

ORDINANCE NO. 2-1969

AN ORDINANCE OF THE PORT OF NEWPORT, Lincoln County, Oregon, providing for the issuance and sale of Revenue Bonds of the Port District in an amount not to exceed \$214,000.00 to provide funds for the construction of expansions to the Small Boat Moorage Facilities of the Port at Yaquina Bay, including Outside Moorages, Boarding Floats and Restrooms; providing the date, form, terms and maturity of said Bonds; creating a Construction Fund; creating a further Reserve Account; providing and adopting certain covenants and protective features safeguarding the payment of the principal of and the interest on said Bonds; providing for the issuance of Additional Parity Bonds; and providing for the sale, issuance and delivery of said Bonds.

WHEREAS, the Port of Newport, Newport, Oregon, a Port District of the State of Oregon, organized pursuant to Chapter 777, Oregon Revised Statutes, having heretofore constructed a Small Boat Moorage Facility at Yaquina Bay and having determined that said Facilities are now fully utilized and that it is in the interest of promoting the general maritime commerce of the Port and that the public interest will be furthered by the construction and expansion of said Small Boat Moorage Facilities; and

WHEREAS, pursuant to Ordinance No. 1, 1964, adopted May 11, 1964, the Port of Newport issued its Marina Revenue Bonds, Series 1964 and pledged the revenues of the Small Boat Moorage Facilities at Yaquina Bay for the payment of principal of and interest thereon; and

WHEREAS, as amended by Ordinance No. 2-1968, adopted May 3, 1968, Ordinance No. 1, 1964 authorized the issuance of Parity Bonds upon compliance with certain special conditions of said Ordinance No. 1, 1964, as amended; and

WHEREAS, the Port has determined that the special conditions set forth in Ordinance No. 1, 1964, as amended, are fully satisfied and the Port now may proceed to issue additional Revenue Bonds pledging the Net Revenues of the Small Boat Moorage Facilities at Yaquina Bay on a parity with the Marina Revenue Bonds, 1964; and

WHEREAS, the Port issued its Yaquina Bay Boat Launch and Moorage Revenue Bonds, Series 1966, dated July 1, 1966, and pledged in part therefor as required revenue from the Boat Moorage Facilities and the Boat Launching and Vehicular Parking areas to be constructed; and

WHEREAS, pursuant to ORS 777.575(4), the Port may sell its Revenue Bonds to any person either at public or private sale without advertisement or calling for bids. The Board of Commissioners has considered the present high interest rates for borrowing by public corporations and has been advised by its financial consultants that a market for said Parity Bonds at public sale is difficult, if not impossible, under present financial circumstances, and that a private sale without advertisement or calling for bids can be negotiated for the purchase of said bonds. The Board of Commissioners determines in its sole discretion that it is in the best interest of the public and for the general welfare of the Port District that additional Parity Bonds be issued to provide funds for the construction and expansion of the Small Boat Moorage at Yaquina Bay at this time; therefore, said bonds shall be sold now at private sale, without advertisement or calling for bids, as authorized by law; and

WHEREAS, Chapter 63, Oregon Laws 1969, authorizes the issuance of Revenue Bonds of a Port District at not to exceed an effective net interest rate of 7% and requires that said bonds be sold at not less than par; and

WHEREAS, all acts, conditions and things necessary or required by the Constitution and the Laws of the State of Oregon do exist, have happened or will happen, and have been performed or will be performed as prerequisites to the issuance of said bonds prior thereto;

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF PORT COMMISSIONERS OF THE PORT OF NEWPORT, NEWPORT, OREGON, AS FOLLOWS:

Section 1: Definitions.

As used in this Ordinance, the following words shall have the following meanings:

