

**RESOLUTION NO. 2002-03-5**

**A RESOLUTION OF PORT OF HOOD RIVER, HOOD RIVER COUNTY,  
OREGON, AUTHORIZING THE ISSUANCE OF REVENUE BONDS AND  
A MASTER REVENUE BOND DECLARATION.**

**BE IT RESOLVED by the Board of Port Commissioners (the “Board”) of the Port of Hood River (the “Port”) that:**

**Section 1. Findings**

The Board finds as follows:

- 1.1. The Port is authorized to issue revenue bonds by ORS 777.560.
- 1.2. Notice of adoption of this resolution was published in a newspaper of general circulation, published within the Port in Hood River County, for two consecutive weeks, as required by ORS 777.565.
- 1.3. The Port now desires to issue revenue bonds pursuant to that statute to finance improvements to the Port’s toll bridge and improvements to adjacent transportation infrastructure to address existing traffic congestion in the vicinity of the bridge.
- 1.4. The Board adopts this resolution to authorize the issuance of up to \$8,000,000 of revenue bonds that will be payable from the general revenues of the Port.

**Section 2. Bonds Authorized**

- 2.1. The Port hereby authorizes the sale and delivery of its General Revenue Bonds, Series 2003 (the “Series 2003 Bonds”) in accordance with this Resolution and the Master Declaration authorized by Section 2.3(5) of this Resolution (the “Master Declaration”) to finance improvements to the Port’s toll bridge. The aggregate principal amount of the Series 2003 Bonds shall not exceed Eight Million Dollars (\$8,000,000).
- 2.2. The Series 2003 Bonds and any obligations issued on a parity with the Series 2003 Bonds shall be special obligations of the Port that are payable solely from the revenues of the Port as provided in the Master Declaration.
- 2.3. The Executive Director or the or the person designated by the Executive Director to act on behalf of the Port under this Resolution (any of whom is referred to in this resolution as a “Port Official”) may, on behalf of the Port:
  - (1) Participate in the preparation of, authorize the distribution of, and deem final the preliminary and final official statements and any other disclosure documents for the Series 2003 Bonds.

*See  
2013-14-1*



- (2) Establish the final principal amounts, maturity schedules, interest rates, sale prices, redemption terms, payment terms and dates, record dates and other terms for the Series 2003 Bonds, and either publish a notice of sale, receive bids and award the sale of that series to the bidder complying with the notice and offering the most favorable terms to the Port, or select one or more underwriters and negotiate the sale of that series with those underwriters.
- (3) Undertake to provide continuing disclosure for the Series 2003 Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission.
- (4) Apply for and purchase municipal bond insurance, reserve sureties or other forms of credit enhancements for the Series 2003 Bonds, and enter into related agreements.
- (5) Finalize the terms of, execute and deliver the Master Declaration, which pledges the Port's general revenues, contains covenants regarding the levels of fees and charges that the Port must impose for its facilities, describes the terms of the Series 2003 Bonds, and the terms under which future obligations may be issued on a parity with the Series 2003 Bonds. The Master Declaration shall be in substantially the form attached to this Resolution as Exhibit A, but with such changes as the Port Official may approve.
- (6) Appoint and enter into agreements with paying agents and other professionals and service providers.
- (7) Enter into covenants to maintain the excludability of Series 2003 Bond interest from gross income under the Internal Revenue Code of 1986, as amended (the "Code").
- (8) Designate the Series 2003 Bonds as qualified tax-exempt obligations pursuant to Section 265(b)(3) of the Code.
- (9) Execute any documents and take any other action in connection with the Series 2003 Bonds which the Port Official finds will be advantageous to the Port.

ADOPTED by the Board of Port Commissioners of the Port of Hood River at a meeting thereof, held this 17th day of June, 2003.

PORT OF HOOD RIVER OREGON

  
\_\_\_\_\_  
President

ATTEST:

  
\_\_\_\_\_  
Secretary



**Exhibit A**  
**Bond Declaration**



# **Master Revenue Bond Declaration**

Port of Hood River  
Hood River County, Oregon

General Revenue Bonds  
Series 2003

Executed by the \_\_\_\_ of the Port of Hood River, Oregon  
As of this \_\_\_\_ day of \_\_\_\_\_, 2003

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## MASTER GENERAL REVENUE BOND DECLARATION

THIS MASTER GENERAL REVENUE BOND DECLARATION is executed as of \_\_\_\_\_ by the \_\_\_\_\_ of the Port of Hood River, Oregon pursuant to authority granted to the \_\_\_ by Port Resolution No. 2002-03-5 to establish the terms under which the Port's General Revenue Bonds, Series 2003 and future general revenue bonds may be issued.

### Section 1. Recitals.

The Port finds:

1.1. The Port is authorized by ORS 777.560 to issue revenue bonds. The Board of Port Commissioners has adopted Resolution No. 2002-03-5, authorizing the Port to issue up to \$8,000,000 of its general revenue bonds, and to execute and deliver this Bond Declaration. Notice of adoption of that resolution was published in a newspaper of general circulation, published within the Port or, if there is no such newspaper, a newspaper of general circulation in Hood River County, for two consecutive weeks, as required by ORS 777.565.

1.2. This declaration establishes the terms under which the Port may issue General Revenue Bonds and also describes the terms under which the Port's General Revenue Bonds, Series 2003 are issued.

1.3. The Port has no obligations outstanding to which the revenues of the Port have been pledged.

### Section 2. Definitions.

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

“Annual Debt Service” means the amount required in a Fiscal Year to pay scheduled debt service on Outstanding Bonds, calculated as follows:

- (i) Interest which is to be paid from proceeds of Bonds shall be subtracted.
- (ii) Port Payments to be made in the Fiscal Year under a Parity Exchange Agreement shall increase Annual Debt Service, and Reciprocal Payments to be received in the Fiscal Year under a Parity Exchange Agreement shall reduce Annual Debt Service.
- (iii) Bonds which are subject to scheduled, noncontingent redemption or tender shall be deemed to mature on the dates and in the amounts which are subject to mandatory redemption or tender, and only the amount scheduled to be Outstanding on the final maturity date shall be treated as maturing on that date.
- (iv) Bonds which are subject to contingent redemption or tender shall be treated as maturing on their stated maturity dates.

“Audit” means the audit required by ORS 297.425.

“Auditor” means a person authorized by the State Board of Accountancy to conduct municipal audits pursuant to ORS 297.670.

“Bonds” means the Series 2003 Bonds and any Parity Obligations issued pursuant to the Section 7 of this Master Declaration.

“Port” means the Port of Hood River, Hood River County, Oregon.

