PORT OF LONGVIEW, WASHINGTON

REVENUE REFUNDING BONDS, 2013A (TAXABLE)

REVENUE REFUNDING BONDS, 2013B (TAX-EXEMPT -- NON-AMT)

RESOLUTION NO. 2013-3

A RESOLUTION OF THE PORT COMMISSION OF THE PORT OF LONGVIEW, WASHINGTON; AUTHORIZING THE ISSUANCE OF TWO SERIES OF REVENUE REFUNDING BONDS, TO BE DESIGNATED AS REVENUE REFUNDING BONDS, 2013A AND REVENUE REFUNDING BONDS, 2013B IN THE PRINCIPAL AMOUNTS NOT TO EXCEED $8,000,000 AND $2,600,000, RESPECTIVELY, FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING REVENUE BONDS OF THE PORT; DELEGATING AUTHORITY FOR THE SALE OF THE BONDS BY NEGOTIATED SALE, THE NEGOTIATION, APPROVAL AND EXECUTION OF A BOND PURCHASE CONTRACT AND THE PREPARATION AND DISSEMINATION OF A PRELIMINARY OFFICIAL STATEMENT AND FINAL OFFICIAL STATEMENT; RESERVING THE RIGHT TO ISSUE REVENUE BONDS ON A PARITY WITH THE BONDS HEREIN AUTHORIZED UPON COMPLIANCE WITH CERTAIN CONDITIONS; APPOINTING AN ESCROW AGENT; AND APPROVING THE FORM OF AN ESCROW DEPOSIT AGREEMENT.

ADOPTED ON: January 15, 2013

Prepared by:

K&L GATES LLP
Seattle, Washington
PORT OF LONGVIEW, WASHINGTON
RESOLUTION NO. 2013-3
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Exhibit A  Form of Escrow Deposit Agreement
Exhibit B  Form of Costs of Issuance Agreement

* The cover page and this Table of Contents are provided for convenience only and is not a part of this resolution.
RESOLUTION NO. 2013-3

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WHEREAS, the Port of Longview (the “Port”) has issued revenue and revenue refunding bonds secured by a parity lien on the revenues of the Port (the “Outstanding Parity Bonds”), as follows:

<table>
<thead>
<tr>
<th>Resolution Number</th>
<th>Date of Issue</th>
<th>Designation</th>
<th>Original Principal Amount</th>
<th>Currently Outstanding</th>
<th>Final Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>99-22</td>
<td>11/01/1999</td>
<td>Revenue and Refunding Bonds, 1999 Series A (AMT) (“1999A Bonds”)</td>
<td>$15,260,000</td>
<td>$8,875,000</td>
<td>12/01/2018</td>
</tr>
<tr>
<td>99-22</td>
<td>11/01/1999</td>
<td>Revenue Bonds, 1999 Series B (“1999B Bonds”)</td>
<td>$1,915,000</td>
<td>$1,915,000</td>
<td>12/01/2019</td>
</tr>
<tr>
<td>2011-2</td>
<td>3/14/2011</td>
<td>Revenue Bonds, 2011A (Taxable) (“2011A Bonds”)</td>
<td>$3,500,000</td>
<td>$3,265,000</td>
<td>12/01/2027</td>
</tr>
</tbody>
</table>

; and
WHEREAS, the Outstanding 1998C Bonds mature in principal amounts and bear interest, as follows:

<table>
<thead>
<tr>
<th>Maturity Years (December 1)</th>
<th>Principal Amounts</th>
<th>Interest Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$ 345,000</td>
<td>4.70%</td>
</tr>
<tr>
<td>2018</td>
<td>565,000</td>
<td>5.00</td>
</tr>
</tbody>
</table>

; and

WHEREAS, the 1998C Bonds are subject to redemption prior to their scheduled maturities at a price of par; and

WHEREAS, the 1999A Bonds mature in principal amounts and bear interest, as follows:

<table>
<thead>
<tr>
<th>Maturity Years (December 1)</th>
<th>Principal Amounts</th>
<th>Interest Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$ 2,665,000</td>
<td>5.00%</td>
</tr>
<tr>
<td>2018</td>
<td>6,210,000</td>
<td>6.25</td>
</tr>
</tbody>
</table>

; and

WHEREAS, the 1999A Bonds maturing in 2018 are subject to redemption at a price of par; and

WHEREAS, the 1999B Bonds are currently outstanding in the principal amount of $1,915,000, bear interest at a rate of 5.80%, and mature on December 1, 2019; and

WHEREAS, the 1999B Bonds are subject to redemption at a price of par; and

WHEREAS, the Port has certain outstanding leases and assessment obligations (hereinafter defined as the “Other Obligations”) that may be prepaid under certain conditions; and

WHEREAS, after due consideration it appears to the Port that all or a portion of the 1998C Bonds, the 1999A Bonds, the 1999B Bonds and the Other Obligations may be prepaid, defeased and refunded by the proceeds of two series of revenue refunding bonds (hereinafter
defined as the "2013A Bonds," and "2013B Bonds") in order to restructure debt and provide savings to the Port; and

WHEREAS, Resolution Nos. 98-30, 99-22, each as amended by Resolution No. 2011-2, and Resolution No. 2011-2 of the Port (the "Outstanding Parity Bond Resolutions") permit the Port to issue revenue bonds in the future having a parity of lien on revenues with the lien of the Outstanding Parity Bonds upon compliance with certain conditions specified therein; and

WHEREAS, it appears that such conditions will be satisfied on or prior to the date of delivery of the Bonds; and

WHEREAS, pursuant to RCW 53.40.030, the Port Commission may delegate authority to the chief executive officer of the Port to approve the designation of the bonds to be refunded, the interest rates, maturity dates, redemption rights, interest payment dates, and principal amounts under such terms and conditions as are approved by resolution; and

WHEREAS, it is deemed necessary and desirable that the Bonds be sold pursuant to negotiated sale as herein provided;

NOW, THEREFORE, BE IT RESOLVED BY THE PORT COMMISSION OF THE PORT OF LONGVIEW, as follows:

Section 1. Definitions. As used in this resolution, unless a different meaning clearly appears from the context:

Acquired Obligations means the Government Obligations acquired by the Port under the terms of this resolution and the Escrow Agreement to effect the defeasance and refunding of the Refunded Bonds.
Adjusted Net Revenue means the Net Revenue of the Port for the Base Period as adjusted and certified by a Consultant to take into consideration additional Net Revenue estimated by such Consultant to be derived by the Port under the following conditions:

(a) the additional Net Revenue which would have been received by the Port if any change in rentals, tariffs, rates and charges adopted prior to the date of such certificate and subsequent to the beginning of the Base Period, had been in force during the full Base Period;

(b) the additional Net Revenue which would have been received by the Port if any Facility which became fully operational after the beginning of the Base Period had been so operating for the entire Base Period;

(c) the additional Net Revenue estimated by the Consultant to be received by the Port as a result of any additions, betterments and improvements to and extensions of any Facilities which are (1) under construction at the time of such certificate or (2) will be constructed from the proceeds of the Future Parity Bonds to be issued; and

(d) the additional Net Revenue to be received by the Port as a result of executed leases or contracts, which Net Revenue has not been included in (a), (b), or (c) above.

Annual Debt Service Requirement means, with respect to any particular year and to any specified bonds of the Port, an amount equal to (a) the principal amount of such bonds due or subject to mandatory redemption during such year and for which no sinking fund installments have been established, (b) the amount of any payments required to be made during such year into any sinking fund established for the payment of any such bonds, plus (c) all interest payable during such year on any such bonds outstanding, calculated on the assumption that mandatory sinking fund installments will be applied to the redemption or retirement of such bonds on the earlier of the date specified in such bonds or the first par call date. Such
amount shall be net of any interest funded out of bond proceeds. The Annual Debt Service Requirement shall be calculated net of any federal subsidy legally available to pay the principal of or interest on Parity Bonds in the year of calculation. With respect to Future Parity Bonds bearing variable rates of interest, the Annual Debt Service Requirement shall be equal to the amount which would have been payable for principal and interest on such Future Parity Bonds during the year computed on the assumption that the amount of Future Parity Bonds Outstanding as of the date of such computation would be amortized (1) in accordance with the mandatory redemption provisions, if any, set forth in the resolution authorizing the issuance of such Future Parity Bonds, or if mandatory redemption provisions are not provided, during a period commencing on the date of computation and ending on the date 30 years after the date of issuance to provide for essentially level annual debt service of principal and interest over such period and (2) at an interest rate equal to the yield to maturity set forth in the 40-Bond Index published in the edition of *The Bond Buyer* (or comparable publication or such other similar index selected by the Port, with the approval of the Consultant, if applicable) selected by the Port and published within ten days prior to the date of calculation or, if such calculation is being made in connection with the certificate required by Section 11 hereof, then within ten days of the date of such certificate.

*Base Period* means a period of any 12 consecutive months out of the 24 months immediately preceding the date of delivery of an issue of Future Parity Bonds.

*Beneficial Owner* means any person that has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositaries or other intermediaries).
**Bond Fund** means the Port of Longview Revenue Bond Fund created in the office of the Treasurer of the Port by Section 5 of Resolution No. 84-32 of the Port for the purpose of paying debt service on Parity Bonds.

**Bond Register** means the books or records maintained by the Bond Registrar containing the name and mailing address of the owner of each Bond or nominee of such owner and the principal amount and number of Bonds held by each owner or nominee.

**Bond Registrar** means, initially, the fiscal agency of the State of Washington for the purposes of registering and authenticating the Bonds, maintaining the Bond Register, effecting transfer of ownership of the Bonds, and paying the principal of, premium, if any, and interest on the Bonds. The term **Bond Registrar** shall include any successor to the fiscal agency, if any, hereafter appointed by the Treasurer.

**Bonds** mean, collectively, the 2013A Bonds and the 2013B Bonds.

**Bond Year** means each one-year period that ends on the date selected by the Port. The first and last Bond Years may be a shorter period. If no day is selected by the Port before the earlier of the final maturity dates of the 2013B Bonds or the date that is five years after the date of issuance of the 2013B Bonds, Bond Years end on each anniversary of the date of issue and on the final maturity date of the 2013B Bonds of the respective series.

