

A RESOLUTION of the Port Commission of the Port of Seattle, Washington, providing for the issuance and sale of refunding revenue bonds of the port district in the principal amount of \$111,000,000 for the purpose of providing part of the funds required to refund certain outstanding revenue bonds of the port district; authorizing the use of certain moneys of the port district to effect such refunding; creating a special 1973 Refunding Account in the Bond Redemption Fund created by Resolution No. 2143; providing the date, form, terms and maturities of said bonds; providing that such bonds be issued on a parity with certain outstanding revenue bonds of the port district; providing for the payment of the principal of and interest on said bonds out of the Revenue Bond Redemption Fund of the port district created by Resolution No. 2143 of the Port Commission; and providing and adopting certain covenants safeguarding the payment of such principal and interest.

WHEREAS, the Port of Seattle, Washington (hereinafter called the "Port"), now has outstanding several series of its revenue bonds including the following series which are dated and mature as follows:

	Series 1970-A Dated 4/1/70	Series 1970-B Dated 8/1/70	Series 1971-A Dated 2/1/71	Series 1971-B Dated 6/1/71
1974	\$ 60,000	\$ 100,000	\$ 335,000	\$ 420,000
1975	60,000	105,000	360,000	445,000
1976	65,000	115,000	380,000	480,000
1977	70,000	125,000	410,000	505,000
1978	75,000	130,000	440,000	535,000
1979	80,000	140,000	470,000	570,000
1980	85,000	155,000	505,000	605,000
1981	95,000	170,000	540,000	640,000
1982	95,000	180,000	580,000	680,000
1983	110,000	195,000	625,000	720,000
1984	260,000	355,000	670,000	765,000
1985	275,000	390,000	715,000	815,000
1986	300,000	420,000	770,000	865,000
1987	475,000	615,000	820,000	915,000
1988	735,000	890,000	880,000	960,000
1989	1,050,000	1,225,000	940,000	1,010,000
1990	1,130,000	1,325,000	995,000	1,065,000
1991	1,210,000	1,430,000	1,055,000	1,125,000
1992	1,305,000	1,535,000	1,125,000	1,190,000
1993	1,395,000	1,655,000	1,195,000	1,255,000
1994	1,500,000	1,795,000	1,270,000	1,325,000
1995	1,610,000	1,915,000	1,355,000	1,400,000
1996	1,730,000	2,055,000	1,440,000	1,485,000
1997	1,855,000	2,220,000	1,530,000	1,575,000
1998	1,995,000	2,390,000	1,635,000	1,665,000
1999	2,140,000	2,580,000	1,735,000	1,765,000
2000	3,185,000	3,700,000	1,860,000	1,850,000
2001	-0-	-0-	2,050,000	1,975,000
	\$22,945,000	\$27,910,000	\$26,685,000	\$28,605,000

WHEREAS, the Port has reserved the right to redeem the outstanding bonds of the series set forth above at the following times and at the following prices expressed as a percentage of principal amount:

<u>Series</u>	<u>Redemption Date</u>	<u>Redemption Price</u>
1970-A	April 1, 1988	101
1970-B	August 1, 1988	101
1971-A	February 1, 1988	102
1971-B	June 1, 1988	102; and

WHEREAS, after due consideration it appears to the Port Commission that the outstanding 1970-A, 1970-B, 1971-A and 1971-B revenue bonds (hereinafter collectively called the "Refunded Bonds"), of the Port may be refunded by the issuance and sale of the refunding revenue bonds of the Port authorized herein (hereinafter called the "Refunding Bonds") and that a substantial savings in interest cost will be effected by the issuance of such Refunding Bonds and the redemption of said outstanding bonds on the dates above set forth; and

WHEREAS, in order to effect such refunding in the manner that will be most advantageous to the Port it is hereby found necessary and advisable that certain "Acquired Obligations" bearing interest and maturing at such times as necessary to pay the principal of and interest on the Refunded Bonds as the same shall become due to and including the above redemption dates and to redeem and retire said Refunded Bonds on said dates be purchased out of the proceeds of sale of the Refunding Bonds and certain other moneys of the Port available for such purpose; and

WHEREAS, it has been determined that the Refunding Bonds may be issued on a parity with the outstanding revenue bonds of the Port issued pursuant to Resolutions Nos. 2143, 2242, 2264, 2272, 2286, and 2397 of the Port Commission under dates of November 1, 1963, November 1, 1966, November 1, 1967, July 1, 1968, February 1, 1969, and November 1, 1971, respectively, and that it is in the best interest of the Port that such Refunding Bonds be so issued; and

WHEREAS, it is necessary that the date, form, terms, conditions and covenants of said Refunding Bonds now be fixed:

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

Section 1. As used in this resolution, the following words shall have the following meanings:

A. The word "Port" shall mean the Port of Seattle, a municipal corporation duly organized and existing as a port district under and by virtue of the laws of the State of Washington.

B. The word "Commission" shall mean the Commission of the Port as the same shall be duly and regularly constituted from time to time.