“Port Official” means the Executive Director of the Port, or the person designated by the Executive Director to act on behalf of the Port under this Master Declaration.

“Port Payment” means any scheduled payment required to be made by or on behalf of the Port under an Exchange Agreement which is either fixed in amount or is determined according to a formula set forth in the Exchange Agreement.

“Code” means the Internal Revenue Code of 1986, rules and regulations promulgated thereunder and amendments thereto.

“Default” or “Event of Default” means any event specified in Section 10.1 of this Master Declaration.

“Exchange Agreement” means a swap, cap, floor, collar or similar transaction which includes a written contract between the Port and a Reciprocal Payor under which the Port is obligated to make one or more of the Port Payments in exchange for the Reciprocal Payor's obligation to pay one or more Reciprocal Payments, and which provides that:

(a) the Reciprocal Payments are to be deposited directly into the Revenue Bond Account; and,

(b) the Port is not required to fulfill its obligations under the contract if: (i) the Reciprocal Payor fails to make any Reciprocal Payment; or (ii) the Reciprocal Payor fails to comply with its financial status covenants.

“Fiscal Year” means the period beginning on July 1 of each year and ending on the next succeeding June 30, or as otherwise defined by Oregon Law.

“Facilities” means all real and personal property, and all interests in real or personal property that is now or hereafter owned, operated, used, leased or managed by the Port. However, “Facilities” does not include any Separate Facilities.

“Gross Revenues” means all fees, rentals and other charges obtained by the Port from the Facilities, except:

- (i) any payments of improvement assessments levied against benefited properties;
- (ii) the proceeds of any grants;
- (iii) the proceeds of any borrowing for capital improvements;
- (iv) the proceeds of any liability or other insurance;
- (v) the proceeds of any casualty insurance which the Port intends to utilize for repair or replacement of the Facilities;
- (vi) proceeds from the sale of assets pursuant to Section 6.8 of this Master Declaration; and,
- (viii) the proceeds of any ad valorem or other taxes imposed by the Port.

“Master Declaration” means this Master General Revenue Bond Declaration.

“Maximum Annual Debt Service” means the greatest Annual Debt Service, calculated on all Bonds which are Outstanding on the date of calculation.

“Net Operating Revenues” means the Gross Revenues less the Operating Expenses, plus any withdrawals from the Rate Stabilization Account and minus any deposits to the Rate Stabilization Account.

“Operating Expenses” means all expenses incurred for operation, maintenance and repair of the Facilities, including but not limited to administrative expenses, financial and auditing expenses, insurance premiums, claims (to the extent moneys are not available from proceeds of insurance), taxes, legal and engineering expenses relating to operation and maintenance, payments and reserves for pension, retirement, health, hospitalization, and sick leave benefits, and any other similar expenses to be paid to the extent properly and directly attributable to operations of the Facilities. Operating Expenses do not include:

- (i) any rebates paid from Gross Revenues under Section 148 of the Code.
- (ii) payments for the settlement of litigation and payments to any liability reserve fund;
- (iii) depreciation or amortization of property, values, or losses, and all amounts treated for accounting purposes as payments for capital expenditures;
- (iv) payments of debt service (including amounts treated for accounting purposes as debt service payments);
- (v) capital transfers and capital outlays; and,
- (vi) expenses that otherwise would constitute “Operating Expenses” but are paid from grants or other amounts that are not “Gross Revenues.”

“ORS” means the Oregon Revised Statutes.

“Outstanding” refers to all Bonds except Bonds that have been paid or defeased pursuant to Section 14 of this Master Declaration.

“Owner” means a registered owner of a Bond.

“Parity Exchange Agreement” means an Exchange Agreement which qualifies as a Parity Obligation in accordance with Section 7.

“Parity Obligations” means any revenue bonds or other obligations of the Port which are issued in compliance with the provisions of Section 7 of this Master Declaration, and includes Parity Exchange Agreements.

“Permitted Investments” means those investments authorized by Oregon Law for the Port.

“Rate Stabilization Account” means the Rate Stabilization Account established pursuant to Section 4.5 of this Master Declaration.

“Rating Agency” means Fitch, Moody's, S&P, or any other nationally recognized financial rating Agency which has rated Outstanding Bonds or a Credit Facility at the request of the Port.

“Reciprocal Payment” means scheduled payment to be made to, or for the benefit of, the Port under an Exchange Agreement by or on behalf of the Reciprocal Payor, which is either fixed in amount or is determined according to a formula set forth in the Exchange Agreement.

“Reciprocal Payor” means a party to an Exchange Agreement (other than the Port) that is obligated to make one or more Reciprocal Payments thereunder, and which has at least an investment grade rating from a Rating Agency for its obligations under the Exchange Agreement.

“Required Reserve” means an amount equal to the Maximum Annual Debt Service on all Outstanding Bonds or the amount described in the next sentence. If at the time of issuance of a Series of Bonds, the amounts required to be added to the Revenue Bond Reserve Account to make the balance in the Revenue Bond Reserve Account equal to Maximum Annual Debt Service on all Outstanding Bonds exceeds the Tax Maximum calculated with respect to such Series of Bonds, then the Reserve Requirement shall mean the Reserve Requirement in effect immediately prior to the issuance of that Series of Bonds, plus the Tax Maximum calculated with respect to that Series of Bonds.

“Revenue Bond Reserve Account” means the Revenue Bond Reserve Account established pursuant to Section 4 of this Master Declaration.

“Reserve Equivalent” means an insurance policy or letter of credit issued by a municipal bond insurance company or a commercial bank having a credit rating (when the policy or letter of credit is issued) of at least Aa or AA as determined by Moody's Investors Services or Standard & Poor's Corporation, or their successors, in which the insurance company or commercial bank agrees to unconditionally provide the Port with funds in an amount which, when combined with available bond proceeds or other available funds, that have been previously deposited into the Revenue Bond Reserve Account, equals the Required Reserve.

“Revenue Bond Account” means the Revenue Bond Account to be created and maintained in the General Revenue Fund pursuant to Section 4 hereof to hold funds to be used to pay Bond principal, interest and any premium.

“Separate Facilities” means any property which is declared by the Board to constitute a Separate Facility in accordance with Section 9.

“Series” or “Series of Bonds” refers to all Bonds which are issued at one time, pursuant to a single resolution, ordinance or other authorizing document of the Port, regardless of variations in maturity, interest rate or other provisions, unless the documents authorizing the Bonds specify that the Bonds are part of separate Series.

“Series 2003 Bonds” means the Port's General Revenue Bonds, Series 2003, that are described in Section 15 of this Master Declaration.

