

ORDINANCE NO. 1, 1964

AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF REVENUE BONDS OF THE PORT OF NEWPORT, NEWPORT, OREGON, IN THE SUM OF EIGHTY-FIVE THOUSAND DOLLARS (\$85,000.00) TO PROVIDE FUNDS TO CONSTRUCT LAND FILL, GEAR SHED AND SMALL BOAT MOORAGE FACILITY DESIGNATED AS PROJECT NO. AR-ORE-92.021.3, CONTRACT NO. H-602-1974; PROVIDING AND APPROVING THE FORM OF BONDS TO BE ISSUED AND COUPONS ATTACHED THERETO, AND TO PROVIDE FOR THE ADVERTISING THEREOF AND FOR SALE OF SAID BONDS AND AUTHORIZING THE EXECUTION AND DELIVERY THEREOF.

WHEREAS the PORT OF NEWPORT is a duly incorporated municipal corporation, under and by virtue of the statutes of the State of Oregon, and as is in good standing, and

WHEREAS the HOUSING AND HOME FINANCE AGENCY, COMMUNITY FACILITIES ADMINISTRATION, DEPARTMENT OF COMMERCE, AREA REDEVELOPMENT ADMINISTRATION OF THE UNITED STATES GOVERNMENT made an "OFFER" under date of June 24, 1963, as follows:

Housing and Home Finance Agency  
Community Facilities Administration

Department of Commerce  
Area Redevelopment Administration

AREA REDEVELOPMENT PROGRAM

Project No. AR-ORE-92.021.3  
Offer Date: June 24, 1963  
Contract No. H-602-1974

OFFER

Subject to the Terms and Conditions, dated 9-61, and Supplement One, dated 7-62, attached hereto and made a part hereof as Exhibit "A", the Special Conditions, as revised, attached hereto and made a part hereof as Exhibit "B", and the Bond Specifications, as revised, attached hereto and made a part hereof as Exhibit "C", the Department of Commerce, Area Redevelopment Administration, acting through the Housing and Home Finance Agency, hereinafter referred to as the Government hereby offers to make a grant of not to exceed \$179,000 and a loan not to exceed \$85,000 to Port of Newport, Oregon (herein called the "Borrower"), in order to aid in financing the construction of essential public works or facilities presently estimated to cost \$264,000, consisting of improvements and additions to marine port including land fill on which will be constructed a new gear shed for repair, maintenance and storage of commercial fishing equipment, a 300-car parking lot, and future cold storage plant and loading facilities; and expansion of boat mooring facilities (herein called the "Project"): Provided, that in the event the actual cost of the Project as determined by the Government upon completion is less than \$264,000, the financial aid to the amount of \$264,000 shall be reduced by an amount equal to the difference between such estimated cost of the Project and the actual cost thereof; and Provided further, that in the case of such reduction of Federal financial aid, the amount of the Federal grant, if any, shall be reduced before the amount made available as a Federal loan is affected.

The loan herein provided for shall be made by purchase from the Borrower, at the Principal amount thereof plus accrued interest thereon, of its Revenue Bonds in the aggregate principal amount of \$85,000, bearing interest at the rate of 3-1/2 per cent per annum, of such description and secured in such manner and containing such provisions as shall be satisfactory both to the Government and to the Borrower, but generally in conformity with the Bond Specifications, as revised, attached hereto.

