

RESOLUTION - No. 1975-76-1

Hood River, Oregon

October 6, 1975

The Board of Commissioners of the Port of Hood River, Oregon, met in regular session pursuant to law and to the rules of said Board at the Port Office at the Marina Park in the City of Hood River at 8:00 o'clock P. M. The meeting was called to order by the President, and the roll being called there were present C. W. Wells.

President, presiding and the following named Commissioners:

M. S. Walton, Percy Jensen and John Weber

Absent: ~~XXXX~~ James B. Wade

* * * *

The Board of Commissioners held a general discussion regarding the matter of advertising for sealed bids for the purchase of \$1,150,000 Toll Bridge Refunding and Improvement Revenue Bonds of the Port. A proposed resolution, hereinafter set out, was then introduced and read, entitled:

"A RESOLUTION providing for the advertisement for bids for the purchase of \$1,150,000 Toll Bridge Refunding and Improvement Revenue Bonds of the Port of Hood River, Oregon."

It was moved by John Weber

and seconded by Percy Jensen

that said proposed resolution be adopted.

The President put the question on the motion, and the roll being called the following voted:

Aye: M. S. Walton, John Weber, Percy Jensen

C. W. Wells

Nay: None

Whereupon the President declared the motion duly carried and said resolution duly adopted.

* * * * *

C. W. Wells

President

Attest:

Percy Jensen
Secretary

A RESOLUTION providing for the advertisement for bids for the purchase of \$1,150,000 Toll Bridge Refunding and Improvement Revenue Bonds of the Port of Hood River, Oregon.

* * * *

WHEREAS, by resolution adopted October 6 , 1975, by the Board of Commissioners of the Port of Hood River, provisions were made for the issuance of Toll Bridge Refunding and Improvement Revenue Bonds of said Port to the amount of \$1,150,000 for the purpose of refinancing the presently outstanding Toll Bridge Refunding and Improvement Revenue Bonds of said Port and financing the cost of necessary improvements to its Hood River - White Salmon Interstate Toll Bridge; and

WHEREAS, it has been determined by the Board of Commissioners, as the governing authority of said Port of Hood River, that it would be for the best interests of the Port for said bonds to be sold pursuant to an advertised sale and it is deemed advisable and necessary at this time to provide for the advertisement for bids for the purchase of said bonds;

NOW, THEREFORE, Be It and It Is Hereby Resolved and Ordered by the Board of Commissioners of the Port of Hood River, Oregon, as follows:

Section 1. That pursuant to said resolution as referred to in the preamble hereof, advertisement shall be made for sealed bids for the purchase of Toll Bridge Refunding and Improvement Revenue Bonds of the Port of Hood River, Oregon, in

the principal amount of \$1,150,000 and that such advertisement state that all such bids will be acted upon by the Board of Commissioners at a meeting of said Board of Commissioners to be held at the Port of Hood River Office in the City of Hood River, Oregon on October 20, 1975, at 10:00 o'clock A. M. (Pacific Time) and that no bid for less than all of said bonds nor for the purchase thereof upon terms of less than 98% of par plus accrued interest or which will result in a net effective interest rate exceeding ten percent (10%) per annum will be given favorable consideration.


Section 2. That after consultation and with the assistance of Paul D. Speer & Associates, Inc., Municipal Finance Consultants of the Port, the President, Secretary and other officers of the Port are hereby authorized and directed to cause to be prepared an Official Notice of Sale, Official Bid Form and a summary Notice of Sale for use in connection with the advertisement and sale of said bonds and also an Official Statement to be furnished to prospective purchasers of said bonds and containing pertinent information relative to said bonds, the Port and operating and financial data of the toll bridge.

Section 3. That the Secretary of the Port is hereby authorized and directed to cause such summary Notice of Sale referred to in the next preceding Section to be published one time in The Daily Bond Buyer, a financial journal published in the City of New York, New York and such publication shall be made at least five days prior to the scheduled sale date of said bonds.


Section 4. That all resolutions or orders insofar as the same may be in conflict herewith be and the same are hereby

repealed and it is hereby declared that this resolution became effective forthwith upon its passage and approval, and it is so ordered.

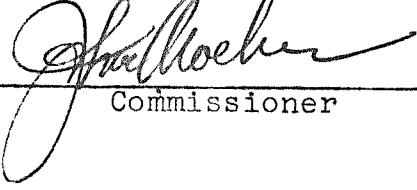
Passed and approved October 6, 1975.



President




Commissioner




Commissioner

Commissioner



Commissioner

Attest:



Secretary

[SEAL]


STATE OF OREGON)
)
COUNTY OF HOOD RIVER) SS

We, the undersigned, do hereby certify that we are the duly qualified and acting President and Secretary, respectively, of the Port of Hood River, in the County and State aforesaid, and that the foregoing constitutes a true, correct and complete transcript of the proceedings of the Board of Commissioners of said Port with respect to the introduction, consideration and adoption of a resolution entitled:

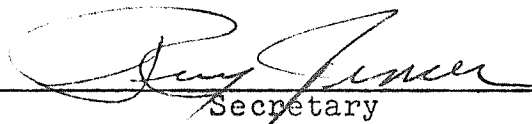
"A RESOLUTION providing for the advertisement for bids for the purchase of \$1,150,000 Toll Bridge Refunding and Improvement Revenue Bonds of the Port of Hood River, Oregon."

together with a true, correct and complete copy of the resolution thereby adopted, all as appears from the records on file in the office of the undersigned Secretary.

IN WITNESS WHEREOF, we have hereunto affixed our official signatures and the corporate seal of said Port this 6th day of October, 1975.



