclusive. The Bank may waive any Series 2015 Event of Default, but no such waiver shall extend to a subsequent Series 2015 Event of Default.

Section 9. Fees, Costs and Expenses.

- 9.1 Bank Fees. The Port shall pay the Bank an origination fee of \$2,500 on the Closing Date.
- 9.2 Bank Costs of Enforcement. If the Bank incurs any expenses in connection with enforcing this Agreement or the Series 2015 Bond, or if the Bank takes collection action under this Agreement or the Series 2015 Bond, the Port shall pay to the Bank, on demand, the Bank's reasonable costs and attorneys' fees, whether at trial, on appeal, in bankruptcy or insolvency proceedings or otherwise, including any allocated costs of in-house counsel.
- 9.3 Other Fees and Costs. The Port shall pay the fees and costs of Bond Counsel, and any other expenses and costs that the Port incurs in connection with this Agreement. The Port shall pay all of the Bank's attorney fees for this Agreement in an amount not to exceed \$4,500.

- 11.4 The Port shall promptly notify the Bank of any development that is likely to have a material adverse effect on (a) the ability of the Port to pay principal of or interest on the Series 2015 Bond, or (b) the financial condition of the Port generally.
- 11.5 The Port shall provide the Bank with a certification of its annual debt service coverage due within 184 days after each fiscal year end.
- 11.6 The Port shall provide the Bank with a copy of its bridge toll rate report annually no later than 184-days after each fiscal year end.
- 11.7 The Port shall provide the Bank with such other financial information as may be reasonably requested by the Bank from time to time.
- 11.8 The Port covenants that it will charge rates, rents and fees in connection with the operation of the Facilities which, when combined with other Gross Revenues, are adequate to generate:
 - (A) Net Operating Revenues, without regard to transfers to and from the Rate Stabilization Account, in each fiscal year, at least equal to 1.30 times the Annual Debt Service for that fiscal year; and
 - (B) Net Operating Revenues in each fiscal year, including transfers to and from the Rate Stabilization Account, at least equal to 1.30 times the Annual Debt Service for that fiscal year.
- 11.9 The Port shall only be permitted to issue Parity Obligations in compliance with Section 7 of the Master Declaration.
- 11.10 The Port shall not issue Bonds or other obligations having a claims superior to the claim of the Series 2015 Bond upon Net Operating Revenues.
- 11.11 While the Series 2015 Bond is outstanding, the Port shall maintain a balance in the Revenue Bond Reserve Account at least equal to the annual debt service due on the Series 2015 Bond in the then current Fiscal Year.

Section 12. Conditions to the Obligations of the Bank.

The Bank may refuse to make the Loan unless, on or prior to the Closing Date, the Bank shall have received:

- 12.1 a certified copy of the duly authorized Resolution, minutes from Port's meeting where the Resolution was adopted, the Second Supplemental Declaration and a signed original of this Agreement and the Series 2015 Bond;
- 12.2 an opinion of Bond Counsel to the effect that:
 - 12.2.1 the Resolution, this Agreement, and the Series 2015 Bond are valid and legally binding obligations of the Port, enforceable against the Port in accordance with their terms, except to the extent that enforceability may be limited by or

Section 14. Assignment; Survival; Agreement Constitutes Contract.

- 14.1 This Agreement shall be binding upon and shall inure to the benefit of the Port and the Bank and their respective successors and assigns. The Port agrees that it may not assign this Agreement without the Bank's prior written consent. The Bank may sell participations in the Loan; may assign this Agreement to an affiliate, or to a successor institution, or successor to the business and assets of the Bank; and may exchange financial information about the Port with actual or potential assignees. All representations, warranties, and agreements contained in this Agreement shall survive the execution, delivery and payment of this Agreement.
- 14.2 This Agreement and the Series 2015 Bond shall constitute a contract between the Port and the Bank. The Bank's extension of credit hereunder is expressly made in reliance on such contract.

Section 15. Applicable Law.

This Agreement shall be governed and interpreted in accordance with the laws of the State of Oregon.

Section 16. Severability and Waivers.

