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Hood River, Oregon

December 5, 1950

The Board of Commissioners of the Port of Hood River, Oregon, met in regular session pursuant to law and to the rules of said Board at the Scott Insur. Bldg. in the City of Hood River, at eight o'clock P. M. The meeting was called to order by the President, and the roll being called there were present Les Sherwood, President, presiding, and the following named Commissioners: H. M. Saling, Ross Collie, Charles Fuller and Luke Nichols;

Absent: None.

* * * *

A proposed resolution hereinafter set out was introduced and read, entitled:

"A Resolution authorizing and providing for the issuance of toll bridge revenue bonds by the Port of Hood River in Hood River County, Oregon, to the amount of \$1,600,000, for the purpose of financing the cost of a toll bridge across the Columbia River together with approaches thereto, setting forth the terms and conditions on which said bonds are to be and may be issued and outstanding, providing for the collection and application of the tolls, income and revenue therefrom, and providing for the rights of the holders of said bonds in the enforcement thereof."

It was moved by Ross Collie, and seconded by Luke Nichols that said proposed resolution be adopted.

The President put the question on the motion and the roll being called the following voted:

Aye: Les Sherwood, Ross Collie, Luke Nichols, Charles Fuller and H. M. Saling;

Nay: None.

Whereupon the President declared the motion duly carried and said resolution duly adopted.

* * *

On motion and vote the meeting adjourned.

Attest:

/s/ L. C. Sherwood

President

/s/ H. M. Saling

Secretary.

A RESOLUTION authorizing and providing for the issuance of toll bridge revenue bonds by the Port of Hood River in Hood River County, Oregon, to the amount of \$1,600,000, for the purpose of financing the cost of a toll bridge across the Columbia River together with approaches thereto, setting forth the terms and conditions on which said bonds are to be and may be issued and outstanding, providing for the collection and application of the tolls, income and revenue therefrom, and providing for the rights of the holders of said bonds in the enforcement thereof.

* * *

WHEREAS the Port of Hood River has heretofore been created as a municipal corporation pursuant to the Constitution and laws of the State of Oregon embracing a portion of the territory within Hood River County, Oregon, bordering upon the Columbia River, which is navigable from the sea to the area included within said Port, and pursuant to the corporate powers and objects of said Port in promoting the commercial interests of said Port it has been determined by the Board of Commissioners of said Port, as the governing authority thereof, to acquire and thereafter own, operate and maintain an interstate toll bridge from a point within said Port, and in furtherance thereof said Board of commissioners has negotiated for the purchase of the Hood River-White Salmon interstate toll bridge and improving same for vehicular traffic substantially as contemplated and recommended in the report dated October 6, 1950, by Tudor Engineering Company, as amended and supplemented, now on file with the Secretary of said Board of Commissioners; and

WHEREAS said Port of Hood River, as a political subdivision of the State of Oregon adjoining and bordering on said Columbia River, an interstate river, is by Chapter 209 of the Oregon Laws, 1949, as amended, authorized and empowered to acquire by purchase and improvement and to thereafter own, operate and maintain said interstate toll bridge, and for the purpose of paying the cost thereof, including approaches, is further authorized and empowered by said law to issue revenue bonds of said Port, and as security for the payment of same to hypothecate and pledge the revenues from said bridge; and

WHEREAS it is the desire and intent of said Port of Hood River, acting by and through its Board of Commissioners as aforesaid, to adopt this resolution so as to thereby express its determination to acquire and to thereafter own, operate and maintain said interstate toll bridge and approaches at the location, aforesaid; to provide for the issuance of its revenue bonds to the amount of \$1,600,000 for the purpose aforesaid; to set forth the terms and conditions on which said bridge, including approaches thereto, are to be acquired and operated; to set forth the terms and conditions on which such revenue bonds are to be, and additional bonds ranking on a parity therewith to an amount not exceeding \$100,000 may be, issued and outstanding; to hypothecate and pledge the revenues from the operation of said bridge to the payment of the interest on such of said revenue bonds which may be outstanding from time to time, and to create and maintain a sinking fund sufficient to pay the principal thereof at or before maturity, and to the payment of the cost of operation and maintenance of said bridge; to express special covenants with respect to such ownership and operation; and to provide for the rights of the holders of said revenue bonds in the enforcement thereof.

