

RESOLUTION NO. 2396

A RESOLUTION of the Port Commission of the Port of Seattle, Washington, providing for the issuance and sale of second lien revenue warrants of the port district in the aggregate principal amount of \$10,000,000 for the purpose of providing part of the money to acquire, construct, install, equip and make certain improvements to the facilities of the district as authorized by its comprehensive scheme of harbor improvement, as amended; providing the date, form, terms and maturities of said warrants; providing that such warrants be issued on a parity with certain second lien revenue bonds of the port district; providing for the payment of the principal of and interest on said warrants out of the Second Lien Revenue Bond Redemption Fund of the port district created by Resolution No. 2363 of the Port Commission; creating a capital improvement fund; providing and adopting certain covenants safeguarding the payment of such principal and interest; and confirming the sale of such warrants.

WHEREAS, pursuant to meetings and hearings duly and regularly held, the original comprehensive scheme of harbor improvement of the Port of Seattle (hereinafter called the "Port"), as theretofore amended, was again amended and supplemented by Resolutions Nos. 2162 and 2254 to authorize the acquisition, construction and installation of certain improvements to the facilities of the Port; and

WHEREAS, the Port is now in the process of further amending such comprehensive scheme of harbor improvement to provide for the acquisition, construction and installation of additional improvements to the facilities of the Port; and

WHEREAS, in order to provide part of the money necessary to acquire, construct, install, make and equip certain improvements provided for in said comprehensive scheme of harbor improvements, as amended, it is deemed necessary and advisable that the Port establish a line of credit with a bank or banks to accommodate borrowings from time to time up the principal sum of

\$10,000,000; and

WHEREAS, to provide flexibility in drawing the proceeds of the borrowing, reduce interest costs and to facilitate repayment, it is further deemed necessary and advisable to utilize the Port's power to issue Warrants evidencing such borrowing up to such principal amount; and

WHEREAS, it has been determined necessary and advisable that repayment of such Warrants shall be on a parity with the \$2,700,000 of Second Lien Revenue Bonds of the Port issued pursuant to Resolution No. 2363 adopted January 14, 1971; and

WHEREAS, it is necessary that the date, form, terms, maturities, conditions and covenants of said warrants 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
2377	June 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.

e. The words "Outstanding Parity Bonds" shall mean the \$2,700,000 principal amount of second lien revenue bonds of the Port, dated January 1, 1971, and designated "Second Lien Revenue Bonds, Series 1971-A."

f. The words "Bond Redemption Fund" shall mean the Port of Seattle Second Lien Revenue Bond Redemption Fund created by Section 7 of Resolution No. 2363 for the purpose of paying the principal of and interest on the Outstanding Parity Bonds and all bonds and warrants issued on a parity therewith.

g. The word "Warrants" shall mean the 1971 Second Lien Revenue Warrants issued pursuant to and for the purpose 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 Prior Lien Bonds, the Outstanding Parity Bonds, the Warrants 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 or revenue warrant 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 Warrants 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 Warrants.

l. "Lender" shall mean any bank or banks with which a loan agreement shall be executed as hereinafter provided and which, pursuant to such agreement, becomes holder(s) of the Warrants.

Section 2. The Port shall acquire, construct, install, equip and make the following improvements to the Facilities of the Port:

- a. Acquire necessary equipment for Terminal 18;
- b. Develop and equip Terminal 25 for container ship operation;
- c. Acquire property and facilities at Terminal 106;
- d. Develop, improve and equip Terminal 115 as a barge facility;

e. Acquire necessary equipment for Pier 46; including costs of engineering and planning, and complete with all necessary and proper facilities, utilities and appurtenances.

Section 3. For the purpose of providing money necessary to pay part of the cost of acquiring, constructing, installing, equipping and making the improvements described in Section 2 above, the Port shall borrow money and in evidence thereof issue the Warrants in the total principal amount of \$10,000,000.

The Warrants shall be issued in various series from time to time as determined by motion of the Commission of the Port, and in such denominations as the borrowings under the line of credit require. The Warrants of each series shall be dated as of the date of delivery thereof.

The Warrants shall be issued in denominations which are even multiples of \$100,000, shall be numbered consecutively from 1 up, may be registered, at the option of the holder, only as to both principal and interest in the manner and upon the terms and conditions set forth under the heading "Provisions for Registration" appearing on the Warrants, shall bear interest payable on the first days of January and July of each year from date of issue, and shall mature on the first day of January, 1975.

Section 4. Both principal of and interest on the Warrants 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 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 prepay

without premium any or all of the Warrants outstanding in numerical order at par plus accrued interest to the date of redemption at any time. Provided there shall be no partial prepayment of any single Warrant.