- (a) The word "Port" or the words "Port District" shall mean the Port of Newport, a municipal corporation duly organized and existing under the Laws of the State of Oregon, as a Port District.
- (b) The word "Bonds" shall mean not to exceed \$214,000.00 par value of Revenue Bonds of the Port issued for the purpose herein authorized.
- (c) The words "Marina Revenue Bonds, 1964" shall mean the Revenue Bonds originally authorized in the amount of \$85,000.00 issued pursuant to Ordinance No. 1, 1964, dated June 1, 1964 and known as Port of Newport Marina Revenue Bonds, Series 1964.
- (d) The words "Marina Revenue Bonds, 1969" shall mean bonds to be issued pursuant to this Ordinance in an amount not to exceed \$214,000.00 par value, issued for the purpose of construction and expansion of the Facilities.
- (e) The word "Facilities" shall mean the Small Boat Moorage Facilities at Yaquina Bay, Oregon, including boat launching and vehicular parking areas.
- (f) The words "Gross Revenues" shall mean all of the operating and nonoperating income or revenue derived by the Port from its operation of the Small Boat Moorage Facilities at Yaquina Bay as constructed with proceeds from the Marina Revenue Bonds, 1964, and to be constructed with the proceeds of the Marina Revenue Bonds, 1969. In addition, it shall include the Boat Launching and Vehicular Parking Area fees at Yaquina Bay less the expense thereof and subject to the prior pledge of such fees to the annual debt service of the Yaquina Bay Boat Launching and Moorage Revenue Bonds, Series 1966.
- (g) The words "Net Revenue" shall mean Gross Revenue less Current expenses of the Small Boat Moorage Facilities at Yaquina Bay.
- (h) The words "Current Expenses" shall mean all necessary operating expenses, current maintenance charges, expenses of reasonable upkeep and repairs, properly allocated shares of charges for insurance and all other expenses incident to the operation of the Small Boat Moorage Facilities at Yaquina Bay, including the boat launching and vehicular parking areas, but shall exclude depreciation, all general administrative expenses of the Port, and the payment into the "Repair and Replacement Reserve Account" as provided in Ordinance No. 1, 1964.

(i) The words "Additional Parity Bonds" shall mean any revenue bonds issued after the date of the Marina Revenue Bonds, 1969, having a lien upon the Net Revenue for the payment of the principal thereof and interest thereon equal to the lien created upon such Net Revenue for the payment of principal of and interest on the Marina Revenue Bonds, 1964 and the Marina Revenue Bonds, 1969.

Section 2: Ordinance to Constitute Contract.

In consideration of the acceptance of the bonds by bondholders, this Ordinance shall be deemed to be and shall constitute a contract between the Port and such bondholders, and the covenants and agreements herein set forth to be performed by the Port shall be for the equal benefit, protection and security of the bondholders, all of which shall be of equal rank and without preference or priority.

Section 3: Issuance of Bonds.

For the purpose of providing funds to pay the cost of the construction and expansion of the Small Boat Moorage Facilities at Yaquina Bay, including an additional 200 boat berths, Outside Moorage, Boarding Floats and Restrooms, and the fees and expenses incurred by the Port for engineering, inspection, accounting, fiscal, legal and Trustee's expenses, and the cost of issuing the Marina Revenue Bonds, 1969; and pursuant to ORS 777.560 to 777.585, inclusive, and Chapter 63, Oregon Laws 1969, the Port hereby issues \$214,000.00 Revenue Bonds to be known as "Port of Newport Marina Revenue Bonds, Series 1969", to be dated May 1, 1969, in denominations of \$1,000.00 each, numbered 1 to 214, inclusive, to be bearer bonds as to principal and interest, but may be registered as to principal only, with the privilege of converting to bearer-coupon form, to bear interest payable semi-annually on the first day of May and the first day of November of each year from date of issue as evidenced by coupons to be attached thereto, the principal to mature as follows:

\$2,000.00 on May 1, 1970;	\$7,000.00 on May 1, 1985;
3,000.00 on May 1, 1971;	6,000.00 on May 1, 1986;
3,000.00 on May 1, 1972;	7,000.00 on May 1, 1987;
3,000.00 on May 1, 1973;	8,000.00 on May 1, 1988;
3,000.00 on May 1, 1974;	8,000.00 on May 1, 1989;
4,000.00 on May 1, 1975;	9,000.00 on May 1, 1990;
3,000.00 on May 1, 1976;	10,000.00 on May 1, 1991;
3,000.00 on May 1, 1977;	11,000.00 on May 1, 1992;
4,000.00 on May 1, 1978;	11,000.00 on May 1, 1993;
4,000.00 on May 1, 1979;	11,000.00 on May 1, 1994;
4,000.00 on May 1, 1980;	17,000.00 on May 1, 1995;
5,000.00 on May 1, 1981;	18,000.00 on May 1, 1996;
5,000.00 on May 1, 1982;	20,000.00 on May 1, 1997;
6,000.00 on May 1, 1983;	13,000.00 on May 1, 1998;
6,000.00 on May 1, 1984;	

Section 4. Redemption of Bonds.