By acceptance hereof the Borrower agrees to offer its aforesaid obligations for public sale. The Government will submit its bid for the Bonds and such bid will be for all of the Bonds at their par value, plus accrued interest, at the rate of 3-1/2 per centum per annum on all or any one or more of the above blocks of Bonds. In the event any other bidder or bidders offer to purchase all of the Bonds at an interest cost of not more than 3-3/4 per centum per annum, or any portion of the Bonds in blocks as specified at an interest cost of not more than 3-3/4 per centum per annum for maturities of twenty-six (26) years or more, 3-5/8 per centum per annum for maturities ranging between twenty-one (21) and twenty-five (25) years and not more than 3-1/2 per centum per annum for maturities of twenty (20) years or less, the Bonds or any such portion thereof will not be purchased by the Government. In the event of a sale of all the Bonds to a purchaser or purchasers other than the Government, this Agreement shall terminate except with respect to obligations hereunder between the Borrower and the Government as of the date of such sale of the Bonds. In the event any of the Bonds are awarded to the Government, it is agreed that the obligations hereunder shall continue in the same manner as if all the Bonds were sold to the Government. In the event no bid is received from a bidder or bidders other than the Government within the terms herein specified, all the Bonds will be purchased by the Government.

Upon acceptance, this Offer, together with the Terms and Conditions, the Special Conditions, as revised, and the Bond Specifications, as revised, referred to, shall become the "Loan and/or Grant Agreement."

This Offer must be accepted by the Borrower not later than June 30, 1963. Failure to comply with this requirement will result in the automatic withdrawal of this Offer.

HOUSING AND HOME FINANCE AGENCY  
Community Facilities Administration

Original signed by

Certified to be a True Copy

By L. R. Durkee  
L. R. Durkee  
Director for Northwest Operations

Glenn H. Lathrop  
Acting Director for  
Northwest Operations

which OFFER was duly accepted by the PORT OF NEWPORT as evidenced by their

ACCEPTANCE OF THE OFFER

WHEREAS, there has been filed with the Government in behalf of

PORT OF NEWPORT  
Legal Corporate Name of Applicant

(herein called the Applicant) an application, Project Number AR-ORE-92.021.3, dated 14 January, 1963, for Federal assistance under the Area Redevelopment Act, Public Law 87-27, and the UNITED STATES OF AMERICA, acting by and through the Community Facilities Commissioner, has transmitted to the Applicant for acceptance an Offer dated \_\_\_\_\_ of Federal assistance in connection with the Project referred to in said application and described in said Offer; and

WHEREAS, said Offer has been fully considered in accordance with all pertinent rules of procedure and legal requirements, and made a part of the Applicant's public records; and

WHEREAS, it is deemed advisable and in the public interest that said Offer be accepted;

NOW, THEREFORE, be it Resolved by PORT OF NEWPORT  
(Name of Applicant)

that the said Offer, a true and correct copy of which, including the Special Conditions, Bond Specifications and the Terms and Conditions, is hereto attached, be and the same hereby is accepted without reservation or qualification.

Passed by the aforementioned governing body of the Applicant on the 25th day of June, 1963.

Date June 25, 1963. (Signed) Lyle Hasselbrink  
(Name of Officer Required to Approve)

Title: President, Board of Commissioners of  
PORT OF NEWPORT

Approved as a Valid Acceptance of the above-mentioned Offer

T. R. Adams  
Attorney at Law

Address:

P.O. Box 57, Taft, Oregon.  
Housing and Home Finance Agency, Community Facilities Administration

Form CFA-1022  
(9-61)  
GPO 918311

WHEREAS the HOUSING AND HOME FINANCE AGENCY, COMMUNITY FACILITIES ADMINISTRATION, DEPARTMENT OF COMMERCE, AREA REDEVELOPMENT ADMINISTRATION OF THE UNITED STATES GOVERNMENT has prepared and delivered to the PORT OF NEWPORT a summary of the description of said proposed Revenue Bonds, a true copy of which is hereinafter set forth and is herewith adopted and made a part hereof by reference as if fully set forth herein, the only amendments being date changes as shown therein by interlineation; and being in the following form, to-wit:

EXHIBIT "C"

Project No. AR-ORE-92.021.3

REVENUE BONDS

Aggregate Principal Amount of Revenue Bonds; \$85,000

Designation: Port of Newport Marina Revenue Bonds, Series 1964

Type: Negotiable, serial, coupon bonds.

