

RESOLUTION NO. 2363

A RESOLUTION of the Port Commission of the Port of Seattle, Washington, providing for the issuance and sale of second lien revenue bonds of the port district in the aggregate principal amount of \$2,700,000 for the purpose of providing part of the money to acquire certain lands and facilities adjacent to Terminal 115 of the Port; providing the date, form, terms, and maturities of said bonds; providing that such bonds be issued on a parity with other second lien revenue bonds of the port district; creating a Second Lien Revenue Bond Redemption Fund of the port district; creating a property acquisition fund; and providing and adopting certain covenants safeguarding the payment of such principal and interest.

WHEREAS, pursuant to meetings, and a hearing duly and regularly held the original comprehensive scheme of harbor improvement of the Port of Seattle, Washington (hereinafter called the "Port") as amended, was again amended by Resolution No. 2111 of the Port Commission, which resolution adopted a comprehensive scheme of Harbor Improvements and Industrial Developments for the Lower Duwamish Industrial Development District; and

WHEREAS, since the adoption of said Resolution No. 2111 the comprehensive scheme of harbor improvement of the Port has been further added to and amended by Resolution No. 2361 adopted December 22, 1970, which resolution authorizes the acquisition of certain additional lands for marine terminal purposes as a part of the comprehensive scheme for harbor improvement for the Port; and

WHEREAS, in order to provide part of the money necessary to acquire such lands as provided for in said Comprehensive Plan, as amended, it is deemed necessary and advisable that the Port issue and sell its revenue bonds in the aggregate principal amount of \$2,700,000; and

WHEREAS, it has been determined necessary and advisable

that such bonds be issued on a parity with the \$2,000,000 of second lien revenue bonds of the Port to be issued concurrently with said \$2,700,000 of bonds; 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 "Prior Lien Bonds" shall mean the 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
2322	April 1, 1970
2330	August 1, 1970
2357	February 1, 1971

The words "Prior Lien Bonds" shall also mean all revenue

bonds of the Port hereafter issued on a parity with the bonds described above in this subsection d.

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

e. The words "Parity Bonds" shall mean the \$2,000,000 aggregate principal amount of second lien revenue bonds of the Port issued in three series, dated January 1, 1971, designated Series 1971-B, Series 1971-C and Series 1971-D, to be issued on a parity with the Bonds.

f. The words "Bond Redemption Fund" shall mean the Port of Seattle Second Lien Revenue Bond Redemption Fund created by Section \_\_\_ of this resolution for the purpose of paying the principal of and interest on the Bonds, the Parity Bonds, and all bonds issued on a parity with such bonds.

g. The term "Bonds" shall mean the \$2,700,000 principal amount of Series 1971-A Revenue Bonds of the Port issued pursuant to 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 Prior Lien Bonds, the 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 Parity Bonds and the Bonds.

Section 2. The Port shall acquire the real property adjacent to its Terminal 115 generally known as Boeing Plant I, and as authorized and more particularly described in the Comprehensive Scheme, particularly amended by Resolution No. 2361.

Section 3. For the purpose of providing money necessary to pay part of the cost of acquiring the real property described in said Resolution No. 2361, the Port shall issue the Bonds in the total principal amount of \$2,700,000.

The Bonds shall be dated January 1, 1971, shall be in the denomination of \$5,000 each, shall be designated the Port of Seattle Second Lien Revenue Bonds, Series 1971-A, shall bear interest at a rate or rates of not to exceed 7% per annum payable July 1, 1971, and semiannually thereafter on the first days of January and July as evidenced by coupons to be attached thereto and shall be numbered and mature on January 1 in order of their

number in years and amounts as follows:

<u>Bond Nos.</u>	<u>Maturity Year</u>	<u>Amount</u>
1-41	1972	\$205,000
42-84	1973	215,000
85-130	1974	230,000
131-179	1975	245,000
180-231	1976	260,000
232-286	1977	275,000
287-344	1978	290,000
345-406	1979	310,000
407-471	1980	325,000
472-540	1981	345,000

Section 4. 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 at par in inverse numerical order on any interest payment date on and after January 1, 1974.

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 original purchaser from the Port of the Bonds to be redeemed 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 presentation made pursuant to such call. In addition to such publication and mailing, the Port 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.

At the sale of the Bonds by the Port, the bidders shall be required to submit alternate bids (1) for the Bonds with redemption rights as set forth above and (2) for the Bonds without reservation of the right of prior redemption. The Port may elect which alternative it will accept in awarding the Bonds. In the event that the Port elects to accept a bid under alternate (2) above, the Bonds shall not be subject to redemption prior to their scheduled maturities.

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.

