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PORT OF SEATTLE

Revenue Bond Anticipation Notes 1982B

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Revenue Bond Anticipation Note Resolution

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Resolution No. 2872

Adopted October 12, 1982

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PORT OF SEATTLE  
Revenue Bond Anticipation Note Resolution

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RESOLUTION NO. 2872

A RESOLUTION OF THE PORT COMMISSION OF THE PORT OF SEATTLE, WASHINGTON, PROVIDING FOR THE ISSUANCE AND SALE FROM TIME TO TIME OF REVENUE BOND ANTICIPATION NOTES OF THE PORT DISTRICT IN THE AGGREGATE PRINCIPAL AMOUNT OF \$25,000,000 FOR THE PURPOSE OF PROVIDING FUNDS TO ACQUIRE, CONSTRUCT, INSTALL AND EQUIP CERTAIN IMPROVEMENTS TO THE FACILITIES OF THE PORT DISTRICT; PROVIDING THE FORM, TERMS AND MATURITIES OF SAID NOTES; CREATING A SPECIAL FUND FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH NOTES; PROVIDING AND ADOPTING CERTAIN COVENANTS SAFEGUARDING THE PAYMENT OF SUCH PRINCIPAL AND INTEREST; AUTHORIZING THE EXECUTION OF AN AMENDED ISSUING AND PAYING AGENCY AGREEMENT, AN AMENDED PLACEMENT AGENT AGREEMENT AND A SECOND CREDIT AGREEMENT; CONFIRMING THE SALE OF SUCH NOTES; AUTHORIZING THE DELIVERY OF NOTES IN THE PRINCIPAL AMOUNT OF \$25,000,000; AND AMENDING SECTION 2.2 OF RESOLUTION NO. 2862.

WHEREAS, pursuant to Chapter 216 of 1982 Laws of Washington (the "Act") codified as Chapter 39.80 RCW, the Port of Seattle is authorized, among other things, to borrow money in anticipation of the issuance of its revenue bonds when such bonds have been authorized by resolution and to evidence such borrowing by bond anticipation notes of the Port; and

WHEREAS, the Port Commission has authorized the acquisition, construction, installation and equipping of certain improvements to the Terminal 5 and Terminal 20 facilities of the Port; and

WHEREAS, the permanent financing of such improvements is to be provided from proceeds to be derived by the Port from the issuance of its revenue bonds authorized by Resolution No. 2871 adopted by the Port Commission on October 12, 1982; and

WHEREAS, because of present market conditions it is deemed advisable and in the best interests of the Port that the sale of such revenue bonds be deferred and that such improvements be financed, on an interim basis, by the issuance and sale of revenue bond anticipation notes in the aggregate principal amount of \$25,000,000; and

WHEREAS, the Port Commission authorized the Port Administration to negotiate for the sale of such revenue bond anticipation notes; and

WHEREAS, pursuant to Resolution No. 2862 the Port has heretofore issued its Revenue Bond Anticipation Notes in the aggregate

principal amount of \$25,000,000 and has entered into a Placement Agency Agreement with Citibank, N.A. and a Revolving Credit Agreement with Citibank, N.A. and Rainier National Bank; and

WHEREAS, pursuant to such negotiations, a proposal to amend such Agreements to include the revenue bond anticipation notes authorized herein has been submitted this day to the Port for its acceptance; and

WHEREAS, it is hereby found to be in the best interest of the Port that the proposal to amend such Agreements be approved and executed and that the issuance of sale of the \$25,000,000 of revenue bond anticipation notes be authorized,

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

#### ARTICLE I

##### Definitions

Section 1.1 Definitions. The following words and terms as used in this resolution shall have the following meanings, for all purposes of this resolution, unless some other meaning is plainly intended or is required by the Act as in effect on the date of this resolution:

"Authorized Officer" means any of the following: the President and Secretary of the Port Commission and the Senior Director, Finance and Administration, of the Port, and such other persons as may be designated from time to time by subsequent resolution of the Port. In addition, for the purposes therein designated the persons named in Annex G hereto are Authorized Officers.

"Bank Notes" means the promissory notes authorized to be issued under the Credit Agreement.

"Bond Resolution" means Resolution No. 2871 adopted October 12, 1982, and which authorizes the issuance of first lien parity revenue bonds of the Port in the aggregate principal amount of \$25,000,000.

"Bonds" means the bonds authorized by the Bond Resolution.

"Construction Fund" means the Port of Seattle Construction Fund 1975 heretofor created in the office of the King County Comptroller.

"Credit Agreement" means the Second Revolving Credit Agreement between the Port and Citibank, N.A., and Rainier National Bank, authorized pursuant to Section 3.3 hereof.

"Facilities" means 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 or the Bank Notes are outstanding) owned, operated, used, leased or managed by the Port which contribute in some measure to its Gross Revenue.

"Gross Revenue" means 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.

"Issuing and Paying Agent" means Citibank, N.A., acting in its capacity as such pursuant to the Issuing and Paying Agency Agreement.

"Issuing and Paying Agency Agreement" means the Amended Issuing and Paying Agency Agreement between the Port and Citibank, N.A., authorized pursuant to Section 3.1 hereof.

"Notes" means the Revenue Bond Anticipation Notes 1982B authorized to be issued pursuant to Section 2.1 hereof.