“Series 2003 Project” means improvements to the Port's toll bridge.

“Subordinate Obligations” means any obligations of the Port payable from Net Operating Revenues which comply with the provisions of Section 8 of this Master Declaration.

“Tax Maximum” means, for any Series of Bonds, the lesser of: Maximum Annual Debt Service on the Series; 125% of average amount of principal, interest and premium, if any, required to be paid on that Series during all Fiscal Years in which that Series will be Outstanding, calculated as of the date of issuance of that Series; or, 10% of the proceeds of such Series, as “proceeds” is defined for purposes of Section 148(d) of the Code.

“General Revenue Fund” means the collection of funds and accounts used by the Port to hold the Gross Revenues and the proceeds of the Bonds, to be maintained pursuant to Section 3.1 of this Master Declaration.

### **Section 3. Deposit, Pledge and Use of Revenues.**

3.1. All Gross Revenues shall be deposited to or maintained in the General Revenue Fund. The Port hereby pledges the Net Operating Revenues to the payment of principal and interest on all Bonds. As long as any Bonds remain issued and Outstanding, moneys in the General Revenue Fund shall be used solely to pay the following amounts in the following order:

- (A) To pay Operating Expenses,
- (B) To credit the Revenue Bond Account to pay Bond principal and interest,
- (C) To credit the Revenue Bond Reserve Account to eliminate any deficiency in the Required Reserve; and,
- (D) For any other lawful purpose, including credits to the Rate Stabilization Account and payments for Separate Facilities, but only if all deposits and payments having a higher priority under this Section have been made.

### **Section 4. Funds and Accounts.**

4.1. The Port shall deposit all Gross Revenues in the General Revenue Fund promptly after the Port receives the Gross Revenues.

4.2. The Port shall establish and maintain the Revenue Bond Account and the Revenue Bond Reserve Account in the General Revenue Fund. The Revenue Bond Account and the Revenue Bond Reserve Account shall be special trust funds, and amounts credited to those accounts shall be held in trust by the Port for the benefit of the Owners.

4.3. The Port hereby covenants with the owners of the Bonds that it will, so long as any Bonds remain Outstanding, make the following deposits from the Net Operating Revenues into the Revenue Bond Account:

- (A) Not less than five business days prior to a Bond interest payment date, the Port will deposit into the Revenue Bond Account an amount equal to the amount necessary to pay Bond interest. Prepayment of deposits will fulfill this requirement.

(B) Not less than five business days prior to a Bond principal payment date, the Port will deposit into the Revenue Bond Account an amount equal to the amount necessary to pay Bond principal. Prepayment of deposits will fulfill this requirement.

4.4. The Port shall maintain the Revenue Bond Reserve Account in the General Revenue Fund.

(A) The Port shall maintain a balance in the Revenue Bond Reserve Account at least equal to the Required Reserve. Moneys required to be maintained in the Revenue Bond Reserve Account will be used only to pay Bond principal and interest and redemption charges, if any, and only in the event that the Net Operating Revenues and moneys in the Revenue Bond Account are insufficient to pay Bond principal and interest when due.

(B) The Port covenants with the owners of the Bonds that it will, on each Bond payment date so long as any Bonds remain Outstanding, deposit from the Net Operating Revenues into the Revenue Bond Reserve Account an amount such that the balance in the Revenue Bond Reserve Account will at least equal the Required Reserve. In the event the amount on deposit in the Revenue Bond Reserve Account is less than the Required Reserve, the deficiency shall be eliminated from payments for such purpose available from the General Revenue Fund, in proportionate monthly amounts so that the Required Reserve is achieved within twelve months from the date of any deficiency. In the event the amount on deposit in the Revenue Bond Reserve Account is more than the Required Reserve, any such excess may be transferred to the Revenue Bond Account.

(C) The balance in the Revenue Bond Reserve Account shall include, in addition to cash deposits and bond proceeds, the face amount of any Reserve Equivalents.

(D) Moneys in the Revenue Bond Reserve Account may be invested only in "Permitted Investments." If Permitted Investments mature later than one year from the date of purchase, then the Port shall prepare and have on file a Certificate with the report required by Section 5.2 of this Master Declaration valuing such Permitted Investments at the lower of cost or market. Deficiencies in the Revenue Bond Reserve Account shall be eliminated as provided in Section 4.4(B) of this Master Declaration.

4.5. The Port shall maintain the Rate Stabilization Account in the General Revenue Fund. Moneys in the Rate Stabilization Account shall be used solely to make appropriations to the General Revenue Fund as determined from time to time by the Port. Deposits to the Rate Stabilization Account for any Fiscal Year reduce Net Operating Revenues for that Fiscal Year, and withdrawals from the Rate Stabilization Account for any Fiscal Year increase Net Operating Revenues for that Fiscal Year. Deposits to and withdrawals from the Rate Stabilization Account shall be made within six months after the end of each Fiscal Year.

## **Section 5. Rate Covenant.**

5.1. The Port covenants that it will charge rates, rents and fees in connection with the operation of the Facilities which, when combined with other Gross Revenues, are adequate to generate:

- (A) Net Operating Revenues, without regard to transfers to and from the Rate Stabilization Account, in each fiscal year at least equal to 1.00 times the Annual Debt Service for that fiscal year; and,
- (B) Net Operating Revenues in each fiscal year, including transfers to and from the Rate Stabilization Account, at least equal to 1.30 times the Annual Debt Service for that fiscal year.

5.2. Not later than six months after the end of each fiscal year the Port shall prepare a report that demonstrates whether the Port has complied with Section 5.1 during that fiscal year. If the report demonstrates that the Port has not complied with Section 5.1 during that fiscal year, it shall not constitute an Event of Default if, within thirty days after the report is filed, the Port files a certificate of a Port Official that specifies the actions that the Port has taken and will take within the next ninety (90) days to permit the Port to comply with Section 5.1 for the remainder of the Fiscal Year in which the report is filed, and for the succeeding Fiscal Year.

## **Section 6. General Covenants.**

The Port hereby covenants and agrees with the owners of all Outstanding Bonds as follows:

6.1. The Port shall, to the extent the Net Operating Revenues are sufficient, promptly cause the principal and interest on the Bonds to be paid as they become due.

6.2. The Port shall maintain complete books and records relating to the operation of the Facilities, and all Port funds and accounts in accordance with generally accepted accounting principles, and will cause such books and records to be audited annually at the end of each Fiscal Year, and an audit report prepared by the Auditor and made available for the inspection of Owners.

6.3. The Port shall not issue Bonds or other obligations having a claim superior to the claim of the Bonds upon the Net Operating Revenues.

