

RESOLUTION NO. 2322

A RESOLUTION of the Port Commission of the Port of Seattle, Washington, providing for the issuance and sale of revenue bonds of the port district in the principal amount of \$23,000,000 for the purpose of providing part of the money to acquire, construct, install and make certain improvements to Unit No. 18 as authorized by the comprehensive Scheme of the port district as amended; providing the date, form, terms, and maturities of said bonds; providing that such bonds be issued on a parity with 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, pursuant to meetings, hearings and an election of the qualified electors of the Port of Seattle, Washington (hereinafter called the "Port"), the original comprehensive scheme of harbor improvement of the Port (Resolution No. 17) as amended, was again amended by Resolution No. 1194 of the Port Commission, adopted September 16, 1946, which resolution created Unit No. 18 of such comprehensive scheme and provided for the acquisition of land and the developing and improving of the same for airport purposes, such airport to be designated as "Seattle-Tacoma Airport"; and

WHEREAS, since the adoption of said Resolution No. 1194 the comprehensive scheme of harbor improvement of the Port has been further added to and amended by Resolutions numbered 2138, 2220, 2252, 2262, 2271, and 2285 of the Port Commission, adopted September 11, 1963, May 24, 1966, March 28, 1967, September 26, 1967, May 28, 1968, and December 23, 1968, respectively, which resolutions authorize the acquisition of certain additional lands and the acquisition, construction and installation of certain improvements to said Unit No. 18; and

WHEREAS, in order to provide part of the money necessary to acquire, construct, install and make part of such improvements, it is deemed necessary and advisable that the Port issue and sell its revenue bonds in the aggregate principal amount of \$23,000,000, and

WHEREAS, it has been determined that said \$23,000,000 of bonds may be issued on a parity with the outstanding revenue bonds of the Port issued

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pursuant to Resolutions Nos. 2143, 2242, 2264, 2272, and 2286 of the Port Commission under dates of November 1, 1963, November 1, 1966, November 1, 1967, July 1, 1968, and February 1, 1969 respectively, and that it is to the best interest of the Port and its inhabitants that such bonds be so issued; and

WHEREAS, it is necessary that the date, form, terms, maturities, conditions and covenants of said bonds to be issued 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 "Comprehensive Scheme" shall mean the original Comprehensive Scheme of harbor improvement of the Port (Resolution No. 17) as such original Comprehensive Scheme has been amended and added to from the date of the adoption of said Resolution No. 17 to and including the date hereof.

(d) The words "Outstanding Parity Bonds" shall mean the outstanding revenue bonds of the Port issued pursuant to Resolution No. 2143 under date of November 1, 1963, the outstanding revenue bonds of the Port issued pursuant to Resolution No. 2242 under date of November 1, 1966, the outstanding revenue bonds of the Port issued pursuant to Resolution No. 2264 under date of November 1, 1967, the outstanding revenue bonds of the Port issued pursuant to Resolution No. 2272 under date of July 1, 1968, and the outstanding revenue bonds of the Port issued pursuant to Resolution No. 2286 under date of February 1, 1969.

The outstanding Parity Bonds are the only obligations of the Port now outstanding which constitute a lien upon the Gross Revenue of the Port.

(e) 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.

(f) 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.

(g) The word "Bonds" shall mean the \$23,000,000 principal amount of revenue bonds of the Port issued for certain purposes as authorized by the Comprehensive Scheme and pursuant to and as provided in this resolution.

(h) 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 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.

(i) 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.

(j) 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.

(k) The words "Future Parity Bonds" shall mean any revenue bonds or revenue warrants of the Port issued after the date of issuance of the 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 Bonds.

Section 2. The Commission hereby finds and determines as required by Section 8 of its Resolution No. 2143, and Sections 10 of its Resolutions No. 2242, No. 2264, No. 2272 and No. 2286 as follows:

First: That the Bonds will be issued for the purpose of providing

part of the funds to acquire, construct, install and make certain additions and improvements to the Facilities of the Port for which it is authorized by law to issue revenue bonds.

Second: That at the time of the adoption of this resolution and at the time of the issuance and delivery of the 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, in Subsections A(2) of Sections 10 of Resolutions No. 2242, No. 2264, No. 2272 and No. 2286.

Fourth: That "net" revenue available for revenue bond debt service," computed as provided in Subsection A(3) of Section 8 of Resolution No. 2143 and in Subsections A(3) of Sections 10 of Resolutions No. 2242, 2264, No. 2272 and No. 2286 for each calendar year after the year of issuance of the Bonds (1970) 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 revenue bonds of the Port payable out of the Bond Redemption Fund and the Bonds. Such "net revenue available for revenue bond debt service" is based upon the Net Revenue of the Port for the period January 1, 1969 to December 31, 1969, as determined by the certificate of Touche, Ross, Bailey & Smart, certified public accountants, on file with the Port.

