

**RESOLUTION FOR INCLUSION UNDER
THE STATE OF OREGON DEFERRED COMPENSATION PLAN**

The Board of Commissioners (Governing Body) of the Port of Hood River (Employer), pursuant to the provisions of Oregon Revised Statutes (ORS) 243.474 which provides in part that:

“A local government that establishes a deferred compensation plan may invest all or part of the plan’s assets through the deferred compensation investment program established by the Oregon Investment Council (OIC) under ORS 243.421.”

Hereby determines to be included in the State of Oregon Deferred Compensation Investment Program, also known as the Oregon Savings Growth Plan, established by the OIC under ORS 243.421 and regulated by the Public Employees Retirement Board according to ORS 243.435 for its eligible personnel.

BE IT FURTHER RESOLVED that the proper officers are herewith authorized and directed to take all actions and make such reductions and submit such deferrals as are required by the Public Employees Retirement Board of the State of Oregon pursuant to 243.478 (1) of the Oregon Revised Statutes, and

BE IT FURTHER RESOLVED that Employer agrees to be bound by the terms and conditions of the contracts between the State, its investment providers and record keeping company, and the “Plan Document” as identified in ORS 243.401 to 243.507 and TPA services as amended from time to time. Specifically, without limitation, Employer agrees to appoint its governing body as Trustees of its Plan, pursuant to Section 457 (g) (2) of the Internal Revenue Code (IRC). The Employer certifies it has received a copy of the Plan Document and TPA Services.

BE IT FURTHER RESOLVED that Employer shall submit a certified copy of this resolution and “Notification Memo” to the State of Oregon, Public Employees Retirement System (PERS) as the Plan Administrator.

BE IT FURTHER RESOLVED that the Governing Body recognizing the PERS Board’s responsibility for maintaining the integrity of the Plan, the Governing Body and Employer hereby agree to cooperate fully with the Plan Administrator in accordance with procedures established by PERS in processing requests for withdrawal in case of an unforeseeable emergency as defined in Sec. 457 (b) (5) and Sec. 1.457-2(h) (4) and (5) of the Internal Revenue Code.

DESIGNATION OF AGENT

The person in the following position is hereby designated as the agent in matters pertaining to the State of Oregon Deferred Compensation Investment Program.

Title: Executive Director

Agent: David Harlan

Address: P.O. Box 239
Hood River OR 97031

Phone Number: 541.386.1645

E-mail address: porthr@gorge.net

Office Hours: 8:00 a.m. to 5:00 p.m. Monday - Friday

Alternate Agent: Linda Shames

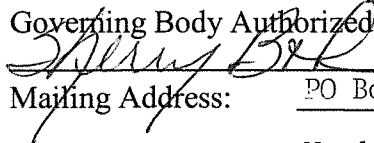
Phone Number: 541.386.1645

Fax Number: 541.386.1395

CERTIFICATION

I hereby certify that the foregoing resolution is a true, correct and complete copy of the resolution duly and regularly passed by the Board of Commissioners
(Governing Body) of the Port of Hood River
 (Employer Name) of Hood River (County) on the 24th day of May and that this resolution has not been repealed or amended, and is now in full force and effect.
 Dated this 24th day of May, 2005.

Governing Body Authorized Signature



Mailing Address: PO Box 239
Hood River OR 97031

Title

Commission President

NOTIFICATION MEMO

Employer Name: Port of Hood River Phone Number: () (541)386-1645

Address: PO Box 239 County Hood River

City, State, Zip: Hood River, OR 97031 Federal I.D. No.: 93-6002559

Number of Employees: 24 PERS Employer No.: 2788

Employer Representative (Name): Linda Shames or David Harlan

PAYROLL DATA

1. Deferral will be submitted by: Check Wire

2. Normal payday (i.e., every Thursday, every other Friday, etc): 15th, 30th

a) Attach payday schedule for a calendar year

b) Number of employees on this pay mode: all

3. Participants are able to indicate on the Plan and Agreement upon enrollment whether deferral amount shall be indicated in dollar amount or as percentage of salary per pay period. Please indicate your preference:

We will accept deferral indicated in dollars **or** percentage of salary.

