

ORDINANCE 1-86

AN ORDINANCE OF THE PORT OF NEWPORT, OREGON AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$3,700,000 OF PORT OF NEWPORT, OREGON INDUSTRIAL DEVELOPMENT REVENUE BONDS, SERIES 1986 (DIVERSIFIED CHIPPING CO. PROJECT) PROVIDING FOR PAYMENT OF THE BONDS; PROVIDING FOR THE APPOINTMENT OF A TRUSTEE; PROVIDING FOR THE EXECUTION OF CERTAIN DOCUMENTS AND PROVIDING FOR AN EFFECTIVE DATE.

BE IT ENACTED BY THE PORT OF NEWPORT, OREGON:

Section 1. Definitions. The terms set forth below shall have the following meanings in this Ordinance unless the context clearly requires otherwise:

(A) "Act" means Chapter 777 of the Oregon Revised Statutes, as amended, and all future acts supplemental thereto or amendatory thereof.

(B) "Bond" or "Bonds" means any Bond or all of the Bonds as the case may be, of the Port authorized and issued by the Port, and delivered under this Ordinance and issued under the Indenture.

(C) "Port" means the Port of Newport, Oregon, a municipal corporation of the State of Oregon, and any successor to its duties and functions.

(D) "Project" means a wood chip storage facility.

Section 2. Findings and Determination of Port. Under the Act, the Port is authorized (1) to acquire land and construct buildings or other improvements and to acquire personal properties suitable for use in the storing, warehousing, distributing or selling or servicing and products of agriculture, mining or industry, and (2) to negotiate the issuance and sale of its revenue bonds without the necessity of the authorization of the voters of the Port, which bonds shall not in any manner or to any extent be a general obligation of the Port nor a charge upon the tax revenues of the Port nor a charge upon any other revenue or property of the Port not specifically pledged thereto. To promote the purposes of the Act, it is hereby found and determined that it is advisable and desirable that the Port acquire the Project, sell the

Project, and issue its Bonds to finance the cost of such acquisition, construction and installation, which Bonds shall be payable solely from special funds of the Port.

Section 3. Issuance of Bonds. The Port hereby authorizes the issuance, execution and delivery of not to exceed \$3,700,000 of its Industrial Development Revenue Bonds, Series 1986 (Diversified Chipping Co. Project) for the purpose of financing the Project.

Section 4. Security for Bonds. The Bonds shall be secured as provided in a subsequent resolution of the Port which such resolution shall provide for special funds for the payment of the principal and interest on the Bonds.

Section 5. Appointment of Trustee. The Port hereby appoints the United States National Bank of Oregon, as Trustee, to administer the trust funds established in the Indenture, to authenticate the Bonds and otherwise perform its duties set forth in the Indenture.

Section 6. Contract with Bondholders. This Ordinance shall constitute a contract with the holders of the Bonds and shall be enforceable by any owner or holder of the Bonds.

Section 7. Port Land Availability. This does not constitute a commitment on the part of the Port to provide land or space for the proposed facility. However, the Port will consider leasing land for the Project in the event a binding commitment shall be obtained for the purchase of the bonds, conditional only upon satisfactory negotiation of a project site lease. The Port shall have no obligation to provide such land and shall have no obligation to negotiate to provide such land unless Port, in its discretion, shall determine that it has land surplus to the needs of the Port which is available for such purpose at the time a bond purchase commitment shall be obtained, and the Port shall be requested to consider a land lease. The Port will act expeditiously to consider any such request.

Section 8. Effective Date. An emergency exists because of the necessity of the financing of the Project

prior to December 31, 1986, to take advantage of tax-exempt financing terms; therefore, this Ordinance shall become effective immediately.

PASSED and APPROVED this 22nd day of December, 1986,

PORT OF NEWPORT

DIVERSIFIED CHIPPING CO.

By: Mike Mulhain
President

By: [Signature]
President

ATTEST:

By: [Signature]
Secretary