

PORT OF NEWPORT  
LINCOLN COUNTY, OREGON •

ORDINANCE NO. 1, 1989

AN ORDINANCE OF THE PORT OF NEWPORT, LINCOLN COUNTY, OREGON AUTHORIZING THE ISSUANCE AND SALE OF APPROXIMATELY \$1,610,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 1989; AUTHORIZING A SPECIAL AD VALOREM TAX LEVY; DESIGNATING BOND COUNSEL, A PAYING AGENT AND BOND REGISTRAR, AND FINANCIAL ADVISOR; AND AUTHORIZING THE PUBLICATION OF A NOTICE OF BOND SALE.

WHEREAS, the Port of Newport, Lincoln County, Oregon (the "Issuer"), pursuant to ordinances enacted in 1977, 1978 and 1979, issued General Obligation Installment Bonds to the United States of America by and through the Department of Agriculture, Farmers Home Administration, as follows:

<u>Date of Issue</u>	<u>Original Principal Amount Issued</u>
07/27/77	\$ 665,000
05/01/78	340,000
07/10/79	400,000
09/11/79	700,000
12/17/79	<u>395,000</u>
Total	\$2,500,000

The Issuer currently has approximately the sum of \$2,112,227.60 outstanding and owing to Farmers Home Administration for the above five issues (the "Outstanding Bonds").

WHEREAS, Farmers Home Administration has agreed to negotiate a compromise of the indebtedness and the refunding of the Outstanding Bonds which will effect a considerable saving to the Issuer. By virtue of the authority of the laws of the State of Oregon, particularly Oregon Revised Statutes 777.455 to 777.505, inclusive, the Issuer is authorized to issue and sell refunding bonds for the purpose of refunding its outstanding bonds without elector approval.

WHEREAS, in order to proceed with the payment of indebtedness owing to the Farmers Home Administration, it is necessary for the Issuer to authorize the issuance and the

public competitive sale of its General Obligation Refunding Bonds, Series 1989, and the entering into a compromise agreement with Farmers Home Administration.

NOW, THEREFORE, THE BOARD OF PORT COMMISSIONERS OF THE PORT OF NEWPORT, LINCOLN COUNTY, OREGON ORDAIN AS FOLLOWS:

a. Issuance of Bonds. The Board of Directors of the Port authorizes the issuance and public competitive sale of approximately \$1,610,000 of its General Obligation Refunding Bonds, Series 1989 (the "Bonds"). The Bonds shall be serial negotiable general obligation bonds of the Issuer and shall bear interest at a true effective rate not to exceed nine percent (9%) per annum, payable semi-annually on the first day of February and the first day of August of each year, commencing August 1, 1989.

b. Title and Execution of Bonds. The Bonds shall be entitled "Port of Newport, Oregon General Obligation Refunding Bonds, Series 1989" and shall bear the facsimile signature of the President of the Issuer and the facsimile signature of the Secretary.

c. Terms of Bonds. The Bonds shall be issued in fully registered form, shall be in denominations of Five Thousand Dollars (\$5,000) each, or integral multiples thereof, shall be dated February 1, 1989, shall be numbered sequentially beginning with R-1, and shall mature serially in numerical order on the first day of February of each year, as follows:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Maturity Date</u>	<u>Principal Amount</u>
1990	\$40,000	2001	\$ 80,000
1991	45,000	2002	85,000
1992	45,000	2003	95,000
1993	50,000	2004	100,000
1994	50,000	2005	105,000
1995	55,000	2006	115,000
1996	60,000	2007	125,000
1997	60,000	2008	135,000
1998	65,000	2009	75,000
1999	70,000	2010	80,000
2000	75,000		

d. Optional Redemption. The Bonds of this issue maturing after February 1, 2001 are redeemable at the option of the Issuer on or after February 1, 2001 and on any interest payment date thereafter at par value together with accrued interest to the date fixed for redemption. The Bonds are redeemable, in

whole, or in part, in integral multiples of \$5,000, in inverse order of maturity and by lot within a maturity.

Notice of redemption shall be published as provided by law and shall be given by registered or certified mail not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owners of each Bond to be redeemed at the address shown on the registration books of the Issuer.

e. Payment of Bonds. The principal of the Bonds shall be payable upon delivery of the Bonds at maturity at the principal corporate trust office of the Paying Agent in Portland, Oregon. Payment of each installment of interest due on February 1 and August 1 of each year shall be made by check or draft of the Paying Agent mailed to the registered owner thereof whose name and address appears on the registration books of the Issuer maintained by the Paying Agent as of the close of business on the 15th day of the month next preceding any interest payment date.

f. Form of Bonds. The Bonds shall be issued substantially in the form as approved by the Issuer, Bond Counsel and the Financial Advisor. The Bonds may be issued as an installment temporary bond. In such event, printed definitive bonds will be exchanged for the temporary bond within thirty (30) days of the date of sale.

g. Appointment of Paying Agent and Bond Registrar. The Issuer designates the First Interstate Bank of Oregon, N.A. as the Paying Agent and Bond Registrar of the Bonds. The General Manager is authorized to negotiate and execute on behalf of the Issuer a Paying Agent and Bond Registrar Agreement, as approved as to form by the General Manager. The Agreement shall provide for compliance with Oregon Administrative Rule 170-61-010. In addition, the Board requests and authorizes the Bond Registrar to execute the Certificate of Authentication as of the date of delivery of the Bonds.

h. Transfer of Bonds. The Bonds are transferable, or subject to exchange, for fully registered Bonds in the denomination of \$5,000 each or integral multiples thereof by the registered owner thereof in person, or by the owner's attorney, duly authorized in writing, at the office of the Bond Registrar. The Paying Agent shall maintain a record of the names and addresses of the registered owners of the Bonds. The records of registered bond ownership are not public records within the meaning of Oregon Revised Statutes 192.410(4).