NOW, THEREFORE, Be It Resolved by the Board of Commissioners of the Port of Hood River in Hood River County, Oregon, as follows:

Section 1. That Port of Hood River in Hood River County, Oregon, hereby evidences its determination in carrying out and performing its corporate powers and objects to acquire and to thereafter own, operate and maintain an interstate toll bridge with approaches over the Columbia River from a point within said Port so as to connect U. S. Highway 30 in said county with U. S. Highway 830 in Klickitat County, Washington, by purchasing and improving the existing Hood River-White Salmon toll bridge, and for the purpose of financing the cost of acquiring such bridge with approaches by purchase and improvement as aforesaid there are hereby authorized

to be issued the Toll Bridge Revenue Bonds of said Port of Hoop River to the amount of One Million Six Hundred Thousand Dollars (\$1,600,000), dated December 1, 1950, consisting of 1600 bonds of the denomination of \$1,000, numbered consecutively from 1 to 1600 inclusive, bearing interest at the coupon rate of three and one-half per cent (3 1/2%) per annum, payable semi-annually on June 1 and December 1 of each year. Said bonds shall mature December 1, 1975, but shall be subject to redemption by said Port prior to maturity at the times and upon the terms hereinafter stated upon notice identifying the bonds to be redeemed being given by publication at least once not less than thirty days nor more than sixty days prior to the redemption date in a newspaper or financial journal of general circulation published in the City of New York, New York.

Said bonds shall be redeemable in part, from time to time, when selected by lot, for the purpose of permitting the application of excess revenues from the operation of the bridge, on any interest payment date on or after December 1, 1952, upon terms of par and accrued interest plus a premium of three per cent of the principal amount thereof if called for redemption on or prior to December 1, 1956, and thereafter the amount of such redemption premium shall be reduced one per cent of such principal amount for each four years or fraction thereof that the redemption date is subsequent to December 1, 1956, so that on and after June 1, 1965 the terms of redemption will be par and accrued interest without premium. All of said bonds which may be outstanding from time to time shall also be optional for redemption as a whole on any interest payment date on or after December 1, 1954, upon terms of par and accrued interest plus a redemption premium of five per cent of the principal amount thereof if called for redemption on or prior to December 1, 1958, and thereafter the amount of such redemption premium shall be reduced one per cent of such principal amount for each four years

or fraction thereof that the redemption date is subsequent to December 1, 1958, so that on and after June 1, 1975, the terms of redemption will be par and accrued interest without premium.

That said interest at the coupon rate aforesaid shall be evidenced by coupons attached to each of said bonds and that both principal and interest shall be payable in lawful money of the United States of America at The American National Bank and Trust Company of Chicago, in the City of Chicago, Illinois. Each of said bonds shall be executed on behalf of said Port by the signatures of its President and its Treasurer and attested by its Secretary, and the seal of said Port shall be affixed thereto, and the interest coupons attached to said bonds shall be executed with the facsimile signatures of said President, Treasurer and Secretary, and said officials by the execution of said bonds shall adopt as and for their own proper signatures their respective facsimile signatures appearing on said coupons. All of said bonds, together with the interest thereon, and any additional bonds ranking on a parity therewith which may be issued and outstanding from time to time under the restrictions and provisions hereinafter set forth, shall be payable from and secured by a first claim on the "Toll Bridge Revenue Bond Fund," hereinafter created, and shall be a valid claim of the holder or holders thereof only against said fund and the portion of the revenues from the bridge which are hereinafter hypothecated and pledged to said fund.

Section 2. That said bonds and coupons and provision for registration appertaining thereto shall be in substantially the following form:

(Form of Bond)

UNITED STATES OF AMERICA
STATE OF OREGON COUNTY OF HOOD RIVER
PORT OF HOOD RIVER
TOLL BRIDGE REVENUE BOND

Number _____

\$1,000

KNOW ALL MEN BY THESE PRESENTS that the Port of Hood River, a municipal corporation in Hood River County, Oregon, for value received, hereby promises to pay to the bearer hereof or if this bond be registered to the registered holder hereof, but solely from the source and in the manner hereinafter provided, on the first day of December, 1975, the sum of One Thousand Dollars (\$1,000) and interest on said sum from the date hereof at the rate of three and one-half per cent (3 1/2%) per annum payable semi-annually on June 1 and December 1 of each year until paid, except as the provisions hereinafter set forth with respect to prior redemption become applicable hereto. All such interest accruing on and prior to maturity hereof is payable only on presentation and surrender of the annexed interest coupons as they severally become due. Both principal and interest are payable in lawful money of the United States of America at The American National Bank and Trust Company of Chicago in the City of Chicago, Illinois.