6.4. The Port shall promptly deposit into all funds and accounts all sums required to be so deposited.

6.5. The Port shall cause all portions of the Facilities to be operated at all times in a safe, sound, efficient and economic manner in compliance with all health, safety, environmental laws, regulatory body rules, regulatory body orders and court orders applicable to the Port's operation and ownership of the Facilities

6.6. The Port shall cause the Facilities that contribute materially to the Net Operating Revenues to be maintained, preserved, reconstructed, expanded and kept, with all appurtenances and every part and parcel thereof, in good working order and condition, and shall from time to time to be made, without undue deferral, all necessary and proper repairs, replacements and renewals so that at all times the operation of the Facilities shall be properly and advantageously conducted.

6.7. The Port shall at all times maintain with responsible insurers all such insurance on the Facilities as is customarily maintained with respect to works and properties of like character against accident to, loss of or damage to such works or properties. If any useful part of the Facilities is damaged or destroyed, such part will be restored to use. The money collected from insurance against accident to or destruction of the physical Facilities will be used for repairing or rebuilding the damaged or destroyed Facilities, and to the extent not so applied, will be applied to the payment or redemption of the Bonds on a pro rata basis, and for such purpose paid into the Revenue Bond Account. Any such insurance must be in the form of policies or contracts for insurance with insurers of good standing and shall be payable to the Port, or in the form of self-insurance by the Port. The Port shall establish such fund or funds or reserves as are necessary to provide for its share of any such self-insurance.

6.8. The Port will not, nor will it permit others to, sell, mortgage, lease or otherwise dispose of or encumber all or any portion of the Facilities except:

- (A) The Port may dispose of all or substantially all of the Facilities, only if the Port pays all Bonds or defeases them pursuant to Section 14;
- (B) The Port may lease property for reasonable consideration;
- (C) Except as provided in 6.8(C)(3), the Port will not dispose of any part of the Facilities that generates more than 5% of Net Operating Revenues at the time of the disposition unless prior to such disposition either:
  - (1) The Port reasonably projects that the disposition will not impair the ability of the Port to comply with the rate covenant contained in Section 5 of this Master Declaration; or
  - (2) Provision is made for the payment, redemption or other defeasance of a principal amount of the Bonds equal to the greater of the following amounts:
    - (a) An amount which will be in the same proportion to the net principal amount of the Bonds then Outstanding (defined as the total principal amount of the Bonds then Outstanding less the amount of cash and investments in the Revenue Bond Account) that the Gross Revenues attributable to the part of the Facilities sold or disposed of for the 12 preceding months bears to the total Gross Revenues for such period; or
    - (b) An amount which will be in the same proportion to the net principal amount of the Bonds then Outstanding that the book value of the part of the Facilities sold or disposed of bears to the book value of the Facilities immediately prior to such sale or disposition;
  - (3) The Port may dispose of any portion of the Facilities that has become unserviceable, inadequate, obsolete, or unfit to be used or no longer necessary for use in the operation of the Facilities;
  - (4) If the ownership of all or part of the Facilities is transferred from the Port through the operation of law, the Port shall to the extent authorized by law, reconstruct or



replace such transferred portion using any proceeds of the transfer unless the Board reasonably determines that such reconstruction or replacement is not in the best interest of the Port and the Bondowners, in which case any proceeds shall be used for the payment, redemption or defeasance of the Bonds;

6.9. The covenants, representations, and warranties contained in this Master Declaration, each supplemental declaration executed pursuant to this Master Declaration and any covenants, representations and warranties in the closing documents relating to each Series of Bonds issued pursuant to this Master Declaration shall constitute contracts with the Owners of each such Series of Bonds, and shall be enforceable by them.

### **Section 7. Parity Obligations.**

7.1. The Port may issue Parity Obligations to provide funds for any purpose relating to the Facilities which is authorized by law, but only upon the following conditions:

- (A) No Default has occurred and is continuing;
- (B) At the time of the issuance of the Parity Obligations there is no deficiency in the Revenue Bond Account and the Revenue Bond Reserve Account;
- (C) The supplemental declaration authorizing the issuance of the Parity Obligations contains a covenant requiring the Port to charge rates and fees projected to generate Net Operating Revenues equal to the amount described in Section 5.1 of this Master Declaration, including the proposed Parity Obligations.
- (D) Either:
  - (1) the Net Operating Revenues for any 12 consecutive months during the 18 months preceding the date of issuance of the Parity Obligations were not less than 1.30 times the sum of the actual debt service of the Bonds for the immediately preceding 12 months, plus the average annual debt service for the proposed Parity Obligations as certified by the Port Official; or
  - (2) the Net Operating Revenues, as projected for the next ensuing three fiscal years and as certified by a qualified engineering, auditing, or other qualified firm (including any rate increases adopted by the Board) are not less than 1.30 times the actual debt service for the ensuing three fiscal year's debt service on all Outstanding Bonds plus the average annual debt service on the proposed Parity Obligations. For the purposes of the certificate required by this Section 7(D)(2), Net Operating Revenues may be adjusted in consideration of rate, rent and charge increases that have been approved by the Port and will take effect within 12 months of the date of delivery, anticipated increases resulting from growth in customers, and any increase in property, construction, additions, or extensions to the Facilities that is in process at the time of the Certificate or for which the proceeds of the proposed Parity Obligations will be used.

7.2. The Port may issue Parity Obligations to refund Outstanding Bonds, notwithstanding the requirements of Section 7.1, if the required debt service of the refunding bonds does not exceed the debt service for the refunded bonds payable in any Fiscal Year by more than \$5,000.

7.3. Any supplemental declaration authorizing the issuance of Parity Obligations shall require deposits into the Revenue Bond Reserve Account in amounts sufficient to make the balance in the Revenue Bond Reserve Account at least equal to the Required Reserve. Notwithstanding any provision herein to the contrary, the deposit required in this Section 7.3 may be made in not more than five (5) substantially equal annual installments, with the final installment due not later than the fifth anniversary of the issuance of the Series of Bonds. If the Port elects to fund the portion of the Required Reserve which is allocable to a Series of Bonds in installments, the election of and the schedule for such deposits shall be stated prominently in the proceedings authorizing the Series of Bonds.

7.4. An Exchange Agreement may be a Parity Exchange Agreement and a Parity Obligation if the obligation to make Port Payments under the Exchange Agreement qualifies as a Parity Obligation under Section 7, after the Reciprocal Payments under the Exchange Agreement are applied to reduce Annual Debt Service. Any Parity Exchange Agreement shall clearly state that it is a Parity Exchange Agreement and has qualified as a Parity Obligation under Section 7 of this Master Declaration. In addition, the Port may replace a Parity Exchange Agreement with another Parity Exchange Agreement without qualifying the replacement Exchange Agreement under Section 7 if the replacement does not increase the Annual Debt Service in any Fiscal Year by more than \$5,000.