**Call Date** means the date designated by the Designated Port Representative for redemption of the Refunded Bonds.

**Code** means the federal Internal Revenue Code of 1986, as amended from time to time, and the applicable regulations thereunder.

**Commission** means the Commission of the Port as the governing body of the Port as the same shall be duly and regularly constituted from time to time.
Consultant means at any time an independent consultant recognized in financial or marine matters or an engineer or engineering firm or other expert appointed by the Port to perform the duties of the Consultant as required by this resolution. For the purposes of delivering any certificate required by Section 11 hereof and making the calculation required by Section 11 hereof, the term Consultant shall also include any independent public accounting firm appointed by the Port to make such calculation or to provide such certificate or the financial advisor appointed by the Port to make such calculation or to provide such certificate.

Costs of Issuance Agreement means the agreement of that name, to be entered into by the Port and the Escrow Agent, providing for the payment of certain costs of issuance with respect to the issuance of the Bonds, substantially in the form attached hereto as Exhibit B.

A Credit Event occurs when (a) a Qualified Letter of Credit terminates, (b) the issuer of Qualified Insurance or a Qualified Letter of Credit shall become insolvent or no longer be in existence, or (c) the issuer of a Qualified Letter of Credit is no longer rated in one of the two highest long-term Rating Categories by one or more of the Rating Agencies or the issuer of the Qualified Insurance is no longer rated in one of the two highest Rating Categories by one or more of the Rating Agencies for unsecured debt or insurance underwriting or claims paying ability.

Debt Service Account means the account of that name created in the Bond Fund.

Designated Port Representative means the Chief Executive Officer and/or Chief Financial Officer of the Port (or the successor in function to such person(s)) or such other person as may be directed by resolution of the Commission.
DTC means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, as depository for the Bonds pursuant to Section 4 hereof.


Escrow Agreement means the Escrow Deposit Agreement, substantially in the form set forth in Exhibit A attached hereto.

Facilities means all equipment and all property, real and personal, or any interest therein, whether improved or unimproved, now or hereafter (for as long as any revenue bonds of the Port issued pursuant to this resolution or on a parity therewith shall be Outstanding) owned, operated, used, leased or managed by the Port and which contribute in some measure to its Gross Revenue as herein defined.

First Interest Payment Date means the first interest payment date for the Bonds of a series, set forth in the Purchase Contract.

Fitch means Fitch, Inc., organized and existing under the laws of the State of Delaware, its successors and their assigns, and, if such organization shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, Fitch shall be deemed to refer to any other nationally recognized securities rating agency (other than S&P or Moody’s) designated by the Designated Port Representative.

Future Parity Bonds means those revenue bonds or other revenue obligations which will be issued by the Port in the future as Parity Bonds.

Government Obligations means those obligations now or hereafter defined as such in chapter 39.53 RCW.
**Gross Revenue** means all income and revenue derived by the Port from time to time from any source whatsoever except:

(a) the proceeds of any borrowing by the Port,

(b) income and revenue which may not be legally pledged for revenue bond debt service,

(c) income and revenue of the Port separately pledged and used by it to pay and secure the payment of the principal of and interest on any issue or series of Special Revenue Bonds of the Port issued to acquire, construct, equip, install or improve part or all of the particular facilities from which such income and revenue are derived, provided that prior to the issuance of such Special Revenue Bonds, a licensed professional engineer experienced in the design and operation of such facilities shall have certified that the amount of such pledged income and revenue will be sufficient to pay and secure the payment of such principal and interest as provided in the resolution of the Port authorizing the issuance of such Special Revenue Bonds, and provided further, that nothing in this subparagraph (c) shall permit the withdrawal from Gross Revenue of any income or revenue derived or to be derived by the Port from any income producing facility which shall have been contributing to Gross Revenue prior to the issuance of such Special Revenue Bonds, and

(d) income from investments irrevocably pledged to the payment of bonds issued or to be refunded under any refunding bond plan of the Port.

The term **Gross Revenues** shall not include any federal subsidy legally available to pay the principal of or interest on Parity Bonds, payments made under credit facilities issued to pay or secure the payment of a particular series of obligations, grants and other extraordinary gains and losses (e.g., from the disposition of property).
Letter of Representations means the Blanket Issuer Letter of Representations from the Port to DTC.

Maximum Annual Debt Service means the highest remaining Annual Debt Service Requirement for Parity Bonds then Outstanding.

Moody's means Moody's Investors Service, Inc., its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, Moody's shall be deemed to refer to any other nationally recognized securities rating agency (other than S&P and Fitch) designated by the Designated Port Representative.

MSRB means Municipal Securities Rulemaking Board or any successors to its functions. Until otherwise designated by the MSRB or the SEC, any information, reports or notices submitted to the MSRB in compliance with the Rule are to be submitted through the MSRB’s Electronic Municipal Market Access system (“EMMA”), currently located at www.emma.msrb.org.

Net Proceeds means the net sale proceeds received by the Port with respect to the bonds of a series issued on a federally tax-exempt basis minus the amount, if any, of such proceeds deposited into the Reserve Account.

Net Revenue means the Gross Revenue less any part thereof used or applied to pay normal costs of maintenance and operation of the Facilities of the Port (other than Special Facilities) and normal costs of administration of the business of the Port not paid from general tax levies, but before depreciation. (For purposes of this resolution general tax levies shall be deemed to be applied to such costs, to the extent that such tax levies are not used to pay debt service on general obligation bonds of the Port.)


1999 Bonds mean, collectively, the 1999A Bonds and the 1999B Bonds.

1999A Bonds mean the “Port of Longview, Washington, Revenue and Refunding Bonds, 1999 Series A (AMT),” issued under date of November 1, 1999, pursuant to the 1999 Bond Resolution and which remain Outstanding in the principal amount of $8,875,000.


1999B Bonds mean the “Port of Longview, Washington, Revenue Bonds, 1999 Series B,” issued under date of November 1, 1999, pursuant to the 1999 Bond Resolution and which remain Outstanding in the principal amount of $1,915,000.

Other Obligations mean

(a) the Master Lease Agreement No. 8383268, dated April 21, 2008, between the Port and NMGH Financial Services, Inc.;
(b) the Lease/Purchase Agreement, September 15, 2005, between the Port and Zions First National Bank;

(c) Government Obligation Contract, dated April 5, 2012, between the Port and Kansas State Bank of Manhattan;

(d) the Rural County Public Facilities Loan from the County, dated March 31, 2005 with respect to the White House Upgrade;

(e) County Local Improvement District No. 016;

(f) County Road Improvement District No. 010;

(g) Washington Department of Commerce Project # DCP 2001-006;

(h) Washington Department of Commerce Project # C2004-157; and

(i) Washington Department of Commerce Project # C2010-208.

Outstanding, when used as of a particular time with reference to Parity Bonds, means all Parity Bonds delivered under a resolution except those identified as no longer Outstanding under the terms established in the respective resolution.

Outstanding Parity Bonds mean the outstanding parity bonds identified in the recitals of this resolution.

Outstanding Parity Bond Resolutions mean the 1998 Bond Resolution, the 1999 Bond Resolution, and Resolution No. 2011-2.

Parity Bond Revenue Requirement means either:

(a) Adjusted Net Revenue, certified by the Consultant, to be at least 1.25 times the respective Annual Debt Service Requirement for all Parity Bonds then Outstanding for each year following the issuance of the Future Parity Bonds, or
(b) Net Revenue for the Base Period, certified by the Designated Port Representative, to be at least 1.25 times the respective Annual Debt Service Requirement for all Parity Bonds then Outstanding for each year following the issuance of the proposed Future Parity Bonds, which Net Revenue shall be based upon the audited financial statements of the Port if audited financial statements are available for the Base Period.

*Parity Bonds* means any revenue bonds or revenue warrants issued by the Port which have a lien upon the Gross Revenue for the payment of the principal thereof and interest thereon equal to the lien created upon Gross Revenue for the payment of the principal of and interest on the Bonds, and the term *Parity Bonds* shall mean and include the Outstanding Parity Bonds, the Bonds and any Future Parity Bonds.

*Port* means the Port of Longview, Washington, a municipal corporation duly organized and existing as a port district under and by virtue of the laws of the State of Washington.

*Private Person* means any natural person engaged in a trade or business or any trust, estate, partnership, association, company or corporation.

*Private Person Use* means the use of property in a trade or business by a Private Person if such use is other than as a member of the general public. Private Person Use includes ownership of the property by the Private Person as well as other arrangements that transfer to the Private Person the actual or beneficial use of the property (such as a lease, management or incentive payment contract or other special arrangement) in such a manner as to set the Private Person apart from the general public. Use of property as a member of the general public includes attendance by the Private Person at municipal meetings or business rental of property to the Private Person on a day-to-day basis if the rental paid by such Private Person is the same as the rental paid by any Private Person who desires to rent the property. Use of property by
nonprofit community groups or community recreational groups is not treated as Private Person Use if such use is incidental to the governmental uses of property, the property is made available for such use by all such community groups on an equal basis and such community groups are charged only a de minimis fee to cover custodial expenses.

**Purchase Contract** means the bond purchase agreement or agreements between the Port and the Underwriter provided for in Section 13 of this resolution.

**Qualified Insurance** means any non-cancelable municipal bond insurance policy or surety bond issued by any insurance company licensed to conduct an insurance business in any state of the United States (or by a service corporation acting on behalf of one or more such insurance companies) (i) which insurance company or companies are rated in one of the two highest Rating Categories by one or more of the Rating Agencies for unsecured debt or insurance underwriting or claims paying ability or (ii) if as a result of the issuance of its policies, the obligations insured thereby will be rated in one of the two highest Rating Categories by one or more of the Rating Agencies.