President



Secretary

[SEAL]

Hood River, Oregon

October 6, 1975

The Board of Commissioners of the Port of Hood River, Oregon, met in regular session pursuant to law and to the rules of said Board at the Port Office at the Marina Park in the City of Hood River at 8:00 o'clock p. M. The meeting was called to order by the President, and the roll being called there were present C. W. Wells, President, presiding and the following named Commissioners:

M. S. Walton, Percy Jensen and John Weber

Absent: ~~XXXX~~ James B. Wade

* * * *

The Board of Commissioners held a general discussion regarding the matter of refinancing the presently outstanding Toll Bridge Refunding and Improvement Revenue Bonds dated July 1, 1965, of the Port Hood River, Oregon, for account of its Hood River - White Salmon Interstate Toll Bridge and financing the cost of necessary improvements to said toll bridge. A proposed resolution, hereinafter set out, was then introduced and read, entitled:

"A RESOLUTION authorizing and providing for the issuance of Toll Bridge Refunding and Improvement Revenue Bonds of the Port of Hood River, Oregon, to the amount of \$1,150,000, for the purpose of refinancing the presently outstanding Toll Bridge Refunding and Improvement Revenue Bonds of said Port for account of its Hood River - White Salmon Interstate Toll Bridge and financing the cost of necessary improvements to said toll bridge; setting forth the terms and conditions on which said bonds are to be issued and outstanding; providing for the collection and application of tolls, income and revenue from

said toll bridge; and providing for the rights of the holders of said bonds in the enforcement thereof."

It was moved by John Weber and seconded by Percy Jensen that said proposed resolution be adopted.

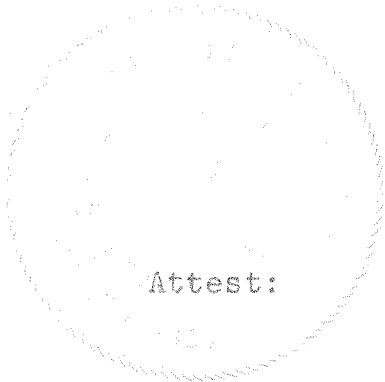
The President put the question on the motion, and the roll being called the following voted:

Aye: M. S. Walton, John Weber,
Percy Jensen and C. W. Wells

Nay: None

Whereupon the President declared the motion duly carried and said resolution duly adopted.

* * * * *



Attest:

President

Secretary

A RESOLUTION authorizing and providing for the issuance of Toll Bridge Refunding and Improvement Revenue Bonds of the Port of Hood River, Oregon, to the amount of \$1,150,000, for the purpose of refinancing the presently outstanding Toll Bridge Refunding and Improvement Revenue Bonds of said Port for account of its Hood River - White Salmon Interstate Toll Bridge and financing the cost of necessary improvements to said toll bridge; setting forth the terms and conditions on which said bonds are to be issued and outstanding; providing for the collection and application of tolls, income and revenue from said toll bridge; and providing for the rights of the holders of said bonds in the enforcement thereof.

* * * *

WHEREAS, the Port of Hood River, a municipal corporation under the Constitution and laws of the State of Oregon, heretofore acquired and presently owns and is operating and maintaining the Hood River - White Salmon Interstate Toll Bridge and in that connection, pursuant to resolution adopted August 3, 1965, presently has outstanding its four and one-quarter per cent Toll Bridge Refunding and Improvement Revenue Bonds to the amount of \$245,000 dated July 1, 1965, of the denomination of \$1,000, bearing interest payable semiannually on January 1 and July 1 of each year and maturing July 1, 1977; but it is provided in and by said resolution and in said bonds that they are subject to redemption as a whole prior to maturity at any time on and after July 1, 1972, upon terms of par and accrued interest plus a redemption premium of five per cent of the principal amount thereof; and

WHEREAS, the Board of Commissioners, as the governing authority of said Port of Hood River, has determined it to be necessary and advisable to improve said toll bridge, which improvements are generally described as consisting of the renovation of structural

portions of said toll bridge, renovation of toll booth and other equipment, replacement of electrical and mechanical equipment and installation of new equipment and other necessary appurtenances, all as more particularly described in the report dated September 25, 1975 of Dielschneider Associates, Inc., Engineers now on file in the office of the Secretary of the Port, but the cost of such improvements cannot be satisfactorily financed except by including the refinancing of said presently outstanding bonds dated July 1, 1965, and thereby releasing the prior charge in favor of said bonds on the tolls, income and other revenues from the operation of said toll bridge; and

WHEREAS, the Board of Commissioners has been advised that the holders of all of said outstanding bonds dated July 1, 1965, will sell their bonds to the Port upon terms of par and accrued interest at the time of the issuance and sale of the bonds hereinafter authorized; and

WHEREAS, under the provisions of Sections 381.205 et seq. of Oregon Revised Statutes said Port may issue and sell its revenue bonds for the purpose of refinancing said presently outstanding bonds dated July 1, 1965, and financing the cost of improvements to said toll bridge, and after (1) giving due credit for the application of any sinking funds available for the payment of the presently outstanding bonds less appropriate reserves deemed necessary to be retained on account of the revenue bonds hereinafter authorized and (2) including the costs and expenses in connection with the issuance and sale of the revenue bonds hereinafter authorized, and the cost of the improvements to the toll bridge as hereinbefore

mentioned, it has been determined to be necessary that there be authorized, issued and sold such Toll Bridge Refunding and Improvement Revenue Bonds to the amount of One Million One Hundred Fifty Thousand Dollars (\$1,150,000);

NOW, THEREFORE, Be It and It Is Hereby Resolved and Ordered by the Board of Commissioners of the Port of Hood River, Oregon, as follows:

