

PORT OF NEWPORT
ORDINANCE NO. 1, 1965

AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF REVENUE BONDS OF THE PORT OF NEWPORT; NEWPORT, OREGON IN THE SUM OF FORTY THOUSAND (\$40,000.00) DOLLARS TO PROVIDE FUNDS TO CONSTRUCT WATERFRONT IMPROVEMENTS, DEPOE BAY MARINA, PORT OF NEWPORT, 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 such is in good standing, and

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 hereto attached, marked Exhibit "A" 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 and sell Revenue Bonds in its name and with its corporate seal in the amount of \$40,000, said bonds to be in conformance as set forth in Section 5 of this Ordinance.

Section 2. That the proceeds from the sale of said Revenue Bonds shall be used solely for the purposes of waterfront improvements, Depoe Bay Marina as set forth in the Contract Documents and Specifications, March, 1964, as prepared by Caufield and Caufield, Consulting Engineers for the Port of Newport.

Section 3. That said proceeds from the sale of said Revenue Bonds shall be deposited in a special trust fund in the Lincoln Bank, Taft, Oregon, which is a member of the Federal Deposit Insurance Corporation, to be designated as Waterfront Improvements, Depoe Bay Marina Special Trust Fund, which special trust fund is hereby created and the Lincoln Bank of Taft, Oregon, a member of the Federal Deposit Insurance Corporation is hereby appointed trustee to administer the same for the purposes herein set forth.

Moneys in said "Waterfront Improvements, Depoe Bay Marina Special Trust Fund" shall be secured by the bank in which they are kept in the manner prescribed by statutes relating to the securing of public funds. Where the moneys on deposit in said account exceed the estimated disbursements on account of the project for the next 90 days (three months), the district may direct the bank to invest such excess funds in direct obligations of, or obligations the principal and interest of which are guaranteed by, the United States Government, which shall mature not later than three (3) years after the date of such investment and which shall be subject to redemption at any time by the holder thereof. Any moneys remaining in said account after all costs of the project have been paid shall be promptly used to the extent possible for the redemption of said bonds, and any residue shall be deposited in the Port of Newport, Depoe Bay Marina Improvement and Interest Sinking Fund Account, described in paragraph 5 below.

Section 4. The district will establish and maintain in the Lincoln Bank of Taft, Oregon, which is a member of the Federal Deposit Insurance Corporation, so long as any of the Depoe Bay Marina Revenue Bonds, Series 1965 are outstanding, a separate account called the "Depoe Bay Marina Revenue Bond Account" into which shall be deposited all income and revenues derived from the ownership and operation of the Depoe Bay Marina and which shall be expended and used only in the manner and order specified in the next three paragraphs immediately hereinafter contained.

Section 5. Current expenses of the Depoe Bay Marina shall be payable, as a first charge, from the Depoe Bay Marina Revenue Bond Account as the same become due and payable. The term Current Expenses shall include all necessary operating expenses, current maintenance charges, expenses of reasonable upkeep and repairs, charges for insurance and all other expenses incidental to the operation of the Depoe Bay Marina, but shall exclude depreciation and payments into the Depoe Bay Marina Revenue Bonds, Series 1965 and Interest Sinking Fund Account hereinafter established.

Section 6. The district agrees, promises and shall establish and maintain in the Lincoln Bank of Taft, Oregon, which is a member of the Federal Deposit Insurance Corporation, so long as any of the Depoe Bay Marina Revenue Bonds, Series 1965 are outstanding, a separate special account called the "Depoe Bay Marina Revenue Bonds, Series 1965 and Interest Sinking Fund Account" into which shall be deposited all accrued interest received from the sale of the bonds. In addition, commencing as soon as the construction and installation of the Depoe Bay Marina is completed, on or before each December 15 and June 15, the district shall deposit to the credit of said account the balance remaining in the "Depoe Bay Revenue Bond Account" after payment of Current Expenses, and any other funds which may be available, until the funds on deposit in the "Depoe Bay Marina Revenue Bonds, Series 1965 and Interest Sinking Fund Account" are sufficient to provide the then current year's debt service plus a reserve in the amount of \$4,000.00 and thereafter, such sums as may be necessary to meet the then current year's debt service and maintain the debt service reserve in the amount of \$4,000.00

