

RESOLUTION NO. 2989

A RESOLUTION of the Port Commission of the Port of Seattle approving Resolution No. 45 of the Industrial Development Corporation of the Port of Seattle relating to the Development Corporation's Revenue Bond (Seafreeze Project II), in the aggregate amount of \$1,500,000.

WHEREAS, the Port of Seattle (the "Port"), by Resolution No. 2845, has approved and authorized the creation of the Industrial Development Corporation of the Port of Seattle (the "Development Corporation") as a public corporation of the State of Washington pursuant to the provisions of Chapter 300, Laws of Washington 1981 (Reg. Sess.) codified as Chapter 39.84 RCW, as amended (the "Act") to act on behalf of the Port to issue revenue bonds for the purpose of financing the costs of qualified industrial development facilities within the meaning of the Act; and

WHEREAS, the Development Corporation, by Resolution No. 42 (the "Bond Resolution") adopted on December 10, 1985, has authorized the issuance and sale of a certain issue, amount to \$1,500,000 of its Revenue Bond (Seafreeze Project II) to be initially issued as a single fully registered Bond No. R-1 (the "Bond") and by the Bond Resolution has authorized a Loan Agreement dated as of December 1, 1985, with Seafreeze Limited Partnership (the "Partnership"); and

WHEREAS, the Development Corporation, by Resolution No. 45 adopted on January 14, 1986, has amended the Bond Resolution with respect to the interest rate formula for the Bond;

WHEREAS, the Act requires that the governing body of the creating municipality approve the resolution of the Development Corporation authorizing the issuance of bonds approved by the Development Corporation; and

WHEREAS, the Port Commission has reviewed Resolution No. 45 and intends, by adoption of this resolution, to approve the same in accordance with the Act;

NOW, THEREFORE, BE IT RESOLVED by the Port Commission of the Port of Seattle, as follows:

Section 1. Resolution No. 45 of the Development Corporation and the terms of the Bond therein expressed and approved, in the amount and for the purpose therein described and referred to in the preamble of this resolution, is hereby approved in accordance with RCW 39.84.120.

Section 2. This resolution shall take effect immediately from and after its adoption.

ADOPTED by the Port Commission of the Port of Seattle this 14th day of January, 1986, and duly authenticated in open session by the signatures of the Commissioners voting and the seal of the Port Commission duly affixed.

PORT OF SEATTLE

Paul H. Anderson
John Wright
Charles L. Allen
Pat Davis
John B. Blank
Commissioners

CERTIFICATE

I, the undersigned, Secretary of the Port Commission of the Port of Seattle (herein called the "Port") DO HEREBY CERTIFY:

1. That the attached Resolution numbered 2989 (herein called the "Resolution") is a true and correct copy of a resolution of the Port as adopted at a meeting of the Port Commission of the Port held on January 14, 1986, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Port Commission voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Port of Seattle this 14th day of January, 1986.


Secretary

[PORT SEAL]

RESOLUTION NO. 45

OF

INDUSTRIAL DEVELOPMENT CORPORATION OF THE PORT OF SEATTLE

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT CORPORATION OF THE PORT OF SEATTLE, AMENDING AND RESTATING RESOLUTION NO. 42 RELATING TO THE INTEREST RATE FORMULA SET FORTH THEREIN FOR THE DEVELOPMENT CORPORATION'S \$1,500,000 REVENUE BOND (SEAFREEZE PROJECT II); AND THE ESTABLISHMENT OF FUNDS; AND AUTHORIZING THE EXCHANGE OF THE BOND UNDER THE TERMS OF THIS RESOLUTION.

RESOLUTION

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and is only for convenience of reference)

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RESOLUTION NO. 45

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT CORPORATION OF THE PORT OF SEATTLE, AMENDING AND RESTATING RESOLUTION NO. 42 RELATING TO THE INTEREST RATE FORMULA SET FORTH THEREIN FOR THE DEVELOPMENT CORPORATION'S \$1,500,000 REVENUE BOND (SEAFREEZE PROJECT II); AND THE ESTABLISHMENT OF FUNDS; AND AUTHORIZING THE EXCHANGE OF THE BOND UNDER THE TERMS OF THIS RESOLUTION.

WHEREAS, the Industrial Development Corporation of the Port of Seattle (the "Issuer"), pursuant to Resolution No. 42, adopted on December 10, 1985, has issued its Revenue Bond (Seafreeze Project II) in the aggregate principal amount of \$1,500,000 (the "Bond"), for the purpose of making a loan to the Seafreeze Limited Partnership (the "Partnership") to finance all or a portion of the Costs of the Project Facilities (as defined in Resolution No. 42); and

WHEREAS, the Issuer and the Partnership have entered into a Loan Agreement (the "Loan Agreement") dated as of December 1, 1985, pursuant to which the Issuer will lend to the Partnership the proceeds of the Bond under the terms and conditions stated therein; and

WHEREAS, the Bond has been sold to Peoples National Bank of Washington (the "Registered Owner") pursuant to a Bond Purchase Contract among the Issuer, the Registered Owner and the Partnership; and

WHEREAS, the Issuer has been requested by the Registered Owner and the Partnership to amend the provisions of Resolution No. 42, with respect to the interest rate determinations in accordance with the agreement of the parties; and

WHEREAS, the Issuer has been advised by its Bond Counsel that such amendment may be made to approve the revised interest rate formula and restate and affirm the terms of Resolution No. 42.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT CORPORATION OF THE PORT OF SEATTLE, as follows:

ARTICLE I

Definitions

Section 1.01. Definitions. Certain terms used in this Resolution are hereinafter defined in this Section 1.01. When used herein, such terms shall have the meanings given to them by the language employed in this Article I defining such terms, unless the context clearly indicates otherwise:

"Act" means Chapter 300, Washington Laws of 1981 (Reg. Sess.), codified as Chapter 39.84 RCW, as the same is supplemented and amended from time to time.