"Placement Agent" means Citibank, N.A. acting under the Placement Agency Agreement.

"Placement Agency Agreement" means the Amended Placement Agency Agreement between the Port and Citibank, N.A. authorized pursuant to Section 3.2 hereof.

"Prior Lien Bonds" means the outstanding bonds of the Port, issued pursuant to the following Resolutions under the following dates:

<u>Resolution No.</u>	<u>Date of Bonds</u>
2143	November 1, 1963
2242	November 1, 1966
2264	November 1, 1967
2272	July 1, 1968
2286	February 1, 1969
2397	November 1, 1971
2504	November 1, 1973
2653	October 1, 1976
2764	July 1, 1979

"Revenue Note Fund" means the Revenue Note Fund, 1982B created by Section 2.3 hereof.

Section 1.2 Resolution to Constitute Contract. In consideration of the purchase and acceptance of any of the Notes authorized to be issued hereunder by those who shall hold the same from time to time, this resolution shall be deemed to be and shall constitute a contract between the Port and the holders from time to time of the Notes; and the pledge and lien on the Revenue Note Fund and the covenants and agreements set forth in this resolution to be performed on behalf of the Port shall be for the equal benefit, protection and security of the holders of any and all of the Notes, all of which, regardless of the time or times of their delivery or maturity, shall be of equal rank without preference, priority or distinction of any of the Notes over any other thereof, except as expressly provided in or permitted by their terms with respect to rate of interest or otherwise.

## ARTICLE II

### Creation, Amount, Designation and Purpose of Issue

Section 2.1 Authorization and Purpose. The Port is hereby authorized to borrow money from time to time and to evidence such borrowing by the issuance of obligations to be designated "Revenue Bond Anticipation Notes 1982B." The Notes are issued in anticipation of the issuance by the Port of its first lien parity revenue bonds pursuant to the Bond Resolution. The Notes shall be issuable for the purpose of providing funds to pay part of the cost of acquiring, constructing, installing and equipping improvements to Terminal 5 and Terminal 20 including but not limited to the following:

A. Terminal 5

- (1) Acquisition of additional land
- (2) Acquisition of four cranes
- (3) Improvement to apron, entry and yard
- (4) Relocation of 26th S.W.

B. Terminal 20

- (1) Acquisition of two cranes
- (2) Improvements to apron and yard

and to pay the expenses of issuing the Notes. The Port covenants that on all days on which the principal of and interest on Notes becomes due it will deposit sufficient moneys with the Issuing and Paying Agent, but solely from the sources specified in Section 2.3 hereof, to pay such principal and interest when due. The Port hereby authorizes and directs the Issuing and Paying Agent to pay the principal of and interest on the Notes when due from money of the Port representing the proceeds of additional Notes or from other moneys provided by the Port.

Section 2.2 Terms and Form of Notes. The Notes shall be dated the date of actual issuance and delivery thereof and shall be in the form attached as Annex A hereto, with such appropriate variations, omissions and insertions as are permitted or required by this Resolution. The Notes shall be negotiable and payable to bearer. The Port, the Issuing and Paying Agent and the Placement Agent may treat the bearer thereof as the absolute owner of any Note for the purpose of receiving payment thereof and for all other purposes, and neither the Port nor the Issuing and Paying Agent nor the Placement Agent shall be affected by any notice or knowledge to the contrary. The Notes shall be in denominations of not less than \$100,000 each, shall be numbered serially from 1 upwards in order of their issuance, and shall mature not more than 270 days from their dates of issuance. The principal amount, date of issuance, maturity date and amount of interest shall be as specified in instructions of an Authorized Officer of the Port delivered to the Issuing and Paying Agent pursuant to Section 2.5 hereof; provided, however, that (i) no Note shall be issued under

this resolution which matures subsequent to the expiration of the term of the Credit Agreement; (ii) no interest-bearing Note shall bear interest at a rate, and no Note issued at a discount shall bear a yield to maturity, in either case in excess of the Base Rate (as defined in the Credit Agreement) as in effect on the date of issuance of such Note; and (iii) from and after receipt by the Port of notice of termination of the Credit Agreement, no Note shall be issued under this resolution (x) which matures subsequent to the latest maturing Note outstanding on the date of such notice or (y) in an amount which, when added to the aggregate principal amount of Notes outstanding hereunder (excluding the aggregate principal amount of Notes then being refunded from the proceeds of Notes), would exceed the aggregate principal amount of Notes outstanding on the date of such notice. The Notes shall be executed on behalf of the Port by the manual or facsimile signature of President of the Port Commission and attested by the manual or facsimile signature of the Secretary of the Port Commission. The official seal of the Port shall be impressed or a facsimile thereof imprinted on each Note. In case any Authorized Officer whose signature shall appear on any Notes shall cease to be an Authorized Officer before the delivery of such Notes, such signature shall nevertheless be valid and sufficient for all purposes, and such Note may be authenticated and delivered the same as if such Authorized Officer had remained an Authorized Officer until such delivery. The Notes shall be payable both as to principal and interest in immediately available lawful money of the United States of America, at the office of the Issuing and Paying Agent in New York, New York designated pursuant to the Issuing and Paying Agency Agreement.