Section 7. As soon as the deposits have been made as provided in paragraphs 4 and 6 immediately above, the district promises to establish and maintain, in the Lincoln Bank of Taft, Oregon, which is a member of the Federal Deposit Insurance Corporation, a separate account called the "1965 Repair and Replacement Fund Account" into which shall be deposited monthly to the credit of said account the balance remaining in the "Depoe Bay Marina Revenue Bond Account" until the sum of \$2,000.00 has been accumulated and, thereafter, such sums as may be necessary to

maintain said account in the amount of \$2,000.00. Funds on deposit in the "1964 Repair and Replacement Fund Account" shall be used to pay for necessary repairs and replacements to the Depoe Bay Marina. However, in the event funds on deposit in the "Depoe Bay Marina Revenue Bonds, Series 1965 and Interest Sinking Fund Account" should be reduced below the amount required to meet current debt service plus the reserve of \$4,000.00, funds on deposit in the "1965 Repair and Replacement Fund Account" may be transferred to that Account to the extent required to eliminate the deficiency.

Section 8. Subject to the foregoing provisions, the district shall have the right to use the balance of excess funds in the "Depoe Bay Marina Revenue Bond Account" to redeem outstanding Depoe Bay Marina Revenue Bonds, Series 1965 in amounts not less than \$1,000.00 par value at one time or for any other lawful purpose.

Section 9. The district further promises and agrees to maintain and collect, so long as any of the Depoe Bay Marina Revenue Bonds, Series 1965, and any additional Depoe Bay Marina Bonds that may be issued as hereinafter provided, are outstanding, such schedule of rates and charges for services as may be necessary to provide for current debt service on the bonds, the establishment and maintenance of the debt service reserve and payment of reasonable expenses of operation and maintenance of the Marina system.

Section 10. The district further promises and agrees with the holders of the Depoe Bay Marina Revenue Bonds, Series 1965, that additional serial Revenue Bonds having a lien upon and payable from the revenues of the Depoe Bay Marina may be issued upon a parity with this issue for the purpose of constructing, improving or acquiring extensions, additions or betterments to the Depoe Bay Marina provided:

- (a) That the district is in full compliance with all of the covenants and understandings in connection with all of its Depoe Bay Marina Revenue Bonds then outstanding and payable from the revenues of the Depoe Bay Marina or any part thereof;
- (b) The annual net revenues defined as gross revenues less current expenses of the Depoe Bay Marina for twelve consecutive months immediately preceding the issuance of additional Revenue Bonds, as shown by a certificate of audit prepared by an independent public accountant employed by the district, plus the anticipated average annual net revenue for the first 36-month period in which the proposed improvements, extensions, additions or betterments to the Depoe Bay Marina will be in operation, as shown by a certificate of an independent recognized consulting engineer and approved by the chief officer and governing body of the district, are at least 1.40 times the maximum annual debt service on all the Revenue Bonds then outstanding and on the additional bonds proposed to be issued,

Section 11. The district further promises and agrees that in the event additional series of parity bonds are issued, it shall:

- (a) Adjust the amount of the debt service reserve to a sum equal to not less than twice the maximum annual debt service on the bonds then outstanding and such additional parity bonds, the additional debt service reserve to be accumulated in the manner hereinbefore provided;

- (b) Adjust the amount of the "Building Repair and Replacement Account" commensurate with the character, scope and cost of the improvements, extensions, additions or betterments to be constructed or acquired with the proceeds of such additional bonds, the additional amount to be accumulated in the manner hereinbefore provided, and
- (c) Make such additional bonds payable as to principal on January 1 of each year in which principal falls due and payable as to interest on January and July 1 of each year.