Security: Special obligations of the Borrower secured by a first lien on and pledge of, and payable from, the net revenues derived from the operation and/or ownership of the Project and the existing boat mooring facilities of the Borrower located in Yaquina Bay with a designed capacity of 90 boats (hereinafter collectively referred to as the "Pledged Facilities").

*May 1, 1963 (see Ord No. 3 1964)*  
Date: ~~June 1, 1964~~  
Denomination: \$1,000

Interest Rate: 3-1/2 %  
Bond Numbers: 1 to 85, inclusive

Interest Payment Dates: First Payment January 1, 1965, and semi-annually thereafter on January 1 and July 1 of each year.

Maturities as of July 1:	Years	Amounts
	<u>1966-1974</u>	<u>\$2,000</u>
	1975-1984	3,000
	1985-1992	4,000
	1993	5,000

Place of Payment: Payable as to both principal and interest at the principal office of the Trustee to be designated in the Ordinance authorizing the Bonds. Payments shall be made in any coin or currency which is legally acceptable on the respective dates of payments, for debts due the United States of America.

Registration Privileges: Principal only.

Redemption Provisions: Bonds numbered 1 through 16 inclusive, maturing July 1, 1966 through July 1, 1973, inclusive, to be non-callable. Bonds numbered 17 through 64 inclusive, maturing July 1, 1974, through July 1, 1988, inclusive, to be callable at the option of the Borrower prior to the stated maturities thereof, in whole or in part and in inverse numerical order on any interest payment date after July 1, 1973 upon at least thirty (30) days' prior notice at the principal amount thereof, plus accrued interest to the date of redemption and a premium for each bond as follows:

- 3% if redeemed January 1, 1974 through July 1, 1978, inclusive;
- 2% if redeemed January 1, 1979 through July 1, 1983, inclusive;
- 1% if redeemed after July 1, 1983.

Bonds numbered 65 through 85 inclusive, maturing July 1, 1989 through July 1, 1993, inclusive, to be callable at the option of the Borrower in whole or in part and in inverse numerical order on any interest payment date during the entire life of the loan, upon at least thirty (30) days' prior notice, at par plus accrued interest to the date of redemption.

Priority as to call shall extend to bonds numbered 65 through 85 inclusive over bonds numbered 17 through 64 inclusive.

Blocks of Maturities for Which Bods Will Be Accepted:

1. Bonds maturing in the years 1966 through 1973, inclusive;
2. Bonds maturing in the years 1974 through 1978, inclusive;
3. Bonds maturing in the years 1979 through 1983, inclusive;
4. Bonds maturing in the years 1984 through 1988, inclusive;
5. Bonds maturing in the years 1989 through 1993, inclusive; and
6. the entire issue.

WHEREAS the PORT OF NEWPORT did, pursuant to Section 777.565 Oregon Revised Statutes pass a Resolution authorizing and directing that Notice be published as required by said Statute that action upon this Ordinance will be taken at the regular meeting of the PORT OF NEWPORT to be held May 11, 1964; that said Notice was duly published in the Newport News, Newport, Oregon, and the North Lincoln News-Guard, Delake, Oregon, in their issues of April 23, 1964, and April 30, 1964, said newspapers being of general circulation within said PORT DISTRICT and that proof of publication, with a copy of the Notice is on file in this office and is herewith adopted and made a part hereof by reference as if fully set forth herein; and

WHEREAS the regular meeting of the PORT OF NEWPORT held at the office of the PORT OF NEWPORT, Newport, Oregon, was duly called to order by the President and upon roll call vote a legal quorum answered "present"; whereupon the President called for anyone objecting to said proposed Revenue Bond issue to voice his objection; no objections being heard;

NOW, THEREFORE, IT IS ORDAINED BY THE BOARD OF COMMISSIONERS OF THE PORT OF NEWPORT:

Section 1. That the PORT OF NEWPORT shall issue Revenue Bonds in its name and with the corporate seal in the amount of \$85,000, said bonds to be in conformance as set forth in Exhibit "C" hereinabove set forth and made a part hereof by reference.