This bond is one of an issue of like tenor and effect aggregating \$1,600,000 principal amount authorized by resolution duly adopted by the Board of Commissioners as the governing authority of said Port of Hood River pursuant to and in full conformity with the Constitution and laws of the State of Oregon, including particularly Chapter 209, Laws of Oregon 1949, as amended, for the purpose of financing the cost of acquiring an interstate toll bridge with approaches over the Columbia River from within said Port. The bonds of said authorized issue together with any additional bonds ranking on a parity therewith which may be issued to an amount not exceeding \$100,000 under the conditions and restrictions set forth in said resolution are payable as to both principal and interest

solely from the tolls and other income from said bridge as hypothecated and pledged to the payment thereof and shall not in any manner constitute general obligations of said Port nor an indebtedness or liability within the meaning of any constitutional limitation or provision.

As provided in said resolution, the bonds of this authorized issue outstanding from time to time are subject to redemption by said Port at the times and upon the terms hereinafter stated and upon notice identifying the bonds to be redeemed, given by publication at least once not less than thirty days nor more than sixty days prior to the redemption date in a newspaper or financial journal of general circulation published in the City of New York, New York.

Said bonds shall be redeemable in part, from time to time, when selected by lot, for the purpose of permitting the application of excess revenues from the operation of the bridge on any interest payment date on or after December 1, 1952, upon terms of par and accrued interest plus a premium of three per cent (3%) of the principal amount thereof if called for redemption on or prior to December 1, 1956, and thereafter the amount of such redemption premium shall be reduced one per cent of such principal amount for each four years or fraction thereof that the redemption date is subsequent to December 1, 1956, so that on and after June 1, 1965, the terms of redemption will be par and accrued interest without premium. All of said bonds which may be outstanding from time to time shall also be optional for redemption as a whole on any interest payment date on or after December 1, 1954, upon terms of par and accrued interest plus a redemption premium of five per cent (5%) of the principal amount thereof if called for redemption on or prior to December 1, 1958, and thereafter the amount of such redemption premium shall be reduced one per cent of such principal amount for each four years or fraction thereof that the redemption date is

subsequent to December 1, 1958, so that on and after June 1, 1975, the terms of redemption will be par and accrued interest without premium.

This bond may be registered as to principal only in the name of the holder on the books of the Treasurer of said Port in the City of Hood River, Oregon, such registration to be noted on the reverse side hereof by such Treasurer as Bond Registrar, after which no transfer hereof shall be valid unless made on said books and similarly noted on the reverse side hereof at the written request of the registered holder or legal representative, but this bond when so registered may be discharged from registration by being transferred to bearer, after which it shall again be transferable by delivery or may be again registered as before. Such registration of this bond as to principal shall not restrain the negotiability of the coupons hereto attached by delivery merely. Each and every successive holder of this bond during such time as it is payable to bearer and such holder of each of the coupons hereto attached are conclusively presumed to forego and renounce his and their equities in favor of subsequent holders for value without notice and to agree that this bond when so payable to bearer and each of the coupons hereto attached may be negotiated by delivery by any person having possession thereof, howsoever such possession may have been acquired, and that any holder who shall have taken this bond or any of the coupons from any person for value and without notice thereby will have acquired absolute title thereto, free from any defenses enforceable against any prior holder and free from all equities and claims of ownership of any such prior holder, and said Port and its officials shall not be affected by any notice to the contrary.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this bond do exist, have happened and have been performed in the manner and form required by

law, and that said Port will continuously operate said bridge in conformity with said resolution; that a schedule of tolls to be charged will be fixed, revised, collected and accounted for so as to at all times pay promptly when due the interest on all of said bonds that may be outstanding and accomplish retirement thereof at or before maturity, and also to pay all costs of operation and maintenance of said bridge not otherwise provided; that a sufficient amount of revenues and other income derived from the operation of said undertaking has been hypothecated and pledged to and will be set aside into a special fund heretofore created and identified as the "Toll Bridge Revenue Bond Fund" for the purpose of paying the interest on this bond and all other bonds authorized or permitted to be issued by said resolution and redeeming and fully discharging all such bonds at or prior to the maturity thereof; and that this bond, together with all other obligations of said Port, does not exceed any limitation prescribed by law and shall not in any manner constitute general obligations of said Port nor an indebtedness or liability within the meaning of any constitutional limitation or provision.

IN WITNESS WHEREOF said Port of Hood River by its Board of Commissioners and as its governing authority has caused this bond to be signed by its President and Treasurer, attested by its Secretary, and its corporate seal to be hereunto affixed, and the coupons hereto attached to be executed with the facsimile signatures of said President, Treasurer and Secretary, which officials by the execution of this bond do adopt as and for their own proper signatures their respective facsimile signatures appearing on said coupons, and this bond to be dated the first day of December, 1950.

/s/ _____
President

(SEAL)

Attest:

/s/ _____
Treasurer

/s/ _____, Secretary.