If any part of this Agreement is not enforceable, the rest of this Agreement may still be enforced. The Bank retains all rights, even if it makes a loan after default. If the Bank waives a default, it may enforce a later default. Any consent or waiver under this Agreement must be in writing.

Section 17. Counterparts.

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

Section 18. Waiver of Jury Trial.

To the extent permitted by applicable law, each of the parties waives any right to have a jury participate in resolving any dispute, whether sounding in contract, tort, or otherwise between the parties arising out of, connected with, related to, or incidental to the relationship between any of them in connection with this Agreement or the transactions contemplated hereby. Instead, any such dispute resolved in court will be resolved in a bench trial without a jury.

Section 19. Role of Bank

The Bank is acting solely for its own account and not as a fiduciary for the Port or in the capacity of broker, dealer, municipal securities underwriter or municipal advisor. The Bank has not provided, and will not provide, financial, legal, tax, accounting or other advice to or on behalf of the Port with respect to this Agreement. The Port has sought and obtained financial, legal, tax, accounting and other advice (including as it relates to structure, timing, terms and similar matters) with respect to this Agreement from its financial, legal and other advisors (and not the Bank) to the extent that the Port desired to obtain such advice.

DATED as of October 9, 2015.

COLUMBIA STATE BANK

By: _____
Sharon Guisande
Senior Vice President

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

By: _____
Fred Kowell
Chief Financial Officer

Exhibit B

PORT OF HOOD RIVER
 Bridge Traffic and Revenue Report - Quarterly
 Exhibit B
 Columbia State Bank Loan - Covenant - 3.9 (g)

	2010-11		2011-12		2012-13		2013-14		2014-15		Change from Prior year	
	Traffic	Revenue	Traffic	Revenue	Traffic	Revenue	Traffic	Revenue	Traffic	Revenue	Traffic	Revenue
JUL	368,701	\$272,041	361,074	\$265,574	355,233	\$297,432	372,181	\$ 339,743	379,536	\$ 341,480	1.02	1.01
AUG	357,092	\$265,020	355,868	\$261,248	364,506	\$318,526	372,950	\$ 344,140	380,914	\$ 348,030	1.02	1.01
SEPT	322,018	\$241,873	318,316	\$238,794	328,071	\$380,237	330,147	\$ 304,490	344,693	\$ 317,989	1.04	1.04
OCT	313,442	\$231,631	309,883	\$231,842	317,197	\$287,740	326,995	\$ 299,209	336,623	\$ 303,073	1.03	1.01
NOV	260,599	\$188,211	269,853	\$197,401	277,328	\$249,148	281,772	\$ 252,702	274,601	\$ 244,065	0.97	0.97
DEC	260,682	\$186,520	274,203	\$195,532	265,925	\$233,136	272,528	\$ 237,524	290,855	\$ 249,793	1.07	1.05
Calendar Year Total	3,632,193	\$2,661,262	3,622,901	\$2,646,090	3,617,141	\$3,300,132	3,749,551	\$3,384,542	3,829,791	\$3,424,449		
JAN	257,579	\$185,687	236,015	\$208,412	257,781	\$240,242	274,253	\$ 244,374	286,390	\$ 259,626	1.04	1.06
FEB	245,980	\$176,730	256,567	\$225,906	259,626	\$241,084	248,373	\$ 219,088	281,351	\$ 259,207	1.13	1.18
MAR	281,508	\$202,433	282,592	\$251,099	320,340	\$269,257	297,531	\$ 265,325	324,912	\$ 299,162	1.09	1.13
APR	296,450	\$213,830	292,315	\$263,709	300,672	\$268,777	317,218	\$ 282,097	334,016	\$ 307,643	1.05	1.09
MAY	319,552	\$232,419	320,953	\$291,884	325,314	\$290,897	343,575	\$ 301,985	360,643	\$ 341,172	1.05	1.13
JUN	332,635	\$244,601	320,439	\$292,903	329,245	\$296,477	341,619	\$ 307,150	365,407	\$ 332,673	1.07	1.08
iscal Year Total	3,615,238	\$2,640,894	3,698,078	\$2,924,305	3,701,238	\$3,372,982	3,779,142	\$3,397,325	3,959,991	\$3,609,914	1.05	1.06