**Qualified Letter of Credit** means any irrevocable letter of credit issued by a financial institution, which institution maintains an office, agency or branch in the United States and as of the time of issuance of such letter of credit, is rated in one of the two highest long-term Rating Categories by one or more of the Rating Agencies.

**Rate Covenant** means Net Revenue in an amount at least 1.25 times the then current Annual Debt Service Requirement.

**Rating Agency** means Fitch, Moody’s or S&P.
Rating Category means the generic rating categories of the Rating Agency, without regard to any refinement or gradation of such rating category by a numerical modifier or otherwise.

Refunded Bonds mean the Refunding Candidates selected by the Designated Port Representative pursuant to Section 13 of this resolution.

Refunding Candidates mean, collectively, the 1999A Refunding Candidates, 1999B Bonds, the 1998C Refunding Candidates and the Other Obligations.

Registered Owner means the person named as the registered owner of a Bond in the Bond Register.

Reserve Account means the Bond Reserve Account created in the Bond Fund by Section 5 of Resolution No. 84-32 of the Port Commission.

Reserve Account Requirement means the lowest of (a) maximum Annual Debt Service Requirement with respect to Parity Bonds then Outstanding; (b) 125% of average Annual Debt Service Requirement with respect to Parity Bonds then Outstanding; and (c) 10% of the initial principal amount of each series of Parity Bonds then Outstanding. The Reserve Account Requirement shall be determined and calculated as of the date of issuance of each series of Parity Bonds (and recalculated upon the issuance of a subsequent series of Parity Bonds and also, at the Port’s option, upon the payment of principal of Parity Bonds) and provided that if, as a result of the issuance of Future Parity Bonds, the increase in the Reserve Account Requirement of Future Parity Bonds would require that an amount be contributed to the Reserve Account that is more than the Tax Maximum, the Reserve Account Requirement shall be adjusted to require a contribution equal to the Tax Maximum in accordance with Section 7(b).
**Revenue Fund** means the Port of Longview Maintenance Fund heretofore established in the office of the Treasurer of the Port.

**Rule** means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

**Savings Target** means a dollar amount equal to three percent (3%) of the Outstanding principal of the Refunded Bonds, which would be $271,050 if all the Refunding Candidates (other than the Other Obligations) are refunded.

**S&P** means Standard & Poor’s Ratings Services, a Division of The McGraw-Hill Companies, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term S&P shall be deemed to refer to any other nationally recognized securities rating agency (other than Moody’s or Fitch) selected by the Designated Port Representative.

**SEC** means the United States Securities and Exchange Commission.

**Special Revenue Bonds** means any issue or series of revenue bonds, revenue warrants or other revenue obligations of the Port issued to directly or indirectly acquire (by purchase, lease or otherwise), construct, equip, install or improve part or all of particular facilities and which are payable from and secured by the income and revenue from such particular facilities (herein referred to as “Special Facilities”).

**Tax Maximum** means the maximum dollar amount permitted by the Internal Revenue Code of 1986, as amended, including applicable regulations thereunder, to be allocated to a bond reserve account from bond proceeds without requiring a balance to be invested at a restricted yield.
Term Bonds means the 2011 Bonds maturing on December 1, 2023 and December 1, 2027 and any Future Parity Bonds that are so designated in the resolution pursuant to which such Future Parity Bonds are issued.

Treasurer means the Treasurer of Cowlitz County, Washington, as ex officio treasurer of the Port, or any other public officer as may hereafter be designated pursuant to law to have the custody of Port funds.

2013A Bonds mean the Port of Longview, Washington, Revenue Refunding Bonds, 2013A (Taxable) issued pursuant to this resolution.

2013B Bonds mean the Port of Longview, Washington, Revenue Refunding Bonds, 2013B (Tax-Exempt – Non-AMT) issued pursuant to this resolution.


Rules of Interpretation. In this resolution, unless the context otherwise requires:

(a) The terms “hereby,” “hereof,” “hereto,” “herein, “hereunder” and any similar terms, as used in this resolution, refer to this resolution as a whole and not to any particular article, section, subdivision or clause hereof, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before, the date of this resolution;

(b) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa;

(c) Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons;
(d) Any headings preceding the text of the several articles and Sections of this resolution, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this resolution, nor shall they affect its meaning, construction or effect; and

(e) All references herein to “articles,” “sections” and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof.

Section 2. Satisfaction of Parity Conditions. The Port has reserved the right in the Outstanding Parity Bond Resolutions to issue Future Parity Bonds upon compliance with certain conditions set forth therein. The Commission hereby makes the following findings and determinations, as required by each of the Outstanding Parity Bond Resolutions.

First, the Bonds are being issued for the purpose of refunding outstanding Parity Bonds and/or Other Obligations of the Port.

Second, there is not now and at the time of the issuance of the Bonds there will be no deficiency in the Debt Service Account or the Reserve Account.

Third, this resolution, in Section 7(b), contains the covenants required in the third paragraph of subsection (b) of Section 14 of the 1998 and 1999 Bond Resolutions and subsection (b) of Section 14 of the 2011 Bond Resolution.

Fourth, this resolution, in Section 10(a), contains a covenant that the Port will at all times establish, maintain and collect rentals, tariffs, rates and charges in the operation of all of its business sufficient to meet the Rate Covenant.

Fifth, this resolution, in Section 10, makes applicable all the other covenants of the Outstanding Parity Bond Resolutions.
Sixth, this resolution, in Section 7(a) and the Purchase Contract will require mandatory payments from the Revenue Fund with respect to any of the Bonds issued as Term Bonds sufficient to retire all such Term Bonds on or prior to their fixed maturities.

Seventh, the Bonds will be issued for refunding purposes, and either of the following conditions will be met as a condition precedent to the issuance of the Bonds:

1. the latest maturity of the Bonds will be not later than the latest maturity of the Refunded Bonds (were such refunding not to occur), and the increase in the Annual Debt Service Requirement as a result of such refunding in any year is less than the greater of (A) $5,000 or (B) 5% of such Annual Debt Service Requirement on the Refunded Bonds; or

2. the latest maturity of the Bonds will be not later than the latest maturity of the Refunded Bonds (were such refunding not to occur), and the Maximum Annual Debt Service on all Parity Bonds to be Outstanding after the issuance of the Bonds shall not be greater than Maximum Annual Debt Service were such refunding not to occur.

If Other Obligations are refunded a parity certificate may be required as a condition of closing.

The limitations contained and the conditions provided in the Outstanding Parity Bond Resolutions having been complied with or assured, the payments required herein to be made out of the Net Revenue to pay and secure the principal of and interest on the Bonds shall constitute a lien and charge upon such Net Revenue equal in rank to the lien and charge thereon of the payments to be made into the Debt Service Account and the Reserve Account to pay and secure the payment of the principal of and interest on the Outstanding Parity Bonds.

The Port hereby further covenants and agrees that the Bonds will not be issued and delivered to the purchasers thereof as bonds on a parity with the Outstanding Parity Bonds until the certificate required herein, in form and contents satisfactory to the Port and its counsel, has been filed with the Port.
Section 3. Authorization of Bonds and Bond Details.

(a) Plan of Finance. The Refunding Candidates are callable in whole or in part prior to their scheduled maturities and may be selected for refunding depending upon market conditions. The final selection of the maturities, if any, within each series of the Refunding Candidates designated as Refunded Bonds to be refunded by the Bonds shall be made by the Designated Port Representative pursuant to the authority granted in Section 13 of this resolution.

(b) 2013A Bonds. For the purpose of refunding all or a portion of the Refunding Candidates issued as 1998C Bonds, the 1999A Bonds and eligible Other Obligations, and paying a proportionate share of the costs of issuance, the Port shall issue its revenue refunding bonds in the aggregate principal amount not to exceed $8,000,000 (the “2013A Bonds”).

The 2013A Bonds shall be designated as the Port of Longview, Washington, Revenue Refunding Bonds, 2013A (Taxable); shall be dated as of their date of initial delivery; shall be fully registered as to both principal and interest; shall be in denominations of $5,000, or any integral multiple thereof; provided that no 2013A Bond shall represent more than one maturity; shall be numbered separately in such manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification; and shall bear interest from their date payable on the first days of each December and June, commencing on the First Interest Payment Date at rates set forth in the Purchase Contract; and shall mature in the years and in the principal amounts set forth in the Purchase Contract and as approved by the Designated Port Representative pursuant to Section 13.

(c) 2013B Bonds. For the purpose of refunding the Refunding Candidates that were issued as 1999B Bonds and certain Other Obligations and paying a proportionate share of the
costs of issuance, the Port shall issue its revenue refunding bonds in the aggregate principal amount not to exceed $2,600,000 (the "2013B Bonds").

The 2013B Bonds shall be designated as the Port of Longview, Washington, Revenue Refunding Bonds, 2013B (Tax-Exempt -- Non-AMT); shall be dated as of their date of initial delivery; shall be fully registered as to both principal and interest; shall be in denominations of $5,000, or any integral multiple thereof, provided that no 2013B Bond shall represent more than one maturity; shall be numbered separately in such manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification; shall bear interest from their date payable on the first days of each December and June, commencing on the First Interest Payment Date at rates set forth in the Purchase Contract; and shall mature in the years and in the principal amounts set forth in the Purchase Contract and as approved by the Designated Port Representative pursuant to Section 13.

The 2013A Bonds and 2013B Bonds shall be collectively referred to as the "Bonds."

Section 4. Registration, Payment and Transfer.

(a) Bond Registrar/Bond Register. The Port hereby requests that the Treasurer specify and adopt the system of registration and transfer for the Bonds approved by the Washington State Finance Committee from time to time through the appointment of state fiscal agencies. The Port shall cause a Bond Register to be maintained by the Bond Registrar. So long as any Bonds remain Outstanding, the Bond Registrar shall make all necessary provisions to permit the exchange or registration of transfer of Bonds at its designated corporate trust office. The Bond Registrar may be removed at any time at the option of the Treasurer upon prior notice to the Bond Registrar, DTC, and each entity entitled to receive notice pursuant to Section 14, and a successor Bond Registrar appointed by the Treasurer. No resignation or removal of the Bond
Registrar shall be effective until a successor shall have been appointed and until the successor
Bond Registrar shall have accepted the duties of the Bond Registrar hereunder. The Bond
Registrar is authorized, on behalf of the Port, to authenticate and deliver Bonds transferred or
exchanged in accordance with the provisions of such Bonds and this resolution and to carry out
all of the Bond Registrar’s powers and duties under this resolution. The Bond Registrar shall be
responsible for its representations contained in the Certificate of Authentication on the Bonds.