Section 2.3            Revenue Note Fund - Security and Sources of Payment of Notes. There is hereby established a special fund of the Port to be known as the "Revenue Note Fund, 1982B," which fund shall be drawn upon only for the payment of the principal of and interest on the Notes or for the payment of the principal of and interest on Bank Notes as provided in Section 2.6 hereof. The

Port hereby covenants and agrees that it will deposit in the Revenue Note Fund, at the time received (i) the proceeds of sale of subsequent issues of Notes pursuant to Section 2.1 hereof, (ii) the net proceeds received from the sale of the Bonds, and (iii) the proceeds of sale of any Bank Notes. In order to secure the payment when due of the principal of and interest on Notes and the performance of any other obligation of the Port to the holders of the Notes, the Port hereby pledges to such payment and performance all amounts from time to time on deposit in the Revenue Note Fund.

(b) The Port agrees for the benefit and protection of the holders from time to time of the Notes, that to the extent it does not have other funds available with which to make such payment when due, it shall issue and sell Bank Notes pursuant to the Credit Agreement and apply the proceeds of such sale to such payment.

(c) Except as expressly set forth above, no revenues or assets of the Port are pledged to the payment of the Notes.

Section 2.4 Execution and Delivery of Notes to Issuing and Paying Agent. Upon the adoption of this resolution and from time to time thereafter as may be required in connection with the issuance of the Notes authorized hereby, the Port shall execute and deliver to the Issuing and Paying Agent for safekeeping, completion, authentication and delivery in accordance with the provisions hereof and of the Issuing and Paying Agency Agreement, Notes in the form required by Section 2.2 hereof with the date of issuance, principal amount, maturity date and amount of interest left blank. Each such Note shall be held in safekeeping by the Issuing and Paying Agent until authenticated and delivered in accordance with the provisions of Section 2.5 hereof and the Issuing and Paying Agency Agreement.

Section 2.5 Issuance and Sale of Notes; Maturities and Interest Rates.

(a) The Port may issue and sell Notes at private sale pursuant to the Placement Agent Agreement at such times, amounts,

with such maturities, at such rates of discount or interest and upon such other terms and conditions as shall be fixed by an Authorized Officer at the time of sale, subject only to the provisions of this resolution; and it is hereby found and determined that such manner of sale is in the best interests of the Port.

(b) Upon receipt of written instructions (including instructions given by electronic wire service) from an Authorized Officer specifying the principal amounts, dates of issuance, maturities, rates of discount or interest, and other terms and conditions as shall be determined by such Authorized Officer, the Issuing and Paying Agent shall withdraw from safekeeping the necessary Notes theretofore delivered to it pursuant to Section 2.4 hereof and shall complete the same in accordance with such instructions. Notwithstanding the foregoing, however, an Authorized Officer may give telephonic instructions to the Issuing and Paying Agent provided the same are confirmed in writing, including a writing transmitted by facsimile or other electronic means, within 24 hours. Such written instructions or confirmation shall also specify the purchase price for the Notes and shall contain a request that the Issuing and Paying Agent authenticate the necessary Notes by countersigning the same and deliver the same to the purchaser(s) thereof pursuant to the Issuing and Paying Agency Agreement. There shall be printed upon, or delivered with, the Notes, the approving legal opinion with respect thereto of Messrs Preston, Thorgrimson, Ellis & Holman, Bond Counsel, in substantially the form included in Annex A hereto.

(c) The delivery to the Issuing and Paying Agent of any instructions, telephonic or written, with respect to the issuance of Notes, shall constitute a certification by the Port to the following effect:

(1) The representations and warranties of the Port contained herein and in the Issuing and Paying Agency Agreement are true and correct as of the date of issuance of such Notes;

(2) No event of default under this resolution has occurred;

(3) The certifications and statements contained in the Port's Master Arbitrage Certificate in the form of Annex B hereto, or substantially in such form but reflecting changes in the figures therein which have occurred since the date Annex B was prepared which changes are not material, are true, correct and complete with respect to the Notes referred to in such instructions as of the proposed date of issuance thereof; and

(4) All agreements and covenants to be performed by the Port with respect to such Notes have been duly performed.

In confirmation of the foregoing the Port agrees to cause an Authorized Officer to execute and deliver a certificate in substantially the form attached hereto as Annex C. Such certificate shall be hand delivered to Bond Counsel on the day of issuance of any Notes and shall be mailed on such day to the Issuing and Paying Agent and the Placement Agent.

Section 2.6 Application of Proceeds. The Port shall deposit the proceeds of the initial issuance and sale of Notes into the Construction Fund. Such proceeds so deposited shall be used to acquire, construct, install and equip improvements to Terminals 5 and 20 as set forth in Section 2.1 hereof, to pay any expenses incidental thereto and to the issuance of the Notes and to repay moneys advanced from any other fund of the Port for any of the preceding purposes. Note proceeds in the Construction Fund to be used to finance the acquisition, construction, installation or making of harbor improvements shall be expended only after such improvements have been properly included in the Port's Comprehensive Scheme of Harbor Improvement and only after compliance with applicable Washington State and United States statutes and regulations relating to the acquisition, construction, installation or making of such improvements including but not limited to statutes

and regulations relating to environmental protection and shoreline management.