All bonds issued upon transfer of or in exchange for Bonds shall be valid general obligations of the Issuer evidencing the same debt and shall be entitled to the same benefits as the Bonds surrendered for such exchange or transfer. All fees, expenses and charges of the Paying Agent and Bond Registrar shall be payable by the Issuer. The Bond Registrar shall not be required to transfer or exchange any Bond after the close of business on the 15th day of the month next preceding any interest payment date or transfer or exchange any Bond called or being called for redemption.

i. Printing of Bonds. The General Manager is authorized to contract for the printing of the Bonds. The General Manager may provide for the printing of, in addition to the original issue of Bonds, additional bonds to be printed in blank form as to registration and to be designated by appropriate number for the Bond Registrar for delivery to the registered owner upon transfer or exchange of Bonds. The additional bonds shall be dated as of February 1, 1989, shall be signed by the facsimile signature of the present President of the Board of Commissioners and by the facsimile signature of the present Secretary and the Bond Registrar shall manually sign the Certificate of Authentication as of the date of transfer of the Bonds.

j. Pledge of Tax Levy. The full faith and credit of the Issuer is pledged to the successive owners of each of the Bonds for the punctual payment of the principal of and interest on the Bonds when due. The Issuer shall levy annually, as provided by law, a direct ad valorem tax upon all of the taxable property within the Issuer in sufficient amount, without limitation, to pay the principal of and interest on the Bonds promptly as they become due and payable. The Issuer hereby covenants with the owners of the Bonds to levy such a tax in sufficient amount to pay the principal of and interest on the Bonds as they respectively become due and payable after first taking into consideration other sources and revenues available for the payment thereof.

k. Covenant as to Arbitrage. The proceeds of the Bonds shall be used and invested in such manner that the Bonds shall not become "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, (the "Code") and the applicable regulations. The Issuer covenants that, within its lawful powers, it will not do, and will refrain from doing, anything in the issuance of the Bonds and in the investment and expenditure of the proceeds thereof which would result in the interest on the Bonds becoming taxable for federal income tax purposes.

1. Designation as Qualified Tax-Exempt Obligations. The Issuer hereby designates the Bonds for purposes of paragraph (3) of Section 265(b) of the Code as "qualified tax-exempt obligations" and covenants that the Bonds do not constitute private activity bonds as defined in Section 141 of the Code, and that not more than \$10,000,000 aggregate principal amount of obligations, the interest on which is excludable under Section 103(a) of the Code from gross income for federal income tax purposes (excluding, however, private activity bonds other than qualified 501(c)(3) bonds) including the Bonds, have been or shall be issued by the Issuer, including all subordinate entities of the Issuer, if any, during the calendar year 1989.

m. Exception for Small Governmental Units. The Board of Directors finds and determines that the Bonds of the Issuer comply with the statutory requirements of Section 148(f)(4)(C) of the Code in that the Issuer is a governmental unit having general taxing powers, the Bonds are not being issued for a private activity purpose, more than 95% of the net proceeds of the Bonds will be used for local governmental activities of the Issuer, and the aggregate face amount of all tax-exempt obligations which will be issued by the Issuer during the calendar year 1989 is not reasonably expected to exceed \$5,000,000.

n. Sale of Bonds. The General Manager is authorized to establish a date of sale and to advertise the Bonds for public sale at a price not less than 98% of par value thereof and accrued interest to the date of delivery. The Notice of Bond Sale shall be published as provided by law. The Notice of Bond Sale shall specify that the Issuer reserves the right to reject any and all bids, and in all other respects the Notice shall comply with the provisions of Chapter 287 of Oregon Revised Statutes, as amended. All rates bid must be in integral multiples of one-eighth or one-twentieth of one percent. All bonds of the same maturity must bear a single rate from the date of issue to maturity. The maximum true effective rate of interest on the Bonds shall not exceed nine percent (9%). The interest rate named for the Bonds of any maturity shall not be less than the interest rate named for the Bonds of an earlier maturity. The maximum interest rate for any one maturity shall not exceed twelve percent (12%).

o. Appointment of Bond Counsel. Messrs. Rankin VavRosky Doherty MacColl & Mersereau of Portland, Oregon are appointed Bond Counsel for the issuance of the Bonds.

p. Appointment of Financial Advisor. The Public Finance Department of the United States National Bank of Oregon is appointed Financial Advisor to the Issuer for the General Obligation Refunding Bonds, Series 1989.

q. Preliminary and Final Official Statement. The Issuer shall prepare, with the assistance of its Financial Advisor, a preliminary official statement for the Bonds, which shall be available for distribution to prospective bidders not later than the date on which the Notice of Bond Sale is first published. When advised by staff that the final official statement does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained in the official statement not misleading in the light of the circumstances under which they are made, the General Manager is authorized to certify the accuracy of the official statement on behalf of the Issuer.

r. Execution of Documents. The General Manager is authorized to execute the Certificate as to Arbitrage and any and all additional documents which may reasonably be required to issue, sell and deliver the Bonds.

Approved and adopted this 23rd day of January, 1989.

  
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President  
Board of Port Commissioners

Attest:

  
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Secretary  
Board of Port Commissioners