Section 2. That the proceeds from the sale of said Revenue Bonds shall be used for the following purposes:

Project No. AR-Ore-92.021.3

#### EXHIBIT B

#### SPECIAL CONDITIONS

- (a) The Borrower covenants and agrees that as soon as the Project is substantially completed, all rentals, charges, income and revenue arising from the operation or ownership of the Pledged Facilities, but excluding any revenues derived from taxes, shall be deposited to the credit of a special fund, to be known, as the "Revenue Fund Account" and held in the custody of the Treasurer of the Borrower, separate and apart from all other funds. Such Revenue Fund Account shall be maintained, so long as any of the Bonds are outstanding, in a bank which is a member of the Federal Deposit Insurance Corporation and shall be expended and used by the Treasurer only in the manner and order specified below.
- (b) Current Expenses of the Pledged Facilities shall be payable, as a first charge, from the Revenue Fund Account as the same become due and payable. Current Expenses shall include all necessary operating expenses, current maintenance charges, expenses of reasonable upkeep and repairs, properly allocated share of charges for insurance and all other expenses incident to the operation of the Pledged Facilities, but shall exclude depreciation, all general administrative expenses of the Borrower, the payment into the "Repair and Replacement Reserve Account" hereinafter provided for and all expenses of the existing boat mooring facilities of the Borrower located in Yaquina Bay incurred prior to the date upon which the Project was substantially completed.
- (c) The Borrower shall establish with the Trustee to be designated in the Revenue Bond Ordinance, and maintain so long as any of the Bonds are outstanding, a separate account or accounts (herein collectively called the "1963 Marina Revenue Bond and Interest Sinking Fund Account") into which shall be deposited all accrued interest received from the sale of the revenue bonds herein proposed (hereinafter referred to as "Revenue Bonds") which sum shall be credited against the amount to be deposited into the Account on the next interest payment date plus the additional sum of \$1,487 from the proceeds representing the principal of the Revenue Bonds as and for capitalized interest during the development of the Project. As soon as the Project is substantially complete, and after providing for the payment of Current Expenses, the Borrower shall transfer from the Revenue Fund Account and deposit to the credit of the 1963 Marina Revenue Bond and Interest Sinking Fund Account, on or before each June 15 and December 15, the larger of (a) the balance therein, or (b) a sum which, together with the interest on the Revenue Bonds for the current

interest period chargeable to the Construction Account as interest during construction and/or the funds then on deposit in the 1963 Marina Revenue Bond and Interest Sinking Fund Account representing capitalized interest during the development of the Project, shall be sufficient to pay the interest on the outstanding Revenue Bonds as the same become due. Provided, however, that the beginning December 15, 1965 and thereafter the Borrower shall, after providing for the payment of Current Expenses, transfer from the Revenue Fund Account and deposit to the credit of the 1963 Marina Revenue Bond and Interest Sinking Fund Account, on or before each June 15 and December 15, the balance therein until the funds and/or investments therein are sufficient to meet the interest on the outstanding Revenue Bonds due on the next interest payment date and one-half of the principal due within the succeeding twelve months, plus a debt service reserve in the sum of \$10,690 and, thereafter, on or before each June 15 and December 15, such sums from said source as may be necessary to meet the interest on the Revenue Bonds due on the next interest payment date and one-half of the principal due within the succeeding twelve months and maintain the debt service reserve in the sum of \$10,690.