Notice of any such intended prepayment shall be given in writing to the holder(s) of the Warrants to be prepaid at its or their main office or offices at least 10 days prior to the prepayment date. Interest on any Warrant or Warrants so prepaid shall cease on such date unless the same are not paid upon presentation made pursuant to such notice.

Section 6. There is hereby created a special fund of the Port known as "Port of Seattle 1971 Capital Improvement Fund," into which shall be paid the proceeds of the borrowings and any and all other moneys which may be necessary to pay the cost of the acquisition, construction and installation of the improvements for which the Warrants are issued. The Capital Improvement Fund shall be drawn upon for the purpose of paying the cost of the improvements authorized in Section 2 hereof, and for paying all expenses incidental thereto, and to the issuance of the Warrants.

Any moneys remaining in the Capital Improvement Fund after all costs referred to in this Section have been paid may be used to acquire, construct, equip and make other improvements to the Facilities of the Port or may be transferred to the Bond Redemption Fund for the uses and purposes herein provided.

Section 7. Another special fund of the Port known as the "Port of Seattle Second Lien Revenue Bond Redemption Fund" has heretofore been created in the office of the Treasurer of King County by Resolution No. 2363 for the sole purpose of paying the principal of, and interest on, the Outstanding Parity Bonds, the

Warrants, and any Future Parity Bonds.

From and af er the time of issuance and delivery of the Warrants 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 the Warrants shall become due, the amounts necessary with other available funds to pay such interest or principal and interest next coming due on the Warrants 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 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 repay and retire the Warrants (or any one thereof) in accordance with their terms, are hereafter set aside in the Bond Redemption Fund to effect such prepayment 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 Warrants

so provided for and the Warrants so provided for 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 Warrants so provided for shall be deemed not to be outstanding hereunder, or under any resolution authorizing the issuance of the Outstanding Parity Bonds or Future Parity Bonds.

Section 8. The Port hereby covenants and agrees with the owners and holders of each of the Warrants 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 Warrants are outstanding that will produce Net Revenue in an amount sufficient to pay the principal of and interest on the Outstanding Parity Bonds and the Warrants 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 Warrants at the times and places as herein and in said Warrants 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 Warrants.

c. That it will forthwith provide for the acquisition, construction and installation of the improvements authorized in Section 2 of this resolution for which the Warrant 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 Outstanding Parity Bonds, the Warrants 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 Warrants.

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 Warrants.

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 and warrants payable from the Gross Revenue. Copies of such statement and of such other like statements as may be from time to time prepared, whether audited or not, 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 Warrants.

h. That if the Warrants are not paid at maturity, or a deficiency at any time exists in the Bond Redemption Fund, it will extend its best efforts to refund the Warrants utilizing revenues and other sources of moneys which are legally applicable to the payment of the Warrants.

Section 9. The Port hereby further covenants and agrees with the owners and holders of each of the Warrants for as long as any of the same remain outstanding as follows:

That it will not issue any bonds or warrants (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 or warrants 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 Warrants, except, that, so long as there is no default in the payment of the Warrants or with respect to any other covenant or obligation of the Port hereunder,

a. 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 warrants, 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 Warrants,

to issue parity bonds or warrants (hereinbefore 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 Outstanding Parity Bonds and the Warrants, upon compliance with the following further 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 Outstanding Parity Bonds and the Warrants 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 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 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 or warrants 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 or warrants 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 Warrants shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. _____

\$ _____

STATE OF WASHINGTON

PORT OF SEATTLE

SECOND LIEN REVENUE WARRANT

SERIES _____

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

_____ DOLLARS

on the first day of _____, 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 on the first days of _____ and _____. Payment of the interest on this warrant shall be made only upon presentation and surrender of the coupons representing such interest as the same respectively fall due, or if this warrant shall be registered to the registered holder.

Both principal of and interest on this warrant 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 Second Lien Revenue Bond Redemption Fund" created by Resolution No. 2363 of the Commission of the port district.

The Port of Seattle has reserved the right to prepay and redeem any or all of the warrants of this issue outstanding, in numerical order at par plus accrued interest to the date of redemption at any time.

Notice of any such intended prepayment shall be given in writing to the original purchaser or purchasers from the port district of the warrants to be redeemed at its or their main office or offices at least 10 days prior to the prepayment date.

This warrant is one of an issue of several warrants of the port district in varying amounts, of like tenor except as to date and number, in the aggregate principal amount not to exceed \$10,000,000 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 and making certain improvements to the facilities of the port district as authorized by the comprehensive scheme of harbor improvement of the port district as amended, all in conformity with the laws of the State of Washington. This warrant and the warrants of this issue are payable solely out of the Gross Revenue of the port district as such Gross Revenue is defined in Resolution No. 2396 of the Commission of the port district.