Section 12. If in any subsequently issued series of bonds secured by a parity lien on the revenues of the Depoe Bay Marina it is provided that excess revenues in the Revenue Fund Account shall be used to redeem bonds in advance of scheduled maturity, it is agreed and understood (1) that calls of bonds will be applied to each series of bonds on an equal pro rata basis (reflecting the proportion of the original amount of each series of bonds outstanding at the time of such call) and (2) that calls of bonds for each series of bonds will be in accordance with the call provisions of the respective bond series. However, the district shall have the right to call, subject to the call provisions of the respective bond series, any or all outstanding bonds which may be called at par prior to calling any Bonds that are callable at a premium.

Section 13. The district at all times shall keep and maintain the Depoe Bay Marina in an efficient manner and at a reasonable cost.

Section 14. That the Revenue Bonds shall be 40 in number, numbered from 1 to 40 inclusive, and shall aggregate the sum of \$40,000.00 in denominations of \$1,000.00, all to mature as follows:

| <u>NUMBER</u> | <u>MATURITY</u> | <u>AMOUNT OF PRINCIPAL</u> |
|---------------|-----------------|----------------------------|
| 1 through 4 | January 1, 1966 | \$4,000.00 |
| 5 through 8 | January 1, 1967 | 4,000.00 |
| 9 through 12 | January 1, 1968 | 4,000.00 |
| 13 through 16 | January 1, 1969 | 4,000.00 |
| 17 through 20 | January 1, 1970 | 4,000.00 |
| 21 through 24 | January 1, 1971 | 4,000.00 |
| 25 through 28 | January 1, 1972 | 4,000.00 |
| 29 through 32 | January 1, 1973 | 4,000.00 |
| 33 through 36 | January 1, 1974 | 4,000.00 |
| 37 through 40 | January 1, 1975 | 4,000.00 |

Section 15. That said Revenue Bonds shall be printed or lithographed and in substantially the following form, to-wit:

NO. _____ UNITED STATES OF AMERICA \$1,000.00
STATE OF OREGON
PORT OF NEWPORT, WATERFRONT IMPROVEMENTS, LINCOLN COUNTY,
OREGON, DEPOE BAY MARINA REVENUE BONDS, SERIES 1965

KNOW ALL MEN BY THESE PRESENTS, That Port of Newport in Lincoln County, State of Oregon, for value received promises to pay to the bearer the

sum of One Thousand Dollars (\$1,000.00) in lawful money of the United States of America upon the presentation and surrender of this obligation on the _____ day of January, 19____, without grace, with interest thereon from the date hereof at _____per annum, payable semi-annually in like money on the 1st day of January and the 1st day of July of each year, on the presentation and surrender of the proper coupon hereto annexed, principal and interest payable at the Lincoln Bank of Taft, Oregon.

This bond is one of the Series of like date and tenor, except as to maturity, aggregating \$40,000. 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 works including boat mooring facilities. 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 facilities being constructed and the existing boat mooring facilities of the Port of Newport located in Depoe Bay, Oregon, with a designed capacity of 140 boats.

Principal and interest on these revenue bonds are payable solely out of revenue of the Port pledged to the payment thereof by Ordinance No.1, 1965.

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 the debt and other limit prescribed by the Constitution and the laws of the State of Oregon; that the Port of Newport has not committed use of the funds or the anticipated pledged revenue to be used for any other purpose other than the payment of this bond issue.

Bonds numbered 1 through 32, inclusive, maturing January 1, 1966, through January 1, 1973, inclusive, are noncallable. Bonds numbered 33 through 40, 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 on or after January 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 of 1% if redeemed before maturity.

IN WITNESS WHEREOF, the Board of Commissioners of the Port of Newport, Lincoln County, Oregon, has caused this bond to be signed by its President and its Secretary, and has caused the annexed interest coupons to bear the facsimile signatures of its said officers this first day of January, 1965.