"Administration Expenses" means the reasonable and necessary fees and expenses incurred by the Issuer pursuant to the Loan Agreement and this Resolution.

"Assignment" means the Assignment, dated as of December 1, 1985, pursuant to which the Issuer assigns to the Registered Owner

its right, title and interest in the Loan Agreement and the Deed of Trust (and duties thereunder following the issuance of the Bond).

"Authorized Partnership Representative" means such person at the time and from time to time designated by written certificate furnished to the Issuer, the Depository, and the Registered Owner, containing the specimen signature of such person and signed on behalf of the Partnership by the President or any Vice President of any general partner of the Partnership to act on behalf of the Partnership.

"Basic Rate" means the Basic Rate publicly announced by Peoples National Bank of Washington. The Basic Rate is based upon a calculation of Peoples' cost of acquiring and loaning funds plus a return on its assets as a whole. The Basic Rate may or may not be the Bank's best or lowest lending rate. Any change in the interest rate on the Bond resulting from a change in the Basic Rate shall be effective on the effective date of each change in the "Basic Rate" announced by Peoples National Bank of Washington at its principal office in Seattle, Washington.

"Bond Purchase Contract" means the Bond Purchase Contract dated December 10, 1985 by and among the Issuer, the Registered Owner and the Partnership, which provides for the initial purchase of the Bond by the Registered Owner.

"Corporate Tax Rate" or "C" means the highest marginal tax rate on corporations, including national banking associations, under the Code.

"Cost of Funds" or "COF" means the Cost of Funds which, for purposes of the computation of the interest rate on the Bond, equals .0953.

"Code" means the Internal Revenue Code of 1954, as amended, together with corresponding and applicable regulations promulgated or proposed and revenue rulings issued with respect thereto by the Department of Treasury and Internal Revenue Service of the United States.

"Completion Date" means the date of substantial completion of the Project Facilities as that date shall be certified as provided in Section 4.01 of the Loan Agreement.

"Computation Period" means the one-year period commencing with the date of initial issuance and delivery of the Bond and each year thereafter for so long as the Bond remains outstanding.

"Construction Fund" means the Construction Fund authorized to be created in Section 4.03 of Resolution No. 42.

"Construction Period" means the period between the beginning of construction of the Project Facilities and the Completion Date.

"Costs of the Project Facilities" means and includes the items of cost and expense set forth in Section 6 of the Depository Agreement.

"Date of Closing" means the date of original issuance and delivery of the Bond to the Purchaser pursuant to the Bond Purchase Contract.

"Deed of Trust" means the Deed of Trust, Security Agreement and Assignment of Leases and Rents dated as of December 1, 1985, from the Partnership for the benefit of the Issuer.

"Depository" means Peoples National Bank of Washington, a national banking association, having its principal offices at Commercial Banking Division, 1414 Fourth Avenue, P.O. Box 720, Seattle, Washington 98111-0720, as depository of the Construction Fund.

"Depository Agreement" means the Depository Agreement dated as of December 1, 1986, by and among the Issuer, the Partnership, and the Depository.

"Determination of Taxability" means establishing the existence of an Event of Taxability in one of the following ways:

(a) any determination, decision or decree or the issuance of any private ruling, technical advice or any other written communication by the Commissioner of the Internal Revenue Service or any office or agent of the Internal Revenue Service competent to make such determinations, or by any court of competent jurisdiction, that the interest payable on the Bond is includable in the gross income of any Registered Owner (other than a Registered Owner who is a "substantial user" or a "related person" within the meaning of Section 103(b)(13) of the Code, or any similar law then in effect) for federal income tax purposes; or

(b) the delivery of written notice to the Issuer and the Partnership by any Registered Owner declaring that an Event of Taxability has occurred on a specified date (other than by reason of an event described in subparagraph (a) above), and describing the Event of Taxability, said notice to become effective thirty (30) days after the giving of the same unless prior thereto the Partnership shall have delivered to the Registered Owner, at the sole cost and expense of the Partnership, an opinion from a nationally recognized bond counsel satisfactory to such Registered Owner to the effect that interest on the Bond is exempt from federal income taxation, provided, however, that if such written notice is based solely upon (or a necessary factor for the basis of such notice is) the conclusion that such Registered Owner is a "substantial user" or "related person" within the meaning of Section 103(b)(13) of the Code or any similar law then in effect, no such Determination of Taxability shall be deemed to have occurred in respect of such Registered Owner.

"Excess Earnings Fund" means the fund by that name authorized to be created by Section 4.03 of Resolution No. 42 and this Resolution.

"Events of Default" means those defaults specified in Section 7.01 of the Loan Agreement.

"Event of Taxability" means the occurrence or recognition of a fact or circumstance which causes the inclusion of interest on the Bond in the gross income of the Registered Owner for federal income tax purposes.