The Port hereby reserves the right to call and redeem the then outstanding bonds in whole or in part, in inverse numerical order on May 1, 1984 and on any interest payment date thereafter at the following premium plus accrued interest to date of redemption:

On or after May 1, 1984 at	104
On or after May 1, 1985 at	103
On or after May 1, 1986 at	102
On or after May 1, 1987 at	101
On May 1, 1988 and thereafter at	100.

Publication of notice of intent to redeem bonds shall be given at least thirty (30) days before the redemption date in one issue of a newspaper specializing in financial matters published in the City and State of New York, and in one issue of a newspaper of general circulation in Lincoln County, Oregon, being the county in which the Port is located.

Notice of the intent to redeem bonds shall be given by the Port to the Trustee as hereinafter designated.

Interest on any bond or bonds so called for redemption shall cease on redemption date unless the same are not redeemed upon presentation made pursuant to such call.

Section 5: Place of Payment and Security.

The bonds shall be payable at the Bank of Newport in Newport, Oregon. The bonds are payable solely out of the Net Revenues of the Small Boat Moorage Facilities at Yaquina Bay.

Section 6: Parity Bonds:

The Board of Commissioners finds that the Small Boat Moorage Facilities constructed in part by funds from the Marina Revenue Bonds, 1964 are now fully utilized. In Ordinance No. 1, 1964, as amended by Ordinance No. 2-1968, the Board reserved the right to issue future Parity Revenue Bonds for the purpose of providing funds to construct Small Boat Moorage Facilities and to improve sites therefor and to pledge that payments for the principal of and interest on the Future Parity Revenue Bonds will be made out of the Net Revenues deposited to the 1963 Marina Revenue Bond and Interest Sinking Fund Account and that the principal of and interest on such Future Parity Revenue Bonds shall be on a parity with the payments from said Bond and Interest Sinking Fund Account equal to the payments due for the Marina Revenue Bonds, 1964, but only upon compliance with certain conditions.

The Board finds that there is no deficiency in the 1963 Marina Revenue Bond and Interest Sinking Fund Account; that the Port has on file a certificate from a certified public accountant as required by subsections (4) and (5) of subparagraph (i) of Section 2 of Ordinance No. 1, 1964, as amended by Ordinance No. 2-1968; and that the Port is now in compliance with all covenants and undertakings in connection with the Marina Revenue Bonds of 1964.

In addition the Port has secured a survey by Cornell, Howland, Hayes & Merryfield, Engineers and Planners, Corvallis, Oregon, entitled "1969 Marina Study" concurring in the Port's estimate that the Net Income from the operation of the Small Boat Moorage Facilities for the year 1969-70 will exceed 1.5 times the total debt service requirements of the Marina Revenue Bonds of 1963 and the Marina Revenue Bonds of 1969.

THEREFORE, The Board directs that the Marina Revenue Bonds, 1969, be issued on a parity with the Marina Revenue Bonds, 1964, and the principal of and interest on Marina Revenue Bonds, 1969 shall be payable from the 1963 Marina Revenue Bond and Interest Sinking Fund Account

on a parity with all payments upon the Marina Revenue Bonds, 1964.

Section 7: Appointment of Trustee.

There be and hereby is appointed as Trustee to administer the special trust funds hereinafter provided, the Bank of Newport, Newport, Oregon, a bank authorized to act in this fiduciary capacity.

The Trustee shall be compensated for its fees and charges from the rentals and revenues of the Facilities.

Section 8: Special Construction Fund.

There be and hereby is created with the Trustee a Special Construction Fund of the Port to be known as "Port of Newport Marina Revenue Bonds, 1969 Construction Fund" for the purposes hereinafter provided. The Port shall deposit to the "Construction Fund" the proceeds of the sale of the bonds, (except for accrued interest) and any and all other moneys which may be necessary to pay the cost of the Facilities for which the bonds are issued. The Construction Fund shall be drawn upon by the Trustee and payable solely by it for the purpose of paying all costs of construction or acquisition, including materials, supplies, labor, machinery and equipment, improvements to real property, costs incurred in issuing such bonds, including but not limited to engineering, inspection, accounting, fiscal, legal and trustee expenses and the costs of issuing, printing and advertising said bonds. No payments shall be made from the Construction Fund without written approval of the Port or its duly designated agents.

If there be any excess moneys remaining in the Construction Fund after the payment of all such costs, the excess fund shall be transferred to the 1963 Marina Revenue Bond and Interest Sinking Fund Account.

Funds in the Construction Account, subject to the approval of the Port, may be kept in cash or invested in any security or securities in which the State of Oregon may by law invest. Interest or dividends earned on any such investments or profits made from any sale thereof shall be deposited in and become part of the Construction Fund.