Moneys, if any, remaining in the Construction Fund after the expenditures authorized pursuant to the preceding paragraph have been made may be used to acquire additional terminal equipment or to acquire, construct, equip, install or make other improvements to the Facilities of the Port, subject to the conditions set forth in said paragraph, or may be transferred to the Revenue Note Fund 1982B for the uses and purposes herein provided.

The proceeds of each subsequent issuance and sale of Notes shall be applied first to the payment of the principal of and interest of any Notes coming due on the date of such issuance and sale of Notes. Any proceeds of any such subsequent issuance and sale of Notes remaining after the payment of prior Notes as provided in the preceding sentence shall be applied to the payment of outstanding Bank Notes.

Section 2.7 Lost, Destroyed or Mutilated Notes. In the event any Note is lost, destroyed, or mutilated, the Port will cause to be issued a new Note, substantially similar to the original, to replace the same, in such manner and upon such reasonable terms and conditions as any Authorized Officer may from time to time determine.

Section 2.8 Custody of Cancelled Notes. All Notes surrendered to the Issuing and Paying Agent upon the payment of the principal and interest upon maturity thereof shall be cancelled by said Issuing and Paying Agent and forthwith transmitted to the Port, and it shall thereafter have the custody of all thereof.

### ARTICLE III

#### Related Agreements

Section 3.1 Issuing and Paying Agency Agreement. The Port hereby approves the terms of an Issuing and Paying Agency Agreement with Citibank, N.A. in the form or substantially in the form attached hereto as Annex D and hereby authorizes and directs that the same be executed and delivered by an Authorized Officer in such form or substantially in such form with such changes therein

as the Authorized Officer executing the same may approve, his execution thereof to be conclusive evidence of such approval and that such changes are within the authority hereby granted.

Section 3.2 Placement Agency Agreement. The Port hereby approves the terms of a Placement Agency Agreement with Citibank, N.A. in the form or substantially in the form attached hereto as Annex E and hereby authorizes and directs that the same be executed and delivered by an Authorized Officer in such form or substantially in such form with such changes therein as the Authorized Officer executing the same may approve, his execution thereof to be conclusive evidence of such approval and that such changes are within the authority hereby granted.

Section 3.3 Credit Agreement.

(a) The Port hereby approves the terms of a Credit Agreement with Citibank, N.A. and Rainier National Bank substantially in the form attached hereto as Annex F and hereby authorizes and directs that the same be executed and delivered by an Authorized Officer in such form or substantially in such form with such changes therein as the Authorized Officer executing the same may approve, his execution thereof to be conclusive evidence of such approval and that such changes are within the authority hereby granted.

(b) The Port is hereby authorized to borrow money from time to time pursuant to the Credit Agreement for the sole purpose of paying the principal of and interest on Notes when due. The Port hereby authorizes and directs the Authorized Officer, in connection with any such borrowing, to execute and deliver a Bank Note in substantially the form of Annex B to the Credit Agreement and to execute and deliver the certificates required by the Credit Agreement for such borrowing.

(c) The Bank Notes shall be payable solely from the special fund of the Port designated the "Bank Note Redemption Fund, 1982 B" which Fund is hereby established. The Port covenants and agrees that if, and for so long as, any Bank Notes are outstanding it will deposit in the Bank Note Redemption Fund (i) to the extent provided in Section 2.6 hereof, the proceeds

of sale of issues of Notes, (ii) the net proceeds of sale of the Bonds to the extent such proceeds are not required to be deposited in the Revenue Note Fund pursuant to Section 2.3 hereof, and (iii) Gross Revenues of the Port available after payments required to pay and secure the payment of outstanding Prior Lien Bonds have been made. The Port hereby further covenants and agrees that the payments out of Gross Revenue into the Bank Note Redemption Fund, 1982 B as herein provided, shall constitute a lien on such Gross Revenues superior to all liens and charges of any kind or nature whatsoever, except the prior lien and charge thereon for amounts required to pay and secure the payment of the Prior Lien Bonds and except that such payments shall constitute an equal lien on Gross Revenue with the payments into the Bank Note Fund created by Resolution No. 2872.

#### ARTICLE IV

##### Representations and Warranties

The Port represents, warrants and agrees as follows:

Section 4.1 Corporate Authority. The Port has full legal right, power and authority (i) to adopt this resolution, (ii) to enter into the Issuing and Paying Agency Agreement, the Placement Agency Agreement and the Credit Agreement (such Agreements being hereinafter collectively referred to as the "Related Agreements"), (iii) to sell, issue and deliver the Notes as provided herein, and (iv) to carry out and consummate all other transactions contemplated by this resolution and the Related Agreements.

Section 4.2 Due Authorization and Approval of Resolution, Notes and Related Agreements. By all necessary official action prior to or concurrently herewith, the Port has duly authorized and approved the execution and delivery of, and the performance by the Port of its obligations contained in the Notes, this resolution and the Related Agreements and the consummation by it of all other transactions contemplated by this resolution and the Related Agreements in connection with the issuance of the Notes, and such authorizations and approvals are in full force and effect and have not been amended, modified or supplemented in any material respect.

Section 4.3 Resolution and Related Agreements to Constitute Legal, Valid and Binding Obligations of Port. This resolution constitutes, and the Related Agreements, when executed and delivered, will constitute, the legal, valid and binding obligations of the Port.