MERSEREAU ■ SHANNON^{LLP}

Attorneys at Law | Founded in 1885

October 9, 2015

Port of Hood River
1000 E. Port Marina Drive
Hood River, Oregon 97031

Columbia State Bank
805 SW Broadway, Suite 2700
Portland, Oregon 97205

RE: Port of Hood River, Hood River County, Oregon, Taxable General Revenue Bond, Series 2015
- \$2,000,000

We have acted as bond counsel in connection with the authorization of a Taxable General Revenue Bond, Series 2015, dated October 9, 2015 (the "Bond") issued by the Port of Hood River, Hood River County, Oregon (the "Port") pursuant to Resolution No. 2015-16-3 of the Port dated October 6, 2013 (the "Resolution"), the Port's Master Revenue Bond Declaration, dated August 28, 2003 (the "Master Declaration"), as supplemented by the Supplemental Revenue Bond Declaration, dated October 3, 2013 (the "First Supplemental Declaration"), and the Second Supplemental Revenue Bond Declaration, dated October 9, 2015 (the "Second Supplemental Declaration" collectively with the First Supplemental Declaration and the Master Declaration, the "Declaration"), and a Taxable Facility Agreement between the Port and Columbia State Bank (the "Bank") dated as of October 9, 2015 (the "Agreement"). We have examined the law and such certified proceedings of the Port and other papers as we deem necessary to render this opinion.

We have not been engaged nor have we undertaken to review the accuracy, completeness or sufficiency of any offering material relating to the Bond and we express no opinion relating thereto.

As to questions of fact material to our opinion, we have relied upon the representations of the Port contained in the Resolution, the Declaration, the Agreement, the Bond, and the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, as of the date hereof and under existing law, as follows:

1. The Bond, the Second Supplemental Declaration, the Agreement and the Resolution have been legally authorized, executed and delivered by the Port under and pursuant to the Constitution and statutes of the State of Oregon, and the Bond, the Agreement and the Resolution are valid and legally binding obligations of the Port enforceable in accordance with their terms.

2. The payments under the Agreement and the Bond are payable from Net Operating Revenues as defined in the Declaration. The obligation of the Port to make payments under the Agreement and the Bond is special obligation of the Port. The Agreement and the Bond are not secured by any lien or security interest on any property, real or personal.

**Exhibit A
Form of Bond**

**UNITED STATES OF AMERICA
STATE OF OREGON
PORT OF HOOD RIVER
HOOD RIVER COUNTY, OREGON
TAXABLE GENERAL REVENUE BOND
SERIES 2015**

NUMBER: R-1

*****\$2,000,000*****

<u>DATED</u>	<u>RATE OF INTEREST</u>	<u>MATURITY DATE</u>
October 9, 2015	3.51%	October 15, 2018

Port of Hood River, Hood River County, Oregon (the "Port"), for value received, acknowledges itself indebted and hereby promises to pay to the order of Columbia State Bank (the "Bank"), the aggregate principal amount of TWO MILLION AND NO/100 U.S. DOLLARS (\$2,000,000.00). The outstanding principal amount shall bear interest at 3.51% per annum, based on an Actual/360-day basis. Principal and interest shall be due and payable in accordance with the schedule attached as Exhibit A to the Agreement.

Capitalized terms used in this Bond have the meanings defined for such terms in the Master Revenue Bond Declaration dated as of August 28, 2003, as supplemented by the Supplemental Revenue Bond Declaration dated as of October 3, 2013 and the Second Supplemental Revenue Bond Declaration dated as of October 9, 2015 (collectively, the "Declaration").

This Bond is authorized by Port Resolution 2015-16-3 adopted October 6, 2015 and the Declaration. This Bond is issued for the purpose of financing improvements to Port Facilities, as that term is defined in the Declaration.