PORT OF NEWPORT

By _____
President

By _____
Secretary

Section 16. That each bond of said Revenue Bond issue shall have attached thereto a coupon for each six months' interest with the signature of the President and Secretary of the Board of Commissioners signed or lithographed thereon. Each coupon maturing on or prior to January 1, 1973 shall be in substantially the following form, to-wit:

Coupon No. _____ (January) _____, 19 _____ \$ _____
(or July)

On _____ Port of
Newport, Lincoln County, Oregon, will pay to bearer

_____ Dollars
in lawful money of the United States of America at the Lincoln Bank of Taft, Oregon
for six months' interest then due on Port of Newport, Waterfront Improvements,
Depoe Bay Marina Revenue Bonds, Series 1965, No. _____

DATED: January 1, 1965.

Countersigned:

PRESIDENT, Board of Commissioners

SECRETARY, Board of Commissioners

Section 17. All coupons maturing after January 1, 1973, shall be in substantially the following form, to-wit:

Coupon No. _____ January _____, 19 _____ \$ _____
(or July)

On _____ unless the
bond to which this coupon is attached shall have previously been called for redemption
and due provision made for payment thereof, Port of Newport, Lincoln County,
Oregon, will pay to bearer,

_____ Dollars
in lawful money of the United States of America at the Lincoln Bank of Taft, Oregon,
for six months' interest then due on Port of Newport, Waterfront Improvements,
Depoe Bay Marina Revenue Bonds, Series 1965, No. _____.

DATED: January 1, 1965.

Countersigned:

PRESIDENT, Board of Commissioners


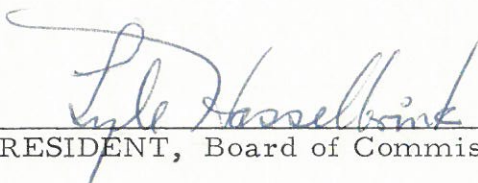
SECRETARY, Board of Commissioners

Section 18. Said Revenue Bonds shall be sold to the highest responsible bidder for not less than 98% of their par value, and the entire amount of accrued interest thereon and to the bidder offering the lowest effective interest rate to the district, taking into consideration and account such items of cost as have been or shall be charged by the bidder in connection with the purchase of the bonds, and such premiums or discounts as are offered, with interest being computed to the respective maturity dates.

Section 19. That the Secretary of the Board of Commissioners be, and he hereby is, authorized and directed to advertise the aforesaid bonds for sale in the North Lincoln News-Guard, Delake, Oregon, a newspaper of general circulation in Lincoln County, Oregon, once each week for two successive weeks; that said advertisement and notice of sale shall call for the opening of bids on the 29th day of March, 1965, at 8:00 p.m.

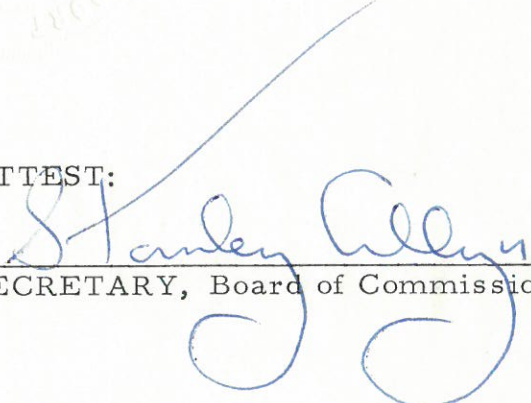
Section 20. Ordinance No. 2, 1964, and all of the acts and doings of the Board of Commissioners of the Port of Newport pursuant thereto are hereby ratified, approved and confirmed.

ADOPTED by the Board of Commissioners of the Port of Newport, Lincoln County, Oregon, at a regular meeting assembled March 8, 1965.

PRESIDENT, Board of Commissioners

ATTEST:



SECRETARY, Board of Commissioners