

RESOLUTION NO. – 2012-13-5

NAME OF DISTRICT: PORT OF HOOD RIVER
LOCATED IN: HOOD RIVER COUNTY, OREGON
MAXIMUM PRINCIPAL COMPONENT: \$ 770,000.00 DOLLARS
MAXIMUM FINANCING TERM: (15) YEARS
MAXIMUM AVERAGE INTEREST RATE: FIVE PERCENT (5.00%)
EXECUTING OFFICIALS: PRESIDENT, EXECUTIVE DIRECTOR, FINANCE
MANAGER, SECRETARY

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

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

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

WHEREAS, to accomplish the Program, the Association has entered into an Amended and Restated Master Financing Agreement, dated as of December 1, 2005, as amended (the "Master Financing Agreement"), currently with Robert W. Baird & Co. (the "Underwriter") pursuant to which financing and refinancing will be made available by the Underwriter to Participating Districts under the terms set forth in the Master Financing Agreement and interests in such financings will be certificated pursuant to an Amended and Restated Master Trust Agreement, dated as of December 1, 2005, as amended (the "Master Trust Agreement") between the Underwriter and the Trustee; and

WHEREAS, it is intended that the District will enter into one or more taxable and/or tax-exempt Financing Agreements (the "Financing Agreement") to finance and/or refinance certain real or personal property more particularly described in Exhibit A, attached hereto and incorporated herein as if fully set forth (the "Project") and as agreed and approved to by the Executing Officials subject to the terms and conditions and for the purposes set forth in the Financing Agreement; and

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

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

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

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

Section 2. Approval of Financing Agreement. The Executing Official or their designee is hereby authorized to negotiate the terms of the Financing Agreement within the parameters of this Resolution. The Financing Agreement shall be approved and executed by an Executing Official or a designee of an Executing Official of the District to finance the Project as set forth in Exhibit A, said Executing Official's or designee's execution thereof to be conclusive evidence of said approval. The Board designates the Executing Officials or a designee of an Executing Official and authorizes and directs them to execute, attest to and deliver the Financing Agreement and negotiate and execute such other documents, certificates and instruments, and take any actions, as may be necessary or desirable to carry out and comply with the intent of this Resolution on behalf of and as the act and deed of the District. The Executing Official is authorized to determine if the Financing Agreement will be issued on a taxable and/or tax-exempt basis.

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

Section 4. Security. The District hereby pledges its full faith and credit and all lawfully available funds including any ad valorem property taxes, if any, subject to the limitations provided in Section 11 and 11(b), Article XI of the Constitution of the State of Oregon and any limitations which may hereafter be imposed by law.

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

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

Section 7. Tax Covenant. The proceeds of a tax-exempt Financing Agreement shall be used and invested in such manner that the tax-exempt Financing Agreement shall not become “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”), and the applicable regulations. The District covenants that, within its lawful powers, it will not do, and will refrain from doing, anything in the issuance of the tax-exempt Financing Agreement and in the investment and expenditure of the proceeds thereof which would result in any interest on the tax-exempt Financing Agreement becoming taxable for federal income tax purposes.


Section 8. Designation as Qualified Tax-Exempt Obligations. The Executing Official is hereby authorized to designate a tax-exempt Financing Agreement for purposes of paragraph (3) of Section 265(b) of the Code as “qualified tax-exempt obligations” so long as that portion of the tax-exempt Financing Agreement does not constitute a private activity bond as defined in Section 141 of the Code, and that not more than the aggregate principal amount of obligations, the interest on which is excludable under Section 103(a) of the Code from gross income for federal income tax purposes (excluding, however, private activity bonds other than qualified 501(c)(3) bonds) including that portion of the tax-exempt Agreement, have been or shall be issued by the District, including all subordinate entities of the District, if any, does not exceed the amount permitted under the Code for such designation during the calendar year in which that portion of the tax-exempt Financing Agreement is issued.

Section 9. Reimbursement of Prior Expenses. The District hereby declares its official intent to reimburse itself with the proceeds of the Financing Agreement for any of the Expenditures incurred by it prior to the issuance of the Financing Agreement.

Section 10. Effective Date. This Resolution shall take effect and be in full force and effect from and after its passage and approval.

APPROVED BY THE BOARD OF DIRECTORS THIS 7th DAY OF MAY 2013.

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

By: 
Jon Davies, President

By: 
Hoby Streich, Secretary

EXHIBIT A

PROJECT DESCRIPTION

Re: Financing Agreement, Series 2013B, between the U.S. Bank National Association, as Trustee and the Port of Hood River, Hood River County, Oregon, as Borrower (the “2013B Financing Agreement”).

The Project is as follows:

Marina upgrades, including electrical infrastructure and restoration of floats and docks and related capital improvements, and costs of issuance of the 2013B Financing Agreement and COPs.