"Fixed Basic" or "FB" means 9.5% or expressed as a decimal .095.

"Indemnification and Compensation Agreement" means the agreement by that name dated as of December 1, 1985 between the Issuer and the Partnership.

"Issuer" means the Industrial Development Corporation of the Port of Seattle, and any successor body to the duties or functions of the Issuer.

"Issuer's Reserved Rights" means the rights and options of the Issuer set forth in Sections 1.05(d), 3.06, 4.03, 5.05, 6.01, 7.01(h), 7.06, 7.07, 8.02 and 8.06 of the Loan Agreement.

"Loan" means the loan provided in the Loan Agreement from the Issuer to the Partnership of the proceeds of sale of the Bond.

"Loan Agreement" means the Loan Agreement dated as of December 1, 1985, between the Issuer and the Partnership as from time to time supplemented and amended.

"Loan Repayments" means those payments required to be made by the Partnership pursuant to Sections 3.01, 3.02 and 3.03 of the Loan Agreement.

"Partnership" means Seafreeze Limited Partnership, a Washington limited partnership, and includes its successors and assigns as permitted under the Loan Agreement.

"Permitted Encumbrances" means

(i) the Loan Agreement and Deed of Trust,

(ii) utility, access and other easements and rights-of-way, restrictions and exceptions that in the opinion of counsel to the Partnership will not materially impair the utility or value of the property affected thereby for the purposes for which it is intended,

(iii) mechanics', materialmen's, warehousemen's, carriers' and other similar liens which are being appropriately contested in good faith by the Partnership, and as to which adequate reserves have been set aside in conformity with generally accepted accounting principles,

(iv) liens for taxes at the time not delinquent,

(v) lease agreements, lease purchase agreements, conditional sale and other title retention devices with respect to furnishings and equipment,

(vi) such minor defects, irregularities, encumbrances, easements, rights-of-way and clouds on title as normally exist with respect to properties similar in character to the site of the Project Facilities and as do not in the aggregate, in the opinion of independent counsel, materially impair the property affected thereby for the purpose for which it was acquired or is held by the Partnership and

(vii) those of record as of the date of recording the Deed of Trust, and consented to in writing by the Purchaser.

"Permitted Investments" means any of the following investments:

(i) means direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America,

(ii) direct obligations of or obligations guaranteed by any State of the United States of America or the District of Columbia, or obligations of the Federal Financing Bank, Federal National Mortgage Association, Government National Mortgage Association, Federal Intermediate Credit Bank, Banks for Cooperatives, Tennessee Valley Authority and Federal Home Loan Banks,

(iii) commercial paper (other than commercial paper issued by the Partnership or any affiliated corporation) rated in any of the three highest rating categories by a nationally recognized rating agency,

(iv) corporate bonds rated in any of the three highest rating categories by a nationally recognized bond rating agency,

(v) repurchase agreements with banks or financial institutions provided that such banks or financial institutions have a combined capital and surplus of at least \$50,000,000 (including the Registered Owner and Depository) with respect to any of the foregoing obligations or securities, and

(vi) money market daily accounts, deposits with or Certificates of Deposit in banks (including the Registered Owner) or savings and loan associations provided that such banks or savings and loan associations have a combined capital and surplus of at least \$50,000,000.

"Port" means the Port of Seattle, a duly organized and existing municipal corporation under the Constitution and laws of the State of Washington.

"Preference Tax Adjustment" or "p" means the percent expressed as a decimal by which the Registered Owner's allowable deductions with respect to any financial institution preference item shall be reduced pursuant to Section 291(a)(3) of the Code or any successor section or sections. The current Preference Tax Adjustment is 20% or .20.

"Project Facilities" means the acquisition, renovation and equipping of seafood transshipment facilities and personalty, including but not limited to, buildings, related structures, fixtures, equipment and personal property acquired, constructed and/or installed by the Partnership with the proceeds of sale of the Bond. The Project Facilities are generally described in Exhibit A, attached hereto.

"Purchaser" means Peoples National Bank of Washington, a national banking association, as the original purchaser and Registered Owner of the Bond.

"Registered Owner" means the Purchaser and any subsequent owner of record on the bond registration books of the Issuer.

"State" means the State of Washington.

"Tax Equivalent Yield" or "Y" means 11.56% or expressed as a decimal .1156 from the Date of Closing up to and including December 31, 1988 and from and including January 1, 1989, means 12.09% or .1209.

"Tax Exempt Rate" or "TER" means the rate of interest to be borne by the Bond, determined in accordance with the formula set forth in Section 1 of the Bond.

"Tax Incidence Date" means the first date on which interest on the Bond becomes or became includable in the gross income of the Registered Owner for federal income tax purposes as a result of an Even of Taxability.

"Tax Letter" means the letter of representation as to tax matters dated as of the date of issuance and delivery of the Bond and delivered to bond counsel.

"TEY" means the Tax Equivalent which is a decimal equal to the Basic Rate plus .0206 from the Date of Closing up to and including December 31, 1988 and equal to the Basic Rate plus .0259 from and including January 1, 1989 until payment in full of the Bond.

"Trustee" means any bank or trust company (including the Registered Owner) when acting as Trustee, paying agent and Bond Registrar pursuant to Article IX of this Resolution.

"User" means the Partnership an any of its corporate subsidiaries or affiliated or related companies which, from time to time, by whatever internal corporate arrangement, presently or hereafter occupies or uses the Project Facilities, in whole or in part, in connection with its trade or business.