Section 1. That for the purpose of refinancing and re-funding the presently outstanding Toll Bridge Refunding and Improvement Revenue Bonds of the Port of Hood River, Oregon, dated July 1, 1965, and financing the cost of improvements to the Hood River - White Salmon Interstate Toll Bridge there shall be and there are hereby authorized to be issued the Toll Bridge Refunding and Improvement Revenue Bonds to the amount of \$1,150,000, dated October 1, 1975, bearing interest at a coupon rate or rates not exceeding ten per cent (10%) per annum, the exact rate or rates of interest for said bonds to be fixed by a supplemental resolution as a result of the sale of said bonds as hereinafter provided, which interest shall be evidenced by coupons attached to said bonds and payable semiannually on the first days of January and July of each year commencing January 1, 1976, and said bonds to be of the denomination of \$5,000 each, numbered 1 to 230, inclusive, and scheduled to mature in numerical order on July 1 of each of the years and in the amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
1976	\$ 50,000	1982	\$125,000
1977	75,000	1983	125,000
1978	90,000	1984	125,000
1979	100,000	1985	125,000
1980	100,000	1986	125,000
1981	110,000		

provided, however, that said bonds maturing on and after July 1, 1983 shall be subject to redemption by said Port of Hood River prior to maturity as a whole at any time on or after July 1, 1982, upon terms of par and accrued interest plus a redemption premium in an amount equal to five per cent of the principal amount thereof upon notice identifying the bonds to be redeemed given by publication at least once not less than thirty days prior to the redemption date by publication in a newspaper or financial journal of general circulation published in the City of New York, New York. For information purposes a copy of such redemption notice shall be mailed to the designated paying agent for said bonds but failure to mail such notice shall not affect the call for redemption of any of said bonds.

That both principal and interest shall be payable in lawful money of the United States of America at a bank located in the continental United States (exclusive of Alaska) as may be designated by the Board of Commissioners by supplemental resolution. Each of said bonds shall be executed on behalf of said Port by the signatures of its President and its Treasurer and attested by its Secretary, and the seal of said Port shall be affixed thereto, and the interest coupons attached to said bonds shall be executed with the facsimile signatures of said President, Treasurer and Secretary; and said officials by the execution of said bonds shall adopt as and for their own proper signatures their respective facsimile signatures appearing on said coupons. All of said bonds, together with the interest thereon, shall be payable from and secured by a first claim on the "Toll Bridge Revenue Bond Fund" hereinafter created and shall be a valid claim of the holder or holders thereof only against said fund and the portion of the tolls, income and revenues from said toll bridge

which are hereinafter hypothecated and pledged to said fund.

Section 2. That said bonds and coupons shall be in substantially the following form:

(Form of Bond)

UNITED STATES OF AMERICA

STATE OF OREGON

COUNTY OF HOOD RIVER

PORT OF HOOD RIVER

TOLL BRIDGE REFUNDING
AND IMPROVEMENT REVENUE BOND

Number _____

\$5,000

KNOW ALL MEN BY THESE PRESENTS that the Port of Hood River, a municipal corporation in Hood River County, Oregon, for value received, hereby promises to pay to the bearer hereof but solely from the source and in the manner hereinafter provided, on the first day of July, 19__, the sum of Five Thousand Dollars (\$5,000) and interest on said sum from the date hereof at the rate of _____ per cent (____%) per annum until paid, except as the provisions hereinafter set forth with respect to prior redemption may be and become applicable hereto. All such interest accruing on and prior to maturity hereof is payable semi-annually on January 1 and July 1 of each year commencing January 1, 1976, but only on presentation and surrender of the annexed interest coupons as they severally become due. Both principal and interest are payable in lawful money of the United States of America at the principal office of _____, the City of _____,

This bond is one of an issue of bonds numbered consecutively 1 to 230, inclusive, aggregating \$1,150,000 principal amount authorized by resolution duly adopted by the Board of Commissioners, as the governing authority of said Port of Hood River, pursuant to and in full conformity with the Constitution and the laws of the State of Oregon, including particularly Sections 381.205 et seq. of the Oregon Revised Statutes, for the purpose of refinancing and refunding the outstanding revenue bonds of said Port issued for account of the Hood River - White Salmon Interstate Toll Bridge over the Columbia River from within said Port and financing the cost of improvements to said toll bridge. The bonds of said issue are payable as to both principal and interest solely from the tolls, income and other revenues from said toll bridge as hypothecated and pledged to the payment thereof and shall not in any manner constitute general obligations of said Port nor an indebtedness or liability within the meaning of any constitutional limitation or provision.

As provided in said resolution the bonds of said authorized issue maturing on and after July 1, 1983 and outstanding from time to time are subject to redemption by said Port prior to maturity as a whole at any time on or after July 1, 1982, upon terms of par and accrued interest plus a redemption premium in an amount equal to five per cent of the principal amount thereof upon notice identifying the bonds to be redeemed, given by publication at least once not less than thirty days prior to the redemption date in a newspaper or financial journal of general circulation published in the City of New York, New York. All such redeemable bonds thus called for redemption and for the retirement of which funds are duly provided will cease to bear interest on such redemption date.

Each and every successive holder of this bond and such holder of each of the coupons hereto attached are conclusively presumed to forego and renounce his and their equities in favor of subsequent holders for value without notice and to agree that this bond and each of the coupons hereto attached may be negotiated by delivery by any person having possession thereof, howsoever, such possession may have been acquired, and that any holder who shall have taken this bond or any of the coupons from any person for value and without notice thereby will have acquired absolute title thereto, free from any defenses enforceable against any prior holder and free from all equities and claims of ownership of any such prior holder, and said Port and its officials shall not be affected by any notice to the contrary.

For a more complete statement of the basis upon which this bond has been issued and a description of the source of payment of this bond and the issue of which it forms a part and the circumstances under which the provisions of the aforesaid resolution may be modified and a statement of the rights, duties and obligations of said Port and the rights of the holders of said bonds reference is made to said resolution.