The limitations contained in Section 8 of Resolution No. 2143 and in Sections 10 of Resolutions No. 2242, No. 2264, No. 2272 and No. 2286 having been complied with in the issuance of the 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 Bonds shall constitute a lien and charge upon the Gross Revenue equal in rank with the lien and charge thereon to 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. That the Port shall acquire, construct, install and make the improvements to its Facilities at the Seattle-Tacoma Airport authorized by that

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portion of the Comprehensive Scheme applicable to Unit No. 18 (Seattle-Tacoma Airport) and as the Comprehensive Scheme was particularly amended by Resolutions No. 2271 and No. 2285.

Such improvements are all as more particularly described and set forth in maps, plans and specifications constituting the master plan for Unit No. 18, now on file at the main office of the Port.

It is contemplated that such improvements will require additional funds in the approximate amount of \$96,000,000 which funds shall be provided from the proceeds of additional revenue bonds and from possible grants of money from the State of Washington and the United States of America.

All of the above described additions and improvements, when acquired, constructed, installed and made, shall be connected with and made a part of the existing buildings and facilities at the Seattle-Tacoma Airport in such manner as will assure maximum efficiency of operation.

Section 4. For the purpose of providing money necessary to pay part of the cost of acquiring, constructing, installing and making part of the above described additions and improvements, and to capitalize the interest to accrue on said bonds during not to exceed the period of construction and six months thereafter the Port shall issue the Bonds in the total principal amount of \$23,000,000.

The Bonds shall be dated April 1, 1970, shall be in the denomination of \$5,000 each, may be registered as to principal or as to principal and interest at the option of the holder, shall bear interest at a rate or rates not to exceed $7\frac{1}{2}\%$ per annum payable on the first days of April and October of each year from date of issue as evidenced by coupons to be attached thereto and shall be numbered and mature on April 1 in order of their number in years and amounts as follows:

Bond Nos.	<u>Maturity</u> Year	Amount
1- 11	1973	\$ 55,000
12- 23	1974	60,000
24- 35	1975	60,000
36- 48	1976	65,000
49- 62	1977	70,000
63- 77	1978	75,000
78- 93	1979	80,000
94- 110	1980	85,000
111- 129	1981	95,000

130- 148	1982	\$ 95,000
149- 170	1983	110,000
171- 222	1984	260,000
223- 277	1985	275,000
278- 337	1986	300,000
338- 432	1987	475,000
433- 579	1988	735,000
580- 789	1989	1,050,000
790-1015	1990	1,130,000
1016-1257	1991	1,210,000
1258-1518	1992	1,305,000
1519-1797	1993	1,395,000
1798-2097	1994	1,500,000
2098-2419	1995	1,610,000
2420-2765	1996	1,730,000
2766-3136	1997	1,855,000
3137-3535	1998	1,995,000
3536-3963	1999	2,140,000
3964-4600	2000	3,185,000

Both principal of and interest on the 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 agency of the State of Washington in 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 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 date of redemption:

On April 1 and October 1, 1985	at 104
On April 1 and October 1, 1986	at 103
On April 1 and October 1, 1987	at 102
On April 1 and October 1, 1988	at 101
On April 1, 1989 and any interest 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 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 Bond or Bonds so called for redemption shall cease on such redemption date unless the same are not redeemed upon

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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 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 any such notice to any of such registered owners shall not affect the validity of the proceedings for the redemption of the bonds. In addition to such publication and mailing, the District 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 Bonds for redemption.

The Port further reserves the right to use any surplus unpledged Gross Revenue at any time to purchase any of the 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. There has heretofore been created by Resolution No. 2286 a special fund of the Port known as "Port of Seattle Construction Fund 1969-A" (hereinafter called the "Construction Fund"), into which shall be paid the proceeds of the sale of the Bonds (except for an amount equal to the interest to accrue on the bonds to and including April 1, 1972, which amount shall be paid into the Bond Redemption Fund) and any and all other moneys which may be necessary to pay the cost of the improvements for which the Bonds are issued. The Construction Fund shall be drawn upon for the sole purpose of paying the cost of acquiring, constructing, installing, equipping and making the improvements to the Facilities of the Port as provided for herein and in Resolution No. 2286 and for paying all expenses incidental thereto, for repaying other funds of the Port for moneys advanced for such purposes and for paying all expenses incidental to the issuance of the Bonds.

Any moneys remaining in the Construction Fund after all costs of acquiring, constructing, installing, equipping and making the improvements referred

to in Section 3 hereof and all costs incidental thereto have been paid may be used to repurchase any of the Bonds outstanding as provided in Section 5 hereof, or shall be transferred to such Bond Redemption Fund for the uses and purposes herein provided.

Section 7. Another 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 Bonds.

From and after the time of issuance and delivery of the 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 Bonds shall become due, the amounts necessary with other available funds to pay such interest or principal and interest next coming due on the 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 direct obligations of the United States of America, maturing at such time or times and bearing interest to be earned thereon in amounts sufficient to redeem and retire the 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 bonds and the Bonds and appurtenant coupons shall then cease to be entitled to any lien, benefits or security of this resolution, except the right to receive the

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funds so set aside and pledged, and the 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 8. 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 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 April, 1970, so that by April 1, 1975, 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 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 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 9. The Port hereby covenants and agrees with the owners and holders of each of the 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 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 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 Bonds at the times and

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places as herein and in said 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 Bonds.