(Form of Coupon)

Number _____

\$17.50

On the first day of _____, 19__, the Port of Hood River in Hood River County, Oregon, will pay to bearer from its "Toll Bridge Revenue Bond Fund" Seventeen and 50/100 Dollars (\$17.50) at The American National Bank and Trust Company of Chicago, in the City of Chicago, Illinois, for semi-annual interest then due on its Toll Bridge Revenue Bond dated December 1, 1950, Numbered ____.

/s/ (facsimile signature) _____
President

Attest:

/s/ (facsimile signature) _____
Treasurer

/s/ (facsimile signature) _____
Secretary

(Form for Registration)

Date of Registration	Name of Registered Owner	Signature of Bond Registrar
:	:	:
:	:	:
:	:	:
:	:	:
:	:	:
:	:	:
:	:	:

Section 3. That the bonds hereby authorized shall be executed as herein provided, and shall thereupon be sold and delivered to A. C. Allyn and Company, Incorporated, pursuant to the agreement heretofore entered into under date of July 21, 1950, as amended, the terms and conditions of which agreement are in all respects hereby ratified and confirmed and found to be for the best interests of said Port. A sufficient portion of the proceeds thus received shall be disbursed to purchase said toll bridge, and the balance of said proceeds shall constitute a construction fund hereby created, and shall be disbursed to pay the cost of improving said toll bridge and approaches substantially as recommended in said Report by Tudor Engineering Company, including the engineering, legal, and other pertinent expenses, provided that all sums received as accrued interest, together with a sufficient portion of said proceeds as in the aggregate will equal the amount of interest to accrue on said bonds during the six months following the date of issuance of the bonds shall be withdrawn and deposited in the "Toll Bridge Revenue Bond Fund", as hereinafter created. Pending expenditure for the authorized purpose said construction fund shall be deposited in a bank or in banks and each such deposit shall at all times be secured by a surety bond or bonds furnished by a surety company or companies qualified or authorized to do business in Oregon, or any such deposit may be collaterally secured by direct or fully guaranteed obligations of the United States of America having a market value equivalent to such deposit. All vouchers or orders for disbursements from said construction fund for account of materials and construction work for said toll bridge and approaches shall be approved by the engineer or engineers in charge of the construction work.

The Treasurer of said Port of Hood River is hereby authorized and directed to make delivery of said bonds on behalf of said Port as hereinbefore authorized, and to receive and receipt for the proceeds. If there is any unexpended balance of proceeds in said

toll bridge construction fund following completion of the improvements the amount thereof shall be paid into the Toll Bridge Revenue Bond Fund.

Section 4. That the bonds hereby authorized and from time to time outstanding shall not be entitled to priority one over the other in the application of the income and revenues from said bridge, and said Port of Hood River hereby covenants and agrees so long as any of said bonds are outstanding it will not incur any other obligations or issue any other bonds payable from the income and revenues from said bridge unless the same be subject to the priority of the bonds herein authorized; provided, that if by reason of miscalculation, error or otherwise, it shall be found that the bonds in the principal amount of \$1,600,000 hereby authorized, together with all other available funds, are insufficient to pay the cost of acquiring said toll bridge and approaches by purchase and improvement as herein provided additional bonds in the principal amount of not exceeding \$100,000, ranking on a parity with the bonds hereby authorized, may then be authorized and issued for the purpose of paying the balance of such cost; provided, however, no such additional parity bonds shall be issued unless the terms and provisions of such bonds are identical to those prescribed for the bonds hereby authorized, and further provided, that before any such additional parity bonds shall be issued as aforesaid an engineer or firm of engineers having the qualifications prescribed for the "consulting engineer" by Section 6 of this resolution shall first recommend and certify in writing to the necessity therefor, and said Board of Commissioners may then by resolution find and declare the necessity therefor and the principal amount thereof. Upon the adoption of such resolution the President of said Board shall call a meeting of the bondholders at his office by causing notice thereof to be given by publication at least once in each of two successive weeks in a daily newspaper of general circulation

published in each of the cities of Portland, Oregon, and New York, New York. If the holders of at least twenty-five per cent of the principal amount of the bonds then outstanding are represented in person or by proxy at such meeting and the holders of at least fifty-one per cent of the principal amount of the bonds thus represented at such meeting consent to the issuance of such additional bonds then said Port may issue and sell such additional bonds and apply the proceeds in the manner provided by this resolution. The provisions hereinbefore made in this section for the issuance of additional bonds shall appertain only to such additional bonds ranking on a parity with the bonds hereby specifically authorized, and any other bonds or obligations issued or incurred by said Port which by the terms thereof are payable from or secured by the income or other revenues from said bridge shall be subject to the priorities and vested rights in favor of the bonds hereby authorized, and any additional bonds ranking on a parity therewith which may be outstanding.