Section 4.4 Notes to Constitute Legal, Valid and Binding Obligations of Port. The Notes, when issued, authenticated and delivered, will constitute the legal, valid and binding obligations of the Port.

Section 4.5 No Breach or Default. The Port is not in breach of or default under applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Port is a party or to which the Port or any of its property or assets is otherwise subject where such breach or default would have a material adverse effect on the operations or financial condition of the Port; and (i) the adoption of this resolution, (ii) the execution and delivery of the Related Agreements, and (iii) the sale, issuance and delivery of the Notes, and compliance with the provisions on the Port's part contained therein, will not conflict with or constitute a breach of or default under any constitutional provision, law, administrative, regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Port is a party or to which the Port or any of its property or assets is otherwise subject, nor will any such adoption, execution, delivery, sale, issuance or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Port or under the terms of any such law, regulation or instrument, except as provided by the Notes and this resolution.

Section 4.6 No Litigation. To the best knowledge of the Port's legal counsel, there is no action, suit or proceeding, at law or in equity, before or by any court, public board or body, pending or threatened against the Port (i) affecting the corporate

existence of the Port or the titles of its Authorized Officers to their respective offices or seeking to prohibit, restrain or enjoin the issuance, sale or delivery of the Notes or the collection of material revenues of the Port, or contesting or affecting the powers of the Port with respect to, or the validity or enforceability of, or any authority for, the issuance and sale of the Notes, the adoption of this resolution or the execution and delivery by the Port of the Related Agreements, nor, to the best knowledge of the Port's legal counsel, is there any basis for any such action, suit or proceeding wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability or the performance by the Port of the Notes, this resolution or the Related Agreements, or (ii) wherein an unfavorable decision, ruling or finding might materially adversely affect the operations or financial condition of the Port.

#### ARTICLE V

##### Covenants of the Port

Section 5.1 Punctual Payment of Notes. The Port covenants that it will duly and punctually pay or cause to be paid the principal of every Note and the interest, if any, thereon at the places, on the dates and in the manner provided herein and in the Notes. Except as otherwise provided in the resolution, the principal and interest, if any, on the Notes are payable solely from the funds pledged therefor by this resolution, and nothing in the Notes or in this resolution shall be construed as obligating the State of Washington or any political subdivision thereof to pay the Notes or the interest, if any, thereon except as provided herein or as pledging the faith and credit or taxing power of the Port, the State of Washington or of any such political subdivision.

As long as any Notes are outstanding, the Port will cause an office or agency where any Notes may be presented for payment to be maintained in the Borough of Manhattan, City and State of New York.

Section 5.2 Notes to Remain Tax Exempt; Nonarbitrage. The Port covenants that it will not take or permit to be taken on its behalf any action which would adversely affect the exemption from federal income taxation of the interest or discount, if any, on the Notes and will take or require to be taken such acts as may reasonably be within its ability and as may from time to time be required under applicable law to continue the exemption from federal income taxation of the interest and discount, if any, on the Notes. Without limiting the generality of the foregoing, the Port covenants that it will not take any action or fail to take any action with respect to the investment of the proceeds of any Notes or other funds which would result in constituting the Notes "arbitrage bonds" within the meaning of such term as used in Section 103(c) of the Internal Revenue Code of 1954, as amended (the "Code") or which would violate Treasury Regulations under Section 103(c) of the Code applicable to the Notes. The Port further covenants that it will not expend, or permit to be expended, Note proceeds in any manner inconsistent with its expectations as certified in the Master Arbitrage Certificate to be executed with respect to the Notes; provided, however, that the Port may expend Note proceeds in any manner if the Port first obtains an unqualified opinion of Bond Counsel that such expenditure will not impair the exemption from federal income taxes of the interest or discount on the Notes.

The Port represents that it has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is a bond issuer whose arbitrage certifications may not be relied upon.

Section 5.3 Use of Note Proceeds; Restrictions on Amendments. The Port covenants that none of the proceeds of the Notes will be used for any purpose other than as provided in this resolution and that the Port shall not suffer any amendment or supplement to this resolution, or any departure from the due performance of the obligations of the Port hereunder, which might

materially adversely affect the rights of the holders from time to time of the Notes.

Section 5.4 Maintenance of Credit Agreement. The Port covenants that, as long as any Notes are outstanding, it will not agree to or acquiesce in (i) any reduction of the amount available under the Credit Agreement to an amount less than the aggregate principal amount of Notes outstanding plus the amount of interest, if any, to be paid thereon at maturity or (ii) any termination of the Credit Agreement prior to the maturity of the outstanding Notes.

Section 5.5 Financial Information. The Port covenants that it will cause an annual audit to be made of its books and accounts and will make available for inspection by the Note holders, at the office of the Port and at the office of the Issuing and Paying Agent designated pursuant to the Issuing and Paying Agency Agreement, a copy of each such audit report and will also furnish a copy thereof, upon request, to any Note holder. The Port further covenants and agrees that it will prepare quarterly unaudited financial statements, including a statement of income and a balance sheet, and make such quarterly financial statements available to the Placement Agent within 45 days after the end of each fiscal quarter (except the last quarter of each fiscal year) in quantities sufficient for delivery to all Note holders.

Section 5.6 Reaffirmation of Covenants. The Port covenants and agrees that, upon each issuance, authentication and delivery of Notes, the covenants hereinafter set forth shall be deemed to have been reaffirmed by the Port, and shall have been fully complied with, on and as of the date thereof, as if made on such date.