C. The words "Outstanding Parity Bonds" shall mean the outstanding revenue bonds of the Port issued pursuant to the following Resolutions under the following dates:

<u>Resolution No.</u>	<u>Date of Bonds</u>
2143	November 1, 1963
2242	November 1, 1966
2264	November 1, 1967
2272	July 1, 1968
2286	February 1, 1969
2397	November 1, 1971

D. The words "Bond Redemption Fund" shall mean the Port of Seattle Revenue Bond Redemption Fund created by Section 5 of Resolution No. 2143 for the purpose of paying the principal of and interest on the Outstanding Parity Bonds and all bonds issued on a parity therewith.

E. The words "Reserve Account" shall mean the account of that name created in the Bond Redemption Fund by Section 6 of said Resolution No. 2143 for the purpose of securing the payment of the principal of and interest on all bonds payable out of the Bond Redemption Fund.

F. The words "Refunding Bonds" shall mean the \$111,000,000 principal amount of revenue bonds of the Port issued for the purpose of refunding certain outstanding revenue bonds of the Port pursuant to and as provided in this resolution.

G. The word "Facilities" shall mean all property, real and personal, or any interest therein and whether improved or unimproved, now or hereafter (for as long as any of the

Outstanding Parity Bonds, the Refunding Bonds and any Future Parity Bonds are outstanding) owned, operated, used, leased or managed by the Port and which contribute in some measure to its Gross Revenue.

H. The words "Gross Revenue" shall mean all operating and nonoperating income and revenue derived by the Port from time to time from any source whatsoever, except that income and revenue which may not be pledged legally for revenue bond debt service.

I. The words "Net Revenue" shall mean Gross Revenue less any part thereof that must be used to pay the normal costs of maintenance and operation of the Facilities of the Port and normal costs of administration of the business of the Port, but before depreciation.

J. The words "Future Parity Bonds" shall mean any revenue bonds or revenue warrants of the Port issued after the date of issuance of the Refunding Bonds and which will have a lien upon the Gross Revenue for the payment of the principal thereof and interest thereon equal to the lien created upon such Gross Revenue for the payment of the principal of and interest on the Outstanding Parity Bonds and the Refunding Bonds.

K. The words "Refunded Bonds" mean the revenue bonds of the Port issued pursuant to Resolutions Nos. 2322, 2330, 2357 and 2377 under respective dates of April 1, 1970, August 1, 1970, February 1, 1971 and June 1, 1971 and which mature subsequent to November 1, 1973.

L. The words "Acquired Obligations" shall mean those direct obligations of the United States of America to be acquired to effect the refunding of the Refunded Bonds.

Section 2. The Commission hereby finds and determines as follows:

First: That the issuance of the Refunding Bonds does not require a greater amount to be paid out of the Gross Revenue for the principal of and interest on such Refunding Bonds over their life than would have been required to be paid out of such Gross Revenue for the payment of the principal of and interest on the Refunded Bonds over their life.

Second: That at the time of the adoption of this resolution and at the time of the issuance and delivery of the Refunding Bonds, there was not nor will there be any deficiency in the Bond Redemption Fund and the Reserve Account.

Third: That this resolution contains the covenants required in Subsection A(2) of Section 8 of Resolution No. 2143, and in Subsection A(2) of Section 10 of Resolution Nos. 2242, 2264, 2272, 2286 and 2397.

The limitations contained in Section 8 of Resolution No. 2143 and in Sections 10 of Resolutions Nos. 2242, 2264, 2272, 2286 and 2397 having been complied with or assured in the issuance of the Refunding Bonds, the payments into the Bond Redemption Fund and the Reserve Account required by this resolution to pay and secure the payment of the principal of and interest on the Refunding Bonds shall constitute a lien and charge upon the Gross Revenue equal to the lien and charge thereon for the payments required to be made into the Bond Redemption Fund and Reserve Account for the purpose of paying and securing the payment of the principal of and interest on the Outstanding Parity Bonds.

Section 3. The Port shall issue the Refunding Bonds for the purpose of providing part of the funds to purchase Acquired Obligations bearing interest and maturing at such times as necessary to pay the principal of and interest on the Refunded Bonds to and including their respective redemption dates hereinbefore set forth and to redeem and retire the balance of such Refunded Bonds on such redemption dates.

Section 4. The Refunding Bonds shall be dated November 1, 1973, shall be in coupon form in the denomination of \$5,000 each, may be registered as to principal only or as to both principal and interest at the option of the holder, shall bear interest payable May 1, 1974, and semiannually thereafter on the first days of each May and November, and shall be numbered and mature on November 1 in order of their number as set forth in Exhibit A attached hereto and by this reference made a part hereof as though fully set forth herein.

Both principal of and interest on the Refunding Bonds shall be payable in lawful money of the United States of America at the office of the Treasurer of King County in Seattle, Washington, or at the option of the holder, at the fiscal agencies of the State of Washington in the Cities of Seattle, Washington, and New York, New York, and shall be obligations only of the Bond Redemption Fund.