Section 5. That upon the acquisition of said bridge properties same shall be operated by said Port as a revenue producing undertaking so long as any of the bonds hereby authorized are outstanding, and all income and other revenue from such operation shall be deemed revenue and other income from the bridge and paid into the "Toll Bridge Revenue Fund", hereinafter created. The schedule of tolls now in effect shall be the initial schedule of tolls upon Port ownership and operation.

All revenues and other income from the operation of the bridge shall be kept separate and apart from all other funds of the Port and except for a sum not exceeding \$1,000 which may be retained for making change all such revenues and other income shall be deposited as a special fund identified as "Toll Bridge Revenue Fund" in banks that may be selected and designated by said Board of Commissioners; provided, the amount thereof on deposit in any one bank shall not exceed at any time ten per cent of the last reported

combined capital, surplus and undivided profits of such bank.

There shall be and there is hereby created and so long as any of the bonds hereby authorized remain outstanding there shall be maintained a special account to be known as the "Toll Bridge Operation and Maintenance Fund" and into which there shall be transferred and paid from the Toll Bridge Revenue Fund each month an amount sufficient to pay all reasonable and proper expenses of operation and maintenance of said bridge for such month which cannot be paid from other available funds; provided, that during the first two months of operation of the bridge by the Port there may be transferred and paid into the "Toll Bridge Operation and Maintenance Fund" as aforesaid not exceeding the sum of \$ 14,000.. All funds in said Operation and Maintenance Fund shall be deposited in a bank or in banks designated by said Board of Commissioners and shall be disbursed on approved orders or vouchers consistent with the budget provided for in Section 6 hereof. If in any month for any reason there shall be a failure to transfer and pay the required amount into said fund then the amount of any deficiency shall be added to the amount otherwise required to be so transferred and paid in the next succeeding month. Fixed annual charges, such as legally assessed taxes and insurance and the cost of major maintenance expenses, shall be computed and set up on an annual basis and one twelfth of the amount thereof shall be charged and accumulated each month.

There shall be and there is hereby created a special fund to be known as the "Toll Bridge Revenue Bond Fund" (hereinafter called the "sinking fund"), into which there shall be set apart and paid on or before the tenth day of each month the entire balance which remained in said Toll Bridge Revenue Fund on the first day of said month after making the prescribed transfer and payment into the Operation and Maintenance Fund for the same month. The amounts set aside and paid into the sinking fund shall be sufficient to pay

the interest on the bonds as the same becomes due and to create a sinking fund to retire the bonds within twenty years from their date, and it is hereby determined that until funds have been accumulated and are retained in the sinking fund sufficient to retire all bonds outstanding, including any redemption premium and interest to become due thereon, the amounts so to be set apart and paid into said sinking fund during each calendar year shall be not less than as follows:

<u>During the Calendar Year</u>	<u>Amount</u>	<u>During the Calendar Year</u>	<u>Amount</u>
1951	\$ 94,200	1964	\$ 149,200
1952	93,600	1965	153,800
1953	92,800	1966	158,500
1954	103,400	1967	163,100
1955	107,700	1968	167,600
1956	111,900	1969	172,300
1957	116,400	1970	176,900
1958	121,000	1971	181,500
1959	125,800	1972	186,100
1960	130,700	1973	190,700
1961	135,300	1974	195,300
1962	139,900	1975	199,900
1963	144,600		

In the event of a failure to pay the prescribed minimum amount into said sinking fund in any year then the amount of the deficiency shall be added to the minimum amount required to be paid therein during the next succeeding calendar year.

No further payments need be made into said sinking fund whenever and so long as the amount therein is sufficient to retire all the bonds then outstanding, including redemption premium and plus the amount of interest due and thereafter to become due on said bonds on and prior to such retirement.

All moneys so transferred and paid in said sinking fund shall be deposited in banks and collaterally secured in the same manner as hereinbefore provided for collaterally securing the construction fund and shall be used solely and only, and is hereby hypothecated and pledged for the purpose of paying the bonds hereby authorized, and any additional bonds ranking on a parity therewith as herein permitted.

Not less than thirty days prior to each interest payment date the Treasurer of said Port shall withdraw from the sinking fund and remit to the place of payment a sufficient amount to pay the interest becoming due on such bonds on such succeeding interest payment date. If and when bonds are called for redemption prior to maturity, as hereinbefore provided, funds sufficient to accomplish such redemption shall also be withdrawn and so remitted in ample time prior to the redemption date. Said Treasurer shall include with each such remittance the ordinary and regular charge, if any, of the bank acting as paying agent for said bonds, provided, that such charges shall not be withdrawn from said sinking fund but shall be regarded as an expense of operation and maintenance of the bridge and the amount thereof shall be withdrawn from the Toll Bridge Operation and Maintenance Fund.