(c) That it will forthwith provide for the commencement of the acquisition, construction, installation, equipping and making of the improvements and facilities authorized in Section 3 of this resolution for which the Bond proceeds shall be allocated by the Port Commission. The contractor or contractors constructing and installing such improvements shall be required to furnish a good and sufficient completion bond or bonds.

(d) 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.

(e) 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 Bonds.

(f) 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 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 Bonds.

(g) 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 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 Bonds.

Section 10. The Port hereby further covenants and agrees with the owners and holders of each of the 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 Bonds, except

A. That it reserves the right, for

First, the purpose of providing funds to acquire, construct reconstruct, maintain, intall, 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 Bonds,

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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 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 8 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 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 income 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

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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 11. The Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. _____ \$5,000

STATE OF WASHINGTON

PORT OF SEATTLE

REVENUE BOND, 1970-A

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 April, 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 semiannually on the first days of April and October of each year. 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 agency of the State of Washington in the City of 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 April 1 and October 1, 1985	at 104
On April 1 and October 1, 1986	at 103
On April 1 and October 1, 1987	at 102
On April 1 and October 1, 1988	at 101
On April 1, 1989 and any interest 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.

This bond is one of an issue of four thousand six hundred 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 \$23,000,000 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 acquiring, constructing, equipping, installing and making certain improvements at the Seattle-Tacoma Airport as authorized by the Comprehensive Scheme of the port district as amended, 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. 2322 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 No. 2143, No. 2242, No. 2264, No. 2272, No. 2286 and No. 2322 to be by it kept and performed.

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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. 2322 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, and February 1, 1969, and any revenue bond 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, and February 1, 1969, 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. 2322) 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 signed with the facsimile signature of the President of its Commission, to be attested by 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 April, 1970.

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 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 agency of the State of Washington, in the City of New York, New York, the amount shown hereon in lawful money of the United States of America, out of the special fund

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of the port district entitled "Port of Seattle Revenue Bond Redemption Fund," said amount being the semiannual interest due that day on its revenue bond dated April 1, 1970, and numbered _____

PORT OF SEATTLE, WASHINGTON

By _____
President of its Commission

ATTEST:

Secretary of its Commission

The Bonds shall have endorsed thereon the following registration certificate:

REGISTRATION CERTIFICATE

This bond may be registered in the name of the holder at the office of the Treasurer of King County in Seattle, Washington, as to principal only, such registration being noted hereon by the Registrar in the registration blank below, after which no transfer shall be valid unless made by the registered holder or his duly authorized agent, and similarly noted in the registration blank below; but it may be discharged from registration by being transferred to bearer, after which it shall be transferable by delivery and may again be registered as before. The registration of this bond as to principal shall not affect the negotiability of the coupons attached hereto, but the coupons may be surrendered and the interest made payable only to the registered holder, in which event the Registrar shall note in the registration blank below that this bond is registered as to interest as well as to principal.

Upon the request of the holder and with the consent of the Port of Seattle, but always at the expense of the holder, this bond when converted into a bond registered as to both principal and interest may be reconverted into a coupon bond and again converted into a bond registered as to both principal and interest as hereinabove provided. Upon reconversion of this bond when registered as to

principal and interest into a coupon bond, new coupons representing the interest to accrue hereon to date of maturity shall be attached hereto by the Registrar, who shall note in the registration blank below whether the bond is registered as to principal only or payable to bearer.

Date of Registration	In Whose Name Registered	Manner of Registration	Signature of Registrar

Section 12. The Bonds shall be signed on behalf of the Port with the facsimile signature of the President of its Commission, shall be attested by the Secretary thereof, and shall have the seal of the Port impressed thereon. The interest coupons attached thereto shall be signed with the facsimile signatures of said officials.

Section 13. The Bonds shall be sold at public sale. Sealed proposals for the purchase of the Bonds shall be received, publicly opened and read at 11:00 o'clock A.M. Pacific Standard Time on the 24th day of March, 1970, at the Bell Street offices of the Port of Seattle in Seattle, Washington. Such bids will be considered and acted upon by the Commission at said office at 2:00 o'clock P.M., Pacific Standard Time, on such date. Bidders must agree to pay accrued interest from April 1, 1970 to date of delivery and at least 98% of the par value of the Bonds.

The action hereafter taken by the Controller of the Port in causing the notice of sale of the bonds to be published once in the Daily Bond Buyer is hereby ratified and confirmed.

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.

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Section 14.

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 Bonds.

Any such supplemental resolution of the Commission may be adopted without the consent of the holders of any of the 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 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 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 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 Bonds then outstanding.

It shall not be necessary for the consent of the 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 Bonds outstanding hereunder, 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. 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 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 Bonds then outstanding, upon surrender for cancellation of such Bonds with all unmatured coupons and all matured coupons not fully paid, in equal aggregate principal amounts.

ADOPTED by the Port Commission of the Port of Seattle at a regular meeting thereof held this 24th day of March, 1970, 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

Mark D. Bellum
H. Knox Coakley
Jenkins Sanford

(SEAL)

ATTEST:

H. Knox Coakley
Secretary of said Commission