7.5. All Bonds issued in accordance with this Section 7 shall have a lien on the Net Operating Revenues which is equal to the lien of all then Outstanding Bonds and all Parity Obligations issued in accordance with this Section 7.

**Section 8. Subordinate Obligations.**

The Port may issue Subordinate Obligations to provide funds for any purpose authorized by law, provided no default has occurred and is continuing. All Subordinate Obligations shall have a lien on the Net Operating Revenues which is subordinate to the lien of the Bonds. In the event of any insolvency or bankruptcy proceedings relative to the Port or to its property, the holders of the Bonds shall be entitled to receive payment in full of all principal, premium (if any) and interest thereon (including interest accruing after the commencement of any proceeding) before the holders of the Subordinate Obligations are entitled to receive any payment on account of principal, premium (if any) or principal upon the Subordinate Obligations.

**Section 9. Separate Facilities**

The Port may declare property which the Port owns and is part of the Facilities (but which generates less than five percent of the Port's Net Operating Revenues at the time of the declaration), and property which the Port has not yet acquired but would otherwise become part of the Facilities, to be Separate Facilities. Except as provided in the preceding sentence, the Port shall not use any portion of the Gross Revenues to acquire, construct, operate or maintain Separate Facilities except Net Operating Revenues that are available under Section 3.1(D). The

Port may issue obligations which are secured by the revenues produced by the Separate Facilities, and may pledge the revenues produced by the Separate Facilities revenues to pay those obligations. In addition, the Port may issue Subordinate Obligations to pay for costs of a Separate Facilities, and may pledge the revenues of the Separate Facilities to pay the Subordinate Obligations.

#### **Section 10. Default and Remedies on Default.**

10.1. The following shall constitute Events of Default:

- (A) Failure to pay Bond principal or interest when due; or
- (B) Failure to perform any other obligation of the Port imposed by this Master Declaration or the Bonds, but only if:
  - (1) the failure continues for a period of more than ninety (90) days after demand has been made on the Port by the Bondowners or Trustee (as defined below) to remedy the failure; and
  - (2) the Port fails to take reasonable steps to remedy the failure within that ninety-day period; or
- (C) Imposition of a receivership upon, or liquidation of, the General Revenue Fund; or,
- (D) Written admission by the Port that the Port is unable to pay its debts as they become due.

10.2. Whenever any Event of Default exists, Owners representing 51 percent or more of Outstanding Bonds, may, without any further demand or notice, exercise any remedy available at law or in equity. However, the Bonds shall not be subject to acceleration.

#### **Section 11. No Remedy Exclusive.**

No remedy herein conferred upon or reserved to Owners is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Master Declaration now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Owners to exercise any remedy reserved to it in this Section it shall not be necessary to give any notice, other than such notice as may be required in this Section.

#### **Section 12. Trustee Duties Upon Default.**

12.1. Whenever any Event of Default exists, Owners representing 51 percent or more of the Outstanding Bonds may appoint a commercial bank with a reported capital and surplus in excess of \$50 million as trustee (the "Trustee") to represent the interests of said Owners. On appointment of the Trustee, the Port shall transfer the Revenue Bond Account and the Revenue

Bond Reserve Account to the Trustee, and shall continue to transfer the Net Operating Revenues to the Trustee for deposit into those accounts as provided in Section 3.1.

12.2. Upon the occurrence of an Event of Default the Trustee may pursue any available remedy at law or in equity to enforce the payment of the principal of, premium, if any, and interest on the Outstanding Bonds, and to enforce any rights of the Trustee under or with respect to the Master Declaration. However, the Bonds shall not be subject to acceleration.

12.3. In addition, upon the occurrence of an Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Owners under the Master Declaration, the Trustee will be entitled, as a matter of right, to the appointment of a receiver or receivers of the Gross Revenues and other amounts pledged under the Master Declaration, pending such proceedings, with such powers as the court making such appointment may confer.

12.4. If an Event of Default has occurred and be continuing and if requested so to do by the Owners of at least 25% in aggregate principal amount of Outstanding Bonds and indemnified as provided in the Master Declaration, Trustee will be obligated to exercise such one or more of the rights and powers conferred by this Master Declaration, as the Trustee, being advised by counsel, deems most expedient in the interest of the Owners.

12.5. No Owner of any Bond has the right to institute any suit, action or proceeding at law or in equity, for any remedy under this Master Declaration, unless:

- (A) such Owner has previously given to the Trustee written notice of the occurrence of an Event of Default;
- (B) the Owners of a majority in aggregate principal amount of all the Bonds then Outstanding have requested the Trustee in writing to exercise its powers under this Master Declaration;
- (C) said Owners have tendered to the Trustee indemnity reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and
- (D) the Trustee has refused or failed to comply with such request for a period of 60 days after such written request has been received by the Trustee and said tender of indemnity is made to the Trustee.

12.6. A waiver of any Event of Default by any Owner will not affect any subsequent default or impair any rights or remedies on the subsequent default. No delay or omission of any Owner of any of the Bonds to exercise any right or power occurring upon any Event of Default will impair any such right to power or be construed to be a waiver of any such Event of Default.

12.7. Pursuant to the Master Declaration, if the Trustee takes any judicial or other action in an Event of Default the Trustee has full power in its direction with respect to any continuance, discontinuance, withdrawal, compromise, settlement or other disposition of such action, unless opposed by the written request of the Owners of a majority in aggregate principal amount of the

Outstanding Bonds. The Trustee is appointed attorney-in-fact of the Owners for the purpose of bringing any suit action or proceedings in an Event of Default.

### **Section 13. Amendment of Declaration.**

13.1. This Master Declaration may be amended without the consent of any Owners for any one or more of the following purposes:

- (A) To add to the covenants and agreements of the Port in this Master Declaration any other covenants and agreements thereafter to be observed by the Port, or to surrender any right or power herein reserved to or conferred upon the Port which in the opinion of a nationally recognized bond counsel, filed with the Board, does not adversely affect the interests of the Owners.
- (B) To cure any ambiguity or formal defect contained in this Master Declaration, or to make any other change that the Port reasonably determines will not have a material and adverse effect on the interests of Bondowners.
- (C) To issue Parity Obligations in accordance with Section 7 hereof.
- (D) To authorize Parity Exchange Agreements, and specify the rights and duties of the parties to a Parity Exchange Agreement.