We will accept deferral indicated in dollars **only**.

4. The initial and amended payroll reduction authorization, forms and Letters of Transmittal should be sent to:

Name: Linda Shames Title: Finance Manager

5. Payroll Reduction Listing that will be sent prior to each pay day should be sent to:

Name: Linda Shames Title: Finance Manager

OPTIONAL INFORMATION

Copy of your existing Organizational Chart

Information submitted by: _____ Phone Number: _____

457 DEFERRED COMPENSATION PLAN

PLAN-TRUST DECLARATION

PORT OF HOOD RIVER

ARTICLE I - PURPOSE.

Employer desires to establish an “eligible deferred compensation plan” (“the Plan”) as defined in Section 457 of the Internal Revenue Code for employees performing services for Employer. Employer is the Plan Administrator, its governing body is the Plan Trustee, and a Third Party Administrator (TPA) may be contracted to offer administrative services.

ARTICLE II - ACCOUNTS HELD IN TRUST.

All amounts of compensation deferred under the Plan, all property and rights purchased with such amounts and all income attributable to such amounts, property, or rights shall be held in trust for the exclusive benefit of Participants and their beneficiaries.

ARTICLE III - INVESTMENT.

Employer shall offer a diversified investment program(s) for employees participating (“Participant”) in the Plan. All or any portion of Participant’s Account may be, but shall not be required to be, invested by Employer in the options designated by Participant. Employer shall have absolute and uncontrolled discretion with respect to the option or options in which the Account shall be invested.

ARTICLE IV - DEFERRAL

The compensation that Participant would otherwise receive for the month shall be reduced and the amount of the reduction shall be contributed to Participant’s Deferred Compensation Account (the “Account”).

ARTICLE V - CHANGE IN AMOUNT OF DEFERRAL.

The amount of compensation to be deferred under the Plan may be increased or decreased at any time in accordance with Plan procedures. Any such revision shall be effective only for compensation which will be earned after the last day of the calendar month in which the revision is submitted.

ARTICLE VI - MAXIMUM DEFERRAL.

Except as provided in Article XV, the following limitations shall apply: “In no event shall the amount deferred for any Participant’s taxable year exceed the lesser of (i) \$8,500 (as adjusted by the Internal Revenue Service from time to time for inflation), or (ii) 33-1/3 percent of Participant’s includable compensation for the taxable year for services performed for Employer. The limitations under (i) and (ii) shall be reduced by any amount excludable from participant’s gross income for the taxable year

under Section 403(b) of the Internal Revenue Code. The maximum that may be deferred for any month is an amount equal to twenty-five percent (25%) of the Employee's monthly income.”

ARTICLE VII - TIMING OF DEFERRAL.

Compensation will be deferred for any calendar month only if an agreement providing for such deferral has been entered into before the first day of such calendar month.

ARTICLE VIII - EMPLOYER'S OBLIGATION; FEES AND CHARGES

Employer's sole obligation to the Participant at any time shall be equal to the value of the Account at such time. The Participant's Account shall be reduced by any charges or fees incurred in liquidating any investment in which the Account is invested, including any interest penalty for early withdrawal of amounts deposited in any financial institution. In addition, the Plan may charge each Participant an annual administrative fee of up to two (2) percent of the Account.

ARTICLE IX - NON-ASSIGNMENT

Except as required by the terms of a domestic relations order as defined in IRS Letter Ruling 9145010, July 31, 1991 and Plan provisions, Participant may not assign, anticipate, alienate, sell, transfer, pledge, or in any way encumber any of the rights Participant may have in the Employer's 457 Plan. Employer shall reject and refuse to honor any such purported action with respect to such rights. The interest of Participant or any beneficiary designated by Participant in Participant's Account or in any obligation established by this Plan-Trust Declaration shall not be subject to the claims of Participant's creditors or to legal process on behalf of Participant's creditors or be liable for the debts of any beneficiary.