Section 1.02. Interpretation. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words imparting the singular number shall include the plural numbers and vice versa unless the context shall otherwise indicate. Reference to Articles, Sections and other subdivisions of this Resolution are to the Articles, Sections and other subdivisions of this Resolution, as originally adopted unless expressly stated to the contrary. The headings of this Resolution are for convenience of reference only and shall not define or limit the provisions hereof.

ARTICLE II

Finding of the Issuer

Section 2.01. Issuer Purposes. The Issuer hereby ratifies and confirms its findings made in Section 2.01 of Resolution No. 42.

In reliance upon the opinion of Preston, Thorgrimson, Ellis & Holman, Bond Counsel to the Issuer, to be delivered with respect to the Bond, the Issuer hereby finds and determines that the interest on the Bond will be exempt from federal income taxation.

ARTICLE III

Authorization, Terms, Execution and Issuance of Bond

Section 3.01. Authorized Amount of Bond. No Bond may be issued under Resolution No. 42 and this Resolution except in accordance with this Article. The total principal amount of the Bond to be issued hereunder and thereunder is hereby expressly limited to \$1,500,000.

Section 3.02. Bond Not a General Obligation of Issuer. The Bond shall be payable solely out of the revenues and other security assigned and pledged hereby and shall not constitute an indebtedness of the Issuer within the meaning of any State Constitutional or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the Issuer (other than a liability for payment from the revenues and security assigned and pledged hereby) or a charge against its general credit.

Section 3.03. Authorization of Bond.

A. The Bond authorized and approved on December 10, 1985 shall be dated as of the date of its execution and delivery to the Registered Owner and shall be in substantially the form presented to the Board of Directors at this meeting. The Bond shall bear interest from its date in accordance with the formula set forth in Section 3.03(A) of Resolution No. 42, and the Bond issued in exchange therefor as hereinafter provided in this Resolution shall bear interest from the date of such exchange on unpaid principal at a variable per annum rate equal to the Basic Rate (B) times the Tax Exempt Rate established pursuant to the following formula:

$$\text{TER} = \frac{((\text{TEY}) - (\text{TEY})(\text{C}) + (\text{COF} \times \text{P} \times \text{C}))}{\text{FB}}$$

as such rate shall change from time to time, and each change in any of the foregoing components shall effect a change in the interest rate on the Bond, effective on the effective date of each such change. It is the intent and purpose of this Section, however, that the interest rate established hereunder shall float with the Basic Rate and that the after-tax yield to the Registered Owner with respect to the payment of interest to it thereunder shall not be increased or decreased by a change in the Preference Tax Adjustment or the Corporate Tax Rate. Interest shall be calculated on the basis of a year of 365 (or 366) days and actual days elapsed. Interest shall be due and payable in arrears on the last day of each month commencing on January 31, 1986 and monthly thereafter. The Bond shall be repayable in principal installments of \$250,000 payable on December 31, 1986 and annually thereafter on each December 31. Each such payment of the principal and interest on the Bond shall be made by the Partnership on behalf of the Issuer as provided in the Loan Agreement to the Registered Owner or, if a Trustee is appointed hereunder, to the Trustee. Each payment on the Bond shall be evidenced by a notation on the grid printed on the Bond.

B. In the event that the interest on the Bond shall become taxable for federal income tax purposes, other than by reason of its being held by a "substantial user" or "related person" as defined in Section 103 of the Code, the interest rate borne by the Bond shall be automatically adjusted to the Taxable Rate as described in Section 1(c) of the Bond.

C. The Bond shall be subject to prepayment at the option of the Partnership as provided in Section 3 of the Bond, and the Registered Owner shall have the right to require that the Bond be redeemed in advance of its maturity (or purchased in lieu of redemption at the option of the Partnership) under the circumstances described in Section 4 of the Bond.

Section 3.04. Execution of Bond; Signatures. In order to evidence the terms of the Bond adopted and approved by this Resolution, there is hereby authorized to be executed and delivered a new Bond to be delivered to the Registered Owner upon surrender of the Bond then held by said Registered Owner for cancellation and destruction. The terms of the new Bond shall be identical in all respects to the surrendered Bond, except as to date and formula for determination of interest rate payable thereunder. Each Bond issued hereunder shall be executed on behalf of the Issuer by its President or Vice President and attested by its Secretary or Secretary Pro Tem, and its corporate seal shall be thereunto affixed.

Section 3.05. Registration and Exchange of Bond; Persons Treated as Registered Owners.

A. The Issuer shall cause books for the registration and for the transfer of the Bond as provided in this Resolution to be kept by it or a Trustee who may hereafter be appointed the Bond registrar of the Issuer for the Bond. With respect to the registration books to be maintained by the Issuer, it shall be sufficient for the Issuer to maintain a transcript of the record of proceedings in connection with the issuance of the Bond in its principal offices. The Bond may thereafter be transferred only upon an assignment duly executed by the Registered Owner or his attorney duly authorized in writing in such form as shall be satisfactory to the Issuer or the Trustee, such transfer to be made on such books and endorsed on such Bond by the Issuer or the Trustee. The principal of and interest on the Bond shall be payable only to or upon the order of the Registered Owner or his legal representative. Upon surrender for transfer of the Bond at the principal office of the Issuer or the Trustee, duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner or his attorney-in-fact duly authorized in writing and upon satisfaction of the requirements of subsection B of this Section 3.05, the Issuer shall execute and deliver in the name of the transferee or transferees a new Bond in like aggregate principal amount of the Bond surrendered.