(b) Registered Ownership. The Port and the Bond Registrar, each in its discretion,
may deem and treat the Registered Owner of each Bond as the absolute owner thereof for all
purposes (except as provided in Section 14 of this resolution), and neither the Port nor the Bond
Registrar shall be affected by any notice to the contrary. Payment of any such Bond shall be
made only as described in Section 4(h) hereof, but such Bond may be transferred as herein
provided. All such payments made as described in Section 4(h) shall be valid and shall satisfy
and discharge the liability of the Port upon such Bond to the extent of the amount or amounts so
paid.

(c) DTC Acceptance/Letter of Representations. To induce DTC to accept the Bonds
as eligible for deposit at DTC, the Port has executed and delivered to DTC a Letter of
Representations.

Neither the Port nor the Bond Registrar will have any responsibility or obligation to DTC
participants or the persons for whom they act as nominees (or any successor depository) with
respect to the Bonds in respect of the accuracy of any records maintained by DTC (or any
successor depository) or any DTC participant, the payment by DTC (or any successor
depository) or any DTC participant of any amount in respect of the principal of or interest on
Bonds, any notice which is permitted or required to be given to Registered Owners under this
resolution (except such notices as shall be required to be given by the Port to the Bond Registrar or to DTC (or any successor depository), or any consent given or other action taken by DTC (or any successor depository) as the Registered Owner. For so long as any Bonds of a series are held in fully-immobilized form hereunder, DTC or its successor depository shall be deemed to be the Registered Owner for all purposes hereunder, and all references herein to the Registered Owners shall mean DTC (or any successor depository) or its nominee and shall not mean the owners of any beneficial interest in such Bonds.

(d) **Use of Depository.**

1. The Bonds shall be registered initially in the name of “Cede & Co.”, as nominee of DTC, with one Bond of each series maturing on each of the maturity dates for the Bonds in a denomination corresponding to the total principal therein designated to mature on such date. Registered ownership of such immobilized Bonds, or any portions thereof, may not thereafter be transferred except (A) to any successor of DTC or its nominee, provided that any such successor shall be qualified under any applicable laws to provide the service proposed to be provided by it; (B) to any substitute depository appointed by the Designated Port Representative pursuant to subsection (2) below or such substitute depository’s successor; or (C) to any person as provided in subsection (4) below.

2. Upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository or a determination by the Designated Port Representative to discontinue the system of book-entry transfers through DTC or its successor (or any substitute depository or its successor), the Designated Port Representative may hereafter appoint a substitute depository. Any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it.
(3) In the case of any transfer pursuant to clause (A) or (B) of subsection (1) above, the Bond Registrar shall, upon receipt of all Outstanding Bonds, together with a written request on behalf of the Designated Port Representative, issue a single new Bond for each maturity of each series then Outstanding, registered in the name of such successor or such substitute depository, or its nominees, as the case may be, all as specified in such written request of the Designated Port Representative.

(4) In the event that (A) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained, or (B) the Designated Port Representative determines that it is in the best interest of the Beneficial Owners of the Bonds that such Beneficial Owners be able to obtain such Bonds in the form of Bond certificates, the ownership of such Bonds may then be transferred to any person or entity as herein provided, and shall no longer be held in fully-immobilized form. The Designated Port Representative shall deliver a written request to the Bond Registrar, together with a supply of definitive Bonds, to issue Bonds of the same series as herein provided in any authorized denomination. Upon receipt by the Bond Registrar of all then Outstanding Bonds together with a written request on behalf of the Designated Port Representative to the Bond Registrar, new Bonds of the same series shall be issued in the appropriate denominations and registered in the names of such persons as are requested in such written request.

(e) Registration of Transfer of Ownership or Exchange; Change in Denominations. The transfer of any Bond may be registered and Bonds may be exchanged, but no transfer of any such Bond shall be valid unless such Bond is surrendered to the Bond Registrar with the assignment form appearing on such Bond duly executed by the Registered Owner or such Registered Owner’s duly authorized agent in a manner satisfactory to the Bond Registrar. Upon
such surrender, the Bond Registrar shall cancel the surrendered Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee therefor, a new Bond (or Bonds at the option of the new Registered Owner) of the same series, date, maturity and interest rate and for the same aggregate principal amount in any authorized denomination, naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered Bond, in exchange for such surrendered and cancelled Bond. Any Bond may be surrendered to the Bond Registrar and exchanged, without charge, for an equal aggregate principal amount of Bonds of the same series, date, maturity and interest rate, in any authorized denomination. The Bond Registrar shall not be obligated to register the transfer or to exchange any Bond during the 15 days preceding the date any such Bond is to be redeemed.

(f) *Bond Registrar's Ownership of Bonds.* The Bond Registrar may become the Registered Owner of any Bond with the same rights it would have if it were not the Bond Registrar, and to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as member of, or in any other capacity with respect to, any committee formed to protect the rights of the Registered Owners of Bonds.

(g) *Registration Covenant.* The Port covenants that, until all 2013B Bonds have been surrendered and cancelled, it will maintain a system for recording the ownership of each 2013B Bond that complies with the provisions of Section 149 of the Code.

(h) *Place and Medium of Payment.* The principal of and interest on the Bonds shall be payable in lawful money of the United States of America. Interest on the Bonds shall be calculated on the basis of a 360-day year and twelve 30-day months. For so long as all Bonds are in fully-immobilized form, such payments of principal and interest thereon shall be made as provided in the operational arrangements of DTC as referred to in the Letter of Representations.
In the event that the Bonds are no longer in fully-immobilized form, interest on the Bonds shall be paid by check or draft mailed to the Registered Owners of the Bonds at the addresses for such Registered Owners appearing on the Bond Register on the 15th day of the month preceding the interest payment date. Principal of the Bonds shall be payable upon presentation and surrender of such Bonds by the Registered Owners at the designated corporate trust office of the Bond Registrar.

If any Bond shall be duly presented for payment and funds have not been duly provided by the Port on such applicable date, then interest shall continue to accrue thereafter on the unpaid principal thereof at the rate stated on such Bond until such Bond is paid.

Section 5. Redemption Prior to Maturity and Purchase of Bonds.

(a) Optional Redemption. The Bonds of a series may be subject to optional redemption on dates and terms, if any, as set forth in subsection (d) of this Section unless otherwise provided in the Purchase Contract and the manner of selection of Bonds for redemption shall be as set forth in the Purchase Contract.

(b) Mandatory Redemption. The Bonds of a series may be subject to mandatory redemption on dates and terms as set forth in the Purchase Contract and the manner of selection of Bonds for mandatory redemption shall be as set forth in subsection (d) of this Section unless otherwise provided in the Purchase Contract.

To the extent that the Port shall have optionally redeemed or purchased for retirement any Term Bonds since the last scheduled mandatory redemption of such Term Bonds, the Port may reduce the principal amount of the Term Bonds and maturity to be redeemed in like aggregate principal amount. Such reduction may be applied in the year specified by the Designated Port Representative.
(c) **Purchase of Bonds for Retirement.** The Port reserves the right to use at any time any surplus Gross Revenue available after providing for the payments required by paragraphs First, Second, Third, Fourth and Fifth of Section 6 of this resolution to purchase any Bonds for retirement.

(d) **Selection of Bonds for Redemption.** As long as the Bonds are held in book-entry only form, the series and maturities to be redeemed shall be selected by the Port and, within a maturity, the selection of Bonds to be redeemed shall be made in accordance with the operational arrangements in effect at DTC. If the Bonds are no longer held in uncertificated form, the selection of such Bonds to be redeemed shall be made as provided in this subsection (d). If the Port redeems at any one time fewer than all of the Bonds of a series having the same maturity date, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot (or in such other manner determined by the Bond Registrar) in increments of $5,000. In the case of a Bond of a denomination greater than $5,000, the Port and the Bond Registrar shall treat each Bond as representing such number of separate Bonds each of the denomination of $5,000 as is obtained by dividing the actual principal amount of such Bond by $5,000. In the event that only a portion of the principal sum of a Bond is redeemed, upon surrender of the such Bond at the principal office of the Bond Registrar there shall be issued to the Registered Owner, without charge therefor, for the then unredeemed balance of the principal sum thereof, at the option of the Registered Owner, a Bond or Bonds of like series, maturity and interest rate in any of the denominations herein authorized.
(c) **Notice of Redemption**

(1) **Official Notice.** For so long as the Bonds are held in uncertificated form, notice of redemption (which notice may be conditional) shall be given in accordance with the operational arrangements of DTC as then in effect, and neither the Port nor the Bond Registrar will provide any notice of redemption to any Beneficial Owners. Thereafter (if the Bonds are no longer held in uncertificated form), notice of redemption shall be given in the manner hereinafter provided. Unless waived by any owner of Bonds to be redeemed, official notice of any such redemption (which redemption may be conditioned by the Bond Registrar on the receipt of sufficient funds for redemption or otherwise) shall be given by the Bond Registrar on behalf of the Port by mailing a copy of an official redemption notice by first class mail at least 20 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Bond Registrar.

All official notices of redemption shall be dated and shall state:

(A) the redemption date,

(B) the redemption price,

(C) if fewer than all Outstanding Bonds are to be redeemed, the identification by series and maturity (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,

(D) that (unless the notice of redemption is a conditional notice, in which case the notice shall state that interest shall cease to accrue from the redemption date if and to the extent that funds have been provided to the Bond Registrar for the redemption of Bonds) on the redemption date the redemption price will become due and payable upon each
such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and

(E) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Bond Registrar.