Section 6. Said Port of Hood River hereby agrees so long as any bonds hereby authorized are outstanding to regularly retain the services of some engineer or firm of engineers of national reputation (hereinafter sometimes referred to as the "consulting engineer"), for the purpose of consultation and cooperation in connection with the operation and maintenance of the bridge and charging and collecting tolls for traffic using same. An annual budget of expenses of operation and maintenance of the bridge properties shall be prepared by said Board of Commissioners in collaboration with such consulting engineer. Not less than seventy five days prior to the beginning of each fiscal year a "Proposed Annual Budget" shall be prepared by or submitted to such consulting engineer covering the anticipated monthly requirements and expenditures for such operation and maintenance during the ensuing fiscal year. At least sixty days prior to the beginning of such ensuing fiscal year a copy of such proposed annual budget shall be mailed to any bondholder who may have theretofore requested same. If such consulting engineer or the holder or holders of five per cent or more of the aggregate principal amount of bonds then outstanding

shall so request at least thirty days prior to commencement of the fiscal year said Board of Commissioners shall hold a public hearing on such proposed annual budget, at which hearing any bondholder and the consulting engineer and any other person in interest may appear and file written objections. If the consulting engineer shall have prepared or approved such proposed budget and no objections are filed as in this section permitted said Board of Commissioners may adopt the proposed budget as the annual budget for such succeeding fiscal year, but if such objections are filed said Board of Commissioners shall make every effort to satisfy same in adopting a revised final budget. The total monthly expenditures in any fiscal year shall not exceed the respective items as shown by the annual budget for such year unless specifically authorized by said Board of Commissioners based upon certification by the consulting engineer that same are necessary for the continued operation of the bridge properties, and if for any reason beyond the control of the Port an annual budget shall not have been finally approved before the commencement of the fiscal year the budget for the preceding fiscal year shall control until the prepared budget for such year has been approved.

Section 7. The schedule of tolls for traffic using the bridge shall be revised from time to time so as to be sufficient at all times to meet the prompt payment of all expenses and charges payable therefrom as by law provided, namely, sufficient to provide for all proper expenses of operation, maintenance and replacements of the undertaking and sufficient to provide for the payment of interest upon all bonds and to create a sinking fund to pay the principal thereof at or before maturity thereof, all as herein provided.

The initial schedule of tolls for the bridge and every subsequent revision thereof shall not be reduced except upon certification by the consulting engineer, to the effect that such reduction will not cause the estimated total revenues to be derived

from the undertaking under the revised schedule to be less than the minimum amounts hereinabove provided to be paid therefrom. Whenever it becomes apparent that the schedule of tolls then in effect is insufficient to provide adequate revenues to meet the requirements of law and this resolution, such schedule of tolls shall be revised and increased after giving due consideration to the recommendations of the consulting engineer so as to balance any apparent deficiency.

The schedules of tolls and each and every revision thereof shall be such as will classify all traffic in a reasonable way that the tolls may be uniform in application to all traffic falling within any reasonable class regardless of the status or character of any person, firm or corporation participating in the traffic, and no free passage shall be permitted except to employees of the Port in the discharge of their duties appertaining to the bridge.

Section 8. Whenever there is in the sinking fund a surplus in the sum of \$10,000 or more in excess of the amounts required to pay the current interest becoming due within the next ensuing twenty-four months such surplus may be used for the purchase of bonds hereby authorized and, if so used, shall be used in the following manner: Said Board of Commissioners shall designate a date which shall be not less than fifteen days nor more than thirty days from the time said date is designated, at which time it will receive sealed tenders of bonds and act upon such offers in open session. Notice of the time and place of receiving such sealed tenders shall be published at least once not less than ten days before such date in a newspaper or financial journal of general circulation published in each of the cities of Portland, Oregon, and New York, New York. The entire available surplus for the retirement of bonds computed as aforesaid if so used shall be used to purchase bonds offered at the lowest price or prices but not exceeding par and accrued interest. To whatever extent such

tenders are not received said Board of Commissioners shall proceed to call bonds for redemption as hereinbefore provided so that the entire available surplus in excess of the interest becoming due within the next ensuing twenty-four months is used to purchase or redeem bonds on or before each respective redemption date. All bonds so purchased or redeemed shall be cancelled.