Section 5. The Port hereby reserves the right to redeem any or all of the Refunding Bonds outstanding in inverse numerical order at the following times and at the following prices expressed as a percentage of the principal amount, plus accrued interest to the date of redemption:

On November 1, 1983 and each interest payment date to and including May 1, 1985	at 103%
On November 1, 1985 and each interest payment date to and including May 1, 1987	at 102%
On November 1, 1987 and each interest payment date to and including May 1, 1989	at 101%
On November 1, 1989 and each payment date thereafter	at 100%

Notice of any such intended redemption shall be given by one publication thereof in the official newspaper of King County, Washington, and in a financial newspaper or journal of general circulation throughout the United States, with each such publication to be not more than forty nor less than thirty days prior to said redemption date, and by mailing a like notice at the same time to the manager or managers of the account that purchases the Refunding Bonds at their sale by the Port at its or their main office or offices or to the business successor or successors, if any, of such account manager or managers at its or their main office or offices. Interest on any Refunding Bond or Bonds so called for redemption shall cease on such redemption date unless the same are not redeemed upon presentation made pursuant to such call. Such notice of intended redemption shall also be mailed, postage prepaid, not more than forty nor less than thirty days prior to such redemption date to the registered owners of any Refunding Bonds which are to be redeemed at their last known addresses, if any, appearing on the registration books, but such mailing shall not be a condition precedent to such redemption,

and failure to so mail such notice to any of such registered owners shall not affect the validity of the proceedings for the redemption of the Refunding Bonds. In addition to such publication and mailing, the Port shall also mail notice of such intended redemption to Standard & Poor's Corporation and Moody's Investors Service, Inc., New York, New York, or to their successors, if any. The mailing of such notice shall not, however, be a condition precedent to the call of any Refunding Bonds for redemption.

The Port further reserves the right to use any surplus unpledged Gross Revenue at any time to purchase any of the Refunding Bonds in the open market for retirement only, if the same may be purchased at a price not exceeding that at which they could be called for redemption on the first succeeding date on which they may be called, plus accrued interest.

Section 6. A special fund of the Port known as the "Port of Seattle Revenue Bond Redemption Fund" has heretofore been created in the office of the Treasurer of King County by Resolution No. 2143 for the sole purpose of paying the principal of, premium if any, and interest on the Outstanding Parity Bonds and any bonds issued on a parity therewith, which includes the Refunding Bonds.

From and after the time of issuance and delivery of the Refunding Bonds and as long thereafter as any of the same remain outstanding, the Port hereby irrevocably obligates and binds itself to set aside and pay into the Bond Redemption Fund out of the Gross Revenue, at least 45 days prior to the respective dates on which the interest on or principal of and interest on the Refunding Bonds shall become due, the amounts necessary with other available funds to pay such interest or principal and interest next coming due on the Refunding Bonds outstanding.

Said amounts so pledged to be paid into the Bond Redemption Fund and hereafter pledged to be paid into the Reserve Account are hereby declared to be a lien and charge upon the Gross Revenue, superior to all other charges of any kind or nature whatsoever, except that they are of equal lien to the charges

on such Gross Revenue required to pay and secure the payment of principal of and interest on the Outstanding Parity Bonds and to any charges which may hereafter be made thereon to pay and secure the payment of the principal of and interest on any Future Parity Bonds.

In the event that money and/or "Government Obligations," as such Obligations are now or may hereafter be defined in Ch. 39.53 RCW, maturing at such time or times and bearing interest to be earned thereon in amounts (together with such money, if any) sufficient to redeem and retire the Refunding Bonds in accordance with their terms, are hereafter set aside in the Bond Redemption Fund to effect such redemption and retirement, then no further payments need be made into the Bond Redemption Fund for the payment of the principal of and interest on the Refunding Bonds and the Refunding Bonds and appurtenant coupons shall then cease to be entitled to any lien, benefit or security of this resolution, except the right to receive the funds so set aside and pledged, and the Refunding Bonds and the appurtenant coupons shall be deemed not to be outstanding hereunder, or under any resolution authorizing the issuance of Outstanding Parity Bonds or Future Parity Bonds.

Section 7. The Reserve Account has heretofore been created in the Bond Redemption Fund for the purpose of securing the payment of the principal of and interest on all outstanding revenue bonds of the Port payable out of such Fund.

The Port covenants and agrees that it will pay into the Reserve Account out of Gross Revenue (or out of any other funds on hand legally available for such purpose) not less than approximately equal monthly payments commencing with the month of November, 1973, so that by November 1, 1978, there will have been paid into the Reserve Account an amount which, with the money already on deposit therein, will be equal to the maximum amount required in any calendar year thereafter to pay the principal of and interest on the Outstanding Parity Bonds and the Refunding Bonds.

The Port hereby further covenants and agrees that in the event it issues any Future Parity Bonds that it will provide in the resolution authorizing the issuance of the same that it will pay into the Reserve Account out of Gross Revenue (or out of any other funds on hand legally available for such purpose) not less than approximately equal monthly payments commencing with the month in which such Future Parity Bonds are dated so that by five years from the date of such Future Parity Bonds there will have been paid into the Reserve Account an amount which, with the money already on deposit therein, will be equal to the maximum amount required in any calendar year thereafter to pay the principal of and interest on all outstanding bonds payable out of the Bond Redemption Fund.