Section 9: Revenue Fund Account.

Ordinance No. 1, 1964 created a special fund known as the "Revenue Fund Account", this fund to be segregated from all other funds of the Port. The Port shall deposit to the credit of the Revenue Fund Account all rentals, charges, income and revenue arising from the operation or ownership of the Facilities and its related services. The Fund shall be used:

- (1) For the payment of current expenses of the Facilities;  
and
- (2) To make all deposits required to be made into the 1963 Marina Revenue Bond and Interest Sinking Fund Account; and
- (3) For any other lawful purpose.

Section 10: 1963 Marina Revenue Bond and Interest Sinking Fund Account.

Ordinance No. 1, 1964 created a special account known as the

"1963 Marina Revenue Bond and Interest Sinking Fund Account". There shall be deposited to this Account all accrued interest received from the sale of the Marina Revenue Bonds, 1969. In addition, there shall be deposited to this Account, on or before April 15th and October 15th of each year, the larger of (a) or (b) plus (c) as follows:

(a) The balance in the Revenue Fund Account; or

(b) A sum sufficient to pay the interest and one-half of the principal next due on the Marina Revenue Bonds, 1964, and the Marina Revenue Bonds, 1969, together with sufficient funds to meet the monthly deposit requirements, if any, for the Reserve Account, and

(c) Fees from the Boat Launching and Vehicular Parking Areas at Yaquina Bay after payment of the expenses of such areas and subject to provision for the prior pledge of such fees in favor of the Yaquina Bay Boat Launch and Moorage Revenue Bonds, Series 1966.

This Account shall be irrevocably pledged for the payment of principal and interest of the Revenue Bonds secured thereby and any additional Future Parity Bonds hereafter issued, and shall be segregated from all other funds of the Port.

Any excess funds remaining in the Account may be used or applied to repurchase or redeem by call any of the Revenue Bonds outstanding, or for any other lawful purpose. Funds in the Account may be invested in any security or securities in which the State of Oregon may by law invest. Income from such investments shall accrue to and become part of the Account.

Upon payment of the Marina Revenue Bonds, 1964 and the Marina Revenue Bonds, 1969, and any Future Additional Parity Bonds, including all interest thereon, then all and any funds remaining in this Sinking Fund Account shall be transferred to the Revenue Fund Account and the Account shall terminate.

#### Section 11: Reserve Account.

Ordinance No. 1, 1964 established a Reserve Account as part of the "1963 Marina Revenue Bond and Interest Sinking Fund Account" having a minimum credit requirement of \$10,690.00. Each month beginning January 1, 1970, the Port shall transfer to the Reserve Account from the 1963 Marina Revenue Bond and Interest Sinking Fund Account, additional funds in excess of those required by Ordinance No. 1, 1964, sufficient in amount so that there shall be in the Reserve Account on or before December 1, 1974 funds equal to the maximum annual debt service requirement of the Marina Revenue Bonds, 1964, and the Marina Revenue Bonds, 1969.

Thereafter, if insufficient funds are in the 1963 Revenue Bond and Interest Sinking Fund Account to pay maturity principal and interest on all bonds, when due, then withdrawals may be made from the Reserve Account to pay these obligations. Thereafter, regular monthly credits during the next succeeding ten (10) months shall be made to the Reserve Account to replenish in full any such withdrawals therefrom.

#### Section 12: Custody of Funds.

All moneys in the 1963 Marina Revenue Bond and Interest Sinking Fund Account, and the Reserve Account shall be a Trust Fund and shall be deposited with the Trustee to be used and expended by the Port only in the manner and order specified above.

#### Section 13: Additional Parity Bonds.

The Port reserves the right to issue Future Additional Parity

Revenue Bonds for the purpose of providing funds to construct additions and extensions or expansions of the Small Boat Moorage Facilities at Yaquina Bay and to improve sites therefor, and to pledge that the payments for the principal and interest on the Future Additional Parity Revenue Bonds will be made out of Net Revenues deposited to the 1963 Marina Revenue Bond and Interest Sinking Fund Account. The principal of and interest on such Future Additional Parity Revenue Bonds shall be on a parity with the payments required for the Marina Revenue Bonds, 1964 and the Marina Revenue Bonds, 1969, but only on compliance with the following conditions:

(a) At the time of issuance of such Future Additional Parity Revenue Bonds, there is no deficiency in the 1963 Marina Revenue Bond and Interest Sinking Fund Account; and

(b) That the Ordinance authorizing the issuance of Future Additional Parity Revenue Bonds will contain covenants for the establishment of further credits to the Reserve Account in the 1963 Marina Revenue Bond and Interest Sinking Fund Account generally in the manner set forth in this Ordinance.