As to the Bond, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of either principal or interest on the Bond shall be made only to or upon the written order of the Registered Owner or his legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums paid.

The Issuer or the Trustee shall require the payment by any Registered Owner requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer.

B. The Bond may be transferred only as a whole, and only with the consent of the Issuer to such transfer, provided that such consent shall not be required for any transfer to any subsidiary of the Registered Owner, any transfer arising out of any merger or consolidation of the Registered Owner or by operation of law, any transfer to a trustee in bankruptcy of the Registered Owner, and the Registered Owner who wishes to transfer the Bond shall furnish to the Issuer and the Partnership an opinion of counsel satisfactory to the Issuer, and the Partnership that such proposed transfer will not constitute or contribute to a violation of the registration requirements of the Securities Act of 1933, as amended, or any applicable state securities or blue sky laws. The foregoing shall not preclude the participation by the Registered Owner of undivided interests in the Bond to other banks.

Section 3.06. Lost, Stolen, Destroyed, or Mutilated Bond. In the case of a lost, stolen, or destroyed Bond or upon surrender and cancellation of the Bond if mutilated (i) the Issuer shall execute and deliver a new Bond of the same date and maturity as the lost, stolen, destroyed or mutilated Bond or (ii) if the Bond shall have matured or have been called for redemption, in lieu of executing and delivering the new Bond as aforesaid, the Issuer may pay such Bond. The applicant for any such new Bond may be required to pay all expenses and charges of the Issuer and of the

Trustee, if any, and furnish indemnity in connection with the issuance of such new Bond.

Section 3.07. Delivery of the Bond; Pledge of Loan Repayments of the Issuer From the Loan. The Issuer shall execute and deliver the exchanged Bond authorized hereunder to the Registered Owner upon receipt by the Issuer of the following:

A. a fully executed confirmation by the Partnership of its obligations under the Deed of Trust in amount sufficient to pay and secure the payment of the Bond;

B. Such fully executed confirmations by the Partnership of the statements and representations made in all instruments, documents and certificates delivered by the Partnership on the Closing Date; and

Upon the execution and delivery of the exchanged Bond, the Issuer shall pledge the Loan Repayments and the other receipts and revenues derived pursuant to the Loan Agreement by assigning and pledging to the Registered Owner (i) the Issuer's interest in the Loan Agreement (except for the Issuer's Reserved Rights) and (ii) the Deed of Trust.

ARTICLE IV

Disposition of Proceeds of the Bond; Construction Fund

Section 4.01. Source of Payment of Bond. The Bond and all payments by the Issuer thereunder are not general obligations of the Issuer but are the limited, special obligations of the Issuer payable solely from the Loan Repayments and other revenues and receipts derived under the Loan Agreement and other security pledged by the Partnership.

Section 4.02. Disposition of Proceeds from the Sale of the Bond. The proceeds received by the Issuer from the sale of the Bond to Registered Owner shall be deposited in the Construction Fund established in Section 4.03 of Resolution No. 42 and as follows.

Section 4.03. Construction Fund and Excess Earnings Fund; Disbursements. There is hereby created and established with Peoples National Bank of Washington, acting as depository (the "Depository") a depository fund designated as the "Industrial Development Corporation of the Port of Seattle, Revenue Bond (Seafreeze Project II) Construction Fund" (the "Construction Fund"). Interest and other income received on investments of money in the Construction Fund shall be deposited in the Construction Fund as provided in the Depository Agreement. Such amounts shall be expended to pay the Cost of the Project Facilities in accordance with the provisions of Sections 1.05 and 4.01 of the Loan Agreement and the provisions of the Depository Agreement.

There is hereby further authorized to be established with the Depository a special fund designated as the "Excess Earnings Fund." Neither the Issuer nor the Registered Owner shall have any interest in the Excess Earnings Fund, except such interest as shall be necessary to cause the payments required to be made therein and therefrom in accordance with the letter of instructions delivered to the Depository by the Issuer on the date of initial issuance and delivery of the Bond.

Until the Project Facilities shall have been constructed, acquired, and installed and a certificate of completion of the

Project Facilities filed as provided in Section 4.03 of the Loan Agreement, the Depository shall from time to time on the written request of the Partnership or the Issuer, file with the Partnership, or the Issuer, as the case may be, a statement of income and disbursements with respect to the Construction Fund and Excess Earnings Fund.

Section 4.04. Construction of the Project Facilities. The completion of the construction of the Project Facilities and payment of all the Cost of the Project Facilities shall be evidenced by the filing with the Depository of the certificate required by Section 4.02(f) of the Loan Agreement. As soon as practicable, any balance remaining in the Construction Fund shall be applied as provided in the Depository Agreement. Notwithstanding any other provisions of this Resolution or of the Loan Agreement, any money shall not be invested at a yield in excess of that permitted under the Depository Agreement.

Section 4.05. Repayment to the Partnership From the Construction Fund. Any amounts remaining in the Construction Fund and Excess Earnings Fund or otherwise held by the Depository pursuant to the terms hereof or the Depository Agreement after payment in full of the Bond (or after making provision for such payment), the payment of any amounts required to be paid to the United States, the fees and expenses of the Depository, the Issuer and the Trustee, the administration expenses, and all other amounts required to be paid hereunder and under the Loan Agreement shall be paid to the Partnership upon the expiration or sooner termination of the Loan Agreement.