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 and, precedent to and in the issuance of the bonds refinanced and refunded hereby, have existed, have happened and have been performed in the manner and form required by law; that said Port will continuously operate said toll bridge in conformity with said resolution; that a schedule of tolls to be charged will be fixed, revised, collected and accounted for so as at all times to pay promptly when due the

principal of and interest on all of said bonds that may be outstanding and also to pay all costs of operation and maintenance of said toll bridge not otherwise provided; that a sufficient amount of the tolls, income and other revenues from the operation of said toll bridge has been hypothecated and pledged to and will be set aside each year into a special fund heretofore created and identified as the "Toll Bridge Revenue Bond Fund" for the purpose of paying the principal of and interest on this bond and all other bonds of said authorized issue as and when the same become due; and that this bond, together with all other obligations of said Port, does not exceed any limitation prescribed by law.

IN WITNESS WHEREOF, said Port of Hood River, by its Board of Commissioners as its governing authority, has caused this bond to be signed by its President and Treasurer, attested by its Secretary, and its corporate seal to be hereunto affixed, and the coupons hereto attached to be executed with the facsimile signatures of said President, Treasurer and Secretary, which officials by the execution of this bond do adopt as and for their own and proper signatures their respective facsimile signatures appearing on said coupons, and this bond to be dated the first day of October, 1975.

President

Treasurer

Attest:

Secretary

[SEAL]

(Form of Coupon)

Number _____ \$ _____

On the first day of _____, 19____, the
Port of Hood River, in Hood River County, Oregon, will pay to
bearer from its "Toll Bridge Revenue Bond Fund" _____
_____ Dollars (\$ _____) at the principal
office of _____, in the City of
_____, _____, for interest then
due on its Toll Bridge Refunding and Improvement Revenue Bond
dated October 1, 1975, Number _____.

(facsimile signature)
President

(facsimile signature)
Treasurer

Attest:

(facsimile signature)
Secretary

Section 3. That the bonds hereby authorized shall be executed as herein provided and shall be sold either pursuant to an advertised sale or a negotiated sale as may hereafter be determined by the Board of Commissioners to be for the best interests of the Port, provided, however, that no sale of said bonds shall be made upon terms of less than 98% of par plus accrued interest or which will result in a net effective interest rate exceeding ten per cent (10%) per annum. The Treasurer of said Port of Hood River is hereby authorized and directed to make delivery of said bonds on behalf of said Port to the purchaser or purchasers thereof and to receive and receipt for the proceeds. At the time of the issuance and sale of the bonds hereby authorized there shall be disbursed or reserved pending disbursement out of the proceeds the cost and expenses in connection with this refinancing and bridge improvement and the issuance and sale of the bonds hereby authorized, and, exclusive of accrued interest received, a portion of the balance of such proceeds in an amount equal to the principal amount of the outstanding Toll Bridge Refunding and Improvement Revenue Bonds dated July 1, 1965, together with a sufficient amount of other available funds, shall be applied to the simultaneous payment and cancellation upon terms of par and accrued interest of said outstanding bonds dated July 1, 1965; and the balance of said proceeds shall constitute a construction fund hereby created and shall be disbursed to pay the cost of the improvements to said toll bridge as referred to in the preamble hereof. Pending expenditure for the authorized purpose said construction fund shall be deposited in a bank or in banks which are members of the Federal Deposit Insurance Corporation and each such deposit or certificate of deposit representing such deposit which is in excess of the amount insured by the FDIC shall at all times be

collaterally secured by a valid pledge of direct or fully guaranteed obligations of the United States of America having an equivalent market value.

All sums received as accrued interest shall be deposited in the "Toll Bridge Revenue Bond Fund" as hereinafter created. At the time of the issuance and sale of the bonds hereby authorized the sum of \$175,000 shall be paid into the "Toll Bridge Revenue Bond Reserve Fund" hereinafter created from legally available funds of the Port.

Section 4. That upon the issuance of the bonds hereby authorized said toll bridge, together with all appurtenant property, shall be operated by said Port as a revenue producing undertaking, and all tolls, income and other revenues from such operation shall be deemed revenue and other income from said bridge and be paid into the "Toll Bridge Revenue Fund" hereinafter created. The schedule of tolls now in effect shall continue to be the initial schedule under the provisions of this resolution.

All tolls, income and other revenues from the operation of said bridge shall be kept separate and apart from all other funds of the Port, and except for a sum not exceeding \$2,000, which may be retained for making change and reimbursing unused commutation tickets or tokens, all such revenues and other income together with interest received and earned on investments of funds in any of the special funds created in this Section shall be deposited as a special fund hereby created and identified as "Toll Bridge Revenue Fund" in banks which are members of the FDIC as may be selected and designated by the Board of Commissioners; provided the amount thereof on deposit in any one bank shall not exceed at any time twenty percent (20) of the last reported combined capital, surplus and undivided profits of such bank and, provided, further, that any such deposit in excess of

the amount insured by the FDIC shall at all times be secured by a valid pledge of direct or fully guaranteed obligation of the United States of America having an equivalent market value. Upon completion of the refinancing and the issuance of the revenue bonds as provided by this resolution any balance remaining in the "Toll Bridge Revenue Fund" and the "Toll Bridge Revenue Bond Fund" created by the resolution adopted August 3, 1965, shall be transferred and paid into the "Toll Bridge Revenue Fund" hereby created.