(c) That the Ordinance authorizing the issuance of the Future Additional Parity Revenue Bonds will contain covenants that the Port will at all times establish, maintain and collect fees for the use of the Small Boat Moorage Facilities for as long as any bonds are outstanding which are payable out of the 1963 Marina Revenue Bond and Interest Sinking Fund Account, including the Future Additional Parity Revenue Bonds being issued, that will produce net revenue equal to not less than 1.5 times the maximum amount required in any calendar year thereafter to pay the principal of and the interest on all of such outstanding bonds.

(d) Prior to the issuance of such Future Additional Parity Bonds the Port shall have on file a certificate from a certified public accountant to the effect that the annual Net Revenues of the pledged facilities for the then preceding fiscal year were equal to not less than 1.5 times the annual maximum amount required thereafter for the payment of principal and interest on the then outstanding bonds; that the estimated future annual Net Revenues of the pledged facilities shall be equal to not less than 1.5 times the average annual requirements for principal and interest on all outstanding bonds and the Future Additional Parity Revenue Bonds being issued.

#### Section 14: Covenants of the Port.

The Port hereby covenants and agrees with the owner and holder of each of the bonds herein authorized for so long as any of the same remain outstanding, as follows:

(a) That it will duly and punctually pay or cause to be paid out of the 1963 Marina Revenue Bond and Interest Sinking Fund Account the principal of and interest on the Marina Revenue Bonds, 1969 at the date and place as herein provided; that it will provide for the construction, installation and making of the expansion of the Small Boat Moorage Facilities at Yaquina Bay by providing an additional 200 small boat berths, including Boarding Floats and Restrooms; and that it will pay all expenses, fees and charges incurred in the issuance of the bonds as herein provided, and such construction to be made by the letting of bids and by qualified contractors as by law provided.

(b) That it will at all times establish, maintain and collect rentals, charges, rates and fees for the use and operation of the Facilities sufficient to produce Net Revenue equal to not less than 1.5 times the maximum annual debt service required in any calendar year thereafter on the Marina Revenue Bonds, 1964, the Marina Revenue Bonds, 1969, and on any Future Additional Parity Bonds hereafter issued; that it will establish and enforce reasonable rules and regulations governing the use and operation of the moorage facilities; that all salaries and wages paid by it in connection with the operation, maintenance and repair of such Facilities will be reasonable; that it will operate said Facilities in an efficient and economical manner; that it will at all times cause the same to be maintained in good repair and sound operating condition; and that it will at all times make all necessary repairs thereto and replacements thereof.

(c) That it will not sell, encumber or otherwise dispose of said Facilities, or any part thereof, unless provision is made for the payment to the 1963 Marina Revenue Bond and Interest Sinking Fund Account of a sum sufficient to redeem and retire all of the Revenue Bonds then outstanding in accordance with the terms thereof.

(d) That it will at all times keep or arrange to keep all of the premises, improvements and facilities and any additions or improvements thereto insured against loss or damage by fire, explosion and such other perils as are covered under fire and explosion insurance policies, together with extended coverage endorsements in an amount equal to the full insurable value thereof. In the event of any loss by accident for which insurance proceeds are available, the same shall be applied upon the immediate restoration and repair of the damaged facilities; provided, however, if the insurance proceeds are sufficient to retire or redeem the outstanding Marina Revenue Bonds, 1964, and the Marina Revenue Bonds, 1969, together with interest thereon, then such amount of proceeds may be deposited to the 1963 Marina Revenue Bond and Interest Sinking Fund Account for that purpose. Upon that event, the Port may rebuild and reconstruct the facilities with the overage, if any, as the Board of Commissioners may so determine.

All policies of insurance shall be acceptable to the Trustee and shall contain a clause making all losses payable to the Trustee as its interest may appear.

(e) The Port shall keep, or arrange to keep, in full force and effect a policy of public liability and property damage insurance against damages that may result from the use, occupancy or operation of the premises and which will protect the Port against anyone claiming damages of any kind or nature arising from such use, occupancy or operation. The policy covering public liability for bodily injury claims shall be not less than \$100,000.00 for any single claim, and not less than \$200,000.00 for bodily injury claims arising out of one accident, and not less than \$50,000.00 property damage.