The Port further covenants and agrees that when said required amounts have been paid into the Reserve Account, it will at all times maintain those amounts therein until there is a sufficient amount in the Bond Redemption Fund and Reserve Account to pay the principal of, premium if any, and interest on all outstanding bonds payable out of such Fund, at which time the money in the Reserve Account may be used to pay such principal, premium if any, and interest. It is hereby provided, however, that money in the Reserve Account may be withdrawn to redeem and retire, and to pay the interest due to such date of redemption and premium, if any, on all the outstanding bonds of any single issue or series of revenue bonds payable out of the Bond Redemption Fund, as long as the moneys left remaining on deposit in the Reserve Account are equal to the maximum amount required in any calendar year thereafter to pay the principal of and interest on the remaining outstanding bonds payable out of the Bond Redemption Fund.

In the event there shall be a deficiency in the Bond Redemption Fund to meet maturing installments of either interest on or principal of and interest on the outstanding bonds payable out of such Fund, such deficiency shall be made up from the Reserve Account by the withdrawal of moneys therefrom. Any deficiency created in the Reserve Account by reason of any such withdrawal shall then be made up from Gross Revenue (or out of

any other funds on hand legally available for such purpose) first available after making necessary provision for the payments required to be made into the Bond Redemption Fund to pay the interest on or principal of and interest on all outstanding bonds payable out of such Fund and next coming due.

All money in the Reserve Account may be kept in cash or invested in certificates, notes, bonds or other direct obligations of the United States of America maturing not later than twelve years from date of purchase and in no event later than the last maturity of any outstanding bonds that are payable out of the Bond Redemption Fund. Interest earned on or any profits made from the sale of any such investments shall be deposited in and become a part of the Bond Redemption Fund.

Section 8. There is hereby created in the Bond Redemption Fund a special account to be known as "1973 Refunding Account" (hereinafter called the "Refunding Account"). The proceeds of sale of the Refunding Bonds (exclusive of accrued interest, premium and any incidental moneys not required to purchase the Acquired Obligations, which interest and moneys, if any, shall be paid into the Bond Redemption Fund) shall be deposited in the Refunding Account.

The Controller of the Port is hereby authorized to transfer to the Refunding Account from the Reserve Account and from the Bond Redemption Fund such amounts which, together with the Refunding Bond proceeds deposited in such Account, are required to purchase Acquired Obligations maturing at such times and bearing interest in such amounts as may be required to pay the principal of and interest on the Refunded Bonds and to reduce and retire such Refunded Bonds on the dates hereinafter set forth and to provide such cash as may be required to effect the refunding of the Refunded Bonds. Provided, however, that (1) the moneys remaining in the Reserve Account following such transfer shall be at least equal to the maximum amount required in any calendar year hereafter to pay the principal of and interest on the Outstanding Parity Bonds, and (2) the amount transferred from the Bond Redemption Fund shall not exceed the interest and

principal accrued on the Refunded Bonds from their respective last interest and principal payment dates to the date of delivery of the Refunding Bonds. The Controller is further authorized to purchase such Acquired Obligations.

Such money and Acquired Obligations shall be irrevocably held by the Comptroller and Ex-Officio Treasurer of King County (hereafter the "Refunding Agent").

The Refunding Account shall be drawn upon only for the payment of:

A. The principal and interest which will become due on the following series of bonds on or before the following dates:

1970-A	April	1, 1988
1970-B	August	1, 1988
1971-A	February	1, 1988
1971-B	June	1, 1988

B. The redemption price required to redeem and retire on the following dates the bonds of the following series maturing subsequent to said dates:

1970-A	April	1, 1988
1970-B	August	1, 1988
1971-A	February	1, 1988
1971-B	June	1, 1988

provided, however, that the Port may from time to time transfer, or cause to be transferred, from the Refunding Account to the Bond Redemption Fund any moneys not thereafter required for the purposes set forth in A and B above. The Port further reserves the right to substitute higher yield Acquired Obligations in the event it may do so pursuant to Section 103(d) (2) of the Internal Revenue Code and applicable regulations thereunder.

Section 9. The Commission hereby finds and determines that the issuance and sale of the Refunding Bonds at this time will effect a saving to the Port. In making such finding and determination, this Commission has given consideration to the interest to the fixed maturities of the Refunding Bonds and the Refunded Bonds, the costs of issuance of the Refunding Bonds and the known earned income from the Acquired Obligations pending redemption of the Refunded Bonds.

The Commission hereby finds and determines that the moneys and Acquired Obligations to be deposited with the Refunding

Agent to pay and redeem the Refunded Bonds in accordance herewith will discharge and satisfy the obligations of the Port under Resolutions Nos. 2322, 2330, 2357 and 2377 authorizing the issuance of the 1970-A Bonds, 1970-B Bonds, 1971-A Bonds and 1971-B Bonds, respectively, and the pledges, charges, trusts, covenants and agreements of the Port therein made or provided for as to said bonds, and that said bonds shall no longer be deemed to be outstanding under said Resolutions immediately upon the deposit of such moneys and the Acquired Obligations with the Refunding Agent.

The Port hereby irrevocably calls for redemption of the Refunded Bonds on the dates set forth above in accordance with the applicable provisions of the resolutions pursuant to which said Refunded Bonds were issued. Said call for redemption shall be irrevocable after delivery of the Refunding Bonds to the original purchaser or purchasers thereof.

