

AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF INDUSTRIAL DEVELOPMENT REVENUE BONDS (WEYERHAEUSER COMPANY PROJECT), SERIES 1979, IN THE AMOUNT OF \$1,400,000 OF THE PORT OF NEWPORT, OREGON; APPROVING AND AUTHORIZING THE EXECUTION OF AN INDENTURE OF TRUST TO SECURE AND PROVIDE FOR THE PAYMENT OF THE SAID BONDS AND A LEASE AGREEMENT; PROVIDING FOR THE ISSUANCE AND SALE OF SAID BONDS; RATIFYING THE NOTICE OF INTENTION TO ADOPT THE ORDINANCE; APPROVING RELATED MATTERS; AND DECLARING AN EMERGENCY.

WHEREAS, the Port of Newport, Lincoln County, Oregon, hereinafter referred to as the "Port," is authorized, pursuant to the provisions of ORS Chapter 777, hereinafter referred to as the "Act," to issue its industrial development revenue bonds for the purpose of providing funds to pay the cost of acquiring and constructing certain ocean ranching facilities, hereinafter referred to as the "Project," on lands owned by the Port and leased to the Weyerhaeuser Company, a Washington corporation; and

WHEREAS, on or about the 14th day of November, 1977 the Port adopted its Resolution No. 16-1977 and entered into a Memorandum of Agreement by and between the Port of Newport and the Weyerhaeuser Company agreeing to issue its industrial development revenue bonds; and

WHEREAS, on or about the 8th day of January, 1979, the Port did, by adoption of its Resolution No. 3-1979, amend Resolution No. 16-1977 and Memorandum of Agreement to provide for the issuance of said bonds in an amount not to exceed \$10,000,000, the purpose of said bonds being to finance the construction and improvement of the existing ocean salmon ranch facility at Newport, Oregon, increasing said facility, as well as the product, which consists of adult salmon and of green fish eggs, and ancillary activities, all within the Port district; and

WHEREAS, in accordance with the requirements of law, the Port proposes to issue its industrial development revenue bonds (Weyerhaeuser Company Project), Series 1979, in the aggregate principal amount of \$1,400,000 to be dated the 1st day of August, 1979 pursuant to an Indenture of Trust dated as of the 1st day of August, 1979, hereinafter referred to as the "Indenture," for the purpose of providing funds to pay the cost of acquiring and constructing certain portions of the Project which shall be leased to the Company pursuant to a Lease Agreement dated as of August 1, 1979, the execution of which is authorized hereinbelow, said Lease to be supplementary to and exclusive of that separate lease agreement respecting the land only made and dated October 18, 1977 and modified on or about January 8, 1979; and

WHEREAS, the Act and all documents to be signed by the Port provide that principal and interest on the bonds are to be payable solely out of the revenues and property of the Port pledged to the payment thereof pursuant to this ordinance authorizing the issuance of the bonds, said revenues being the revenues from the Project lease only, and that neither the faith, nor the credit, nor the taxing power of the Port, the State of Oregon or any political subdivision of the State of Oregon are pledged to or for the payment of the principal of the bonds, or the interest thereon or other costs incidental thereto, and neither the Port, the State of Oregon or any political subdivision of the State of Oregon is obligated to pay the principal of the bonds or the interest accruing thereon or any other cost or expense incidental thereto except from the revenues and monies pledged therefor;

NOW, THEREFORE, BE IT ORDAINED by the Port of Newport as follows:

Section 1. The Port is authorized to issue the bonds and to pay the costs of the Project from the proceeds thereof pursuant to the provisions of the Act and of this ordinance and the officers of the Port are authorized to execute such documents and perform such acts as may be necessary or convenient thereto.

Section 2. In order partially to defray the costs of acquiring and constructing the company's interest in the Project, the Port does hereby authorize the issuance, sale and delivery of its Industrial Development Revenue Bonds (Weyerhaeuser Company Project), Series 1979, in the aggregate principal amount of \$1,400,000 to be dated as of August 1, 1979, to mature on August 1, 2009 in denominations of \$5,000 and to bear interest at the rate of six and one-half percent (6-1/2%) per annum, said interest to be payable semi-annually on the 1st day of February and August of each year commencing February 1, 1980, and to be payable at the First National Bank of Oregon, Portland, Oregon.