There shall be and there is hereby created, and so long as any of the bonds hereby authorized remain outstanding there shall be maintained, a special account to be known as the "Toll Bridge Operation and Maintenance Fund," into which there shall be transferred and paid from the Toll Bridge Revenue Fund each month an amount sufficient to pay all reasonable and proper expenses of operation and maintenance of said toll bridge and appurtenant property for such month which cannot be paid from other available funds. All funds in said Operation and Maintenance Fund shall be deposited in a bank or in banks designated by the Board of Commissioners and shall be disbursed on approved orders or vouchers consistent with the budget provided for in Section 5 hereof. If in any month for any reason there shall be a failure to transfer and pay the required amount into said fund, then the amount of any deficiency shall be added to the amount otherwise required so to be transferred and paid in the next succeeding month. Fixed annual charges, such as legally assessed taxes and insurance and the cost of major maintenance expenses, shall be computed and set up on an annual basis, and one-twelfth of the amount thereof shall

be charged and accumulated each month. Upon completion of the re-financing and the issuance of the revenue bonds as provided by this resolution any balance remaining in the "Toll Bridge Operation and Maintenance Fund" created by the resolution adopted August 3, 1965, not otherwise needed, shall be transferred and paid into the "Toll Bridge Operation and Maintenance Fund" hereby created.

There shall be and there is hereby created a special fund to be known as the "Toll Bridge Revenue Bond Fund" (hereinafter called the "Sinking Fund"), into which during each month after making the prescribed transfer and payment into the Operation and Maintenance Fund for the same month there shall be set apart and paid on or before the tenth day of each month one-fifth of the amount of interest due on the next succeeding January 1 or July 1 until the amount so paid is equal to the amount of interest to accrue on said bonds on or prior to the next succeeding January 1 or July 1 and one-tenth of the principal due on the next succeeding July 1 until the amount so paid is equal to the amount of principal to become due on said bonds on the next succeeding July 1, provided, however, the monthly payments for interest due January 1, 1976 and principal due July 1, 1976 shall be in such amounts as will be sufficient to pay such interest and principal then due. There shall be and there is hereby created a special account as a part of the Sinking Fund to be known as the "Toll Bridge Revenue Bond Reserve Fund" (hereinafter called the "Bond Reserve Fund") and in each month after making the prescribed transfers and payments into the Operation and Maintenance Fund and the Sinking Fund as hereinabove provided, there shall be transferred and paid into the Bond Reserve Fund on or before the tenth day of each month the sum of \$2,000 until all of the bonds have been paid in full or payment therefor duly provided. After making the above prescribed transfers and payments any remaining balance in the Toll Bridge Revenue Fund shall be transferred and

paid into the "Improvement Fund" hereinafter created. In the event of a failure to pay the prescribed minimum amounts into said Sinking Fund and Bond Reserve Fund in any month then the amount of the deficiency shall be added to the minimum amounts required to be paid therein during the next succeeding month. Said Sinking Fund including the Bond Reserve Fund shall be used solely and only and is hereby pledged for the purpose of paying principal of, redemption premium, and interest on the bonds hereby authorized.

The bonds hereby authorized and from time to time outstanding shall not be entitled to priority one over the other in the application of the tolls, income and other revenues from said bridge, and said Port hereby covenants and agrees, so long as any of said bonds are outstanding, it will not incur any other obligations or issue any other bonds payable from the tolls, income or other revenues from said bridge unless the same be subject to the priority of the bonds herein authorized.

No further payments need be made into said Sinking Fund whenever and so long as the amount held therein plus the amount in the Bond Reserve Fund is sufficient to retire all of the bonds then outstanding, including redemption premium and plus the amount of interest due and thereafter to become due on said bonds on and prior to such retirement.

All moneys so transferred and paid into said Sinking Fund and Bond Reserve Fund shall be deposited in banks which are members of the FDIC, and each such deposit in excess of the amount insured by the FDIC shall at all times be collaterally secured by a valid pledge of direct or fully guaranteed obligations of the

United States of America having an equivalent market value or funds on deposit to the credit of the Sinking Fund may be invested in direct or fully guaranteed obligations of the United States of America or in certificates of deposit secured by a valid pledge of such obligations and having a maturity not later than the next date on which the funds so invested will be needed to pay when due the principal of and interest on said bonds and funds on deposit to the credit of the Bond Reserve Fund may be invested in direct or fully guaranteed obligations of the United States of America having a maturity not later than two years from the date of such investment.

Not less than ten days prior to each interest payment date the Treasurer of said Port shall withdraw from the Sinking Fund and remit to the place of payment a sufficient amount to pay the interest and principal becoming due on such bonds on such succeeding interest payment date. When the bonds are called for redemption prior to maturity as permitted herein, funds sufficient to accomplish such redemption shall also be withdrawn and so remitted in ample time prior to the redemption date. Said Treasurer shall include with each such remittance the ordinary and regular charge, if any, of the bank acting as paying agent for said bonds; provided that such charges shall be regarded as an expense of operation and maintenance of the bridge, and the amount thereof shall be withdrawn from the Toll Bridge Operation and Maintenance Fund.

There shall be and there is hereby created a special fund to be known as the "Improvement Fund", into which there shall be transferred and paid, any remaining balance then in the Toll Bridge Revenue Fund after making the prescribed transfers and payments into the Sinking Fund and Bond Reserve Fund as herein-

before provided. Any amount of money at any time and from time to time in the Improvement Fund shall be withdrawn and paid into the Sinking Fund and Bond Reserve Fund at any time to whatever extent there is a deficiency in the prescribed minimum annual payments into said Funds from the Toll Bridge Revenue Fund, and otherwise any such money in the Improvement Fund may be disbursed upon orders of the Board of Commissioners solely and only (1) to pay any expenses of maintenance, operation and repair of the bridge to the extent that funds for that purpose are not otherwise available, (2) to purchase any of the bonds hereby authorized, (3) to pay the cost of improvements or major repairs to the bridge, (4) for mandatory transfer and deposit into the Bond Reserve Fund whenever the amount therein is less than the maximum amount of principal and interest required to be paid into the Sinking Fund in any fiscal year, and (5) to acquire, improve or repair any other property of the Port which the Port is then lawfully authorized to own and maintain.