Section 9. Said Port covenants and agrees that so long as any of the bonds hereby authorized remain outstanding proper books of record and account will be kept separate from all other records and accounts showing complete and correct entries of all transactions relating to the bridge, and that the holders of any of said bonds shall have the right at all reasonable times to inspect all records, accounts and data relating thereto. Said Port further covenants and agrees that it will in each year, so long as any of said bonds remain outstanding, cause an audit of said books and accounts to be made by an independent certified accountant, showing the receipts and disbursements and the purchase and redemption of bonds. All toll collectors and other employees and officers having control or custody of funds appertaining to the bridge shall be continuously under bond for due accounting of such funds.

Section 10. Said Port hereby covenants and agrees with each and every of the holder or holders of the bonds herein authorized that it will faithfully and punctually perform all duties with reference to the bridge required by the Consitution and laws of the State of Oregon and will cause to be charged, collected and accounted for sufficient revenues and other income from the operation thereof to meet the requirements of this resolution and will segregate said revenues and other income and make the application thereof as herein provided, and said bridge, or any extensions and additions thereto, shall not be sold, leased, mortgaged, or in any manner disposed of beyond control of the Port, unless and until all of the bonds herein authorized to be issued shall have been

paid in full, both principal and interest, or legal and adequate provision for such payment shall have been duly made and said Port further covenants and agrees with the holders of said bonds to maintain in good condition and cause said bridge to be continuously opened to traffic, and to cause to be charged, collected and accounted for, such rates and charges for the facilities thereby afforded so that the revenues and other income therefrom will be sufficient at all times to make the prescribed payments into the several funds, all as provided herein.

Section 11. Said Port covenants and agrees that it will keep the toll bridge (including approaches thereto) insured under a "multiple risk" policy or policies of a responsible insurance company or companies authorized and qualified under the laws of the State of Oregon to assume such risks. Coverage of such insurance shall include (without thereby limiting the term "multiple risk" aforesaid) public liability and property damage, and also damage by fire and lightning, tornado and winds, earthquake, flood, rising waters, collision (on or under), collapse, riot, strike, civil commotion, malicious damage and explosion, and shall be for the full amount of the insurable value subject to the deduction from such loss or damage (except in case of a total loss) of not more than five per cent of such insurable value, nor more than \$25,000; provided such insurance may be carried for such lesser amount and with such more lenient deductions as in the written opinion of the consulting engineer (defined in Section 6 of this resolution) is recommended or deemed adequate for the security of the bonds outstanding. During any period of a state of war or open hostilities by or against the United States of America, the Port agrees that it will, to the extent such insurance is available, keep the bridge insured against loss or damage through the risks of war and sabotage. The proceeds of any and all such insurance, other than public liability and property damage, are hereby pledged by the Port as security for the bonds issued hereunder until such

proceeds are paid out in making good the loss or damage in respect of which such proceeds are received, either by repairing the property damage or replacing the bridge destroyed. The proceeds of any insurance not applied to the work of repairing or replacing the property insured or destroyed within twelve months after its receipt shall be placed in the sinking fund for the pro rata benefit of the bonds payable from said sinking fund.

Section 12. The Port covenants and agrees it will also insure said toll bridge including approaches in a responsible insurance company or companies authorized and qualified under the laws of the State of Oregon to assume the risk thereof against loss of the use and occupancy thereof resulting from any of the causes set forth in the next preceding section in such an amount as will provide an income from the undertaking equivalent to at least the minimum amount required by this resolution to be paid into the sinking fund during the period of suspension of use. Such insurance may be subject to the deduction of not more than ten days from such period of suspension of use. The proceeds of such insurance shall be paid into the sinking fund and shall be subject to use and application as hereinbefore provided for money in said fund.

Section 13. Each of the following events is hereby declared an "event of default", that is, if:

(a) Payment of the principal and, if any premium is due, of such premium, of and upon any of the bonds either at the date therein specified for their payment or by proceedings for redemption or otherwise, shall not be made;

(b) Payment of any installment of interest shall not be made on the dates specified in the appurtenant coupons for the payment of such coupon or within thirty days thereafter; or

(c) Default shall be made in the due and punctual observance or performance of any of the covenants, conditions

and agreements on the part of the Port or its officers in the bonds or in this resolution, or in any pertinent law contained, and such default shall continue for a period of thirty days.