Section 10. The Port hereby covenants and agrees with the owners and holders of each of the Refunding Bonds for as long as any of the same remain outstanding as follows:

A. That it will at all times establish, maintain and collect rentals, tariffs, rates and charges in the operation of all of its business for as long as any of the Outstanding Parity Bonds and the Refunding Bonds are outstanding that will produce Net Revenue in an amount equal to at least 1.35 times the maximum amount required in any calendar year thereafter to pay the principal of and interest on such Outstanding Parity Bonds and the Refunding Bonds outstanding.

B. That it will duly and punctually pay or cause to be paid out of the Bond Redemption Fund the principal of and interest on the Refunding Bonds at the times and places as herein and in said Refunding Bonds provided; that it will faithfully do and perform and at all times observe any and all covenants, undertakings and provisions contained in this resolution and in the Refunding Bonds.

C. That it will at all times keep and maintain all of the Facilities in good repair, working order and condition, and will at all times operate the same and the business or businesses in connection therewith in an efficient manner and at a reasonable cost.

D. That in the event any Facility or part thereof which contributes in some measure to the Gross Revenue is sold by the Port or is condemned pursuant to the power of eminent domain, the Port will apply the net proceeds of such sale or condemnation to capital expenditures upon or for Facilities which will contribute in some measure to the Gross Revenue or to the retirement of the Refunding Bonds or the Outstanding Parity Bonds.

E. That it will keep all Facilities insured, if such insurance is obtainable at reasonable rates and upon reasonable conditions, against such risks, in such amounts, and with such deductibles as the Commission of the Port shall deem necessary for the protection of the Port and of the holders of the Refunding Bonds.

That it will at all times keep or arrange to keep in full force and effect policies of public liability and property damage insurance which will protect the Port against anyone claiming damages of any kind or nature if such insurance is obtainable at reasonable rates and upon reasonable conditions, in such amounts and with such deductibles as the Commission of the Port shall deem necessary for the protection of the Port and of the holders of the Refunding Bonds.

F. That it will keep and maintain proper books of account and accurate records of all of its revenue, including tax receipts, received from any source whatsoever, and of all costs of administration and maintenance and operation of all of its business that are in accordance with proper and legal accounting procedure. That on or before one hundred and twenty (120) days after each calendar year it will prepare or cause to be prepared an operating statement of all of the business of the Port for such preceding calendar year. Each such statement shall contain a statement in detail of the Gross Revenue, tax receipts, expenses of administration, expenses of normal operation, expenses of normal and extraordinary maintenance and repairs, and expenditures for capital purposes of the Port for such calendar year and shall contain a statement as of the end of such year showing the status of all the funds and accounts of the Port pertaining to the

operation of its business and the status of all the funds and accounts created by various resolutions of the Commission of the Port authorizing the issuance of outstanding bonds payable from the Gross Revenue. Copies of such statement shall be placed on file in the main office of the Port, and shall be open to inspection at any reasonable time by any holder of any of the Refunding Bonds.

G. That it will not make any use of the proceeds of sale of the Refunding Bonds or any other funds of the Port which may be deemed to be proceeds of such Refunding Bonds pursuant to Section 103(d)(2) of the Internal Revenue Code and the applicable Regulations thereunder which, if such use had been reasonably expected on the date of delivery of the Refunding Bonds to the initial purchasers thereof, would have caused the Refunding Bonds to be "Arbitrage Bonds" within the meaning of said Section and said Regulations. The Port will comply with the requirements of subsection (d) of Section 103 of the Internal Revenue Code and the applicable Regulations thereunder throughout the term of the Refunding Bonds.

Section 11. The Port hereby further covenants and agrees with the owners and holders of each of the Refunding Bonds for as long as any of the same remain outstanding as follows:

That it will not issue any bonds having a greater or equal lien upon the Gross Revenue to pay or secure the payment of the principal of and interest on such bonds than the lien created on such Gross Revenue to pay or secure the payment of the principal of and interest on the Outstanding Parity Bonds and the Refunding Bonds, except

A. That it reserves the right for

First, the purpose of providing funds to acquire, construct, reconstruct, maintain, install, repair or replace any equipment, additions, betterments, or improvements to the Facilities of the Port for which it is authorized by law to issue revenue bonds, or

Second, the purpose of refunding by exchange, call or purchase, at or prior to their maturity, any outstanding revenue bonds or revenue warrants of the Port that have a lien on the

Gross Revenue for the payment of the principal thereof and interest thereon junior and inferior to the lien on such Gross Revenue for the payment of the principal of and interest on the Refunding Bonds, to issue parity bonds (hereinbefore defined as "Future Parity Bonds") and to pledge that payments will be made out of the Gross Revenue into the Bond Redemption Fund and Reserve Account to pay and secure the payment of the principal of and interest on such Future Parity Bonds on a parity with the payments required herein to be made out of such Gross Revenue into such Fund and Account to pay and secure the payment of the principal of and interest on the Outstanding Parity Bonds and the Refunding Bonds, upon compliance with the following conditions:

(1) That at the time of the issuance of such Future Parity Bonds there is no deficiency in the Bond Redemption Fund and Reserve Account.

(2) That each resolution authorizing the issuance of Future Parity Bonds will contain the covenants required in the third paragraph of Section 7 hereof.