Section 4.06. Maintenance of Books and Records. The Depository shall keep and maintain adequate records pertaining to the Construction Fund established hereunder and all payments therefrom which shall be open to inspection by the Issuer or the Partnership or their duly authorized agents during normal business hours of the Depository.

ARTICLE V

Covenants of the Issuer

Section 5.01. Performance of Covenants; Authority. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Resolution, in the Bond and in all proceedings of the Issuer pertaining thereto. The Issuer covenants that it is duly authorized under the Constitution and laws of the State, including particularly and without limitation the Act, to issue the Bond and to adopt this Resolution, to pledge and assign the Loan Repayments and other revenues and receipts hereby pledged, and to assign its rights under and pursuant to the Loan Agreement and the Deed of Trust in the manner and to the extent herein set forth, that all action on its part for the issuance of the Bond and the adoption of this Resolution has been duly and effectively taken and will be duly taken as provided herein, and that the Bond in the hands of the Registered Owner thereof is and will be a valid and enforceable obligation of the Issuer according to the import thereof.

Section 5.02. Instruments of Further Assurance. The Issuer covenants that it will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, such resolutions supplemental hereto and such further acts, instruments, and transfers for the better conveying, assuring, transferring, assigning, pledging, and hypothecating unto the Registered Owner, pursuant to Section 3.07 hereof all and singular the right,

title and interest of the Issuer in the Loan Agreement, the Loan Repayments, and any other revenues and receipts pledged hereby to the payment of the principal of and interest on the Bond in the manner and to the extent contemplated herein.

Section 5.03. Payment of Principal and Interest. The Issuer will promptly pay or cause to be paid the principal of and interest on the Bond according to the terms hereof. The principal of and interest on the Bond are payable solely from Loan Repayments and other receipts and revenues derived under the Loan Agreement and from the other security pledged hereby, which Loan Repayments and other receipts and revenues and security are hereby specifically pledged to the payment thereof in the manner and to the extent herein specified. Nothing in the Bond or in this Resolution shall be considered or construed as pledging any funds or assets of the Issuer other than those pledged hereby.

Section 5.04. Supplemental Resolutions; Recordation of Resolution and Supplemental Resolutions. The Issuer will execute and deliver all resolutions, supplemental hereto, and will cause this Resolution, the Loan Agreement and all supplements hereto and thereto, as well as all security instruments, financing statements, and all supplements thereto, and other instruments as may be requested by the Registered Owner at all times to be recorded, registered and filed in such manner and in such places as may be required by law in order fully to preserve and protect the security of the Registered Owner and all rights of the Registered Owner hereunder. The Issuer shall not be required to file any security instruments except for those prepared and requested by the Registered Owner.

Section 5.05. Lien of Resolution. The Issuer hereby agrees not to knowingly create or suffer to be created any lien having priority or preference over the lien of this Resolution upon the funds or assets pledged hereby or any part thereof, other than the security interest granted by it to the Registered Owner, except as otherwise specifically provided herein. The Issuer agrees that no obligations the payment of which are secured by Loan Repayments or other money or amounts derived from the Loan Agreement and the other sources provided herein will be issued by it except in accordance with this Resolution.

Section 5.06. Rights Under the Loan Agreement. The Issuer will observe all of the obligations, terms, and conditions required on its part to be observed or performed under the Loan Agreement. The Issuer agrees that whenever in the Loan Agreement it is stated that the Issuer will notify the Registered Owner or give the Registered Owner some right or privilege, or in any way attempt to confer upon the Registered Owner the ability for the Registered Owner to protect the security for payment of the Bond, that such part of the Loan Agreement shall be as though it were set out in this Resolution in full.

The Resolution and the rights and privileges of the Registered Owner hereunder are specifically made subject to the rights and privileges of the Partnership under the Loan Agreement and nothing herein shall be construed to impair the rights and privileges granted to the Partnership under the Loan Agreement, except as otherwise provided in the Loan Agreement or this Resolution.

The Issuer agrees that the Registered Owner, as assignee of its interest in the Loan Agreement and Deed of Trust, may enforce, in its name or in the name of the Issuer, all rights of the Issuer and all obligations of the Partnership under and pursuant to the Loan Agreement (except for unassigned rights) for and on behalf of the Issuer, whether or not the Issuer is in default hereunder.

ARTICLE VI

Redemption of Bond Prior to Maturity

Section 6.01. Redemption of the Bond. The Bond is redeemable by the Issuer, at the direction of the Partnership or, in certain circumstances set forth in the Bond, at the direction of the Registered Owner, exercised in the manner set forth in the Bond. In addition the Partnership may be required to prepay the Bond prior to its stated maturity under certain conditions set forth in full in the Bond.

ARTICLE VII

Investments

Section 7.01. Investment of Construction Fund and Excess Earnings Fund. Any money held as part of the Construction Fund and the Excess Earnings Fund shall be invested or reinvested by the Depository at the written request and direction of the Authorized Partnership Representative (upon which the Depository is entitled to rely) in Permitted Investments. All investments shall either be subject to redemption at any time at a fixed value at the option of the Depository or shall mature not later than the business day prior to the date on which the proceeds are expected to be expended. For the purposes of any investment or reinvestment under this Section, investments shall be deemed to mature at the earliest date on which the obligor (or purchaser, in the case of a repurchase agreement) is, on demand, obligated to pay a fixed sum in discharge of the whole of such obligation.