Section 3. The bonds are to be issued in accordance with and pursuant to the Lease Agreement and Indenture set forth as exhibits hereto and by this reference made a part hereof, copies of which have been presented to the Board of Commissioners of the Port at the meeting at which this ordinance is adopted and which are also on file in the office of the Port and may there be obtained during normal business hours by any interested persons. The Lease Agreement provides for the issuance of the bonds pursuant to the Indenture solely for the purpose of paying a portion of the costs of acquiring and constructing the leased Project and for the payment of expenses incidental thereto. Recourse on the bonds executed and delivered by the Port pursuant to the Lease Agreement and the Indenture may be had only against the security for the bonds as provided herein and in the Lease Agreement and the Indenture. The form of the Indenture, Lease Agreement, Guaranty Agreement, Bond Purchase Agreement, Inducement Letter, Preliminary Official Statement and Official Statement are hereby approved by the Port in all respects as the same relate to the Port or contain a description thereof.

Section 4. The president and the secretary of the Port are hereby authorized and directed to execute the Lease Agreement and the Indenture, each to be dated as of August 1, 1979, and to execute and deliver to the Trustee named therein the Indenture in substantially the same form as the current drafts thereof as attached hereto.

Section 5. The bonds, in substantially the form as set forth in the Indenture, are hereby approved in all respects and the president and secretary of the Port are hereby authorized to execute each of the bonds and to affix the seal of the Port thereto, or to cause the bonds to be executed by the facsimile signature of one of such officers and manually executed by the other and to affix the seal or to cause the seal to be affixed thereto. The president, secretary and treasurer and all other officers, employees and representatives of the Port are hereby authorized and directed to take all steps on behalf of the Port to perform and discharge the obligations of the Port under each of said instruments.

Section 6. The bonds shall be issued on the following terms:

(a) The interest rate or rates to be borne by the bonds shall be six and one-half percent (6-1/2%);

(b) The place or places of payment of the bonds shall be the First National Bank of Oregon, Portland, Oregon, as trustee and paying agent;

(c) The bonds shall mature on August 1, 2009, as hereinabove provided;

(d) Provisions for prior redemption of the bonds shall be as provided in the Indenture of Trust which is made a part hereof as an exhibit;

(e) The price at which the bonds shall be sold shall be ninety-eight percent (98%) of par.

Section 7. The publication of the Notice of Intention to Adopt this ordinance authorizing the issuance of the bonds as published in the News-Times, Newport, Oregon in the issues of August 15, 1979 and August 22, 1979 in accordance with the requirements of ORS 777.565 is hereby in all respects ratified, approved and confirmed.

Section 8. The Board of Commissioners of the Port has and hereby does determine that the adoption of this ordinance is immediately necessary to permit the sale of these bonds in a proper and orderly fashion and to carry out the purposes and intents of this ordinance and to take advantage of the availability of a purchaser for the bonds and for other good and sufficient cause, an emergency is therefore determined to exist and, immediately upon the passage of this ordinance, this ordinance shall be signed by the president and attested by the secretary of the Port and recorded in a book kept by the secretary for that purpose and shall take effect immediately thereupon.

Section 9. The provisions of this ordinance are hereby declared to be severable and if any section, phrase, provision or part hereof shall for any reason be found or declared to be invalid, such determination shall not affect the validity of the rest or remainder of this ordinance or any other section, phrase, provision or part hereof.

Section 10. All ordinances and any part thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 11. As above provided, this ordinance shall become effective immediately upon its passage and execution hereof by the president and secretary of the Port.

PASSED AND ADOPTED this 4th day of September, 1979.



President

ATTEST:



Secretary

AYES: 5

NAYES: 0

ABSENT: 0

APPROVED: *David C. Swift*
President

ATTEST: *Gene Bateman*
Secretary