That each resolution authorizing the issuance of Future Parity Bonds will contain a covenant that the Port will at all times establish, maintain and collect Rentals, tariffs, rates and charges in the operation of all of its business for as long as any bonds payable out of the Bond Redemption Fund -- including the Future Parity Bonds being issued -- are outstanding that will produce Net Revenue in an amount equal to at least 1.35 times the maximum amount required in any calendar year thereafter to pay the principal of and interest on all such bonds.

That each resolution authorizing the issuance of Future Parity Bonds will make applicable to such Future Parity Bonds all of the covenants herein contained that are applicable to the Outstanding Parity Bonds and the Refunding Bonds and that may be applicable to such Future Parity Bonds.

(3) That the "Net Revenue available for revenue bond debt service," computed as hereinafter provided for each calendar year after the year of issuance of such Future Parity Bonds, will equal at least 1.35 times the maximum amount required in any such calendar year to pay the principal of and interest on all outstanding bonds payable out of the Bond Redemption Fund and the Future Parity Bonds being issued.

Such "Net Revenue available for revenue bond debt service" shall be the Net Revenue of the Port for a period of any twelve consecutive months out of the twenty-four months immediately preceding the date of delivery of such Future Parity Bonds as determined by a certificate from a certified public accountant. If desirable, such consecutive twelve-month Net Revenue may be adjusted to include the following:

- (a) Such twelve months Net Revenue may be adjusted for the full twelve-month period to reflect any changes made in the rentals, tariffs, rates and charges of the Port during such twelve-month period; and may also be adjusted to reflect any change in such Net Revenue caused by any new Facilities of the Port having been put into use and operation subsequent to the date of such certificate.
- (b) The estimated Net Revenue to be derived by the Port from the lease, use and/or operation of the additions, improvements, betterments, etc., to be acquired, constructed, or installed out of the proceeds of the sale of such Future Parity Bonds, and from the lease, use and/or operation of any other additions, improvements, betterments, etc., to the Facilities of the Port actually under construction but which will not be put into use and operation until after the date of the herein required certificate, as determined by a certified statement from an independent consulting professional engineer experienced in the design and operation of facilities of port districts.

B. That it may issue Future Parity Bonds for the purpose of refunding by exchange or purchasing or calling and retiring at or prior to their maturity any part or all of the then outstanding bonds payable out of the Bond Redemption Fund, if the issuance of such refunding Future Parity Bonds does not require a greater amount to be paid out of the Gross Revenue for principal of and interest on such refunding Future Parity Bonds over their life than is required to be paid out of such Gross Revenue for the principal of and interest on the bonds being refunded over their life, and if the conditions required in subsections A(1) and A(2) of this section are complied with.

C. Nothing herein contained shall prevent the Port from issuing revenue bonds or revenue warrants (coupon or otherwise) which are a charge upon the Gross Revenue junior or inferior to the payments required by this resolution to be made out of such Gross Revenue into the Bond Redemption Fund and Reserve Account, or from issuing revenue bonds to refund maturing bonds or warrants for the payment of which moneys are not otherwise available.

Section 12. The Bonds shall be designated "Port of Seattle Refunding Revenue Bonds, 1973" and shall be in substantially the following form:

UNITED STATES OF AMERICA

No. _____

\$5,000

STATE OF WASHINGTON

PORT OF SEATTLE

REFUNDING REVENUE BOND, 1973

THE PORT OF SEATTLE, a municipal corporation organized and existing under and by virtue of the laws of the State of Washington, hereby acknowledges itself indebted and for value received promises to pay to bearer or, if registered, to the registered holder hereof, the principal sum of _____

FIVE THOUSAND DOLLARS

on the first day of November, 19__, with interest thereon from the date hereof at the rate of ____% per annum until such principal sum is paid or payment has been duly provided for, payable May 1, 1973, and semiannually thereafter on the first days of May and November. Payment of the interest on this bond shall be made only upon presentation and surrender of the coupons

representing such interest as the same respectively fall due, or if this bond shall be registered as to both principal and interest, to the registered holder.

Both principal of and interest on this bond are payable in lawful money of the United States of America at the office of the Treasurer of King County, Washington, in Seattle, Washington, or, at the option of the holder, at the fiscal agencies of the State of Washington in the Cities of Seattle, Washington, or, New York, New York, solely out of the special fund of the port district known as the "Port of Seattle Revenue Bond Redemption Fund" created by Resolution No. 2143 of the Commission of the port district.

The Port of Seattle has reserved the right to redeem any or all of the bonds of this issue outstanding, in inverse numerical order, at the following times and at the following prices expressed as a percentage of the principal amount, plus accrued interest to date of redemption:

On November 1, 1983 and each interest payment date to and including May 1, 1985	at 103%
On November 1, 1985 and each interest payment date to and including May 1, 1987	at 102%
On November 1, 1987 and each interest payment date to and including May 1, 1989	at 101%
On November 1, 1989 and each payment date thereafter	at 100%

Notice of any such intended redemption shall be given by one publication thereof in the official newspaper of King County, Washington, and in a financial newspaper or journal of general circulation throughout the United States, with each such publication to be not more than forty nor less than thirty days prior to said redemption date, and by mailing a like notice at the same time to _____

_____.

In addition to such publication and mailing, the district shall also mail notice of such intended redemption to the registered owners of the bonds to be redeemed and to Standard & Poor's Corporation and Moody's Investors Service, Inc., New York, New York, or to their successors, if any. The mailing of such notice shall not, however, be a condition precedent to the call of any bonds for redemption.