On or prior to any redemption date, unless the conditions for redemption have not been satisfied, the Port shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

(2) **Effect of Notice; Bonds Due.** If conditional notice of redemption has been given, the redemption shall be subject to satisfaction of the terms set forth in the conditional notice of redemption. If a conditional notice of redemption has been given and the conditions set forth therein have been satisfied or if an unconditional notice of redemption has been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date such Bonds or portions of Bonds shall cease to bear interest, subject to the last sentence of Section 4(h). Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Bond Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. All Bonds which have been redeemed shall be canceled and destroyed by the Bond Registrar and shall not be reissued.

(3) **Additional Notice.** In addition to the foregoing notice, further notice shall be given by the Port as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed. Each further notice of redemption
given hereunder shall contain the information required above for an official notice of redemption plus (A) the CUSIP numbers of all Bonds being redeemed; (B) the date of issue of the Bonds as originally issued; (C) the rate of interest borne by each Bond being redeemed; (D) the maturity date of each Bond being redeemed; and (E) any other descriptive information needed to identify accurately the Bonds being redeemed. Each further notice of redemption may be sent at least 20 days before the redemption date to each party entitled to receive notice pursuant to Section 14 and to the Underwriter and with such additional information as the Port shall deem appropriate, but such mailings shall not be a condition precedent to the redemption of such Bonds.

(4) **CUSIP Number.** Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

(5) **Amendment of Notice Provisions.** The foregoing notice provisions of this Section 5, including but not limited to the information to be included in redemption notices and the persons designated to receive notices, may be amended by additions, deletions and changes in order to maintain compliance with duly promulgated regulations and recommendations regarding notices of redemption of municipal securities.

**Section 6. Priority of Use of Gross Revenue.** There has heretofore been established in the office of the Treasurer a special fund of the Port known as the “Port of Longview Maintenance Fund” (the “Revenue Fund”). The Gross Revenue shall be deposited in the Revenue Fund as collected. The Revenue Fund shall be held separate and apart from all other funds and accounts of the Port and the Gross Revenue deposited therein shall be used only for the following purposes and in the following order of priority:
First, to pay necessary costs of administration of the business of the Port and of maintenance and operation of the Facilities not paid from other sources;

Second, to make all payments required to be made into the Debt Service Account to pay the interest on any Parity Bonds;

Third, to make all payments, including sinking fund payments, required to be made into the Debt Service Account to pay the principal of any Parity Bonds;

Fourth, to make all payments required to be made into the Reserve Account and any subaccount therein to secure the payment of any Parity Bonds;

Fifth, to make all payments required to be made into any other revenue bond redemption fund and debt service account or reserve account created therein to pay and secure the payment of the principal of and interest on any revenue bonds or other revenue obligations of the Port having a lien upon the Gross Revenue and the money in the Revenue Fund junior and inferior to the lien thereon for the payment of the principal of and interest on any Parity Bonds; and

Sixth, to retire by redemption or purchase any outstanding revenue bonds or other revenue obligations of the Port as authorized in the various resolutions of the Commission authorizing their issuance or to make necessary additions, betterments, improvements and repairs to or extension and replacements of the Facilities, or any other lawful Port purposes.

Section 7. Bond Fund. A special fund of the Port designated the "Port of Longview 1984 Revenue Bond Fund" (the "Bond Fund") has heretofore been created in the office of the Treasurer for the purpose of paying and securing the payment of Parity Bonds. The Bond Fund shall be held separate and apart from all other funds and accounts of the Port and shall be a trust fund for the owners, from time to time, of Parity Bonds.
(a) *Debt Service Account.* A Debt Service Account has been created in the Bond Fund for the purpose of paying the principal of, premium, if any, and interest on Parity Bonds.

The Port hereby irrevocably obligates and binds itself for as long as any Parity Bonds remain Outstanding to set aside and pay into the Debt Service Account from Gross Revenue or moneys in the Revenue Fund, on or prior to the respective dates the same become due:

1. Such amounts as are required to pay the interest scheduled to become due on Parity Bonds then Outstanding; and

2. Such amounts with respect to Parity Bonds then Outstanding as are required (A) to pay maturing principal, (B) to make required sinking fund payments, and (C) to redeem Parity Bonds then Outstanding in accordance with any mandatory redemption provisions.

(b) *Reserve Account.* A Bond Reserve Account (the "Reserve Account") has heretofore been created in the Bond Fund for the purpose of securing the payment of the principal of and interest on Parity Bonds. Moneys in the Reserve Account shall be held for the purpose of securing the payment of the principal of and interest on the Bonds and all Parity Bonds, including Future Parity Bonds.

The Port covenants and agrees that on or before the date of issuance of the Bonds, the balance on hand in the Reserve Account shall be equal to the Reserve Account Requirement with respect to the Bonds and the Outstanding Parity Bonds.

The Port hereby further covenants and agrees that in the event it issues any Future Parity Bonds that it will provide in the resolution authorizing the issuance of the same that it will make additional payments into the Reserve Account or subaccount therein out of Gross Revenue (or out of any other funds on hand legally available for such purpose) of not less than approximately equal annual amounts so that by three years from the date of such Future Parity Bonds there will
have been paid into the Reserve Account, including all subaccounts therein, an amount which, with the money otherwise required to be deposited therein, will be equal to the Reserve Account Requirement.

The Port shall maintain and disburse the balances on hand in the Reserve Account in accordance with the following provisions.

The dollar amount required to be contributed to the Reserve Account as the result of the issuance of Future Parity Bonds shall be no greater than the Tax Maximum. If the dollar amount required to be contributed at the time of issuance of a series of Parity Bonds exceeds the Tax Maximum, then the amount required to be contributed shall be equal to the Tax Maximum; the Reserve Account Requirement shall be adjusted accordingly and remain in effect until the earlier of (i) at the Port’s option, a payment of principal of Future Parity Bonds (designated as Parity Bonds) or (ii) the issuance of a subsequent series of Future Parity Bonds designated as Parity Bonds (when the Reserve Account Requirement shall be re-calculated).

The Reserve Account Requirement shall be maintained by deposits of cash and/or qualified investments, a Qualified Letter of Credit or Qualified Insurance, or a combination of the foregoing. The Designated Port Representative may decide to utilize Qualified Insurance or Qualified Letter(s) of Credit to satisfy all or a portion of the Reserve Account Requirement. Upon such election, the Designated Port Representative is hereby authorized to execute and deliver one or more agreements with issuers of Qualified Insurance or Qualified Letters of Credit to effect the delivery of the appropriate instrument. To the extent that the Port obtains a Qualified Letter of Credit or Qualified Insurance in substitution for cash or securities in the Reserve Account, all or a portion of the money on hand in the Reserve Account shall be transferred to the Revenue Fund or Debt Service Account, at the option of the Designated Port.
Representative. In computing the amount on hand in the Reserve Account, Qualified Insurance and/or a Qualified Letter of Credit shall be valued at the lower of the face amount thereof and the amount available to be drawn thereunder, and all other obligations purchased as an investment of moneys therein shall be valued by the Port on a marked to market basis, at least once annually. As used herein, the term "cash" shall include U.S. currency, cash equivalents and evidences thereof, including demand deposits, certified or cashier's check; and the deposit to the Reserve Account may be satisfied by the transfer of investments to such account. If a deficiency in the Reserve Account Requirement shall exist as a result of the foregoing valuation, such deficiency shall be made up within one year after the valuation date thereof.

If the balance on hand in the Reserve Account is sufficient to satisfy the Reserve Account Requirement, amounts in excess of such Reserve Account Requirement shall be applied as provided in the following sentences. Whenever there is a sufficient amount in the Bond Fund and the Reserve Account to pay the principal of, premium, if any, and interest on all Parity Bonds, the money in the Reserve Account may be used to pay such principal and interest. If the balance on deposit in the Reserve Account is at least equal to the Reserve Account Requirement, money in the Reserve Account in excess of the Reserve Account Requirement may be transferred to the Debt Service Account.

If a deficiency in the Debt Service Account shall occur, such deficiency shall be made up from the Reserve Account by the withdrawal of cash therefrom for that purpose and by the sale or redemption of investments held in the Reserve Account, in such amounts as will provide cash in the Reserve Account sufficient to make up any such deficiency with respect to Parity Bonds, and if a deficiency still exists immediately prior to an interest payment date and after the transfer of cash from the Reserve Account to the Debt Service Account, the Port shall then draw from
any Qualified Letter of Credit or Qualified Insurance then credited to the Reserve Account in sufficient amount to make up the deficiency. Such draw shall be made at such times and under such conditions as the agreement for such Qualified Letter of Credit or such Qualified Insurance shall provide. Reimbursement may be made to the issuer of any Qualified Letter of Credit or Qualified Insurance in accordance with the reimbursement agreement related thereto, and after making necessary provision for the payments required to be made in paragraphs First, Second and Third of Section 6 of this resolution. If the Port shall have failed to make any payment required to be made under such reimbursement agreement for Parity Bonds, the issuer shall be entitled to exercise all remedies available at law or under the Bond Resolution; provided, however, that no acceleration of Parity Bonds shall be permitted, and no remedies that adversely affect Registered Owners of Parity Bonds shall be permitted. Any deficiency created in the Reserve Account by reason of any such withdrawal shall be made up within one year or less after the withdrawal from Qualified Insurance or a Qualified Letter of Credit or out of Net Revenue (or out of any other moneys on hand legally available for such purpose), in 12 equal monthly installments (if made over a one-year period), after first making timely provision for all payments required to be made into the Bond Fund within such year.