The proceeds of the sale of said bonds, except for such proceeds used in connection with the refinancing and refunding of the outstanding bonds dated July 1, 1965, shall be devoted to and used with due diligence for the completion of the improvements to the toll bridge for account of which said bonds are hereby authorized to be issued. The Board of Commissioners represents and certifies that:

- (1) the Port expects within six months after delivery of the bonds to incur a substantial binding obligation with respect to said improvements; said binding obligation

comprising engineers' fees and construction contracts in the amount of not less than 2-1/2% of the estimated total cost of said improvements;

(2) the Board of Commissioners expects that over 85% of the spendable proceeds of said bonds available for said improvements (including investment proceeds) will be expended on or before October 1, 1978 for the purpose of paying the cost of said improvements, said date being within three years following the date of issue of said bonds;

(3) work on the said improvements is expected to proceed with due diligence to completion;

(4) said improvements have not been and are not expected to be sold or otherwise disposed of in whole or in part prior to the last maturity of said bonds;

(5) all of the principal proceeds of said bonds, excluding such proceeds used in the refinancing and refunding of the outstanding bonds dated July 1, 1965, are needed for such improvements, including expenses incidental thereto and to the issuance of the bonds;

(6) accrued interest received upon the sale of said bonds is applied to the first interest due thereon; and

(7) to the best of the knowledge and belief of the Board of Commissioners there are no facts, estimates or circumstances that would materially change the conclusions and representations set out in this Section.

Said Board of Commissioners also certifies and further covenants with the purchasers and holders of said bonds from time to time outstanding that so long as any of said bonds remain outstanding, moneys on deposit in any fund or account in connection with said bonds, whether or not such moneys were derived from the proceeds of the sale of said bonds or from any other sources, will not be used in a manner which will cause such bonds to be "arbitrage bonds" within the meaning of Section 103(d) of the Internal Revenue Code of 1954, as amended, and any lawful regulations promulgated or proposed thereunder, including Sections 1.103-13 and 1.103-14 of the Income Tax Regulations (26 CFR Part 1), as the same presently exist, or may from time to time hereafter be amended, supplemented or revised. The Board of Commissioners reserves the right, however, to make any investment of such moneys permitted by state law if, when and to the extent that said Section 103(d) or regulations promulgated thereunder shall be repealed or relaxed or shall be held void by final decision of a court of competent jurisdiction, but only if any investment made by virtue of such repeal, relaxation or decision would not, in the opinion of counsel of recognized competence in such matters, result in making the interest on said bonds subject

to federal income taxation.

The Board of Commissioners further certifies that it has not been notified of any listing or proposed listing of the Port by the Internal Revenue Service as a bond issuer whose arbitrage certifications may not be relied upon.

Section 5. Said Port of Hood River hereby agrees, so long as any bonds hereby authorized are outstanding, to retain regularly the services of some engineer or firm of engineers of national reputation (hereinafter sometimes referred to as the "Consulting Engineer") for the purpose of consultation and cooperation in connection with the operation and maintenance of the bridge and charging and collecting tolls for traffic using same. An annual budget of expenses of operation and maintenance of the bridge properties shall be prepared by said Board of Commissioners in collaboration with such Consulting Engineer. Not less than seventy-five days prior to the beginning of each fiscal year a "Proposed Annual Budget" shall be prepared by or submitted to such Consulting Engineer covering the anticipated monthly requirements and expenditures for such operation and maintenance during the ensuing fiscal year. At least sixty days prior to the beginning of such ensuing fiscal year a copy of such Proposed Annual Budget shall be mailed to any bondholder who may have theretofore requested same. If such Consulting Engineer or the holder or holders of five per cent or more of the aggregate principal amount of bonds then outstanding shall so request at least thirty days prior to commencement of the fiscal year, said Board of Commissioners shall hold a public hearing on such Proposed Annual Budget, at which hearing any bondholder and the Consulting Engineer and any other person in interest may appear and file written objections.

If the Consulting Engineer shall have prepared or approved such Proposed Budget and no objections are filed as in this Section permitted, said Board of Commissioners may adopt the Proposed Budget as the annual budget for such succeeding fiscal year; but if such objections are filed, said Board of Commissioners shall make every effort to satisfy same in adopting a revised final budget. The total monthly expenditures in any fiscal year shall not exceed the respective items as shown by the annual budget for such year unless specifically authorized by said Board of Commissioners based upon certification by the Consulting Engineer that same are necessary for the continued operation of the bridge, and if for any reason beyond the control of the Port an annual budget shall not have been finally approved before the commencement of the fiscal year, the budget for the preceding fiscal year shall control until the prepared budget for such year has been approved.

Section 6. The schedule of tolls for traffic using the bridge shall be revised from time to time so as to be sufficient at all times to meet the prompt payment of all expenses and charges payable therefrom as by law provided, namely, sufficient to provide for all proper expenses of operation, maintenance and replacements of the undertaking and sufficient to produce one and one-half times the amount required by Section 4 hereinabove as the minimum annual amounts to be paid in each year into the Sinking Fund to pay the principal of and interest on the bonds hereby authorized.

Neither the initial schedule of tolls nor any revision thereof shall be reduced except upon certification by the Consulting Engineer to the effect that such reduction will not cause the estimated total revenues to be derived from the undertaking under

the revised schedule to be less than the total minimum annual amounts hereinabove provided to be paid therefrom. Whenever it becomes apparent that the schedule of tolls then in effect is insufficient to provide adequate revenues to meet the requirements of law and this resolution, such schedule of tolls shall be revised and increased after giving due consideration to the recommendations of the Consulting Engineer so as to balance any apparent deficiency.

