

Rescinded
See Resolution#
2010-11-2

**PORT OF HOOD RIVER
Resolution No. 2009-10-9**

RESOLUTION APPROVING MARINA EXPANSION FINANCING

NAME OF DISTRICT: PORT OF HOOD RIVER
LOCATED IN: HOOD RIVER COUNTY
MAXIMUM PRINCIPAL COMPONENT: \$290,000
MAXIMUM FINANCING TERM: FIFTEEN (15) YEARS
MAXIMUM AVERAGE INTEREST RATE: 7.00%
EXECUTING OFFICIALS: President, Secretary, Treasurer, Executive Director,
Finance Manager

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

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

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

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

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

WHEREAS, the District anticipates incurring expenditures (the "Expenditures") to finance the costs of the Project and wishes to declare its official intent to reimburse itself for any Expenditures it may make from its general funds on the Project from the proceeds of Certificates of Participation (the "COPs"), the interest on which shall be excluded from gross income under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code");

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

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

Section 4. 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.

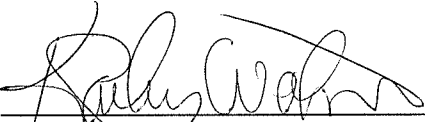
Section 5. Further Authority. The District shall, and the officers and agents of the District are hereby authorized and directed to, take such action, expend such funds and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution and to carry out, comply with and perform the duties of the District with respect to the Financing Agreement.

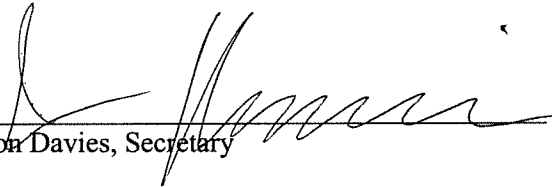
Section 6. Reimbursement of Prior Expenses. The District hereby declares its official intent to reimburse itself with the proceeds of the COPs for any of the Expenditures incurred by it prior to the issuance of the COPs.

Section 7. 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 30th day of June, 2010.

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

By: 
Kathy Watson, Vice President
(in the absence of Hoby Streich, President)

By: 
Jon Davies, Secretary

**Port of Hood River Commission
Meeting Minutes of June 30, 2010 Special Session
Marina Center Boardroom – 3:30 P.M.**

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

Present: Commissioners Sherry Bohn, Jon Davies, Fred Duckwall, and Kathy Watson; Attorney Jerry Jaques; from staff, Linda Shames, Mike Doke, and Laurie Borton

Absent: Commissioner Hoby Streich; from staff, Michael McElwee

Media: None

1. CALL TO ORDER: Vice President Kathy Watson called the meeting to order at 3:30 p.m.

2. ACTION ITEM: Linda Shames, Finance Manager, explained the purpose of the Special Meeting was to adopt a resolution that would enable the Port to participate in a FlexLease financing program for the Marina's "C Dock South Expansion." Initially it was thought the Port would self-finance the expansion but the FlexLease will now allow funds to be used for other capital projects. Shames reported the funding is a bond issue and as such carries essentially the same covenants as a stand-along bond issue would. Key issues of the financing include:

- Total project cost, including the mitigation plan, is expected to be \$315,000. The financing package is \$290,000 for 15 years.
- Estimated annual debt service is between \$25,000 and \$29,000 with interest rates ranging from 1.4% to 5.05%. Debt service has been included in the 2010-11 budget.
- As a tax exempt issue, the Port would not be allowed to contract with a private business to manage the Marina without first obtaining bond counsel opinion. However, the Hood River Yacht Club acting as a leasing agent for the dingy dock has been approved by bond counsel it is less than 10% of the total project.
- The Port is allowed to defease installment payments. If the Port chooses to defease the FlexLease prior to January 2015 there is a repayment premium that would need to be paid; for 2012 the amount is 3%; for 2013 the amount is 2%; and in 2014 the amount is 1%.
- While the Resolution is being executed by the Vice President (in absence of President Streich) and the Secretary, other documents associated with the FlexLease program may be executed by the Commission President, Secretary, or Treasurer; or by the Port's Executive Director or Finance Manager.

Motion: Move to Authorize Execution of Resolution No. 2009-10-9 Approving a Marina Expansion Financing Agreement with U.S. Bank National Association as Trustee ("U.S. Bank").

Move: Davies

Second: Bohn

Vote: **Aye:** Bohn, Davies, Duckwall, and Watson

Absent: Streich

MOTION CARRIED

3. ADJOURN: Vice President Watson adjourned the meeting at 3:38 p.m.

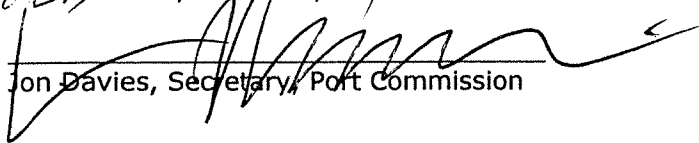
Respectfully submitted,



Laurie Borton

ATTEST:


Hoby Streich, President, Port Commission


Jon Davies, Secretary, Port Commission