This Bond constitutes a valid and legally binding special obligation of the Port and is authorized pursuant to Oregon Revised Statutes Chapter 287A, the Declaration, and Resolution No 2015-16-3 of the Port adopted October 6, 2015. The Net Operating Revenues, as defined in the Declaration, are pledged for the punctual payment of the principal of and interest on this Bond. The Port is not authorized to levy any additional taxes to pay this Bond. Parity Obligations may be issued on a parity of lien with this Bond, subject to certain conditions described in the Declaration.

This Bond does not constitute a debt or indebtedness of Hood River County, the State of Oregon or any political subdivision thereof other than the Port.

This Bond is subject to prepayment as described in the Declaration.

Port of Hood River Commission
Regular Session Meeting Minutes of October 6, 2015
Marina Center Boardroom

THESE MINUTES ARE NOT OFFICIAL until approved by the Port Commission at the next regular meeting.

Present: Commissioners Jon Davies, Fred Duckwall, Rich McBride, and Brian Shortt; Port Counsel Jerry Jaques; from staff, Michael McElwee, Fred Kowell, Anne Medenbach, Genevieve Scholl, Liz Whitmore, and Laurie Borton

Absent: Commissioner Hoby Streich

Media: None

1. Call to Order: President Shortt called the Regular Session meeting to order at 5:00 p.m.

a. **Modifications, Additions to Agenda:** The order of *Action Items* was modified to shift waterfront recreation concession permits as the first discussion item.

2. Public Comment: Linda Maddox spoke about Lot 1 saying she had the impression that development square footage was going to be reduced; and that she is still concerned with parking and impacts that the new hotel buildings will add. Maddox suggested a graph of all buildings showing gross square footages would be a good visual.

3. Consent Agenda:

- a. Approve Minutes of September 22, 2015 Regular Session
- b. Approve Contract with Archaeological Investigations Northwest, Inc. for Archaeological Services Monitoring Log Pond Excavation at Lower Mill Site Not to Exceed \$6,907.54
- c. Approve Contract Amendment No. 1 with Vista GeoEnvironmental Services, LLC for Lower Mill Site Design Not to Exceed \$2,500.00 for a Total Contract Amount of \$19,491.00
- d. Approve Contract with Mascott Equipment Company, Inc. for Replacement of Aviation Hose Reel at Ken Jernstedt Airfield Not to Exceed \$5,985.00 Including Reasonable Reimbursable Expenses

Motion: Move to approve Consent Agenda

Move: Duckwall

Second: Davies

Vote: **Aye:** Davies, Duckwall, McBride, and Shortt

Absent: Streich

MOTION CARRIED

4. Reports, Presentations and Discussion Items

a. **Tolling System Upgrade Project Update – P-Square Solutions Representatives and Dennis Switaj, HDR Engineering:** Switaj introduced Reddy Patlolla, P-Square Solutions President and Shane Saugur, Sr. Vice President Systems Engineering for P-Square Solutions, who will be meet with Chief Financial Officer Fred Kowell in the morning for a kick-off meeting reviewing the P-Square system to be implemented. Switaj reiterated his confidence in P-Square and recapped the phased project components—the first of which is a migration to the new platform that will be completed in three months. Switaj said his role will be to protect the Port's interests and monitor contract performance to achieve the goal of providing a tolling system and types of reports that meet the Port's needs. On-site time and work that is done remotely has not yet been determined; however, monthly progress reports will be provided to Kowell and Switaj said he would be available for periodic Commission updates.

5. Director's Report: October will be a busy month for staff with conferences, events, training, and travel. McElwee reported that Summit Strategies lobbyist Hal Hiemstra has recommended a trip to Washington, D.C. in October to meet with legislators in support of a markup of the House transportation reauthorization bill; a vote is expected in early November. Anne Medenbach, Development/Property Manager, was acknowledged for coordination of recent construction projects; and the Port Facilities crew for their time spent on the bridge for maintenance welding and traffic control. Kowell reported that negotiations had been completed with Vining Sparks for a financial agreement regarding investments and the agreement required signatures of the Commission president, secretary, and treasurer. Hood River Parks and Recreation has completed a draft traffic assessment for a proposed Dog Park west of the sewer treatment plant. Staff has provided comments and updates will be brought back to the Commission before the study is finalized. Grant opportunities for airport projects may be available in the upcoming *ConnectOregon* VI funding. Staff will discuss this further at the October 20 meeting.