The schedules of tolls and each and every revision thereof shall be such as will classify all traffic in a reasonable way so that the tolls may be uniform in application to all traffic falling within any reasonable class regardless of the status or character of any person, firm or corporation participating in the traffic, and no free passage shall be permitted except to employees of the Port in the discharge of their duties appertaining to the bridge and to members of the police or military in pursuit of their duties as such.

Section 7. Whenever there is in the Bond Reserve Fund an amount in excess of \$200,000, such excess shall, to the fullest extent possible, be used for the purchase of bonds hereby authorized in the open market at a price not exceeding the par value thereof. All bonds so purchased shall be cancelled.

Section 8. Said Port covenants and agrees that, so long as any of the bonds hereby authorized remain outstanding, proper books of record and account will be kept separate from all other records and accounts showing complete and correct entries of all transactions relating to the bridge and that the holders of any of said bonds shall have the right at all reasonable times to inspect all records, accounts and data relating thereto. Said

Port further covenants and agrees that it will in each year, so long as any of said bonds remain outstanding, cause an audit of said books and accounts to be made by an independent certified accountant showing the receipts and disbursements and the payment, purchase and redemption of bonds. A copy of each such audit shall be promptly mailed to the original purchaser of the bonds and to any bondholder who may have so requested. All toll collectors and other employees and officers having control or custody of funds appertaining to the bridge shall be continuously under bond for due account of such funds.

Section 9. Said Port hereby covenants and agrees with each and every holder or holders of the bonds herein authorized that it will faithfully and punctually perform all duties with reference to the bridge required by the Constitution and laws of the State of Oregon and will cause to be charged, collected and accounted for sufficient revenues and other income from the operation thereof to meet the requirements of this resolution and will segregate said revenues and other income and make the application thereof as herein provided; and said bridge, or any extensions and additions thereto, shall not be sold, leased, mortgaged or in any manner disposed of beyond control of the Port unless and until all of the bonds herein authorized to be issued shall have been paid in full, both principal and interest, or legal and adequate provision for such payment shall have been duly made, and said Port further covenants and agrees with the holders of

said bonds to maintain in good condition and cause said bridge to be continuously opened to traffic and to cause to be charged, collected and accounted for such rates and charges for the facilities thereby afforded so that the revenues and other income therefrom will be sufficient at all times to make the prescribed payments into the several funds, all as provided herein.

Section 10. Said Port covenants and agrees that it will keep the toll bridge (including approaches thereto) insured under a "multiple risk" policy or policies of a responsible insurance company or companies authorized and qualified under the laws of the State of Oregon to assume such risks. Coverage of such insurance shall include (without thereby limiting the term "multiple risk" aforesaid) public liability and property damage and also damage by fire and lightning, tornado and winds, earthquake, flood, rising waters, collision (on or under), collapse, riot, strike, civil commotion, malicious damage and explosion and shall be for the full amount of the insurable value, subject to the deduction from such loss or damage (except in case of a total loss) of not more than three per cent of the insurable value in the event of loss or damage caused by earthquake and not more than two per cent of such insurable value from loss or damage from any other cause; provided such insurance may be carried for such lesser amount and with such more lenient deductions as in the written opinion of the Consulting Engineer (defined in Section 5 of this resolution) is recommended or deemed adequate for the security of the bonds outstanding. During any period of a state of war or upon hostilities by or against the United States of America the Port agrees that it will, to the extent such insurance is available, keep the bridge insured against loss or damage

through the risks of war and sabotage. The proceeds of any and all such insurance, other than public liability and property damage, are hereby pledged by the Port as security for the bonds issued hereunder until such proceeds are paid out in making good the loss or damage in respect of which such proceeds are received either by repairing the property damaged or replacing the bridge destroyed. The proceeds of any insurance not applied to the work of repairing or replacing the property insured or destroyed within twelve months after their receipt shall be placed in the Bond Reserve Fund.

Section 11. The Port covenants and agrees it will also insure said toll bridge, including approaches, in a responsible insurance company or companies authorized and qualified under the laws of the State of Oregon to assume the risk thereof against loss of the use and occupancy thereof resulting from any of the causes set forth in the next preceding Section in such an amount as will provide a payment equal to at least the then current annual net tolls, revenues and income from the bridge. Such insurance may be subject to the deduction of not more than fifteen days from such period of suspension of use. The proceeds of such insurance shall be paid into the Sinking Fund and shall be subject to use and application as hereinbefore provided for money in said fund.

Section 12. Each of the following events is hereby declared an "event of default", that is, if:

- (a) Payment of the principal of any of the bonds at the date therein specified for their payment shall not be made; or

(b) Payment of any installment of interest shall not be made on the dates specified in the appurtenant coupons for the payment of such coupon or within thirty days thereafter; or

(c) Default shall be made in the due and punctual observance or performance of any of the covenants, conditions and agreements on the part of the Port or its officers in the bonds or in this resolution or in any pertinent law contained, and such default shall continue for a period of thirty days.

Section 13. Upon the happening of any event of default specified in Section 12 hereof then and in every such case the holders of ten per cent of principal amount of the bonds hereby authorized then outstanding may proceed to protect and enforce the rights of the bondholders, by suit, action or special proceeding in equity or at law or by a proceeding in the office of any state or federal board or officer having jurisdiction, either for the specific performance of any covenant or agreement or execution of any power or for the enforcement of any proper legal or equitable remedy that shall be deemed most effectual to protect and enforce the rights aforesaid. Anything herein to the contrary notwithstanding, the holder or holders of a majority in principal amount of all the bonds herein authorized and then outstanding shall have the right to control and direct the method and place of conducting all remedial proceedings to be taken hereunder.