## ARTICLE VI

### Events of Default and Remedies

If one or more of the following events of default shall occur and be continuing: (i) default in the due and punctual payment of the principal of or interest on any Note when and as the same shall become due and payable; or (ii) an event which results in

acceleration, pursuant to the Credit Agreement, of any Bank Note delivered by the Port thereunder, then, and in any such event the holder of any Note may, by notice in writing to the Port, declare such Note to be, and it shall forthwith become, due and payable, without presentment, demand, protest or other notice of any kind, all of which the Port hereby expressly waives. Any notice required by this Section shall be deemed to have been sufficiently given if and when sent by registered mail, return receipt requested and addressed to Port of Seattle, P.O. Box 1209, Seattle, Washington.

## ARTICLE VII

### Miscellaneous

Section 7.1 General Authorization. Each Authorized Officer is hereby authorized to do and perform from time to time any and all acts and things consistent with this resolution necessary or appropriate to carry the same into effect.

Section 7.2 Successors of Port. In the event that any board, body or commission shall lawfully succeed to the principal functions of the Port under the Act or that the powers and duties given to the Port by the laws of the State of Washington shall be lawfully transferred to some other board, body or commission, all of the covenants, obligations and agreements contained in this Agreement by or on behalf of or for the benefit of the Port shall bind or inure to the benefit of the successor or successors of the Port from time to time.

Section 7.3 Effect of Partial Invalidity. In case any one or more of the provisions of this resolution or of the Notes shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this resolution or of said Notes, but this resolution and said Notes shall be construed and enforced as if such illegal or invalid provision had not been contained therein. In case any covenant, obligation or agreement contained in the Notes or in this resolution shall for any reason be held to be in violation of law, then such covenant, obligation or agreement shall be deemed to be the covenant,

obligation or agreement of the Port to the full extent permitted by law.

Section 7.4 Effect of Covenants, etc. All covenants, obligations and agreements of the Port contained in this resolution shall be deemed to be covenants, obligations and agreements of the Port to the full extent authorized by the Act and permitted by the Constitution of the State of Washington. No covenant, obligation or agreement contained herein shall be deemed to be a covenant, obligation or agreement of any present or future member, agent or employee of the Port in his individual capacity, and neither the members of the Port Commission nor any Authorized Officer thereof executing the Notes shall be liable personally on the Notes or be subject to any personal liability or accountability by reason of the issuance thereof. No member, officer, agent or employee of the Port shall incur any liability in acting or proceeding or in not acting or not proceeding, in good faith in accordance with the terms of this resolution and the Act. This resolution is executed with the intent that the laws of the State of Washington shall govern its construction.

Section 7.5 Severability. If any one or more of the covenants or agreements provided in this resolution to be performed on the part of the Port shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreements or agreements, shall be null and void and shall be deemed separable from the remaining covenant and agreements in this resolution and shall in no way affect the validity of the other provisions of this resolution or of the Bonds.

Section 7.6 Amendment of Section 2.2 of Resolution No. 2862. Section 2.2 of Resolution No. 2862 is hereby amended to read as follows:

"Section 2.2 Terms and Form of Notes. The Notes shall be dated the date of actual issuance and delivery thereof and shall be in the form attached as Annex A hereto, with such appropriate variations, omissions and insertions as are permitted or required by this Resolution. The Notes shall be negotiable and payable to bearer. The Port, the Issuing and Paying Agent and the Placement Agent may treat the bearer thereof as the absolute owner of any Note for the purpose of receiving

payment thereof and for all other purposes, and neither the Port nor the Issuing and Paying Agent nor the Placement Agent shall be affected by any notice or knowledge to the contrary. The Notes shall be in denominations of not less than \$100,000 each, shall be numbered serially from 1 upwards in order of their issuance, and shall mature not more than 270 days from their dates of issuance. The principal amount, date of issuance, maturity date and amount of interest shall be as specified in instructions of an Authorized Officer of the Port delivered to the Issuing and Paying Agent pursuant to Section 2.5 hereof; provided, however, that (i) no Note shall be issued under this resolution which matures subsequent to the expiration of the term of the Credit Agreement; (ii) no interest-bearing Note shall bear interest at a rate, and no Note issued at a discount shall bear a yield to maturity, in either case in excess of the Base Rate (as defined in the Credit Agreement) as in effect on the date of issuance of such Note; and (iii) from and after receipt by the Port of notice of termination of the Credit Agreement, no Note shall be issued under this resolution (x) which matures subsequent to the latest maturing Note outstanding on the date of such notice or (y) in an amount which, when added to the aggregate principal amount of Notes outstanding hereunder (excluding the aggregate principal amount of Notes then being refunded from the proceeds of Notes), would exceed the aggregate principal amount of Notes outstanding on the date of such notice. The Notes shall be executed on behalf of the Port by the manual or facsimile signature of President of the Port Commission and attested by the manual or facsimile signature of the Secretary of the Port Commission. The official seal of the Port shall be impressed or a facsimile thereof imprinted on each Note. In case any Authorized Officer whose signature shall appear on any Notes shall cease to be an Authorized Officer before the delivery of such Notes, such signature shall nevertheless be valid and sufficient for all purposes, and such Note may be authenticated and delivered the same as if such Authorized Officer had remained an Authorized Officer until such delivery. The Notes shall be payable both as to principal and interest in immediately available lawful money of the United States of America, at the office of the Issuing and Paying Agent in New York, New York designated pursuant to the Issuing and Paying Agency Agreement."