6. Commissioner, Committee Reports: None.

7. Action Items:

a. Approve Waterfront Recreation Concession Permits for the 2016-2020 Season: A Letter of Interest was issued to solicit interest in kiteboard, windsurf, or standup paddleboard instruction and rental concessions on Port properties for the five year period 2016-2020. Liz Whitmore, Waterfront Coordinator, reported that all six current concessionaires and two new applicants responded. The current concessionaires can be accommodated in their current locations and the new applicants can be accommodated at the Hook or Marina Park, which will be determined prior to the start of the 2016 season. The applicants include:

Big Winds	Windsurfing & SUP	Event Site and Hook
Brian's	Kiteboarding, Windsurfing & SUP	Event Site
Cascade Kiteboarding	Kiteboarding	Event Site
Gorge Kiteboard School	Kiteboarding & SUP	Event Site and Spit
Gorge SUPer Club (<i>new applicant</i>)	SUP	Hook or Marina (TBD)
Kite the Gorge	Kiteboarding	Spit
New Wind Kiteboarding	Kiteboarding & SUP	Event Site
WhatSUP Kayaking (<i>new applicant</i>)	SUP & Kayaking	Hood or Marina (TBD)

Motion: Move to approve eight Waterfront Recreation Concession Agreements for 2016-20, subject to legal counsel review

Move: Duckwall

Second: Davies

Discussion: Davies inquired if the agreement language was going to be the same; if the concessionaire dock location would change; or if moving the location of the jet skis closer to the school had been considered? Whitmore noted that dock location would be the same unless one school wanted to negotiate with another for a change. Shortt inquired if there is a potential risk for the Port or the concessionaires with 5-year agreements if opportunities arise for the Port should Lot 1 or the Nichols Basin west edge development begin? McElwee responded that zoning is fixed and no change is presumed for the dock location; and McBride commented that the commercial zoning at

the top of the Nichols Basin west bank would 'invite' a different type of operation than currently exists at the Event Site. Legal counsel Jerry Jaques said that language could be added to the Concession Agreement to address the concerns of the Commission.

Vote: **Aye:** Davies, Duckwall, McBride, and Shortt
Absent: Streich

MOTION CARRIED

b. Approve Resolution No. 2015-16-3 Authorizing the Sale of a Taxable General Revenue Bond and Execution of Supplemental Revenue Bond Declaration: Kowell stated the resolution will approve the sale of \$2 million principal amount of debt which will be used for the purchase, environmental cleanup, development, design and construction of the Lower Mill site. The resolution and supplemental revenue bond declaration also delegates either the Executive Director or Chief Financial Officer to act on behalf of the Port to execute the loan agreements. Kowell also noted the loan agreement must follow the guidelines presented in the Master Declaration that was approved in June 2003. Proceeds from the upcoming sale of the Expo property will assist in replenishing the taxable general revenue bond sale and Kowell noted the 3-year construction bond will be amortized over 20 years.

Motion: Move to approve Resolution 2015-16-3 authorizing the sale of a taxable general revenue bond and execution of a supplemental revenue bond declaration as outlined in the attached documents

Move: McBride

Second: Davies

Vote: **Aye:** Davies, Duckwall, McBride, and Shortt
Absent: Streich

MOTION CARRIED

c. Approve Grant Contract with Oregon Business Development Department for the Oregon Coalition Brownsfield Clean-up Grant: Medenbach reported that although the Lower Mill grant document had not yet been received she was requesting approval subject to legal counsel review. Oregon Business Development Department is the grant administrator for EPA funding through a program known as the Oregon Coalition Brownsfield Clean-up Grant Fund. The Port applied for, and was awarded, a \$200,000 grant with up to a \$40,000 Port match for any amount over the grant amount. Review of tasks associated with budgeting, health and safety plans, community notification plans and FAQs, site engineering and clean-up plans and two bid processes for the actual clean-up work were required and Medenbach noted that final review from SHPO (State Historic Preservation Office) and NWF (National Wildlife Federation) was completed September 21.