Section 14. The provisions of this resolution shall constitute a contract between said Port of Hood River and the holders of the bonds herein authorized to be issued; provided that modifications, alterations and amendments of this resolution and of the rights and obligations of said Port and of the holders of bonds issued and outstanding hereunder may be made as in this Section provided.

The Port, pursuant to a resolution or order of its Board of Commissioners, may call a meeting of the bondholders. Every such meeting shall be held at such place in the City of Portland, Oregon, or in the City of Hood River, Oregon, as may be specified in the notice calling such meeting and in the request that such meeting be called. Written notice of any such meeting stating the place and time thereof and in general terms the business to be submitted shall be mailed not less than thirty days before such meeting to each known holder of all bonds then outstanding, addressed to him as his name and address appear from the most recent information, and shall be published at least once in each of two successive calendar weeks immediately preceding the week which includes the date fixed for such meeting in a newspaper of general circulation in the City of Hood River, Oregon, and in one newspaper or financial journal of general circulation published in each of the cities of Portland, Oregon, and New York, New York. All holders

of bonds outstanding at the time of such meeting shall be entitled to vote thereat, and such attendance may be in person or by proxy. Each person seeking to attend or vote at any such meeting must, if required, produce such proof of ownership of bonds or of personal identity as shall be satisfactory to the inspectors of votes. Every proxy shall be signed by the holder of bonds or by his duly authorized attorney and shall be witnessed, and its genuineness, if questioned, shall be established to the satisfaction of the inspectors of votes. The holders of bonds and the holders of proxies present shall by a majority vote, irrespective of the amount of their holdings, select two persons from those present to act as inspectors of votes, who shall count all votes cast at such meeting and who shall make and file with the secretary of the meeting their verified written report in duplicate of all such votes so cast at said meeting.

The holders (or persons entitled to vote the same) of not less than sixty-six per cent (66%) in principal amount of the bonds entitled to be voted at any such meeting must be present at such meeting in person or by proxy in order to constitute a quorum for the transaction of business, less than a quorum, however, having power to adjourn.

Any such modification or alterations or amendments of this resolution or of any rights and obligations of the Port or of the holders of the bonds in any particular may be made at a meeting duly convened and held in accordance with the provisions of this Section, but only by a resolution duly adopted by the affirmative vote, in person or by proxy, of the holders (or

persons entitled to vote the same) of sixty-six per cent (66%) or more in aggregate principal amount of the bonds outstanding when such meeting is held; provided, however, that no such modifications, alteration or amendment shall be made which will (a) permit an extension of the time of payment at maturity of the principal of or payment of the interest on any bond or a reduction in the rate of interest thereon without written consent of the holder of such bond or (b) reduce the percentage of holders of bonds required by the provisions of this Section for the taking of any action under this Section.

A record of the proceedings of each such meeting shall be prepared by the secretary of the meeting and shall have attached thereto the original counterparts of the reports of the inspectors of votes and affidavits by one or more persons having knowledge of the facts, setting forth a copy of the notice of the meeting and a copy of the record of any adjournment thereof, and showing that said notices were duly given as herein provided. Such record shall be signed and verified and filed with the Secretary of said Board of Commissioners. No such resolution adopted at any such meeting shall be binding upon the Port unless approved by resolution or order of said Board of Commissioners and when so approved shall be binding on the Port and the holders of all bonds.

Section 15. If any section, paragraph, clause or provision of this resolution shall be ruled by any court of competent jurisdiction to be invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions.

Section 16. All resolutions and orders, or parts thereof, in conflict with the provisions of this resolution are

to the extent of such conflict hereby repealed.

Section 17. That it is hereby declared that this resolution become effective forthwith upon its passage and approval, and it is so ordered.

Passed and approved October 6, 1975.

President

Commissioner

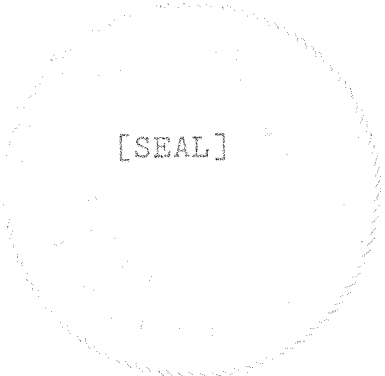
Commissioner

Commissioner

Commissioner

Attest:

Secretary



STATE OF OREGON)
) SS
COUNTY OF HOOD RIVER)

We, the undersigned, do hereby certify that we are the duly qualified and acting President and Secretary, respectively, of the Port of Hood River, in the County and State aforesaid, and that the foregoing constitutes a true, correct and complete transcript of the proceedings of the Board of Commissioners of said Port with respect to the introduction, consideration and adoption of a resolution entitled:

"A RESOLUTION authorizing and providing for the issuance of Toll Bridge Refunding and Improvement Revenue Bonds of the Port of Hood River, Oregon, to the amount of \$1,150,000 for the purpose of refinancing the presently outstanding Toll Bridge Refunding and Improvement Revenue Bonds of said Port for account of its Hood River - White Salmon Interstate Toll Bridge and financing the cost of necessary improvements to said toll bridge; setting forth the terms and conditions on which said bonds are to be issued and outstanding; providing for the collection and application of tolls, income and revenue from said toll bridge; and providing for the rights of the holders of said bonds in the enforcement thereof."

together with a true, correct and complete copy of the resolution thereby adopted, all as appears from the records on file in the office of the undersigned Secretary.

IN WITNESS WHEREOF, we have hereunto affixed our official signatures and the corporate seal of said Port this 6th day of October, 1975.

President

Secretary

[SEAL]