The Port of Seattle hereby covenants and agrees with the

owner and holder of this warrant that it will keep and perform all the covenants of this warrant and of Resolution No. 2396 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. 2396 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, February 1, 1971 and June 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 the revenue bonds of the port district issued under date of January 1, 1971, and any revenue bonds or warrants of the district hereafter issued on a parity with such bonds and the warrants 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

warrants of this issue, and any bonds or warrants 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 and warrants outstanding.

Unless registered, this warrant, and the warrants of this issue, 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 warrant and the warrants 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 warrant have happened, been done and performed.

IN WITNESS WHEREOF, the Port of Seattle has caused this warrant 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 _____ day of _____, 197__.

PORT OF SEATTLE, WASHINGTON

By _____
President of its Commission

ATTEST:

Secretary of its Commission

The interest coupons attached to the Warrants 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 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 interest due that day on its Revenue Warrant, Series _____, dated _____, 197____, and numbered _____.

PORT OF SEATTLE, WASHINGTON

By _____
President of its Commission

ATTEST:

Secretary of its Commission

The Warrants shall have endorsed thereon the following registration certificate:

PROVISIONS FOR REGISTRATION

This warrant may be registered in the name of the holder at the office of the Treasurer of King County, in Seattle, Washington, on'y as to both principal and interest, such registration being noted hereon by said 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.

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

Section 11. The Warrants 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.

Section 12. The issuance of the Warrants to the Lender upon the terms and conditions specified herein is hereby in all respects ratified, confirmed and approved.

The proper officials of the Port are hereby authorized and directed to do all things necessary for the prompt execution and delivery of the Warrants and for the proper use and application of the proceeds thereof, including but not limited to the execution of a Loan Agreement on behalf of the Port which may contain such terms and conditions, not inconsistent herewith, as said officials and the Lender may agree upon.

Section 13.

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 Warrants.

Any such supplemental resolution of the Commission may be adopted without the consent of the holders of any of the Warrants 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 Warrants 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 Warrants

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 without the consent of the holder of each Warrant so affected; or

2. Reduce the aforesaid percentage of holders of Warrants required to approve any such supplemental resolution without the consent of the holders of all of the Warrants then outstanding.

It shall not be necessary for the consent of the Warrant holders 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 relating to any of the Warrants 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 such Warrants 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 relating to such series.

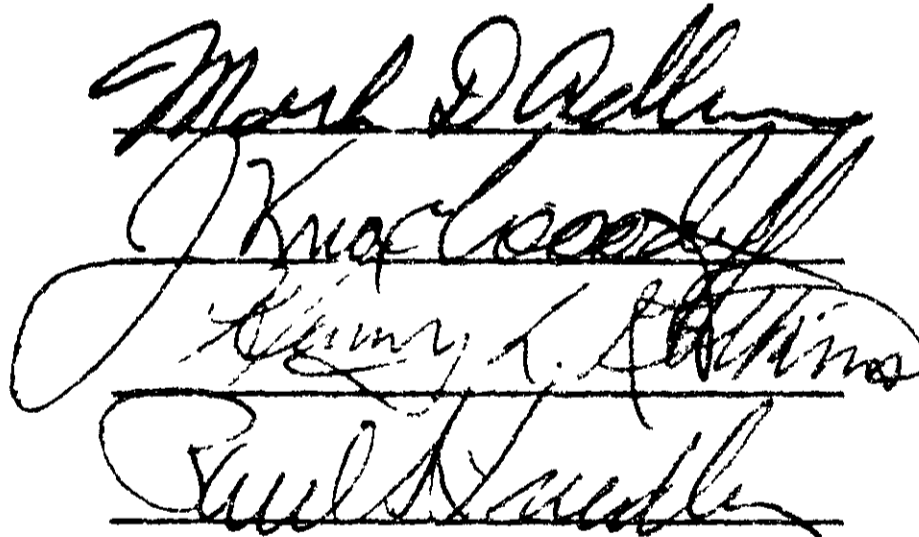
d. Warrants executed and delivered after the execution of any supplemental resolution adopted pursuant to the provisions of this section may bear a notation as to any matter provided for in such supplemental resolution, and if such supplemental resolution shall so provide, new Warrant; so modified as 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 Warrants then outstanding, upon surrender for cancellation of such Warrants in equal aggregate principal amounts.

Section 14. The Commission hereby finds and determines that the requirements relating to the issuance of parity bonds and warrants contained in Section 9 of Resolution No. 2363 have been met and that the Warrants may be issued on a parity with the Outstanding Parity Bonds.

ADOPTED by the Port Commission of the Port of Seattle at a ^{special}~~regular~~ meeting thereof held this 5TH day of October, 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


Four handwritten signatures in cursive script, each written over a horizontal line. The signatures appear to be: Mark D. Quinn, James L. Williams, and two others whose names are less legible.

Commissioners

ATTEST:


Secretary of said Commission