Section 7.02. Sale of Investments. The Depository shall sell and reduce to cash a sufficient portion of such investments whenever the cash balance in the Construction Fund and the Excess Earnings Fund is insufficient for the purposes of such fund.

Section 7.03. Depository Duty to Invest. The Depository may, in its discretion, invest money in the Construction Fund in Permitted Investments as permitted under Section 7.01 hereof, unless the Partnership shall, by written instruction of the Authorized Partnership Representative, direct the investment of the Depository of such money in specific Permitted Investments.

ARTICLE VIII

Default Provisions and Remedies of Registered Owners

Section 8.01. Events of Default and Remedies. The events of default specified in the Loan Agreement and the remedies specified therefor are hereby incorporated within this Resolution and approved.

ARTICLE IX

Conditions for Delivery of Bond; Conditions as to Subsequent Sale of Bond

Section 9.01. Stipulations and Agreements. Notwithstanding anything to the contrary herein contained, the Bond shall not be delivered to the Registered Owner unless and until the Registered Owner waives any "due diligence" requirement on the part of the Board of Directors of the Issuer and the Registered Owner agrees to rely solely on statements and representations of the Partnership and its own investigation of the facts and circumstances relating to the purchase of the Bond.

Section 9.02. Appointment of Trustee. Prior to any sale, conveyance or transfer of all or any portion of the Bond to any subsequent Registered Owner, and, upon payment of its costs and fees, the Issuer shall adopt a supplemental resolution appointing any bank or trust company qualified to act as a trustee under the Act (including the Registered Owner) as Trustee, for the Registered Owner or Registered Owners of the Bond and prescribing the rights, duties and obligations of said Trustee. Any entity acting as trustee hereunder shall not be liable for actions taken by it hereunder in good faith, absent its own negligence or willful misconduct.

Section 9.03. Separate Trustee. At any time, for the purpose of exercising any remedies granted in this Resolution or the Loan Agreement, the Issuer and the Registered Owner shall have power to appoint an additional institution or individual as Trustee, and upon the request of the Registered Owner, the Issuer shall for such purpose join with the Registered Owner in the execution, delivery and performance of all instruments and agreements necessary or proper to appoint such institution or individual to act as trustee, and to vest in such person or institution, in such capacity, such rights, powers, duties, trusts or obligations as the Issuer and the Registered Owner may consider necessary or desirable.

ARTICLE X

Supplemental Resolutions

Section 10.01. Resolution to Constitute Contract. This Resolution shall be deemed a supplemental resolution within the meaning of Section 10.03 of Resolution No. 42 of the Development Corporation. Subject to the rights of the Partnership under Sections 10.02 and 10.03(b) hereof this Resolution shall constitute a contract between the Issuer and the Registered Owner and shall not be modified, amended or rescinded so long as any portion of the Bond remains outstanding, except as otherwise provided herein.

Section 10.02. Supplemental Resolutions Not Requiring Consent of Registered Owner. The Issuer may with the consent of the Partnership, and with notice to the Registered Owner, adopt a resolution or resolutions supplemental to this Resolution as shall not be inconsistent with the terms and provisions hereof or be materially adverse to the Registered Owner of the Bond for any one or more of the following purposes:

- A. to cure any ambiguity or defect in form or omission in this Resolution; or
- B. to grant to or confer upon the Registered Owner any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Registered Owner; or
- C. for the purposes specified in Article IX hereof.

Section 10.03. Supplemental Resolutions Requiring Consent of Registered Owner and Partnership.

A. The Registered Owner shall have the right, from time to time, anything contained in this Resolution to the contrary notwithstanding, to consent to and approve the adoption by the Issuer of such resolution or resolutions supplemental hereto as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained herein

or in any supplemental resolution; provided, however, that nothing in this Section contained shall permit, or be construed as permitting (i) an extension of the stated maturity or reduction in the principal amount of, reduction in the rate, or extension of the time of payment of interest on or (ii) the creation of any interest prior to or, on a parity with the interest of the Registered Owner, or (iii) a reduction in the aggregate principal amount of any Bond without the consent of the Issuer and the Registered Owner.

B. The Issuer shall cause notice of the proposed adoption of any such supplemental resolution to be mailed by certified or registered mail to the Registered Owner and, in the case of a proposed supplemental resolution which would affect the rights of the Partnership (no such supplemental resolution being effective without the Partnership's having consented or being deemed to have consented thereto), to the Partnership at least fifteen (15) days prior to the proposed date of adoption of any supplemental resolution. The Partnership and the Registered Owner shall be deemed to have consented to the adoption of any such supplemental resolution if the Issuer does not receive a letter of protest or objection thereto signed by or on behalf of the Partnership or the Registered Owner on or before the last (15th) day after the mailing of said notice and a copy of the proposed supplemental resolution.