ARTICLE X - AVAILABILITY OF DEFERRED FUNDS

In no event will any amount payable under this Plan be paid or made available to Participant or Participant's beneficiaries before Participant incurs a Separation from Service or an Unforeseeable Emergency which are defined as follows:

“Separation from Service shall be determined in the manner prescribed by the Internal Revenue Service. Generally, Participant will have a Separation from Service on ceasing to render services for any public employer, including services as a temporary employee. Participant recognizes, however, that there may be circumstances under which a Participant could leave public employment without having a separation from service as defined by the Internal Revenue Service.”

“Unforeseeable Emergency shall mean severe financial hardship to Participant resulting from a sudden and unexpected illness or accident of Participant or of Participant's dependent (as defined in Section 152(a) of the Internal Revenue Code), loss of Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond Participant's control. The circumstances that will constitute an Unforeseeable Emergency will depend upon the facts of each case, but in any case, payment may not be made to the extent that such hardship is or may be relieved: (i) through reimbursement of compensation by insurance or otherwise, (ii) by liquidation of Participant's assets, to the extent the liquidation would not itself cause severe financial hardship, or (iii) by cessation of deferrals under the Plan.”

ARTICLE XI - PAYMENT UNDER THE PLAN.

(a) Upon Participant's separation from service, as defined in Article X, Employer shall authorize payment to the Participant in accordance with Plan procedures; or (b) upon the occurrence of an Unforeseeable Emergency, as defined in Article X. Participant may submit an Unforeseen Emergency Withdrawal Request on a form supplied by the Employer or TPA. The request, if approved, will be for only the amount of payment as is consistent with the terms of this Plan document and reasonably needed to satisfy the emergency need.

ARTICLE XII - DISTRIBUTIONS

A Participant must elect a payment commencement date within 60 days of the Participant's separation from service. The election is made by completing and delivering the necessary documents required by the Employer or TPA. Except as provided in Article XIII, the Participant's election of a payment commencement date becomes irrevocable 61 days after the Notification Date. The payment commencement date must be at least 61 days after the termination date. Notwithstanding the foregoing, however, the payment commencement date can be no later than April 1 following the calendar year in which Participant reaches age 70-1/2 or separates from service, whichever is later. The manner of payment selected must satisfy the requirements of Section 401(a)(9) of the Internal Revenue Code. In addition, any distribution payable over a period of more than one year must be paid in substantially non-increasing amounts, payable at least annually. Account balances of less than \$5,000 shall be distributed as a lump sum within one year from the termination date. Except as provided in Article XIII, if Participant fails to elect a payment commencement date within 60 days after the termination date, the Employer shall cause payments to commence no later than 60 days after the close of the calendar year in which Participant separated from service. If participant fails to elect the manner in which payments are to be made at least 30 days prior to the payment commencement date, payments shall be made in an amount equal to one-fifteenth (1/15) of the value of the Account in fifteen (15) annual payments, adjusted annually for any increase or decrease in the value of the Account.

ARTICLE XIII - ONE TIME ELECTION TO DEFER DISTRIBUTION.

Notwithstanding Article XII, a Participant may elect to defer commencement of distributions under the Plan, provided that the election is made: (a) after deferred funds become available pursuant to Article X, and (b) before distributions under the Plan have commenced. A Participant may make only one election under this Article XIII.

ARTICLE XIV - DISTRIBUTION TO BENEFICIARIES.

If the Participant dies after having begun to receive distributions, the distribution of benefits must continue to the beneficiary at least as rapidly as under the schedule of payments elected by Participant. If Participant dies before having begun to receive distributions, Participant's entire Account must be distributed by December 31 of the calendar year that contains the fifth anniversary of Participant's death, unless the beneficiary elects within 60 days after the date the Deferred Compensation Office is notified of the Participant's death to have one of the following special rules apply:

- (a) IF THE BENEFICIARY IS PARTICIPANT'S SURVIVING SPOUSE:** Distribution commencement date is no later than December 31 of the year in which the participant would have reached age 70-1/2 or the year that contains the first anniversary of Participant's death, whichever

is later. Payments must be made over the spouse's life or a period no longer than the spouse's life expectancy.