Certificates of policies of insurance or memoranda thereof shall be deposited with the Trustee to be held for the benefit of the owners and holders of the bonds.

(f) That it will keep and maintain proper books of accounts and accurate records of all items of cost and of all expendi-



tures relating to the premises and of the rentals and revenues collected therefrom.

(g) That it will not divert or permit the diversion of business or give or permit the giving of preferential treatment in rates of service or otherwise to other facilities of the Port to the detriment of the operation of the Project Facilities and the improvements thereon.

(h) The Port covenants that the payment of principal and interest of these bonds are payable solely out of the revenues pledged herein and that the Port shall not be obligated to levy any taxes or make any appropriation from any source other than the revenues herein pledged for the payment of the debt service.

(i) The Port covenants that it is duly authorized as a municipal port district under the Laws of the State of Oregon, that all action on its part for the creation and issuance of the bonds and the execution thereof has been or will be duly and effectively taken prior to the issuance and delivery thereof, and that the bonds in the hands of the holders and owners thereof are and will be deemed to be negotiable instruments, and all rights and remedies of the bondholders and owners thereof and of the Port shall be governed by the Laws of the State of Oregon.

Section 15: Obligations and Duties of the Trustee.

(a) The Trustee designated herein shall maintain and manage the special trust funds as herein established, shall receive funds and other deposits of money to said trust funds, and shall expend the same as provided herein. The Trustee shall be authorized to maintain a list of bondholders, if such bonds are registered. Upon maturity of interest coupons and bonds, the Trustee shall be authorized, upon payment therefor, to cancel said coupons and bonds and to maintain records thereof. The Trustee may deduct from the funds received in the 1963 Marina Revenue Bond and Interest Sinking Fund Account its reasonable fees for services as established by the agreement with the Port, which may not be modified or amended without the consent of the Port.

(b) Upon approval of the Port, the Trustee shall invest all funds received by it in any security or securities in which the State of Oregon may invest.

(c) In the event of default in the payment of the principal and the interest maturing on said bonds, or any of the covenants or conditions of this Ordinance, the Trustee shall be obligated to take such action or actions for the enforcement of its rights and the rights of the bondholders as due diligence, prudence and care would require, including the right to enter the project facilities to inspect the same, and, upon written request of the holders of not less than 51% of the aggregate principal amount of bonds then outstanding and upon being indemnified to its satisfaction, enter into and upon and take and hold possession of the project facilities and premises, and manage and control said project facilities, and conduct the business of the Port with respect thereto in such manner as in its discretion it shall deem to be to the best advantage of the holders of the bonds, and in such event the Trustee may operate the project facilities in the same manner and subject to the same limitations as the Port may do as herein provided and as authorized by Statute.

The Trustee, in the event of such default, shall be authorized to bring legal proceedings and to exercise any of the rights, powers or remedies of the holders of said bonds, but such powers shall not limit the rights or remedies of the bondholders or owners to exercise in their own behalf, collectively or severally, their respective legal remedies.

(d) Upon acceptance of this trust, the Trustee shall perform such duties, and only such duties, as are specifically set forth in this Ordinance; provided, however, that the provisions contained herein shall not require the Trustee to expend or risk its own funds or otherwise incur independent financial liability in the performance of any of its duties or in the exercise of any of its rights, nor shall it be obligated to incur any expense unless it should be indemnified to its satisfaction against any and all costs and expenses, including counsel fees and other reasonable disbursements.

Section 16: Resignation of Trustee.

The Trustee shall be authorized to resign and be discharged from its trust by the giving to the Port of thirty (30) days notice in writing, and to the bondholders notice by publication of such resignation, which notice shall be published at least once a week for two successive weeks in a financial publication of general circulation in the City and State of New York and in a newspaper of general circulation in Lincoln County, Oregon. The Port agrees to appoint and designate a successor trustee prior to the effective date of such resignation. Such successor trustee shall have the same powers and obligations as herein defined.

Section 17: Bond and Coupon Form.

The bonds and coupons shall be in substantially the following form:

No. \_\_\_\_\_ \$1,000.00

UNITED STATES OF AMERICA  
STATE OF OREGON  
PORT OF NEWPORT, OREGON  
MARINA REVENUE BONDS, SERIES 1969

THE PORT OF NEWPORT, OREGON, a municipal corporation of the State of Oregon, does hereby acknowledge itself to owe and for value received hereby promises to pay to the bearer on the first day of May, 19\_\_\_, the sum of

ONE THOUSAND DOLLARS

together with interest thereon at the rate of \_\_\_\_\_ percent (\_\_\_%) per annum, payable semiannually on the first day of May and the first day of November, of each year until maturity, as evidenced by, and upon surrender of, the annexed interest coupons as they severally become due. Both principal of and interest on this bond are payable in lawful money of the United States of America at the Bank of Newport, Newport, Oregon.