- (d) As soon as the required reserve is accumulated in the 1963 Marina Revenue Bond and Interest Sinking Fund Account, the Borrower shall establish with the Trustee a separate account called the "Repair and Replacement Reserve Account" into which shall be deposited from the Revenue Fund Account on or before the close of each fiscal year, (1) the sum of \$2,300 or such portion thereof as is available for transfer annually for a repair and equipment reserve. All moneys in the Repair and Replacement Reserve Account may be drawn on and used by the Borrower for the purpose of paying the cost of unusual or extraordinary maintenance or repairs, renewals and replacements, and the renovating or replacement of the furniture and equipment not paid as part of the ordinary and normal expense of operating the Pledged Facilities. However, in the event the funds in the 1963 Marina Revenue Bond and Interest Sinking Fund Account should be reduced below the debt service reserve of \$10,690, funds on deposit in the Repair and Replacement Reserve Account shall be transferred to the 1963 Marina Revenue Bond and Interest Sinking Fund Account to the extent required to eliminate the deficiency in that Account.
- (e) Subject to making the foregoing maximum deposits, the Borrower may use the balance of excess funds in the Revenue Fund Account at the close of each fiscal year (1) to redeem outstanding Revenue Bonds on the next interest payment date, in inverse numerical order and in amount of not less than \$5,000 par value at one time, or (2) for any expenditures, including the payment of debt service, in improving or restoring any existing public facilities or providing any such additional facilities, or (3) for any other lawful purpose.
- (f) The Borrower covenants and agrees that it will, when necessary, revise the rates and charges for the use of the Pledged Facilities so that the gross revenues therefrom shall at all times be sufficient to (1) pay the Current Expenses of the Pledged Facilities and the principal and interest on the Revenue Bonds as the same become due and payable and (2) accumulate and maintain the reserves for debt service and repairs and replacements provided for in Special Conditions (c) and (d).
- (g) The Borrower covenants and agrees that so long as any of the Revenue Bonds remain outstanding, it will not:
- (1) offer the use of any other of its facilities similar to the Pledged Facilities unless the Pledged Facilities are then fully utilized; or
  - (2) grant permission for the construction of facilities competitive with the Pledged Facilities by parties other than the Borrower unless (i) the

net revenues of the Pledged Facilities for the then preceding fiscal year were equal to not less than one hundred and fifty percent (150%) of the average annual requirements for principal and interest on all Revenue Bonds then outstanding (ii) the estimated future annual net revenues of the Pledged Facilities, as estimated by an independent, licensed professional engineer or engineering firm experienced in the analysis of the operation of facilities similar to the Pledged Facilities and evidenced by his or its certificate then on file with the Borrower, shall be equal to not less than one hundred and fifty percent (150%) of the average annual requirements for principal and interest on all Revenue Bonds then outstanding and (iii) the Borrower is then in compliance with all covenants and undertakings in connection with the Revenue Bonds.

Said estimate shall be based on:

- (1) actual gross revenues of the Pledged Facilities for the preceding fiscal year adjusted for any decrease in the use of the Pledged Facilities anticipated to result from the availability of the proposed competitive facilities; and
- (2) actual Current Expenses for the preceding fiscal year adjusted for any anticipated increase in Current Expenses.

As used herein the term "gross revenues of the Pledged Facilities" shall mean all revenues required to be deposited into the Revenue Fund Account pursuant to the provisions of Special Condition (a) and the term "net revenues of the Pledged Facilities" shall mean gross revenues of the Pledged Facilities less Current Expenses.

- (h) Borrower and its governing body covenant and represent to the Government that since the filing of its Project Proposal dated April 9, 1962, they have not:
- (1) Leased any of its lands, including tidelands, for the objects of construction and/or operation of facilities competitive with the pledged facilities by parties other than the Borrower;
  - (2) Granted permission for the construction and/or operation of facilities competitive with the pledged facilities by parties other than the Borrower; or
  - (3) Made any commitments which would prevent the Borrower from Complying with the provisions of Special Condition (g).