Motion: Move to approve grant contract with Oregon Business Development Department for the Oregon Coalition Brownsfield Clean-up Grant in the amount of \$200,000 with up to \$40,000 Port match for any amount over the grant amount, subject to legal counsel review

Move: Davies

Second: McBride

Vote: **Aye:** Davies, Duckwall, McBride, and Shortt
Absent: Streich

MOTION CARRIED

d. Approve Contract with JAL Construction, Inc. for Lower Mill Grade and Fill Project Not to Exceed \$145,223.50: Brownsfield clean-up of the Lower Mill was split into two phases. The excavate, sort and stockpile portion was approved by the Commission on September 22 and awarded to Westech Construction. The grade and fill portion was bid September 11 and eight bids were received on September 29, with apparent low bid being submitted by JAL Construction. Medenbach reported if the EPA review is delayed then an amendment to the contract may be required.

Motion: Move to approve Intent to Award and award of contract, barring no protests, to JAL Construction, Inc. for Lower Mill Grade and Fill Project not to exceed \$145,223.50, and Amendment 1 subject to legal counsel review

Move: McBride

Second: Davies

Vote: **Aye:** Davies, Duckwall, McBride, and Shortt

Absent: Streich

MOTION CARRIED

e. Approve Contract with IRS Environmental of Portland for Lower Mill Asbestos Removal Not to Exceed \$8,500.00: Testing revealed small amounts of asbestos were found in flooring and window caulking in a shop and office at the Lower Mill. Before the buildings can be demolished the asbestos needs to be removed and Medenbach reported the expense has been budgeted in the overall site development budget. Staff is requesting quotes from two on-site contractors with demolition equipment and expertise.

Motion: Move to approve contract with IRS Environmental of Portland, Inc. for asbestos abatements at the Lower Mill site, not to exceed \$8,500.00

Move: Davies

Second: Duckwall

Vote: **Aye:** Davies, Duckwall, McBride, and Shortt

Absent: Streich

MOTION CARRIED

f. Authorize Execution of Oregon Business Development Department Grant Application: Medenbach reported that she would be applying for additional monies (\$31,622.50) for Lower Mill clean-up over and above the \$200,000 grant that has already been awarded. The application required the signature of the Commission President.

Motion: Move to authorize Commission President to sign Oregon Business Development Department grant application

Move: McBride

Second: Duckwall

Vote: **Aye:** Davies, Duckwall, McBride, and Shortt

Absent: Streich

MOTION CARRIED

8. Commission Call: McBride reported on a *rumor* that the guest yacht in the Marina belongs to Alec Baldwin.

9. Executive Session: Regular Session was recessed at 6:09 p.m. and the Commission was called into Executive Session under ORS 192.660(2)(e) Real Property Transactions.

10. Possible Action: The Commission was called back into Regular Session at 6:19 p.m. No action was taken as a result of Executive Session.

McElwee commented on correspondence received from legal counsel Jaques regarding the possibility for an Intergovernmental Agreement with the City regarding parking enforcement. Short reminded Commissioners about the October 15 hard hat tour of the Hampton Inn & Suites hotel.

11. Adjourn: President Shortt adjourned the meeting at 6:20 p.m.

Respectfully submitted,



Laurie Borton

ATTEST:

Brian Shortt, President, Port Commission

Jon Davies, Secretary, Port Commission

EXHIBIT A


FORM OF SECOND SUPPLEMENTAL DECLARATION

- 2.4 Appoint and enter into agreements with professionals and service providers in connection with the Series 2015 Bond.
- 2.5 Execute a credit facility agreement and any other documents, and take any other action in connection with the Series 2015 Bond, that the Port Official finds advantageous to the Port.


Section 3. Effective Date

This resolution takes effect upon adoption by the Board of Commissioners.


PASSED by the Board of Commissioners of the Port of Hood River this 6th day of October, 2015




Brian Shortt
President



Fred Duckwall
Vice-President



Jon Davies
Secretary



Richard McBride
Treasurer

(Absent)

Hoby Streich
Commissioner