*Precedent
Pages in Volume 11*

This bond is one of an issue of twenty two thousand two hundred (22,200) bonds of the port district of like amount, date and tenor except as to number, rate of interest and date of maturity in the aggregate principal amount of \$111,000,000, and is issued pursuant to duly adopted resolutions of the Port Commission for the purpose of providing money to pay part of the cost of refunding certain outstanding revenue bonds of the port district issued under dates of April 1, 1970, August 1, 1970, February 1, 1971 and June 1, 1971, all in conformity with the laws of the State of Washington. This bond and the bonds of this issue are payable solely out of the Gross Revenue of the port district as such Gross Revenue is defined in Resolution No. 2504 of the Commission of the port district.

The Port of Seattle hereby covenants and agrees with the owner and holder of this bond that it will keep and perform all the covenants of this bond and of Resolutions Nos. 2143, 2242, 2264, 2272, 2286, 2397 and 2504, to be by it kept and performed.

The Port of Seattle does hereby pledge and bind itself to set aside from such Gross Revenue, and to pay into said Bond Redemption Fund and the Reserve Account created therein the various amounts required by said Resolution No. 2504 to be paid into and maintained in said Fund and Account, all within the times provided by said resolution.

Said amounts so pledged to be paid out of Gross Revenue into said Bond Redemption Fund and Reserve Account are hereby declared to be a first and prior lien and charge upon such Gross Revenue and equal in rank to the lien and charge upon such Gross Revenue of the amounts required to pay and secure the payment of the outstanding revenue bonds of the port district issued under dates of November 1, 1963, November 1, 1966, November 1, 1967, July 1, 1968, February 1, 1969, and November 1, 1971, and any revenue bonds of the port district hereafter issued on a parity with such bonds and the bonds of this issue.

The Port of Seattle has further bound itself to maintain all of its properties and facilities which contribute in some measure to such Gross Revenue in good repair, working order and condition,

to operate the same in an efficient manner and at a reasonable cost, and to establish, maintain and collect rentals, tariffs, rates and charges in the operation of all of its business for as long as any of such November 1, 1963, November 1, 1966, November 1, 1967, July 1, 1968, February 1, 1969, and November 1, 1971 bonds and the bonds of this issue are outstanding that will make available, for the payment of the principal thereof and interest thereon as the same shall become due, Net Revenue (as the same is defined in said Resolution No. 2504) in an amount equal to at least 1.35 times the maximum amount required in any calendar year hereafter to pay the principal of and interest on all of such bonds outstanding.

Unless registered, this bond, and the bonds of this issue, and each of the coupons attached to each of said bonds are hereby declared to be fully negotiable instruments within the provisions and intent of the laws of the State of Washington.

It is hereby certified and declared that this bond and the bonds of this issue are issued pursuant to and in strict compliance with the Constitution and laws of the State of Washington and resolutions of the Commission of the Port of Seattle, and that all acts, conditions and things required to be done precedent to and in the issuance of this bond have happened, been done and performed.

IN WITNESS WHEREOF, the Port of Seattle has caused this bond to be executed in its name by the facsimile or manual signature of the President of its Commission, to be attested by the facsimile or manual signature of the Secretary of its Commission, the corporate seal of the Port of Seattle to be impressed hereon, and the interest coupons attached hereto to be signed with the facsimile signatures of said officials, this first day of November, 1973.

PORT OF SEATTLE, WASHINGTON

By _____
President of its Commission

ATTEST:

Secretary of its Commission

KING COUNTY TREASURER'S
REFERENCE NO. _____

The interest coupons attached to the Refunding Bonds shall be in substantially the following form:

KING COUNTY TREASURER'S
REFERENCE NO. _____ \$ _____

On the first day of _____, 19___, the Port of Seattle will pay to bearer at the office of the Treasurer of King County, in Seattle, Washington, or, at the option of the holder, at the fiscal agencies of the State of Washington, in the Cities of Seattle, Washington or New York, New York, the amount shown hereon in lawful money of the United States of America, out of the special fund of the port district entitled "Port of Seattle Revenue Bond Redemption Fund," said amount being the semiannual interest due that day on its Refunding Revenue Bond, 1973 dated November 1, 1973, and numbered _____.

PORT OF SEATTLE, WASHINGTON

By _____
President of its Commission

ATTEST:

Secretary of its Commission

The Refunding Bonds shall have endorsed thereon the following certificate:

Section 13. The Bonds shall be executed on behalf of the Port with the facsimile or manual signature of the President of its Commission, shall be attested by the facsimile or manual signature of the Secretary thereof (at least one of which signatures shall be manual), and shall have the seal of the Port impressed thereon. The interest coupons attached hereto shall be signed with the facsimile signatures of said officials.

Section 14. The Bonds shall be sold at public sale. Sealed proposals for the purchase of the Bonds shall be received, publicly opened and read at 10:00 o'clock A.M. Pacific Standard Time on the 7th day of November, 1973, at the Bell Street offices of the Port of Seattle in Seattle, Washington. Such bids will be considered and acted upon at a special meeting of the Commission to be held at said office at 2:00 o'clock P.M. Pacific Standard Time, on such date. Bidders must agree to pay at least par plus accrued interest from November 1, 1973, to date of delivery of the Bonds.