The PORT agrees to obtain:

- (a) Fire and Extended Coverage. Upon acceptance of the Project from the contractor, the Borrower shall, if such insurance is not already in force, procure Fire and Extended Coverage Insurance on the insurable portions of the Project, and upon receipt of funds acquired pursuant to the Loan and Grant Agreement, the Borrower shall, if such insurance is not already in force, procure Fire and Extended Coverage Insurance on the insurable portion of any other of the Pledged Facilities. The foregoing Fire and Extended Coverage Insurance shall be maintained so long as any of the Bonds are outstanding and shall be in amounts sufficient to provide for not less than full recovery whenever a loss from perils insured against does not exceed 80 per centum (80%) of the full insurable value of the damaged facility.

In the event of any damage to or destruction of any of the Pledged Facilities, the Borrower shall promptly arrange for the application of the insurance proceeds for the repair or reconstruction of the damaged or destroyed portion thereof.

So long as any of the Revenue Bonds remain outstanding, each such insurance policy shall be acceptable to the Trustee to be designated in the Revenue Bond Ordinance and shall contain a clause making all losses payable to the Trustee as its interest may appear.

- (b) Liability Insurance on Facilities. Upon receipt of any funds acquired pursuant to the Loan and Grant Agreement, the Borrower shall, if such insurance is not already in force, procure and maintain, so long as any of the Bonds are outstanding, Public Liability Insurance relating to the operation of the Pledged Facilities with limits of not less than \$50,000 for one person and \$100,000 for more than one person involved in one accident to protect the Borrower from claims for bodily injury and/or death; and not less than \$10,000 from claims for damage to property of others which may arise from the Borrower's operation of the Pledged Facilities.
- (c) Vehicle Liability Insurance. If the Borrower owns or operates a vehicle in the operation of the Pledged Facilities, upon receipt of any funds acquired pursuant to the Loan and Grant Agreement, the Borrower shall, if such insurance is not already in force, procure and maintain, so long as any of the Bonds are outstanding, Vehicular Public Liability Insurance with limits of not less than \$50,000 for one person and \$100,000 for more than one person involved in one accident to protect the Borrower from claims for bodily injury and/or death, and not less than \$10,000 against claims for damage to property of others which may arise from the Borrower's operation of vehicles."

Section 3. The PORT OF NEWPORT hereby designates the Bank of Newport, a member of the Federal Insurance Deposit Corporation, as Trustee for such accounts and funds as may be required by this Ordinance.

Section 4. The PORT OF NEWPORT directs that there be issued \$85,000, PORT OF NEWPORT, MARINA REVENUE BONDS, Series 1963, in such denominations, maturities and redemption provisions and payable at the Bank of Newport, Newport, Oregon, a member bank of the Federal Deposit Insurance Corporation, all as is fully set forth in Exhibit "C" of the OFFER as set forth in this Ordinance.

The Bonds will be issued in the following form:

"No. \_\_\_\_\_, \$1000.00 United States of America, State of Oregon, Port of Newport, PORT OF NEWPORT MARINA REVENUE BONDS, SERIES 1963, for value received, promises to pay to bearer the sum of \$1000.00 on the 1st day of July 19\_\_\_\_, with interest at the rate of \_\_\_\_\_ per cent per annum payable semi-annually on January 1 and July 1 of each year to the bearer of the respective coupons therefore and hereto attached as they may mature, both principal and interest being payable in lawful money of the United States of America at the Bank of Newport, Newport, Oregon. This bond is one of the Series of like date and tenor, except as to maturity, aggregating \$85,000. and no/100 par value in amount. Said bonds to be issued for the purpose of procuring funds to aid in financing



the construction of essential public works or facilities consisting of improvements and additions to marine port including land fill on which will be constructed a new gear shed for repair, maintenance and storage of commercial fishing equipment, a 300 car parking lot, and future cold storage plant and loading facilities; and expansion of boat mooring facilities (herein called the "Project"). The Port of Newport secures the holder of this Bond by granting a first lien on and pledge of, and payable from, the net revenues derived from the operation, and/or ownership of the Project and the existing "Mooring Facilities of the Borrower located in Yaquina Bay with a designated capacity of 90 boats."