Section 14. Upon the happening of any event of default specified in Section 13 hereof then and in every such case the holder or holders of ten per cent of principal amount of the bonds hereby authorized then outstanding may proceed to protect and enforce the rights of the bondholders by suit, action or special proceeding in equity or at law, or by a proceeding in the office of any state or federal board or officer having jurisdiction either for the specific performance of any covenant or agreement or execution of any power, or for the enforcement of any proper legal or equitable remedy that shall be deemed most effectual to protect and enforce the rights aforesaid. Anything herein to the contrary notwithstanding the holder or holders of a majority in principal amount of all the bonds herein authorized and then outstanding shall have the right to control and direct the method and place of conducting all remedial proceedings to be taken hereunder.

Section 15. The provisions of this resolution shall constitute a contract between said Port of Hood River and the holders of the bonds herein authorized to be issued; provided, that modifications, alterations and amendments of this resolution and of the rights and obligations of said Port and of the holders of bonds issued and outstanding hereunder may be made as in this section provided.

The Port, pursuant to a resolution or order of its Board of Commissioners, may call a meeting of the bondholders. Every such meeting shall be held at such place in the City of Portland, Oregon, or in the City of Hood River, Oregon, as may be specified in the notice calling such meeting and in the request that such meeting be called. Written notice of any such meeting stating the place and time thereof and in general terms the business to be

submitted shall be mailed not less than thirty days before such meeting

(a) to each owner of bonds registered as to principal then outstanding, addressed to him at his address appearing on the registration books,

(b) to each known holder of all other bonds then outstanding, addressed to him as his name and address appear from the most recent information;

and shall be published at least once in each of two successive calendar weeks immediately preceding the week which includes the date fixed for such meeting in a newspaper of general circulation in the City of Hood River, Oregon, and in one newspaper or financial journal of general circulation published in each of the cities of Portland, Oregon, and New York, New York. All holders of bonds outstanding at the time of such meeting shall be entitled to vote thereat, and such attendance may be in person or by proxy. Each person seeking to attend or vote at any such meeting must, if required, produce such proof of ownership of bonds or of personal identity as shall be satisfactory to the inspectors of votes. Every proxy shall be signed by the holder of bonds or by his duly authorized attorney and shall be witnessed, and its genuineness if questioned shall be established to the satisfaction of the inspectors of votes. The holders of bonds and the holders of proxies present, shall by a majority vote, irrespective of the amount of their holdings, select two persons from those present to act as inspectors of votes, who shall count all votes cast at such meeting and who shall make and file with the secretary of the meeting their verified written report in duplicate of all such votes so cast at said meeting.

The holders (or persons entitled to vote the same) of not less than fifty-one per cent in principal amount of the bonds entitled to be voted at any such meeting must be present at such meeting in person or by proxy in order to constitute a quorum for the transaction of business, less than a quorum, however, having power to adjourn.

Any such modification or alterations or amendments of this resolution or of any rights and obligations of the Port, or of the holders of the bonds in any particular, may be made at a meeting duly convened and held in accordance with the provisions of this section, but only by a resolution duly adopted by the affirmative vote, in person or by proxy, of the holders (or persons entitled to vote the same) of fifty-one per cent or more in aggregate principal amount of the bonds outstanding when such meeting is held; provided, however, that no such modification, alteration or amendment shall be made which will (a) permit an extension of the time of payment at maturity of the principal of or payment of the interest on any bond, or a reduction in the rate of interest thereon without written consent of the holder of such bond, or (b) reduce the percentage of holders of bonds required by the provisions of this section for the taking of any action under this section.

A record of the proceedings of each such meeting shall be prepared by the secretary of the meeting and shall have attached thereto the original counterparts of the reports of the inspectors of votes and affidavits by one or more persons having knowledge of the facts, setting forth a copy of the notice of the meeting and a copy of the record of any adjournment thereof, and showing that said notices were duly given as herein provided. Such record shall be signed and verified and filed with the Secretary of said Board of Commissioners. No such resolution adopted at any such meeting shall be binding upon the Port unless approved by resolution or order of said Board of Commissioners, and when so approved shall be binding on the Port and the holders of all bonds.

Section 16. If any section, paragraph, clause or provision of this resolution shall be ruled by any court of competent jurisdiction to be invalid, the invalidity of such section, paragraph, clause or provision, shall not affect any of the remaining provisions.

Section 17. All resolutions and orders, or parts thereof, in conflict with the provisions of this resolution, are, to the extent of such conflict, hereby repealed.

Section 18. That it is hereby declared that this resolution become effective forthwith upon its passage and approval, and it is so ordered.

Passed and approved December 5, 1950.

/s/ L. C. Sherwood
President

/s/ Luke Nichols
Commissioner

/s/ Ross Collie
Commissioner

/s/ Charles E. Fuller
Commissioner

Attest:

/s/ H. M. Saling
Commissioner

/s/ H. M. Saling
Secretary