ADOPTED by the Port Commission of the Port of Seattle at a regular meeting thereof, held this 12th day of October, 1982, 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

*John B. Blod*  
\_\_\_\_\_  
*John A. Hopkins*  
\_\_\_\_\_  
*Wm. S. Adlum*  
\_\_\_\_\_

( S E A L )

ATTEST:

*John A. Hopkins*  
Secretary of said Commission

\$ \_\_\_\_\_

PORT OF SEATTLE

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

State of Washington

Revenue Bond Anticipation Note 1982B

\_\_\_\_\_, 19\_\_

THE PORT OF SEATTLE (the "Port"), a municipal corporation of the State of Washington, for value received hereby promises to pay to the order of Bearer \_\_\_\_\_ on \_\_\_\_\_, 19\_\_, the sum of \_\_\_\_\_ DOLLARS with interest in the amount of \_\_\_\_\_ upon presentation and surrender of this Note at the office of Citibank, N.A., 20 Exchange Place, New York, New York. This Note is valid only when countersigned and delivered by Citibank, N.A., as Issuing and Paying Agent.

[seal]

PORT OF SEATTLE

Countersigned by  
Citibank, N.A.  
Issuing and Paying Agent

By \_\_\_\_\_  
Authorized Officer

By \_\_\_\_\_  
Authorized Officer

(SEAL)

Pursuant to the Revenue Bond Anticipation Note Resolution (the "Resolution") approved by the Port Commission on October 12, 1982, this Note is one of an authorized issue of Notes payable both as to principal and interest from the Revenue Note Fund, 1982B of the Port. The Port, by the Resolution, has covenanted and agreed to deposit in the Revenue Note Fund, when received, (i) the proceeds of sale of subsequent issues of Notes; (ii) the net proceeds from the sale of the Revenue Bonds authorized by Resolution No. 2871 of the Port Commission; and (iii) the proceeds of sale of the hereinafter described Bank Notes. The Port has entered into a Second Revolving Credit Agreement with Rainier National Bank, Seattle, Washington, and Citibank, N.A., New York, New York, pursuant to which said Banks have agreed to purchase promissory notes to provide funds, if required, to pay the principal of and interest on the Notes when the same become due.

This Note shall not be deemed to constitute a debt of the Port, the State of Washington or of any political subdivision thereof or a general obligation or pledge of the faith and credit of the State or of any such political subdivision. Neither the Port nor the State nor any political subdivision thereof shall be obligated to pay the principal of or interest on this Note, except in the case of the Port as set forth in the Resolution, and neither the faith and credit nor the taxing power of the Port, the State or any political subdivision thereof is pledged to the payment of the principal of or interest on this Note.

All acts, conditions and things required by the Constitution and laws of the State of Washington and the By-Laws of the Port to happen, exist and be done precedent to, and in the incurrence, of the indebtedness evidenced by this Note and in the Issuance of this Note have happened, exist and have been performed as so required.

[Back of Note Form]

The undersigned Secretary of the Port Commission of the Port of Seattle hereby certifies that the following is a full and

correct copy of a signed legal opinion of Messrs. Preston, Thorgrimson, Ellis & Holman, Bond Counsel, on file in the office of the Port of Seattle and addressed to the Port, which opinion is dated the date the first issue of Notes referred to therein were delivered and paid for.

[facsimile]  
Secretary, Port Commission  
Port of Seattle

Port of Seattle  
Seattle, Washington

Re: \$25,000,000 Port of Seattle Revenue Bond Anticipation  
Notes 1982B (the "Notes") issued under Resolution  
No. 2872 (the "Resolution") adopted October 12, 1982

Gentlemen:

We have acted as counsel to the Port of Seattle (the "Port") in the matter of authorization, sale and issuance from time to time of the Notes in a principal amount not in excess of \$25,000,000 outstanding at any time. This opinion is furnished on the basis of (i) statutes, regulations and court decisions in effect on its date, (ii) the representations, warranties and covenants contained in the Resolution, and (iii) the Master Non-Arbitrage Certificate of the Port dated as of the date hereof. This opinion may be relied on in connection with Notes issued after the date hereof only to the extent that (i) there has been no intervening change in those statutes, regulations and court decisions, (ii) the representations, warranties and covenants contained in the Resolution remain valid and in effect, and (iii) the facts stated in the Master Non-Arbitrage Certificate are reaffirmed as of the date of each such issue.

We have examined Chapter 216 of the 1982 Laws of Washington (the "Act"), and other applicable statutes; a certified copy of the By-Laws of the Port; the Resolution; and such certificates and other papers, and have made such other examinations as we have deemed necessary in connection with this opinion. Based thereon, we are of the opinion that:

1. The Notes are authorized by the Act and have been duly authorized by the Resolution.

2. When issued in duly authorized form, executed by authorized officers of the Port, countersigned by the issuing and paying agent, and delivered to and paid for by the purchasers thereof, all in accordance with the Resolution, the Notes will be legal, valid and binding obligations of the Port, and except to the extent refunded by other Notes, will be payable out of the proceeds of sale of first lien parity revenue bonds of the Port authorized by Resolution No. 2871 adopted October 12, 1982, by the Port Commission. Obligations of the Port, including the Notes, are subject to laws of bankruptcy and insolvency and to other laws affecting the rights and remedies of creditors and to the exercise of judicial discretion.