To the extent that the Port has obtained Qualified Insurance or a Qualified Letter of Credit to satisfy its obligations under this Section 7(b), amounts then available to be drawn under such Qualified Insurance or a Qualified Letter of Credit shall be credited against the amounts required to be maintained in the Reserve Account by this Section 7(b) to the extent that such payments and credits are insured by the issuer of such Qualified Insurance, or are to be made or guaranteed by a Qualified Letter of Credit.
If a Credit Event occurs, the Reserve Account Requirement shall be satisfied, at the option of the Port, either (A) within one year after the occurrence of such Credit Event with other Qualified Insurance or another Qualified Letter of Credit, or (B) within three years or earlier (in three equal annual installments if made over a three year period) after the occurrence of such Credit Event described in (c) of the definition thereof, out of Net Revenue (or out of other money on hand and legally available for such purpose) after first making necessary provisions for all payments required to be made into the Debt Service Account.

(c) **Pledge.** Said amounts so pledged to be paid into the Debt Service Account and Reserve Account and all subaccounts therein with respect to the Bonds, are hereby declared to be a prior lien and charge upon the Gross Revenue superior to all other charges of any kind or nature whatsoever, except costs of administration and maintenance and operation and except that the amounts so pledged are of equal lien to the lien and charge thereon of the Outstanding Parity Bonds and to any lien and charge which may hereafter be made to pay and secure the payment of the principal of and interest on any Future Parity Bonds.

(d) **Investments.** Money in the Bond Fund not needed to pay the interest or principal and interest next coming due on any Parity Bonds then Outstanding or to maintain required reserves therefor may be used to purchase or redeem and retire Parity Bonds. Money in the Debt Service Account and Reserve Account and subaccounts therein may be invested in Government Obligations. Investments in the Debt Service Account shall mature prior to the date on which such money shall be needed for required interest or principal payments. Investments in the Reserve Account and subaccounts therein shall mature not later than the last maturity of any Parity Bonds then Outstanding. All interest earned and income derived by virtue of such
investments shall remain in the Bond Fund and be used to meet the required deposits into any account therein.

Section 8. Defeasance. In the event that money and/or Government Obligations maturing or having guaranteed redemption prices at the option of the holder at such time or times and bearing interest to be earned thereon in amounts (together with such money, if any) sufficient to redeem and retire part or all of the Bonds in accordance with their terms are hereafter irrevocably set aside in a special account and pledged to effect such redemption and retirement, then no further payments need be made into the Bond Fund or any account therein for the payment of the principal of and interest on the Bonds so provided for and such Bonds shall then cease to be entitled to any lien, benefit or security of this resolution, except the right to receive the funds so set aside and pledged, and such Bonds shall no longer be deemed to be Outstanding hereunder, or under any resolution authorizing the issuance of bonds or other indebtedness of the Port.

The Bond Registrar shall provide notice of defeasance of Bonds to each party entitled to receive notice under Section 14 of this resolution.

Section 9. Tax Covenants/Rebate.

(a) Arbitrage Covenant. The Port hereby covenants that it will not make any use of the proceeds of sale of the Bonds or any other funds of the Port which may be deemed to be proceeds of such Bonds pursuant to Section 148 of the Code and applicable regulations thereunder which will cause the 2013B Bonds issued as tax exempt bonds to be “arbitrage bonds” within the meaning of said section and regulations. The Port will comply with the requirements of Section 148 of the Code (or any successor provision thereof applicable to the
2013B Bonds) and the applicable regulations thereunder throughout the term of the 2013B Bonds issued as tax-exempt bonds.

(b) **2013A Bonds.** The Port has taken no action to cause the interest on the 2013A Bonds to be excluded from federal income taxation.

(c) **Private Person Use Limitation for the 2013B Bonds.** The Port covenants that for as long as the 2013B Bonds are Outstanding, it will not permit:

1. More than 10% of the Net Proceeds of the 2013B Bonds to be allocated to any Private Person Use; and

2. More than 10% of the principal or interest payments on the 2013B Bonds in a Bond Year to be directly or indirectly: (A) secured by any interest in property used or to be used for any Private Person Use or secured by payments in respect of property used or to be used for any Private Person Use, or (B) derived from payments (whether or not made to the Port) in respect of property, or borrowed money, used or to be used for any Private Person Use.

The Port further covenants that, if:

3. More than five percent of the Net Proceeds of the 2013B Bonds are allocable to any Private Person Use; and

4. More than five percent of the principal or interest payments on the 2013B Bonds in a Bond Year are (under the terms of this resolution or any underlying arrangement) directly or indirectly: (A) secured by any interest in property used or to be used for any Private Person Use or secured by payments in respect of property used or to be used for any Private Person Use, or (B) derived from payments (whether or not made to the Port) in respect of property, or borrowed money, used or to be used for any Private Person Use, then, (i) any Private Person Use of the projects refinanced with 2013B Bond proceeds or Private Person Use
payments described in subsection (4) hereof that is in excess of the five percent limitations described in subsections (3) or (4) will be for a Private Person Use that is related to the state or local governmental use of the projects refinanced with 2013B Bond proceeds, and (ii) any Private Person Use will not exceed the amount of Net Proceeds of the 2013B Bonds used for the state or local governmental use portion of those projects to which the Private Person Use of such portion of such projects relates. The Port further covenants that it will comply with any limitations on the use of the projects by other than state and local governmental users that are necessary, in the opinion of its bond counsel, to preserve the tax exemption of the interest on the and 2013B Bonds. The covenants of this section are specified solely to assure the continued exemption from regular income taxation of the interest on the 2013B Bonds.

(d) Designation under Section 265(b). The Designated Port Representative is hereby authorized to determine whether to designate the 2013B Bonds as “qualified tax-exempt obligations” under Section 265(b)(3) of the Code for banks, thrift institutions and other financial institutions. If so designated, the Designated Port Representative is authorized to certify that the Port does not anticipate issuing more than $10,000,000 in qualified tax-exempt obligations during 2013 (excluding obligations permitted by the Code to be excluded for purposes of the Port’s qualification as a qualified small issuer).

Section 10. Specific Covenants. The Port hereby makes the following covenants and agreements with the owners of each of the Bonds for as long as any of the same remain Outstanding:

(a) Rate Covenant. The Port will at all times establish, maintain and collect rentals, tariffs, rates and charges in the operation of all of its business for as long as any Parity Bonds are
Outstanding that will produce Net Revenue in each year in an amount at least equal to the Rate
Covenant.

(b) Payment of Bonds. The Port will duly and punctually pay or cause to be paid out
of the Bond Fund the principal of and interest on the Bonds at the times and places as herein and
in said Bonds provided and will at all times faithfully perform and observe any and all
covenants, undertakings and provisions contained in this resolution and in the Bonds.

(c) Maintenance of Facilities. The Port will at all times keep and maintain all of the
Facilities in good repair, working order and condition, and will at all times operate the same and
the business or businesses in connection therewith in an efficient manner and at a reasonable cost
and that it will take no action which would adversely impair or decrease Net Revenue available
for the payment of the principal of or interest on Parity Bonds.

(d) Disposition of Facilities. In the event any Facility or part thereof which
contributes in some measure to the Gross Revenue is sold by the Port or is condemned pursuant
to the power of eminent domain, the Port will apply the net proceeds of such sale or
condemnation to capital expenditures for Facilities which will contribute in some measure to the
Gross Revenue or to the retirement of Parity Bonds then Outstanding.

(e) Property Insurance. The Port will keep all Facilities insured, if such insurance is
obtainable at reasonable rates and upon reasonable conditions, against such risks, in such
amounts, and with such deductibles as the Commission shall deem necessary for the protection
of the Port and of the owners of Parity Bonds then Outstanding. The Port may provide all or a
portion of any insurance by self insurance. Such insurance may be carried under a blanket policy
with umbrella coverage.
(f) **Liability Insurance.** The Port will at all times keep or arrange to keep in full force and effect policies of public liability and property damage insurance which will protect the Port against anyone claiming damages of any kind or nature, if such insurance is obtainable at reasonable rates and upon reasonable conditions, in such amounts and with such deductibles as the Commission shall deem necessary for the protection of the Port and of the holders of the Parity Bonds then Outstanding. The Port may provide all or a portion of any insurance by self insurance. Such insurance may be carried under a blanket policy with umbrella coverage.

(g) **Books and Accounts.** The Port will keep and maintain proper books of account and accurate records of all of its revenue, including tax receipts, received from any source whatsoever, and of all costs of administration and maintenance and operation of all of its business that are in accordance with proper and legal accounting procedure. On or before 120 days after each calendar year, the Port will prepare or cause to be prepared an operating statement of all of the business of the Port for such preceding calendar year. Each such annual statement shall contain a statement in detail of the Gross Revenue, tax receipts, expenses of administration, expenses of normal operation, expenses of normal and extraordinary maintenance and repair, and expenditures for capital purposes of the Port for such calendar year and shall contain a statement as of the end of such year showing the status of all funds and accounts of the Port pertaining to the operation of its business and the status of all of the funds and accounts created by various resolutions of the Commission authorizing the issuance of outstanding bonds and other obligations payable from the Gross Revenue. Copies of such statements and of such other like statements as may be prepared from time to time, whether audited or not, shall be placed on file in the main office of the Port, and shall be open to inspection at any reasonable
time by the owners of Parity Bonds and shall be mailed at the expense of the Port to any owners of Parity Bonds who shall make written request for the same.

Section 11. Future Parity Bonds. The Port hereby further covenants and agrees with the owners of each of the Bonds for as long as any of the same remain Outstanding as follows:

(a) General Restriction on the Issuance of Revenue Bonds. The Port will not issue any bonds having a greater or equal priority lien upon the Gross Revenue to pay or secure the payment of the principal of and interest on such bonds than the priority of lien created on such Gross Revenue to pay or secure the payment of the principal of and interest on Parity Bonds, except

(b) General Conditions for the Issuance of Parity Bonds. That the Port reserves the right for:

First, the purpose of providing funds to acquire, construct, maintain, install, repair or replace any equipment, additions, betterments, or improvements to the Facilities of the Port for which it is authorized by law to issue revenue bonds, or

Second, the purpose of refunding by exchange, call or purchase, at or prior to their maturity, any outstanding revenue bonds or other revenue obligations of the Port, to issue Future Parity Bonds and to pledge that payments will be made out of the Gross Revenue and into the Debt Service Account and Reserve Account, including subaccounts therein (or to any sinking funds created in said accounts for the payment of Term Bonds), to pay and secure the payment of the principal of and interest on such Future Parity Bonds on a parity with the payments required herein to be made out of such Gross Revenue into such Fund and Account to pay and secure the payment of the principal of and interest on any Parity Bonds then Outstanding, upon compliance with the following conditions:
(1) **No Deficiency.** At the time of the issuance of any Future Parity Bonds there is no deficiency in the Debt Service Account and the Reserve Account.

