
PORT OF SEATTLE

Revenue Bond Anticipation Notes, Series C

Revenue Bond Anticipation Note Resolution

Resolution No. 2936

Adopted August 28, 1984

PORT OF SEATTLE
Revenue Bond Anticipation Note Resolution

TABLE OF CONTENTS

ARTICLE I

Definition

<u>Section</u>		<u>Page</u>
1.1	Definitions	2
1.2	Resolution to Constitute Contract	4

ARTICLE II

Creation, Amount, Designation
and Purpose of Issue

2.1	Authorization and Purpose	4
2.2	Terms and Form of Notes	5
2.3	Revenue Note Fund - Security and Sources of Payment of Notes	6
2.4	Execution and Delivery of Notes to Issuing and Paying Agent	7
2.5	Issuance and Sale of Notes; Maturities and Interest Rates	7
2.6	Application of Proceeds	9
2.7	Lost, Destroyed or Multilated Notes	9
2.8	Custody of Cancelled Notes	9

ARTICLE III

Related Agreements

3.1	Issuing and Paying Agency Agreement	10
3.2	Dealer Agreement	10
3.3	Credit Agreement	10

ARTICLE IV

Representations and Warranties

4.1	Corporate Authority	11
4.2	Due Authorization and Approval of Resolution, Notes and Related Agreements	12
4.3	Resolution and Related Agreements to Consti- tute Legal, Valid and Binding Obligations of Port	12
4.4	Notes to Constitute Legal, Valid and Binding Obligations of Port	12

TABLE OF CONTENTS
(Continued)

<u>Section</u>		<u>Page</u>
4.5	No Breach or Default	12
4.6	No Litigation	13
ARTICLE V		
<u>Covenants of the Port</u>		
5.1	Punctual Payment of Notes	13
5.2	Notes to Remain Tax Exempt; Nonarbitrage	14
5.3	Use of Note Proceeds; Restrictions on Amendments	15
5.4	Maintenance of Credit Agreement	15
5.5	Financial Information	15
5.6	Reaffirmation of Covenants	15
ARTICLE VI		
	<u>Events of Default and Remedies</u>	16
ARTICLE VII		
<u>Miscellaneous</u>		
7.1	General Authorization	16
7.2	Successors of Port	16
7.3	Effect of Partial Invalidity	17
7.4	Effect of Covenants, Etc.	17
7.5	Severability	17
7.6	Defeasance	18
ANNEX A	Form of Short-Term Improvement Note	
ANNEX B	Form of Master Arbitrage Certificate	
ANNEX C	Certificate of Authorized Officer Pursuant to Section 205	
ANNEX D	Form of Issuing and Paying Agency Agreement	
ANNEX E	Form of Dealer Agreement	
ANNEX F	Form of Revolving Credit Agreement	
ANNEX G	Authorization Letter	

RESOLUTION NO. 2936

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 OUTSTANDING OF \$25,000,000 FOR THE PURPOSE OF PROVIDING FUNDS TO REFUND NOTES ISSUED 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; AND AUTHORIZING THE EXECUTION OF A DEALER AGREEMENT, AN ISSUING AND PAYING AGENCY AGREEMENT AND A REVOLVING CREDIT AGREEMENT.

WHEREAS, pursuant to Chapter 216 of 1982 Laws of Washington (the "Act") codified as Chapter 39.50 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 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 the then existing market conditions, the sale of such revenue bonds was deferred and to provide interim financing for such authorized improvements the Port issued its Revenue Bond Anticipation Notes, 1982B (the "1982B Notes") pursuant to Resolution No. 2872 of the Port Commission; 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 further deferred and that the 1982B Notes be refunded by the issuance and sale of its Revenue Bond Anticipation Notes, Series C in the aggregate principal amount outstanding at any time 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 such negotiations the Port Administration has recommended that the proposals received from (i) Merrill Lynch, Pierce Fenner & Smith Incorporated in the form of a Commercial Paper Dealer Agreement, (ii) Irving Trust Company in the form of a Commercial Paper Issuing Agent Agreement, and (iii) The Long-Term Credit Bank of Japan, Ltd., in the form of a Revolving Credit Agreement be accepted; and

WHEREAS, it is hereby found to be in the best interest of the Port that such proposals be accepted and executed and that the issuance of sale of the revenue bond anticipation notes be authorized; and

WHEREAS, it is hereby further found to be in the best interests of the Port that the interest rates on the Bank Notes (as hereinafter defined) be a variable rate indexed as provided in the Revolving Credit Agreement;

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, 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 heretofore created in the office of the King County Comptroller.

"Credit Agreement" means the Revolving Credit Agreement between the Port and The Long-Term Credit Bank of Japan, Ltd., Los Angeles, California, authorized pursuant to Section 3.3 hereof.

"Dealer" means Merrill Lynch, Pierce Fenner & Smith Incorporated acting under the Dealer Agreement.

"Dealer Agreement" means the Commercial Paper Notes Dealer Agreement between the Port and Merrill Lynch, Pierce, Fenner & Smith Incorporated authorized pursuant to Section 3.2 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 Irving Trust Company, New York, New York, acting in its capacity as such pursuant to the Issuing and Paying Agency Agreement.