Principal and interest on these revenue bonds are payable solely out of revenues of the Port pledged to the payment thereof by Ordinance No. 1, 1964.

And it is hereby certified that every requirement of law relating to the issue of this series of bonds has been duly complied with and that this bond is within every debt and other limit prescribed by the Constitution and laws of the State of Oregon; that the PORT OF NEWPORT has not committed use of the funds or the anticipated revenue pledged by Ordinance No. 1, 1964, to be used for any other purpose other than the payment of this bond issue.

Section 5. All bonds numbered 17 through 64 inclusive, shall contain the following paragraph:

"Bonds numbered 17 through 64 inclusive of this issue are subject to call and redemption at the option of the Port of Newport in whole or in part and in inverse numerical order on any interest payment date after July 1, 1973. Notice of redemption shall be given by publication in a newspaper of general circulation in the Port District. Redemption shall be at par plus accrued interest to the date of redemption plus a premium for each bond as follows:

3% if redeemed January 1, 1974 through July 1, 1978, inclusive;  
2% if redeemed January 1, 1979 through July 1, 1983, inclusive;  
1% if redeemed after July 1, 1983.

Section 6. All bonds numbered 65 through 85, inclusive, shall contain the following paragraph:

"Bonds numbered 65 through 85 inclusive of this issue, maturing July 1, 1989, through July 1, 1989 through July 1, 1993, inclusive, are subject to call and redemption at the option of the Port of Newport in whole or in part and in inverse numerical order on any interest payment date upon at least thirty days prior notice at par plus accrued interest to the date of redemption. Notice of redemption shall be given by publication by a newspaper of general circulation in the Port District.

Section 7. Priority as to call shall extend to bonds numbered 65 through 85, inclusive over bonds numbered 17 through 64 inclusive.

Section 8. That the following form be and the same is hereby approved and declared to be the form of the coupon to-wit:

January  
On the 1st day of July, 19\_\_\_\_, PORT OF NEWPORT, Oregon, will pay the bearer at the Bank of Newport, Newport, Oregon \$\_\_\_\_\_, lawful money of the United States, being six months interest on PORT OF NEWPORT MARINA REVENUE BONDS, SERIES 1963, No. \_\_\_\_\_ dated July 1, 1964, Coupon No. \_\_\_\_\_.

PORT OF NEWPORT

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

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

Section 9. That the President of the Port of Newport and the Secretary of the Port of Newport are hereby authorized and instructed to prepare, execute and deliver the aforesaid issue of bonds as and when the sale of said bonds is authorized.

Section 10. That the Secretary of the Port of Newport is hereby authorized and instructed to advertise the aforesaid bonds for sale, bids to be opened at the regular session of the Port of Newport to be held on \_\_\_\_\_ said advertisement to run in the Newport News once each week for two successive weeks prior to date of sale.

Blocks of Maturities for which bids will be Accepted:

1. Bonds maturing in the years 1966 through 1973, inclusive;
2. Bonds maturing in the years 1974 through 1978, inclusive;
3. Bonds maturing in the years 1979 through 1983, inclusive;
4. Bonds maturing in the years 1984 through 1988, inclusive;
5. Bonds maturing in the years 1989 through 1993, inclusive; and
6. The entire issue.

Section 11. The Port of Newport has pledged as additional security for the payment of these bonds revenues to be derived from facilities other than the particular facilities financed by the sale of these bonds. The Port of Newport does covenant and agree with the bondholders that during the term of maturity of these bonds the Port of Newport will not increase or use its tax-derived revenues for operation and maintenance expenditure during any fiscal year to pay for the operating expenses of any of the facilities whose net income is pledged to the payment of these bonds."

ADOPTED this 11th day of May, 1964.

PORT OF NEWPORT  
By Lyle Hasselbaink President  
By Stanley Alley Secretary