(b) IF THE BENEFICIARY IS A PERSON OTHER THAN THE SURVIVING SPOUSE:

Distributions must begin no later than December 31 of the year that contains the first anniversary of Participant's death. The entire Account must be paid over a period which does not exceed the beneficiary's life expectancy, or fifteen years, whichever is less.

Distributions to the beneficiary may not commence until at least 61 days after the Employer or TPA receives notification of Participant's death. If the beneficiary does not make a timely benefit election, Employer shall pay or direct the TPA to disburse a lump sum to the beneficiary by December 31 of the calendar year that contains the fifth anniversary of Participant's death.

ARTICLE XV - CATCH-UP ELECTION.

Participants nearing normal retirement age may make up some or all of any deferrals they did not make during previous years of eligibility. For purposes of this Article, "normal retirement age" is the Participant's age when he or she becomes eligible for unreduced service retirement benefits under the Public Employees' Retirement System (PERS). These catch-up deferrals must be made within one or more of the last deferral taxable years prior to normal retirement age. The total deferral for this period (regular plus catch-up) cannot exceed \$15,000 per year.

ARTICLE XVI - PLAN -TO-PLAN TRANSFERS.

If Participant leaves public employment and becomes employed by another Employer that sponsors an "eligible deferred compensation plan" within the meaning of Section 457 of the Internal Revenue Code, Participant may request a transfer of his or her Account to the new Employer's plan.

ARTICLE XVII - ACCEPTANCE OF DEFERRALS FROM ANOTHER PLAN

Compensation deferred by a Participant pursuant to another governmental employer's "eligible deferred compensation plan" within the meaning of Section 457 of the Internal Revenue Code may be accepted by this Plan. Such amounts shall be credited to the Participant's Account established pursuant to this Plan-Trust Declaration and shall be subject to all the terms and provisions of the Plan.

ARTICLE XVIII - REVOCATION

Participant may revoke participation in the Plan by providing telephonic instructions, or by submitting a signed revocation to Plan administrator, in accordance with Plan procedures. Any revocation shall be effective only for compensation earned after the last day of the calendar month in which the revocation is submitted. Revocation of participation in the Plan will not accelerate payment of amounts deferred. Payment will occur only upon the occurrence of one of the specific events detailed in this Plan document.

ARTICLE XIX - DOMESTIC RELATIONS ORDER

The Plan will comply with domestic relation orders as defined in IRS Letter Ruling 9145010, July 31, 1991 and Plan provisions.

ARTICLE XX - COMPLIANCE WITH INTERNAL REVENUE CODE SECTION 457

This Plan document is intended to comply with and to be administered in a manner consistent with Section 457 of the Internal Revenue Code. The provisions of this Plan documents shall be interpreted in accordance with this intent. If requested by the Employer, the Participant agrees to cooperate in correcting any inconsistency in the administration of the Plan and Agreement under Section 457 of the Internal Revenue Code.

ARTICLE XXI - AMMENDMENT OF PLAN-TRUST DECLARATION

The Employer may amend this Plan-Trust Declaration at any time and without the consent of any other person. Any amendment must be in writing. However, any amendment that would diminish the protection of Article II, "Account Held in Trust" is absolutely void.

NOW THEREFORE, in recognition of the premises recited above, and in consideration of the provisions stated by this Plan-Trust Declaration, and intending to be legally bound by this written Plan-Trust Declaration, the Employer as the Plan Administrator and the Plan-Trustee signed below.

Employer

By: David Halan

Title: Executive Director

Date: 5-24-2005

Plan Trustee

By: Sherry BoR

Title: Commission President

Date: 5-24-2005