The Port of Newport agrees to pay the principal of and the interest on its Marina Revenue Bonds, Series 1969, solely out of revenues of the Port's Small Boat Moorage at Yaquina Bay, Oregon, as

pledged to the payment thereof by Ordinance No. 2-1969 of the Board of Port Commissioners of the Port of Newport.

This bond is one of a series aggregating the sum of Two Hundred Fourteen Thousand Dollars (\$214,000.00) par value issued to provide funds to construct expansions to the Small Boat Moorage Facilities of the Port at Yaquina Bay, Oregon, including Outside Moorages, Boarding Floats and Restrooms, and to pay any costs incurred in issuing said bonds, together with planning, engineering, inspection, accounting, fiscal, legal and trustee expenses, all in conformity with the Laws of the State of Oregon.

The Port of Newport hereby covenants and agrees with the owner and holder of this Bond that it will keep and perform all the covenants of this Bond and of Ordinance No. 2-1969 to be by it kept and performed.

The Port of Newport does hereby pledge and bind itself to set aside and pay to the Trustee named in said Ordinance for deposit to the 1963 Marina Revenue Bond and Interest Sinking Fund Account certain Net Revenues received by the Port District from the operation of such moorage facilities and launching and vehicular parking areas, less Current Expenses as fully set forth in the above Ordinance. The amounts so pledged are hereby declared to be a first and only lien and charge upon any payments, rentals or revenues received by the Port District from the operation of such Facilities, except for a prior pledge of the Boat Launching and Vehicular Parking area fees in favor of the Yaquina Bay Boat Launch and Moorage Revenue Bonds, Series 1966.

The bonds of this issue of which this Bond forms a part maturing after the 1st day of May, 1984 may be called for prior redemption and payment by the Port District at par value and accrued interest on the 1st day of May, 1984 and on any interest payment day or days thereafter, in inverse numerical order, or in the entire amount of the issue outstanding at call date at the following prices plus accrued interest to date of redemption:

On or after May 1, 1984 at	104
On or after May 1, 1985 at	103
On or after May 1, 1986 at	102
On or after May 1, 1987 at	101
On May 1, 1988 and thereafter at	100.

Notice of redemption shall be given at least thirty (30) days before redemption date specified therein, by publication thereof in one issue of a newspaper specializing in financial matters published in the City and State of New York, and in one issue of a newspaper of general circulation in Lincoln County, Oregon. From the date of redemption designated in any such notice, interest upon the bonds so called for payment shall cease.

It is hereby certified and declared that this Bond and all the bonds of this issue are issued pursuant to and in strict compliance with the Constitution and the Laws of the State of Oregon and the Ordinances of the Port of Newport, Oregon, and that all acts, conditions and things required to be done precedent to and in the issuance of this Bond have happened, been done and fully performed as required by the Constitution and the Statutes of the State of Oregon and the Ordinances of the Port of Newport.

IN WITNESS WHEREOF, the Port of Newport, Oregon, has caused this bond to be signed by the President and the Secretary of the Port District, to be sealed with its corporate seal, and the interest coupons attached hereto to be executed with the facsimile signatures of the President and the Secretary of the Port District, this 1st day of May, 1969.

PORT OF NEWPORT, OREGON

By \_\_\_\_\_ President

By \_\_\_\_\_ Secretary

(INTEREST COUPON)

No. \_\_\_\_\_

\$ \_\_\_\_\_

On the first day of November, 19\_\_\_\_, the Port of Newport, Oregon, will pay to bearer at the Bank of Newport, Oregon

\_\_\_\_\_ DOLLARS

in lawful money of the United States of America payable solely from certain revenues of the Port pledged thereto, said sum being the semi-annual interest then due on its Marina Revenue Bond, Series 1969, dated May 1, 1969 and numbered \_\_\_\_\_.

PORT OF NEWPORT, OREGON

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

On all coupons maturing after the first option call date, the following additional language shall appear: "unless the Bond to which this coupon is attached has heretofore been called for payment and due provision made therefor."

Section 18: Execution of Bonds.

The bonds shall be signed on behalf of the Port by the President of the Port District and by the Secretary thereof, and shall bear the seal of the Port impressed thereon. The interest coupons attached thereto shall be signed with the facsimile signatures of said officers.