13.2. This Master Declaration may be amended for any other purpose only upon consent of Owners of not less than 51% in aggregate principal amount of the Bonds Outstanding; provided, however, that no amendment shall be valid without the consent of Owners of 100 percent of the aggregate principal amount of the Bonds Outstanding which:

- (A) Extends the maturity of any Bond, reduces the rate of interest upon any Bond, extends the time of payment of interest on any Bond, reduces the amount of principal payable on any Bond, or reduces any premium payable on any Bond, without the consent of the affected Owner; or
- (B) Reduces the percent of Owners required to approve amendatory declarations.

### **Section 14. Defeasance.**

The lien of all or any portion of the Bonds upon the Net Operating Revenues may be defeased, and those Bonds shall be deemed paid, if the Port places in irrevocable escrow cash or direct obligations of, or obligations guaranteed by, the United States which are calculated to be sufficient, without reinvestment, to pay principal, interest and any premium on those Bonds as they become due, either at maturity or on prior redemption.

### **Section 15. The Series 2003 Bonds**

15.1. **Sale Authorized.** Pursuant to ORS 777.560 And Port Resolution No. \_\_\_\_, the Board hereby authorizes the sale and delivery of the Port of Hood River, Oregon General Revenue Bond, Series 2003. The aggregate principal amount of the Series 2003 Bonds shall not exceed

\_\_\_\_\_ Dollars (\$ \_\_\_\_\_). The Series 2003 Bonds shall be Bonds as defined in this Master Declaration. The Series 2003 Bonds shall bear interest payable on \_\_\_ and \_\_\_ of each year at the following rates, commencing \_\_\_\_\_, and shall mature in the following years in the following principal amounts:

[insert maturity schedule]

15.2. **Limitation on Payment.** The Series 2003 Bonds shall be special obligations of the Port, and shall be payable solely from the Net Operating Revenues and amounts required to be deposited in the Bond Revenue Bond Reserve Account as required and as provided by this Master Declaration.

15.3. **Bond Form.** The Series 2003 Bonds shall be in substantially the form attached as Exhibit A, and shall be signed with the facsimile or manual signature of the Port Official.

15.4. **Bond Book-Entry-Form.**

The Series 2003 Bonds shall be initially issued in book entry only (“BEO”) form through the Depository Trust Company of New York, New York, or its successor (“DTC”). The Port Official has executed a letter of representations with DTC. While the Series 2003 Bonds are in BEO form:

- (A) No physical Series 2003 Bonds shall be provided to beneficial owners of the Series 2003 Bonds.
- (B) Registration and transfer of beneficial interests in the Series 2003 Bonds shall be governed by the operational arrangements of DTC or any substitute depository, as they may be amended from time to time, as provided in the Letter of Representations.
- (C) Except as may be provided in any agreement with a bond insurer, DTC or its nominee shall be treated as the Owner of the Series 2003 Bonds for all purposes, including payment and the giving of notices to Owners. The Series 2003 Bond payments shall be made, and notices shall be given, to DTC or its nominee as provided in the Letter of Representations. Any failure of DTC to advise any of its participants, or of any participant to notify the beneficial owner, of any such notice and its content or effect shall not affect the validity of the redemption of the Series 2003 Bonds called for redemption or of any other action premised on such notice.
- (D) The Port may discontinue maintaining the Series 2003 Bonds in BEO form at any time. The Port shall discontinue maintaining the Series 2003 Bonds in BEO form if DTC determines not to continue to act as securities depository for the Series 2003 Bonds, or fails to perform satisfactorily as depository, and a satisfactory substitute depository cannot reasonably be found.
- (E) If the Port discontinues maintaining the Series 2003 Bonds in BEO form, the Port shall cause the registrar and paying agent for the Series 2003 Bonds (the “Paying Agent”) to authenticate and deliver to the beneficial owners or their nominees replacement Series 2003 Bonds in fully registered form in denominations of \$5,000 or integral multiples.

- (F) While the Series 2003 Bonds is in BEO form, the Port and the Paying Agent shall have no responsibility or obligation to any participant or correspondent of DTC or to any beneficial owner on behalf of which such participants or correspondents act as agent for the beneficial owner with respect to:
- (1) the accuracy of the records of DTC, the nominee or any participant or correspondent with respect to any participant's or beneficial owner's interest in the Series 2003 Bonds;
  - (2) the delivery to any participant or correspondent or any other person of any notice with respect to the Series 2003 Bonds, including any notice of redemption or purchase;
  - (3) the selection by DTC of the beneficial interest in the Series 2003 Bonds to be redeemed prior to maturity; or
  - (4) the payment to any participant, correspondent, or any other person other than the registered owner of the Series 2003 Bonds as shown in the registration books maintained by the Paying Agent, of any amount with respect to principal, premium, if any, or interest on the Series 2003 Bonds.
- (G) The Port shall pay or cause to be paid all principal, premium and interest on the Series 2003 Bonds only to or upon the order of the Owners, as shown in the registration books maintained by the Paying Agent, and all such payments shall be valid and effective to fully satisfy and discharge the Port's obligation with respect to payment thereof to the extent of the sum or sums so paid.
- (H) The provisions of this Section 15.4 may be modified without the consent of the beneficial owners in order to conform this Section 15.4 to the standard practices of DTC or any substitute depository for obligations issued in BEO form.

**15.5. Places of Payment and Paying Agents.**

- (A) While the Series 2003 Bonds are in BEO form, the Paying Agent shall pay Series 2003 Bond principal, interest and any redemption price to DTC or its nominee in accordance with the Letter of Representations.
- (B) While the Series 2003 Bonds are not in BEO form, Series 2003 Bond principal, interest and redemption price, if any, shall be payable through the corporate trust office of the Paying Agent, by a check drawn on the Paying Agent and mailed on the interest payment date to the Owners, as shown on the record date in the registration books maintained by the Paying Agent for the Series 2003 Bonds.

**15.6. Notice of Redemption.**

- (A) Unless a shorter period is agreed to by the Paying Agent, the Port shall give the Paying Agent at least forty (40) days' prior written notice of any proposed optional redemption of the Series 2003 Bonds.