"Issuing and Paying Agency Agreement" means the Commercial Paper Issuing Agent Agreement between the Port and Irving Trust Company, authorized pursuant to Section 3.1 hereof.

"Notes" means the Revenue Bond Anticipation Notes, Series C authorized to be issued pursuant to Section 2.1 hereof.

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

<u>Resolution No.</u>	<u>Date of Bonds</u>
2143	November 1, 1963
2242	November 1, 1966
2264	November 1, 1967
2272	July 1, 1968
2286	February 1, 1969
2397	November 1, 1971
2504	November 1, 1973
2653	October 1, 1976
2764	July 1, 1979
2861 and 2919	January 1, 1984

"Revenue Note Fund" means the Series C Revenue Note Fund 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, Series C." The Notes are issued in anticipation of the issuance by the Port of the Bonds pursuant to the Bond Resolution. The Notes shall be issuable for the purpose of refunding the Revenue Bond Anticipation Notes 1982B which were

issued to provide funds to pay part of the cost of acquiring, constructing, installing and equipping improvements to Terminal 5 and Terminal 20 as more fully described in Resolution No. 2872 of the Port Commission. The original Notes shall be issued at such times and in such amounts as are required to pay the principal of the 1982B Notes. Subsequent issues of Notes shall be issued at such times and in such amounts as are required to pay the maturing principal of outstanding 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 moneys 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 or to a named payee or its order. The Notes shall be in denominations of integral multiples of \$1,000 with a minimum denomination of \$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 October 15, 1985; (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 Prime 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 "Series C Revenue Note Fund" 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 payee, 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 Dealer 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 or cause to be given 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 mail to the Issuing and Paying Agent and the Dealer a certificate in substantially the form attached hereto as Annex C.

Section 2.6 Application of Proceeds. The Port shall deposit the proceeds of the issuance and sale of the original Notes into the Revenue Note Fund, 1982B created by Section 2.3 of Resolution No. 2872. Such proceeds so deposited shall be used to redeem and retire the 1982B Notes.

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 Irving Trust Company 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 Dealer Agreement. The Port hereby approves the terms of a Dealer Agreement with Merrill Lynch, Pierce, Fenner & Smith Incorporated 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 The Long-Term Credit Bank of Japan, Ltd., 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 "Series C Bank Note Redemption Fund" 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 Series C Bank Note Redemption Fund 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 the 1982B Notes.

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 Dealer Agreement, the Credit Agreement and the Bank Note (such Agreements and Note 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, except in accordance with its terms, 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 Dealer 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 the 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 resolution 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 Defeasance. In the event that cash and/or United States Treasury obligations (or repurchase agreements of such obligations) bearing such interest and maturity date or dates as will assure the payment of the principal of and interest on any Note at maturity are set aside in the Note Fund and irrevocably pledged to the payment of such principal and interest, such Note shall cease to be entitled to any lien, benefit or security of this resolution except the right to receive payment in full from the cash and/or proceeds of such obligations (or repurchase agreements) so set aside and pledged and such Note shall not be deemed to be outstanding for any purposes of this resolution or the Related Agreements.

ADOPTED by the Port Commission of the Port of Seattle at a regular meeting thereof, held this 28th day of August, 1984, and duly authenticated in open session by the signatures of the Commissioners voting and the seal of the Commission.

PORT OF SEATTLE, WASHINGTON

Henry T. Simpson

Carl S. Blair

Paul H. Hurd

Jim Wright

Ivan Haglund

(S E A L)

ATTEST:

Carl Hurd

Secretary of said Commission

\$ _____

PORT OF SEATTLE

No. _____

State of Washington

Revenue Bond Anticipation Note, Series C

_____, 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 Irving Trust Company, New York, New York. This Note is valid only when countersigned and delivered by Irving Trust Company, as Issuing and Paying Agent.

[seal]

PORT OF SEATTLE

Countersigned by
Irving Trust Company
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 August 28, 1984, this Note is one of an authorized issue of Notes payable both as to principal and interest from the Series C Revenue Note Fund of the Port. The Port, by the Resolution, has covenanted and agreed to deposit in said 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 Revolving Credit Agreement with The Long-Term Credit Bank of Japan, Ltd., Los Angeles, California, and pursuant to which said Bank has 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 of Washington 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, Series C (the "Notes") issued under Resolution
No. 2936 (the "Resolution") adopted August 28, 1984

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

By
Donald L. Holman

[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.
2936) adopted by the Port Commission on August 28, 1984 (the
"Resolution") and in the Issuing and Paying Agency Agreement
between the Port and Irving Trust Company, 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: _____, 1984

[Insert form of Issuing and Paying Agency Agreement]

[Insert form of Dealer Agreement]

[Insert form of Revolving Credit Agreement]

AUTHORIZATION LETTER

Personnel Authorized to Sign Instruments

<u>Name</u>	<u>Title</u>	<u>Signature</u>
Henry T. Simonson	President, Port Commission	_____
Paul S. Friedlander	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	_____
Mary Kay Steyh	Assistant 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
2201 Alaskan Way
P.O. Box 1209
Seattle, Washington 98111
Attn: Clifford C. Muller
Senior Director,
Finance and Administration

Telex: 328058
Telecopy: (206) 382-3249