Section 19: Sale of Bonds.

Pursuant to ORS 777.575, the Board of Commissioners has determined to sell the bonds herein authorized at private sale without advertisement or calling for bids. The Port has received a firm offer from Southwick, Campbell, Waterman Co. of Seattle, Washington, for the purchase of the Revenue Bonds herein authorized at an interest rate of 7% per annum at par, plus accrued interest from May 1, 1969 to date of delivery, subject only to the approving opinion of bond counsel. The Board of Commissioners finds that the offer of Southwick, Campbell, Waterman Co. is a fair and reasonable offer for the purchase of said bonds, and that it is in the public interest and for the public welfare that the bonds be sold at this time. Therefore, the Port of Newport accepts the offer of Southwick, Campbell, Waterman Co. to purchase said bonds at 7% interest per annum, at par, plus accrued interest from May 1, 1969 to date of delivery. The Secretary of the Port is authorized to notify the purchaser of the acceptance of its offer and to make arrangements for the printing, delivery and payment for said bonds.

Section 20: Amendments.

The Board of Commissioners may from time to time adopt an ordinance or ordinances supplementary hereto for any one or more of the following purposes:

(a) To add to the covenants, obligations and agreements of the Port in this Ordinance contained, or to surrender any right or power herein reserved to or conferred upon the Port.

(b) To make provision for the purpose of curing any ambiguity or defective provision or in regard to any matter or question arising under this Ordinance as the Board of Commissioners may deem necessary and not inconsistent with this Ordinance and which shall not adversely affect the interests of the holders of the Revenue Bonds.

Any such amendatory or supplemental ordinance may be adopted without the consent of the holders of any of the bonds at the time outstanding.

(c) With the consent of the holders of not less than 65% in aggregate principal amount of the bonds at the time outstanding, the Board of Commissioners may adopt an ordinance or ordinances supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Ordinance or of any supplemental ordinance; provided, however, that no such supplemental ordinance shall

(1) Extend the fixed maturity of any of the bonds, or reduce the rate of interest thereon, or extend the time of payments of interest from their due date, or reduce the amount of the principal thereof, or reduce any premium payable on the redemption thereof, without the consent of the holder of each Bond so affected; or

(2) Reduce the aforesaid percentage of holders of bonds required to approve any such supplemental ordinance without the consent of the holders of all of the bonds then outstanding.

It shall not be necessary for the consent of the bondholders under this subsection (c) to approve the particular form of any proposed supplemental ordinance, but it shall be sufficient if such consent shall approve the substance thereof.

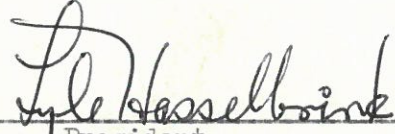
(d) Upon the adoption of any supplemental resolution pursuant to the provisions of this section, this Ordinance shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations of the Port under this Ordinance and all holders of bonds outstanding hereunder shall thereafter be determined, exercised and enforced thereunder, subject in all respects to such modification and amendments, and all the terms and conditions of any such supplemental ordinance shall be deemed to be part of the terms and conditions of this Ordinance for any and all purposes.

(e) Bonds executed and delivered after the execution of any supplemental ordinance adopted pursuant to the provisions of this section may bear a notation as to any matter provided for in such supplemental ordinance, and if such supplemental ordinance shall so provide, new bonds so modified as to conform, in the opinion of the Board of Commissioners, to any modification of this Ordinance contained in any such supplemental ordinance, may be prepared by the Port and delivered without cost to the holders of the bonds then outstanding, upon surrender for cancellation of such bonds with all unmatured coupons and all matured coupons not fully paid, in equal aggregate principal amounts.

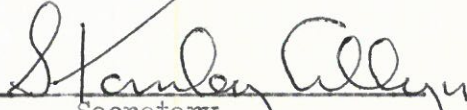
Section 21: Separability of Ordinance Provisions.

In the event one or more provisions of this Ordinance, or in the bonds or coupons authorized hereunder, should for any reason be held to be invalid, illegal and unenforcible in any respect, such invalidity, illegality or unenforcibility shall not affect any other provisions of this Ordinance, the bonds or coupons, but this Ordinance and the bonds or coupons shall be construed as if such invalid or illegal or unenforcible provision had never been contained herein.

ADOPTED this 26th day of May, 1969.

  
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President

ATTEST:

  
\_\_\_\_\_  
Secretary