- (B) Unless the notice states that the redemption is conditioned upon receipt by the Paying Agent of sufficient funds for redemption, the notice shall contain a certification by the Port that it has funds available to it sufficient to pay in full the principal, premium (if any) and interest portions of the redemption price of the Series 2003 Bonds to be redeemed.
- (C) While the Series 2003 Bonds is in BEO form, the Paying Agent shall give notice of redemption only to DTC or its nominee, in the manner required by the rules of DTC.
- (D) The Paying Agent shall give notice of redemption under this Section 15.6 only for the Series 2003 Bonds which are not then in BEO form. The notice shall specify the date of redemption, the redemption price, CUSIP numbers, maturity date, and the place or places where amounts due upon such redemption will be payable and any other information which may be required to identify the Series 2003 Bonds which are to be redeemed. The notice may state that the redemption is conditioned upon the deposit with the Paying Agent of sufficient funds to pay the redemption price of the Series 2003 Bonds to be redeemed. The notice shall state that, provided that sufficient funds are on deposit with the Paying Agent, the Series 2003 Bonds which are being called for redemption shall become due and payable on the date specified in the notice, and that interest on those Series 2003 Bonds shall cease to accrue on that date. The Paying Agent shall mail a copy of such notice by first class mail, postage prepaid, not less than thirty (30) days before the redemption date, to the Owners of any Series 2003 Bonds which are to be redeemed, at their last address, if any, appearing upon the registration books as of the record date, but no defect in any notice and no failure to give any notice shall invalidate the redemption of any Series 2003 Bonds for which proper notice was given. No notice of redemption need be given to any Owners of any Series 2003 Bonds who have filed a written waiver of notice with the Paying Agent. Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner actually receives the notice.

**15.7. Authentication, Registration And Transfer.**

- (A) No Series 2003 Bond shall be entitled to any right or benefit under this Master Declaration unless it shall have been authenticated by an authorized officer of the Paying Agent. The Paying Agent shall authenticate all Series 2003 Bonds to be delivered at closing of the Series 2003 Bonds, and shall additionally authenticate all Series 2003 Bonds properly surrendered for exchange or transfer pursuant to this Master Declaration.
- (B) The ownership of all Series 2003 Bonds shall be entered in the bond register maintained by the Paying Agent, and the Port and the Paying Agent may treat the person listed as owner in the bond register as the owner of the Bond for all purposes.
- (C) If the Series 2003 Bonds cease to be in book-entry form, the Paying Agent shall mail each interest payment on the interest payment date (or the next business day if the payment date is not a business day) to the name and address of the Owners as they appear on the bond register as of record date. If payment is so mailed, neither the Port nor the Paying Agent shall have any further liability to any party for such payment.



- (D) While the Series 2003 Bonds are in book-entry form, the Paying Agent shall transfer Bond principal and interest payments to DTC in the manner required by DTC.
- (E) The Series 2003 Bonds may be exchanged for an equal principal amount of the Series 2003 Bonds of the same maturity which are in different denominations, and the Series 2003 Bonds may be transferred to other owners if the Owner submits the following to the Paying Agent:
  - (1) written instructions for exchange or transfer satisfactory to the Paying Agent, signed by the Owner or the Owner's attorney in fact and guaranteed or witnessed in a manner satisfactory to the Paying Agent; and
  - (2) the Series 2003 Bonds to be exchanged or transferred.
- (F) The Paying Agent shall not be required to exchange or transfer any Series 2003 Bonds submitted to it during any period beginning with a record date and ending on the next following payment date; however, such Series 2003 Bonds shall be exchanged or transferred promptly following that payment date.
- (G) The Paying Agent shall note the date of authentication on each Bond. The date of authentication shall be the date on which the Owner's name is listed on the Bond register.
- (H) For purposes of this Section, the Series 2003 Bonds shall be considered submitted to the Paying Agent on the date the Paying Agent actually receives the materials described in Section 15.7(E).
- (I) The Port may alter these provisions regarding registration and transfer without consent of Owners in order to conform to changes in registration customs by mailing notification of the altered provisions to all Owners. The altered provisions shall take effect on the date stated in the notice, which shall not be earlier than 45 days after notice is mailed.

15.8. **Disposition of Series 2003 Bonds Proceeds.** \$\_\_\_\_\_ of accrued interest shall be deposited in the Revenue Bond Account. \$\_\_\_\_\_ shall be deposited in the Revenue Bond Reserve Account to make the balance in the Revenue Bond Reserve Account equal to the Required Reserve. \$\_\_\_\_\_ shall be deposited with the Port to pay the costs of the Series 2003 Project and costs incurred in connection with the issuance of the Series 2003 Bonds.

15.9. **Tax-Exempt Status.**

- (A) The Port covenants for the benefit of the Owners of the Series 2003 Bonds to comply with all provisions of the Code which are required for interest on the Series 2003 Bonds to be excluded from gross income for federal taxation purposes. In determining what actions are required to comply, the Port may rely on an opinion of Bond Counsel. The Port makes the following specific covenants with respect to the Code:
  - (1) The Port will not take any action or omit any action if it would cause the Series 2003 Bonds to become "arbitrage bonds" under Section 148 of the Code.

- (2) The Port shall operate the facilities financed with the Series 2003 Bonds so that the Series 2003 Bonds do not become private activity bonds within the meaning of Section 141 of the Code.
  - (3) The Port shall pay, when due, all rebates and penalties with respect to the Series 2003 Bonds which are required by Section 148(f) of the Code.
- (B) The Port Official may enter into additional covenants to protect the tax-exempt status of the Series 2003 Bonds. The covenants contained in this Section 15.9 and any covenants in the closing documents for the Series 2003 Bonds shall constitute contracts with the owners of the Series 2003 Bonds, and shall be enforceable by them.

Dated this \_\_\_ day of \_\_\_\_\_, 2003

PORT OF HOOD RIVER, OREGON

By: \_\_\_\_\_  
Port Official

**Exhibit A**  
**(Form of Bond)**

No. R-«BondNumber»

\$«PrincipalAmtNumber»

United States of America  
State of Oregon  
Hood River County  
**Port of Hood River**  
General Revenue Bonds  
Series 2003

**Dated Date:** \_\_\_\_\_

**Interest Rate Per Annum:** «CouponRate»%

**Maturity Date:** \_\_\_\_\_, «MaturityYear»

**CUSIP Number:** «CUSIPNumbr»

**Registered Owner:** -----Cede & Co.-----

**Principal Amount:** -----«PrincipalAmtSpelled» Dollars-----

The Port of Hood River, Oregon (the "Port"), for value received, acknowledges itself indebted and hereby promises to pay to the Registered Owner hereof, or registered assigns, the Principal Amount indicated above on the Maturity Date indicated above together with interest thereon from the date hereof at the Interest Rate Per Annum indicated above, computed on the basis of a 360-day year of twelve 30-day months. Interest is payable semiannually on the \_\_\_\_\_ day of \_\_\_\_\_ and the \_\_\_\_\_ day of \_\_\_\_\_ in each year until maturity or prior redemption, commencing \_\_\_\_\_. Payment of each installment of principal or interest shall be made to the Registered Owner hereof whose name appears on the registration books of the Port maintained by the Port's paying agent and registrar, which is currently \_\_\_\_\_ in \_\_\_\_\_ (the "Paying Agent"), as of the close of business on the fifteenth day of the calendar month immediately preceding the applicable interest payment date. For so long as this Bond is subject to a book-entry-only system, principal and interest payments shall be paid on each payment date to the nominee of the securities depository for the Bonds. On the date of issuance of this Bond, the securities depository for the Bonds is The Depository Trust Company, New York, New York, and Cede & Co. is the nominee of The Depository Trust Company. Such payments shall be made payable to the order of "Cede & Co."