ARTICLE XI

Amendments to the Loan Agreement

Section 11.01. Amendments Not Requiring Consent of Registered Owner. The Issuer and/or the Trustee, if any, may, without notice to the Registered Owner, consent to any amendment, change or modification of the Loan Agreement, as may be required (i) by the provisions of the Loan Agreement and this Resolution, (ii) for the purpose of curing any ambiguity or formal defect or omission, or (iii) in connection with any other change therein which, in the judgment of the Issuer, is not materially adverse to the Registered Owner. Notwithstanding the foregoing, to the extent not adverse to the interest of the Registered Owner, the Issuer may, without the consent of, but with prior notice to the Partnership and the Registered Owner, amend, modify or supplement this Resolution to preserve the right of the Issuer to continue to issue bonds, debts or other obligations of any nature the interest income of which is exempt from federal or state income tax or to qualify this Resolution under the "Blue Sky" laws of any state and such similar laws of the United States, if such be hereafter required in the opinion of counsel to the Issuer.

Section 11.02. Amendments Requiring Consent of Registered Owner. Except for the amendments, changes or modifications as provided in Section 11.01 hereof, the Issuer or the Trustee, if any, shall not consent to any other amendment, change or modification of the Loan Agreement without notice to and the consent of the Registered Owner at the time outstanding given and procured in the same fashion as in Section 10.03 of this Resolution providing for supplemental resolutions.

ARTICLE XII

Approval and Execution of Documents; Effectiveness of Resolution

Section 12.01. Approval. The Bond Purchase Contract and the following documents (collectively the "Documents") as presented to

the Board of Directors on this date, are hereby in all respects authorized, approved and confirmed:

- A. the Loan Agreement;
- B. the Assignment;
- C. the Bond Purchase Contract;
- D. the Deed of Trust;
- E. the Depository Agreement; and
- F. the Bond as described herein.

Pursuant to the Assignment, all right, title and interest in the Loan Agreement and the Deed of Trust shall be assigned to the Registered Owner except for rights to indemnification and compensation which are hereby specifically retained. The Registered Owner is hereby authorized to exercise all rights granted to the Issuer as Beneficiary under the Deed of Trust.

The Documents shall be in substantially the form as presented at this meeting with such necessary and appropriate variations, omissions and insertions as approved, permitted or required by the officer of the Issuer executing said Documents, provided that such changes shall be within the scope of the transactions authorized by the Act. Such execution shall be conclusive evidence of the due execution, on behalf of the Issuer, of such Documents, which shall thereupon become binding upon the Issuer in accordance with their terms as authorized by the Act.

Section 12.02. Execution. The President or Vice President and Secretary or Secretary Pro Tem and each other officer of the Issuer are hereby authorized to execute and deliver for and on behalf of the Issuer the Bond and the Documents in the fashion and within the scope set forth in the preceding Section, as well as any additional certificates, documents or other papers to perform all other acts as they deem necessary or appropriate to implement and carry out the matters herein authorized.

Section 12.03. Effectiveness of Resolution. This Resolution shall be in full force and effect from and after (a) its adoption by the Board of Directors of the Issuer and (b) approval of the issuance of the Bond by the Port Commission of the Port of Seattle, all as provided by law. Resolution No. 42, to the extent that it may conflict with any term set forth herein, is hereby repealed and superseded. The provisions of this Resolution shall control in the interpretation of the Bond or any other Documents. All resolutions or orders, or parts thereof, which conflict with the provisions of this Resolution are hereby waived to the extent of such conflict.

ARTICLE XIII

Miscellaneous

Section 13.01. Consents and Other Instruments of Registered Owner. Any consent, request, direction, approval, waiver, objection, appointment or other instrument required by this Resolution to be signed and executed by the Registered Owner may be signed and executed in any number of concurrent writings of similar tenor and may be signed or executed by such Registered Owner in person or by agent appointed in writing. Proof of the execution of any such instrument, if made in the following manner, shall be sufficient for any of the purposes of this Resolution, and shall be

conclusive in favor of the Issuer with regard to any action taken under such instrument, namely:

A. The fact and date of the execution by any person of any such instrument may be proved by the affidavit of a witness to such execution or by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such instrument acknowledged to him the execution thereof. When such execution is by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such affidavit or certificate shall also constitute sufficient proof of his authority.

B. Any request, consent or vote of the Registered Owner shall bind every future Registered Owner of the same Bond and the Registered Owner of every Bond issued in exchange therefor or in lieu thereof, in respect of anything done or permitted to be done by the Issuer in pursuance of such request, consent or vote.

Section 13.02. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or to be implied from this Resolution or the Bond is intended or shall be construed to give to any person other than the parties hereto, the Partnership and the Registered Owner any legal or equitable right, remedy, or claim under or in respect to this Resolution or any covenants, conditions and provisions hereof.

Section 13.03. Severability. If any provision of this Resolution shall be held or deemed to be, or shall in fact be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution, statute, rule of law or public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstances, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or sections of this Resolution shall not affect the remaining portions of this Resolution, or any part thereof.

Section 13.04. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by certified mail, return receipt requested, postage prepaid, and addressed as provided in the Loan Agreement.

ADOPTED AND APPROVED at a special meeting of the Board of Directors held this 14th day of January, 1986.

INDUSTRIAL DEVELOPMENT CORPORATION
OF THE PORT OF SEATTLE

By _____
President

Attest:

Secretary

Exhibit A

Project Facilities Description

The Project Facilities consist of the expansion of the existing facilities of the Partnership at 206 S.W. Michigan Street in the City of Seattle to add capacity for the receipt and transshipment of fish for filleting, grading, packing, freezing and warehousing. The Project Facilities will require the addition of utilities and other appurtenant equipment in furtherance of the foregoing general description.