(2) **Covenants.** Each resolution authorizing the issuance of Future Parity Bonds will:

   (A) contain the covenants required in the third paragraph of subsection (b) of Section 7 hereof,

   (B) contain a covenant that the Port will at all times establish, maintain and collect rentals, tariffs, rates and charges in the operation of all of its business for as long as any Parity Bonds and any Future Parity Bonds being issued are Outstanding that will produce Net Revenue in each year in an amount equal to the Rate Covenant.

   (C) make applicable to the Future Parity Bonds being issued all of the other covenants of Section 10.

   (D) require mandatory sinking fund payments from the Revenue Fund sufficient to retire all Term Bonds on or prior to their fixed maturities.

(3) **Compliance with Parity Revenue Bond Revenue Requirement.** The Port shall demonstrate compliance with the Parity Bond Revenue Requirement, either based on the certificate of a Consultant if required or based on the certificate of the Designated Port Representative.

If a certificate of a Consultant is provided, the Consultant shall base his/her/its certification upon, and his/her/its certificate shall have attached thereto, audited financial statements of the Port (either by the State Auditor or by an independent certified public accountant) and certified by the Designated Port Representative, showing income and expenses for the period upon which the same is based.
(c) **Refunding Option.** The Port further reserves the right to issue Future Parity Bonds for the purpose of refunding by exchange or purchasing or calling and retiring at or prior to their maturity any part or all of the Parity Bonds then Outstanding and if the conditions required in subsections (b)(1) and (b)(2) of this section are complied with, but without a certificate referred to in (b)(3) if:

1. the latest maturity of the Future Parity Bonds to be issued is not later than the latest maturity of the Parity Bonds to be refunded (were such refunding not to occur), and the increase in the Annual Debt Service Requirement as a result of such refunding in any year is less than the greater of (A) $5,000 or (B) 5% of such Annual Debt Service Requirement on the Parity Bonds to be refunded; or

2. the latest maturity of the Future Parity Bonds to be issued is later than the latest maturity of the Parity Bonds to be refunded (were such refunding not to occur), and the Maximum Annual Debt Service on all Parity Bonds to be Outstanding after the issuance of the refunding Future Parity Bonds shall not be greater than Maximum Annual Debt Service were such refunding not to occur.

(d) **Special Revenue Bonds.** Nothing herein contained shall prevent the Port from issuing Special Revenue Bonds, or revenue bonds or other revenue obligations which are a charge upon the Net Revenue junior or inferior to the payments required by this resolution to be made out of Gross Revenue into the Debt Service Account and Reserve Account.

(e) **Special Exception.** Nothing herein contained shall prevent the Port from issuing Future Parity Bonds for the purpose of refunding (including by purchase) any Parity Bonds at any time within one year prior to their maturity or mandatory redemption date if sufficient Net
Revenue or other moneys are not expected to be available for payment at maturity or mandatory redemption.

Section 12. **Lost, Stolen or Destroyed Bonds.** In case any Bonds shall be lost, stolen or destroyed, the Port may execute and the Bond Registrar may deliver a new Bond or Bonds of like series, date, number and tenor to the holder thereof upon the owner’s paying the expenses and charges of the Port in connection therewith and upon his filing with the Bond Registrar and the Treasurer evidence satisfactory to said Bond Registrar and Treasurer that such Bonds were actually lost, stolen or destroyed and of his ownership thereof, and upon furnishing the Treasurer and the Bond Registrar with indemnity satisfactory to the Treasurer and the Bond Registrar.

Section 13. **Designation of Refunded Bonds; Sale of Bonds.**

(a) **Designation of Refunded Bonds.** As outlined in the recitals to this resolution and in Section 2, the Refunding Candidates may be prepaid or called for redemption prior to their scheduled maturities. All or some of the Refunding Candidates may be refunded with the proceeds of the Bonds authorized by this resolution. The Designated Port Representative may select some or all of the Refunding Candidates and designate those Refunding Candidates as the “Refunded Bonds” with respect to a series in the Purchase Contract if and to the extent that the net present value aggregate savings with respect to Bonds to be realized as a result of the refunding the Refunded Bonds after payment of all allocable costs of issuance is at least equal to the Savings Target and there are present value savings for the Bonds of each series.

(b) **Bond Sale.** The Bonds shall be sold at negotiated sale to the Underwriter pursuant to the terms of the Purchase Contract. The Designated Port Representative is hereby authorized to negotiate terms for the purchase of the Bonds and to execute the Purchase Contract, with such terms (including the designation of the Refunded Bonds) as are approved by the Chief Executive
Officer pursuant to this section and consistent with this resolution. The Commission has been advised by the Port’s financial advisor that market conditions are fluctuating and, as a result, the most favorable market conditions may occur on a day other than a regular meeting date of the Commission. The Commission has determined that it would be in the best interest of the Port to delegate to the Chief Executive Officer for a limited time the authority with respect to each series, the final interest rates, maturity dates, aggregate principal amount, principal amounts and prices of each maturity, redemption rights, and other terms and conditions of the Bonds. The Chief Executive Officer is hereby authorized to approve with respect to each series, the final interest rates, maturity dates, aggregate principal amount, principal amounts and prices of each maturity and redemption rights for the Bonds in the manner provided hereafter so long as the aggregate principal amount of the Bonds does not exceed the maximum principal amounts set forth in Section 3 and so long as the Savings Target is met (as described in subsection (a) of this Section 13).

In designating the Refunded Bonds and approving the final interest rates, maturity dates, aggregate principal amount, principal amounts and prices of each maturity and redemption rights or other provisions of the Bonds, the Designated Port Representative and the Chief Executive Officer, in consultation with Port staff and the Port’s financial advisor, shall take into account those factors that, in their judgment, will result in the lowest true interest cost on the Bonds to their maturity, including, but not limited to current financial market conditions and current interest rates for obligations comparable in tenor and quality to the Bonds. Subject to the terms and conditions set forth in this section, the Designated Port Representative is hereby authorized to execute the final form of the Purchase Contract, upon the Chief Executive Officer’s designation of the Refunded Bonds, and approval of the final interest rates, maturity dates,
aggregate principal amount, principal amounts and prices of each maturity and redemption rights
set forth therein. Following the execution of the Purchase Contract, the Chief Executive Officer
or Designated Port Representative shall provide a report to the Commission, describing the final
terms of the Bonds approved pursuant to the authority delegated in this section. The authority
granted to the Designated Port Representative and the Chief Executive Officer by this
section shall expire on March 31, 2013. If a Purchase Contract for the Bonds has not been
executed by March 31, 2013, the authorization for the issuance of the Bonds shall be rescinded,
and the Bonds shall not be issued nor their sale approved unless the Bonds shall have been re-
authorized by resolution of the Commission. The resolution reauthorizing the issuance and sale
of the Bonds may be in the form of a new resolution repealing this resolution in whole or in part
(only with respect to the Bonds not issued) or may be in the form of an amendatory resolution
approving a bond purchase contract or extending or establishing new terms and conditions for
the authority delegated under this section.

Upon the adoption of this resolution, the proper officials of the Port including the
Designated Port Representative, are authorized and directed to undertake all other actions
necessary for the prompt execution and delivery of the Bonds to the Underwriter and further to
execute all closing certificates and documents required to effect the closing and delivery of the
Bonds in accordance with the terms of the Purchase Contract.

The Designated Port Representative is authorized to execute and deliver and to approve
for purposes of the Rule, on behalf of the Port, the Official Statement (and to approve and deem
final any Preliminary Official Statement) and any supplement thereto relating to the issuance and
sale of the Bonds and the distribution of the Bonds pursuant thereto with such changes, if any, as
may be deemed by him/her to be appropriate.
The Designated Port Representative and other Port officials, agents and representatives are hereby authorized and directed to do everything necessary for the prompt issuance, execution and delivery of the Bonds to the Underwriter and for the proper application and use of the proceeds of sale of the Bonds. In furtherance of the foregoing, the Designated Port Representative is authorized to approve and enter into agreements for the payment of costs of issuance, including Underwriter's discount, the fees and expenses specified in the Purchase Contract, including fees and expenses of Underwriter and other retained services, including Bond Counsel, rating agencies, fiscal agency, escrow agent, verification agent, financial advisory services, escrow structuring services and other expenses customarily incurred in connection with issuance and sale of bonds.

Section 14. Undertaking to Provide Ongoing Disclosure.

(a) Contract/Undertaking. This section constitutes the Port's written undertaking for the benefit of the beneficial owners of the Bonds of each series to assist the Underwriter in complying with the Rule. For purposes of this section, "beneficial owner" means any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds, including persons holding Bonds through nominees or depositories.

(b) Financial Statements/Operating Data.

(1) Annual Disclosure Report. The Port covenants and agrees that not later than the first day of the ninth month after the end of each fiscal year (the "Submission Date"), commencing September 1, 2014 for the fiscal year ending December 31, 2013, the Port shall provide or cause to be provided to the MSRB an annual report (the "Annual Disclosure Report") that is consistent with the requirements of part (2) of this subsection (b). The Port may adjust such date if the Port changes its fiscal year by providing written notice of the change of fiscal
year and the new reporting date to the MSRB. The Annual Disclosure Report may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in part (2) of this subsection (b); provided that any audited annual financial statements may be submitted separately from the balance of the Annual Disclosure Report and later than the Submission Date if such audited financial statements are not available by the Submission Date. If the Port’s fiscal year changes, the Port shall give notice of such change in the same manner as notice is to be given of the occurrence of an event listed in subsection 14(c) hereof, and if for any fiscal year the Port does not furnish an Annual Disclosure Report to the MSRB by the Submission Date, the Port shall send to the MSRB notice of its failure to furnish such report pursuant to Section 14(d).