3. The agreements and covenants contained in the Resolution are authorized by the Act and are legal, valid and binding and are enforceable in accordance with the terms thereof, subject to laws of bankruptcy and other matters described in opinion item 2 above.

4. Neither the State of Washington nor any political subdivision thereof is obligated to pay any of the Notes or the interest thereon and neither the faith and credit or taxing power of the Port, the State of Washington or any

political subdivision thereof is pledged to the payment of the Notes or the interest thereon.

5. Under statutes, regulations and court decisions in effect on the date hereof and upon compliance with certain conditions and covenants of the Port contained in the Resolution, the interest paid to and original issue discount apportioned among Note holders will be exempt from income taxes of the United States of America (except for interest on any Note for any period during which such Note is held by a "substantial user" of the facilities of the Port acquired, constructed or improved out of the proceeds of obligations refunded by the Notes or a "related person" within the meaning of Section 103(b)(9) of the Internal Revenue Code of 1954, as amended).

Very truly yours,

PRESTON, THORGRIMSON,  
ELLIS & HOLMAN

Donald L. Holman

ANNEX B

[Insert form of Master Arbitrage Certificate]

[Form of Certificate of Authorized Officer  
Pursuant to Section 2.5]

I, \_\_\_\_\_, the \_\_\_\_\_ of the Port  
of Seattle, hereby certify that:

(1) The representations and warranties of the Port contained  
in the Revenue Bond Anticipation Note Resolution (Resolution No.  
2872) adopted by the Port Commission on October 12, 1982 (the  
"Resolution") and in the Amended Issuing and Paying Agency Agree-  
ment between the Port and Citibank, N.A., are true and correct as  
of this date.

(2) No event of default under the Resolution has occurred.

(3) The certifications and statements contained in the  
Port's Master Arbitrage Certificate are true, correct and complete  
with respect to the Notes to be issued by the Port this day.

(4) All agreements and covenants to be performed by the Port  
with respect to such Notes have been duly performed.

PORT OF SEATTLE

By \_\_\_\_\_  
Authorized Officer

Dated: \_\_\_\_\_

[Insert form of Issuing and Paying Agency Agreement]

[Insert form of Placement Agent Agreement]

[Insert form of Revolving Credit Agreement]

## AUTHORIZATION SUMMARY

## Personnel Authorized to Sign Instruments

<u>Name</u>	<u>Title</u>	<u>Signature</u>
Jack S. Block	President, Port Commission	_____
Henry L. Kotkins	Secretary, Port Commission	_____
James L. Hogan	Senior Director, Finance and Administration	_____

## Personnel Authorized to Sign Confirmation Letters Only

<u>Name</u>	<u>Title</u>	<u>Signature</u>
Richard D. Ford	Executive Director	_____
James L. Hogan	Senior Director, Finance and Administration	_____
Clifford C. Muller	Director of Plan- ning and Research	_____
John B. Rooth	Director of Accounting	_____
Candace Jonson	Associate Director of Accounting	_____

## Personnel Authorized to Telephone Instructions

Same as above listed Personnel Authorized to Sign Confirmation Letters Only.

Send Advices and Mail to:

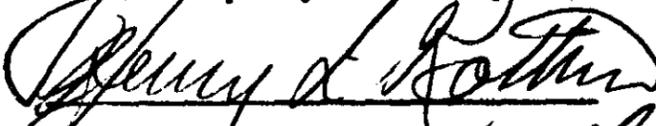
Port of Seattle  
2300 Alaskan Way  
Seattle, Washington 98121  
Attn: James L. Hogan  
Senior Director,  
Finance and Administration

Telex: 328058  
Telecopy: (206) 382-3249

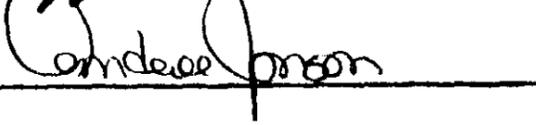
APPENDIX A

AUTHORIZATION SUMMARY

Personnel Authorized to Sign Instruments

<u>Name</u>	<u>Title</u>	<u>Signature</u>
Jack S. Block	1982 President, Port Commission	
Henry L. Kotkins	1982 Secretary, Port Commission	
Clifford C. Muller	Senior Director, Finance and Administration	

Personnel Authorized to Sign Confirmation Letters Only

<u>Name</u>	<u>Title</u>	<u>Signature</u>
Richard D. Ford	Executive Director	
Clifford C. Muller	Senior Director, Finance and Administration	
Candace Jonson	Director of Accounting	

Personnel Authorized to Telephone Instructions

Same as above listed Personnel Authorized to Sign Confirmation Letters only.

Send Advices and Mail to:

Port of Seattle  
2300 Alaskan Way  
Seattle, Washington 98121  
Attention: Clifford C. Muller  
Senior Director,  
Finance and Administration

Telex: 703-433  
Telecopy: (206) 382-3249