Notice of such sale shall be published once in The Bond Buyer prior to said date of sale. Such other publicity of such sale shall be given as found advisable by the Controller of the Port.

Upon the sale of the Bonds the proper officials of the Port are hereby authorized and directed to do all things necessary for the prompt execution and delivery of the Bonds and for the proper use and application of the proceeds of sale thereof.

Section 15.

A. The Commission from time to time and at any time may adopt a resolution or resolutions supplemental hereof, which resolution or resolutions thereafter shall become a part of this resolution, for any one or more or all of the following purposes:

(1) To add to the covenants and agreements of the Port in this resolution contained other covenants and agreements thereafter to be observed, or to surrender any right or power herein reserved to or conferred upon the Port.

(2) To make such provisions for the purpose of curing any ambiguities or of curing, correcting or supplementing any

defective provision contained in this resolution or in regard to matters or questions arising under this resolution as the Commission may deem necessary or desirable and not inconsistent with this resolution and which shall not adversely affect the interest of the holders of the Refunding Bonds.

Any such supplemental resolution of the Commission may be adopted without the consent of the holders of any of the Refunding Bonds at any time outstanding, notwithstanding any of the provisions of subsection B of this section.

B. With the consent of the holders of not less than 65% in aggregate principal amount of the Refunding Bonds at the time outstanding, the Commission of the Port may adopt a resolution or resolutions supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this resolution or of any supplemental resolution; provided, however, that no such supplemental resolution shall:

- (1) Extend the fixed maturity of any of the Refunding Bonds, or reduce the rate of interest thereon, or extend the time of payments of interest from their due date, or reduce the amount of the principal thereof, or reduce any premium payable on the redemption thereof, without the consent of the holder of each Refunding Bond so affected; or
- (2) Reduce the aforesaid percentage of holders of Bonds required to approve any such supplemental resolution without the consent of the holders of all of the Refunding Bonds then outstanding.

It shall not be necessary for the consent of the Refunding Bondholders under this subsection B to approve the particular form of any proposed supplemental resolution, but it shall be sufficient if such consent shall approve the substance thereof.

C. Upon the adoption of any supplemental resolution pursuant to the provisions of this section, this resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations of the Port under this resolution and all holders of Refunding Bonds outstanding

hereunder shall thereafter be determined,, exercised and enforced thereunder, subject in all respects to such modification and amendments, and all the terms and conditions of any such supplemental resolution shall be deemed to be part of the terms and conditions of this resolution for any and all purposes.

D. Refunding Bonds executed and delivered after the execution of any supplemental resolution adopted pursuant to the provisions of this section may bear a notation as to any matter provided for in such supplemental resolution, and if such supplemental resolution shall so provide, new Refunding Bonds so modified as to conform, in the opinion of the Commission, to any modification of this resolution contained in any such supplemental resolution, may be prepared by the Port and delivered without cost to the holders of the Refunding Bonds then outstanding, upon surrender for cancellation of such Refunding Bonds of such Refunding Bonds with all unmatured coupons and all matured coupons not fully paid, in equal aggregate principal amounts.

Section 16. If any one or more of the covenants or agreements provided in this Resolution to be performed on the part of the Port shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements in this Resolution and shall in no way affect the validity of the other provisions of this Resolution or of the Refunding Bonds.

ADOPTED by the Port Commission of the Port of Seattle at a special meeting thereof, notice of which was duly given, held this 30th day of October, 1973, and duly authenticated in open session by the signatures of the Commissioners present and voting in favor thereof and the seal of the Commission.

PORT OF SEATTLE, WASHINGTON

[Signature]

[Signature]

John A. Doherty

Mark D. Bellum

H. Knox Caswell

(SEAL)

ATTEST:

Paul R. Mitchell
Secretary of said Commission

EXHIBIT A

<u>Bond Nos.</u>	<u>Maturity Year</u>	<u>Amount</u>
1-246	1974	\$ 1,230,000
247-506	1975	1,300,000
507-783	1976	1,385,000
784-1077	1977	1,470,000
1078-1387	1978	1,550,000
1388-1716	1979	1,645,000
1717-2066	1980	1,750,000
2067-2438	1981	1,860,000
2439-2831	1982	1,965,000
2832-3250	1983	2,095,000
3251-3751	1984	2,505,000
3752-4283	1985	2,660,000
4284-4842	1986	2,795,000
4843-5489	1987	3,235,000
5490-6257	1988	3,840,000
6258-7168	1989	4,555,000
7169-8127	1990	4,795,000
8128-9136	1991	5,045,000
9137-10,200	1992	5,320,000
10,201-11,320	1993	5,600,000
11,321-12,504	1994	5,920,000
12,505-13,752	1995	6,240,000
13,753-15,070	1996	6,590,000
15,071-16,462	1997	6,960,000
16,463-17,933	1998	7,355,000
17,934-19,489	1999	7,780,000
19,490-21,496	2000	10,035,000
21,497-22,200	2001	3,520,000