This Bond is one of a duly authorized series of bonds of the Port aggregating \$ \_\_\_\_\_ in principal amount designated as General Revenue Bonds, Series 2003 (the "Series 2003 Bonds"). The Series 2003 Bonds are issued for the purpose of financing improvements to a toll bridge operated by the Port, and paying costs incidental thereto. The Series 2003 Bonds are authorized by Port Resolution No. \_\_\_\_\_ and the Master General Revenue Bond Declaration dated \_\_\_\_\_, 2003 (the "Master Declaration"), in full and strict accordance and compliance with all of the provisions of the Constitution and Statutes of the State of Oregon.

The Series 2003 Bonds constitute valid and legally binding special obligations of the Port. The Net Operating Revenues, as defined in the Master Declaration, are pledged for the punctual payment of the principal of and interest on the Series 2003 Bonds. The Port is not authorized to levy any additional taxes to pay the Series 2003 Bonds. The Series 2003 Bonds do not constitute a debt or indebtedness of Hood River County, the State of Oregon, or any political subdivision thereof other than the Port.

The Series 2003 Bonds are initially issued in book-entry-only form with no certificates provided to the beneficial owners of the Series 2003 Bonds. The Depository Trust Company and its participants will maintain records of ownership of beneficial interests in the Series 2003 Bonds.

Should the book-entry only security system be discontinued, the Series 2003 Bonds shall be issued in the form of registered Series 2003 Bonds without coupons in denominations of \$5,000 or any integral multiple thereof. Such Series 2003 Bonds may be exchanged for the Series 2003 Bonds of the same aggregate principal amount and maturity date, but different authorized denominations, as provided in the Master Declaration.

The Series 2003 Bonds mature and are subject to redemption as described in the final Official Statement for the Series 2003 Bonds that is dated \_\_\_\_\_.

Unless the book-entry-only system is discontinued, notice of any call for redemption shall be given as required by the Blanket Issuer Letter of Representations to The Depository Trust Company, as referenced in the Master Declaration. Interest on any Series 2003 Bond or Bonds so called for redemption shall cease on the redemption date designated in the notice. The Paying Agent will notify The Depository Trust Company promptly of any Series 2003 Bonds called for redemption. If the book-entry-only system is discontinued, notice of redemption shall be given by first-class mail, postage prepaid, not less than thirty days nor more than sixty days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the Bond register; however, any failure to give notice shall not invalidate the redemption of the Series 2003 Bonds.

Any exchange or transfer of this Bond must be registered, as provided in the Master Declaration, upon the Series 2003 Bond register kept for that purpose by the Paying Agent. The exchange or transfer of this Bond may be registered only by surrendering it, together with a written instrument of exchange or transfer which is satisfactory to the Paying Agent and which is executed by the registered owner or duly authorized attorney. Upon registration, a new registered Series 2003 Bond or Bonds, of the same maturity and in the same aggregate principal amount, shall be issued to the transferee as provided in the Master Declaration. The Port and the Paying Agent may treat the person in whose name this Bond is registered on the Bond register as its absolute owner for all purposes, as provided in the Master Declaration.

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC") to Issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entry as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

This Bond shall remain in the Paying Agent's custody subject to the provisions of the FAST Balance Certificate Agreement currently in effect between the Paying Agent and The Depository Trust Company.

IT IS HEREBY CERTIFIED, RECITED, AND DECLARED that all conditions, acts, and things required to exist, to happen, and to be performed precedent to and in the issuance of this Bond have existed, have happened, and have been performed in due time, form, and manner as required by the Constitution and Statutes of the State of Oregon; and that the issue of which this Bond is a part, and all other obligations of the Port, are within every debt limitation and other limit prescribed by such Constitution and Statutes.

IN WITNESS WHEREOF, the Board of the Port of Hood River, Oregon, by resolution duly passed, has caused this Bond to be signed by facsimile signature of its President and countersigned by facsimile signature of its \_\_\_\_\_, and has caused a facsimile of the corporate seal of the Port to be imprinted hereon, all as of the date first above written.

Port of Hood River, Oregon

\_\_\_\_\_  
\_\_\_\_\_, President  
\_\_\_\_\_  
\_\_\_\_\_

THIS BOND SHALL NOT BE VALID UNLESS PROPERLY AUTHENTICATED BY THE PAYING AGENT IN THE SPACE INDICATED BELOW.

CERTIFICATE OF AUTHENTICATION

This Bond is one of a series of \$\_\_\_\_\_ aggregate principal amount of Port of Hood River, Oregon General Revenue Bonds, Series 2003, issued pursuant to the Master Declaration described herein.

Date of authentication: \_\_\_\_\_.

\_\_\_\_\_, as Paying Agent

\_\_\_\_\_  
Authorized Officer

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto \_\_\_\_\_

(Please insert social security or other identifying number of assignee)

this Bond and does hereby irrevocably constitute and appoint \_\_\_\_\_ as attorney to transfer this Bond on the books kept for registration thereof with the full power of substitution in the premises.

Dated: \_\_\_\_\_

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of this Bond in every particular, without alteration or enlargement or any change whatever.

NOTICE: Signature(s) must be guaranteed by a member of the New York Stock Exchange or a commercial bank or trust company

Signature Guaranteed  
\_\_\_\_\_  
(Bank, Trust Company or Brokerage Firm)

\_\_\_\_\_  
Authorized Officer

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

- TEN COM -- tenants in common
- TEN ENT -- as tenants by the entireties
- JT TEN -- as joint tenants with right of survivorship and not as tenants in common
- OREGON CUSTODIANS use the following  
 \_\_\_\_\_ CUST UL OREG \_\_\_\_\_ MIN  
 as custodian for (name of minor)
- OR UNIF TRANS MIN ACT  
 under the Oregon Uniform Transfer to Minors Act

Additional abbreviations may also be used though not in the list above.