Section 6. There is hereby created a special fund of the Port known as "Port of Seattle Plant I Acquisition Fund" (hereinafter called the "Plant I Fund"). into which shall be paid the proceeds of the sale of the Bonds and any and all other moneys which may be necessary to pay the cost of the lands and improvements for which the Bonds are issued. The Plant I Fund shall be drawn upon for the sole purpose of paying the cost of acquiring the lands described in Section 2 above together with all improvements thereon, and for paying all expenses incidental to such acquisition, and to the issuance of the Bonds.

Any moneys remaining in the Plant I Fund after all costs referred to in this Section have been paid may be used to repurchase any of the Bonds outstanding as provided in Section 5 hereof, or shall be transferred to the Bond Redemption Fund for the uses and purposes herein provided.

Section 7. A special fund of the Port known as the "Port of Seattle Second Lien Revenue Bond Redemption Fund" is hereby created in the office of the Treasurer of King County for

the sole purpose of paying the principal of, premium if any, and interest on the Bonds and on any Bonds issued on a parity therewith, which includes the Parity 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 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 the charges on such Gross Revenue required to pay and secure the payment of the principal of and interest on the Prior Lien Bonds and 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 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 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 the Parity Bonds or Future Parity Bonds.

Section 8. 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 Parity Bonds and the Bonds are outstanding that will produce Net Revenue in an amount sufficient to pay the principal of and interest on the Parity Bonds and the Bonds outstanding as the same shall become due.

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 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 acquisition of the properties authorized in Section 2 of this resolution for which the Bond proceeds shall be allocated by the Port Commission.

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 or the Prior Lien 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 9. 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 (other than Prior Lien 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 Parity Bonds and the 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 Bonds,

to issue parity bonds (hereinafter defined as "Future Parity Bonds") and to pledge that payments will be made out of the Gross Revenue into the Bond Redemption Fund 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 to pay and secure the payment of the principal of and interest on the 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.

(2) 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 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 then outstanding Prior Lien Bonds.

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 Prior Lien Bonds or 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 10. The Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA

No. \_\_\_\_\_

\$5,000

STATE OF WASHINGTON

PORT OF SEATTLE

SECOND LIEN REVENUE BOND, SERIES 1971-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 the principal sum of

FIVE THOUSAND DOLLARS

on the first day of January, 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 July 1, 1971, and semiannually thereafter on the first days of each January and July. 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.

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 Second Lien Revenue Bond Redemption Fund" created by Resolution No. \_\_\_\_\_ 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 at par in inverse numerical order on any interest payment date on and after January 1, 1974.)

(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 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 of Seattle has not reserved the right to redeem the bonds of this issue prior to their stated maturities.)

This bond is one of an issue of five hundred and forty 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 \$2,700,000 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 certain lands and improvements adjacent to Terminal 115 of the Port, 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. \_\_\_\_\_ 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. \_\_\_\_\_ 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 the various amounts required by said Resolution No. \_\_\_\_\_ to be paid into and maintained in said Fund, all within the times provided by said resolution.

Said amounts so pledged to be paid out of Gross Revenue into said Bond Redemption Fund are hereby declared to be a first and prior lien and charge upon such Gross Revenue, excepting only the lien and charge upon such Gross Revenue of the amounts required to pay and secure the payment of the 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, April 1, 1970, August 1, 1970, and February 1, 1971, and any revenue bonds of the port district issued on a parity with such bonds, and equal in rank to the lien and charge thereon to pay and secure the payment of any revenue bonds of the district now or hereafter issued on a parity with 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 the bonds of this issue, and any bonds issued on a parity therewith, are outstanding that will make available net revenue sufficient to pay the principal of and interest on all of such bonds outstanding.

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 January, 1971.



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 of the port district entitled "Port of Seattle  
Second Lien Revenue Bond Redemption Fund," said amount being  
the semiannual interest due that day on its Second Lien Revenue  
Bond, Series 1971-A dated January 1, 1971, and numbered \_\_\_\_\_.

PORT OF SEATTLE, WASHINGTON

By \_\_\_\_\_  
President of its Commission

ATTEST:

\_\_\_\_\_  
Secretary of its Commission

Section 11. 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

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thereon. The interest coupons attached hereto shall be signed with the facsimile signatures of said officials.

Section 12. 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 12th day of January, 1971, 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 January 1, 1971, to date of delivery and bid at 100% of the par value of the Bonds.

The actions of the officials and financial consultant of the Port in causing notice of such sale to be published and distributed prior hereto is hereby in all respects ratified, confirmed and approved.

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 sale thereof.

Section 13. 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 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. 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 special meeting thereof held this 14th day of January, 1971, 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

Merle D. Adlum  
Frank R. Mitchell

*[Handwritten signature]*

Commissioners

ATTEST:

*[Handwritten signature]*

Acting Secretary of said Commission