(2) **Content of Annual Disclosure Reports.** The Port’s Annual Disclosure Report shall contain or include by reference the following:

(A) Annual financial statements, which statements may or may not be audited, showing ending fund balances for the Port prepared in accordance with the Budgeting Accounting and Reporting System prescribed by the Washington State Auditor pursuant to RCW 43.09.200 (or any successor statute) and generally of the type included in the official statement for the Bonds under the headings “Historical Operating Results” and “Comparative Statement of Net Position,” and audited annual financial statements showing the same, when and if available;

(B) a statement of authorized, issued and outstanding indebtedness payable from and secured by Gross Revenue;

(C) Parity Bond debt service coverage ratios;
(D) updated information of the type included in the official statement for the Bonds in tabular form and entitled “Tonnage Statistics”; and

(E) updated information of the type included in the official statement for the Bonds in tabular form and entitled “Tenants” and “Major Customers”.

Items (B) through (E) shall be required only to the extent that such information is not included in the annual financial statements.

In lieu of providing the information in such Annual Disclosure Report, the Port may cross-reference to other documents available to the public on the MSRB’s internet website or filed with the SEC and, if such document is a final official statement within the meaning of the Rule, available from the MSRB. The Port shall identify clearly each document so included by specific reference.

(c) Material Events. The Port agrees to provide or cause to be provided, in a timely manner to the MSRB notice of the occurrence of any of the following events with respect to the Bonds not in excess of ten business days after the occurrence of the event:

- Principal and interest payment delinquencies;
- Non-payment related defaults, if material;
- Unscheduled draws on debt service reserves reflecting financial difficulties;
- Unscheduled draws on credit enhancements reflecting financial difficulties;
- Substitution of credit or liquidity providers or their failure to perform;
- Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determination of taxability, Notices of Proposed Issue (IRS Form 5701-

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TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

- Modifications to rights of owners if material;
- Optional, contingent or unscheduled Bond calls other than scheduled sinking fund redemptions for which notice is given pursuant to Exchange Act Release 34-23856, if material, and tender offers;
- Defeasances;
- Release, substitution or sale of property securing the repayment of the Bonds if material;
- Rating changes;
- Bankruptcy, insolvency, receivership or similar event of the Port;
- The consummation of a merger, consolidation, or acquisition involving the Port or the sale of all or substantially all of the assets of the Port, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- Appointment of a successor or additional trustee or the change of name of the trustee, if material.

Solely for purposes of information, but without intending to modify this undertaking, with respect to the notice regarding property securing the repayment of the Bonds, the Port will state in its Preliminary and Final Official Statements that there is no property securing the repayment of the Bonds. The Port shall promptly determine whether the events described above are material, if applicable.
(d) **Notice Upon Failure to Provide Financial Data.** The Port agrees to provide or cause to be provided, in a timely manner, to the MSRB notice of its failure to provide the annual financial information described in subsection (b) above on or prior to the Submission Date.

(e) **Format for Filings with the MSRB.** All notices, financial information and operating data required by this undertaking to be provided to the MSRB must be in an electronic format as prescribed by the MSRB. All documents provided to the MSRB pursuant to this undertaking must be accompanied by identifying information as prescribed by the MSRB.

(f) **Termination/Modification.** The Port’s obligations to provide annual financial information and notices of material events shall terminate upon the legal defeasance (if notice of such defeasance is given as provided above) or payment in full of all of the Bonds. This section, or any provision hereof, shall be null and void if the Port (1) obtains an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require this section, or any such provision, have been repealed retroactively or otherwise do not apply to the Bonds of a series; and (2) notifies the MSRB of such opinion and the cancellation of this section. Notwithstanding any other provision of this resolution, the Port may amend this Section 14 (including the items in the closing certificate referenced above) and any provision of this Section 14 may be waived, in accordance with the Rule; *provided that* (A) if the amendment or waiver relates to the provisions of subsections (b)(1), (b)(2) or (c) above, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted; (B) the undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds.
after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (C) the amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the beneficial owners of the Bonds of the applicable series.

In the event of any amendment of or waiver of a provision of this Section 14, the Port shall describe such amendment in the next Annual Disclosure Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Port. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a material event under Subsection (c), and (ii) the Annual Disclosure Report for the year in which the change is made shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

(f) *Registered Owner’s and Beneficial Owners’ Remedies Under this Section.* A Registered Owner’s and the beneficial owners’ right to enforce the provisions of this section shall be limited to a right to obtain specific enforcement of the Port’s obligations hereunder, and any failure by the Port to comply with the provisions of this undertaking shall not be a default under this resolution.

(g) *Additional Information.* Nothing in this Section 14 shall be deemed to prevent the Port from disseminating any other information, using the means of dissemination set forth in this Section 14 or any other means of communication, or including any other information in any
Annual Disclosure Report or notice of occurrence of a material event, in addition to that which is required by this Section 14. If the Port chooses to include any information in any Annual Disclosure Report or notice of the occurrence of a material event in addition to that specifically required by this Section 14, the Port shall have no obligation under this resolution to update such information or to include it in any future Annual Disclosure Report or notice of occurrence of a material event.

Section 15. Form of Bonds. The Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. ______ $ _______

STATE OF WASHINGTON

PORT OF LONGVIEW

REVENUE REFUNDING BOND, 2013[A (TAXABLE)] [B (TAX-EXEMPT – NON-AMT)]

INTEREST RATE: MATURITY DATE: CUSIP NO.

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _______ AND NO/DOLLARS

THE PORT OF LONGVIEW, WASHINGTON, a municipal corporation organized and existing under and by virtue of the laws of the State of Washington (the “Port”), promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, solely from the special fund of the Port known as the “Port of Longview 1984 Revenue Bond Fund” (the “Bond Fund”) created by Resolution No. 84-32 of the Port Commission, the Principal Amount indicated above and to pay interest thereon from the Bond Fund from ________, 20__, or the most recent date to which interest has been paid or duly provided for until payment of this bond at the Interest Rate set forth above, payable on the first days of each June and December, commencing ________, 20__. Both principal of and interest on this bond are payable in lawful money of the United States of America. For so long as the bonds of this issue are held in fully immobilized form, payments of principal thereof and interest thereon shall be made as provided in accordance with the operational arrangements of The Depository Trust Company (“DTC”) referred to in the Blanket Issuer Letter of Representations (the “Letter of Representations”) from the Port to DTC. Initially, the Cowlitz County Treasurer, as ex officio treasurer of the Port (the “Treasurer”) has specified and adopted the registration system for the bonds of this issue specified by the State Finance Committee, and the fiscal agency of the State will act as registrar, paying agent and authenticating agent (the “Bond Registrar”).

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This bond is one of an issue of $____________ of bonds of the Port of like date, tenor and effect, except as to number, amount, rate of interest and date of maturity and is issued pursuant to Resolution No. 2013-3 of the Port’s Commission (the “Bond Resolution”) to refund certain outstanding obligations of the Port. Simultaneously herewith, the Port is issuing an additional series of bonds, its Revenue Refunding Bonds, 2013[A (Taxable)] [B (Tax-Exempt – Non-AMT)] in the aggregate principal amount of $[____________] (the “2013[A][B] Bonds”).

The bonds of this issue are [not] subject to redemption prior to their stated maturities as stated in the Bond Resolution.

The bonds of this issue are not general obligations of the Port. The Port hereby covenants and agrees with the owner and holder of this bond that it will keep and perform all the covenants of this bond and the Bond Resolution.

[The bonds of this issue are not “private activity bonds” as such term is defined in the Internal Revenue Code of 1986, as amended (the “Code”). The bonds of this issue are [not] qualified tax-exempt obligations under Section 265(b) of the Code.] [Interest on the bonds of this issue is not excludible from general federal income taxation.]

The Port does hereby pledge and bind itself to set aside from Gross Revenue, and to pay into said Bond Fund and the Reserve Account therein the various amounts required by the Bond Resolution to be paid into and maintained in said Fund and Account, all within the times provided by said resolution.

Said amounts so pledged to be paid out of Gross Revenue into said Bond Fund and Reserve Account therein are hereby declared to be a first and prior lien and charge upon such Gross Revenue superior to all other charges of any kind or nature whatsoever, except costs of administration and maintenance and operation and except that the amounts so pledged are of equal lien to the lien and charge thereon of the Outstanding Parity Bonds, the 2013[A][B] Bonds and to any lien and charge which may hereafter be made to pay and secure the payment of the principal of and interest on any Future Parity Bonds.

The Port has further bound itself to maintain all of its properties and facilities which contribute in some measure to such Gross Revenue in good repair, working order and condition, to operate the same in an efficient manner and at a reasonable cost, and to establish, maintain and collect rentals, tariffs, rates and charges in the operation of all of its business for as long as any Parity Bonds are Outstanding that will produce Net Revenue in each year in an amount at least equal to the Rate Covenant.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication hereon shall have been manually signed by the Bond Registrar.

It is hereby certified and declared that this bond and the bonds of this issue are issued pursuant to and in strict compliance with the Constitution and laws of the State of Washington.
and resolutions of the Port and that all acts, conditions and things required to be done precedent
to and in the issuance of this bond have happened, been done and performed.

IN WITNESS WHEREOF, the Port of Longview, Washington, has caused this bond to
be executed by the facsimile signatures of the President and Secretary of the Commission, and
the corporate seal of the Port to be imprinted, impressed or otherwise reproduced hereon as of
the ___ day of ______, 2013.

[SEAL]  
PORT OF LONGVIEW, WASHINGTON

By ___________ /s/ __________________
President, Port Commission

ATTEST:

_________________________ /s/ __________________
Secretary, Port Commission

The Bond Registrar’s Certificate of Authentication on the Bonds shall be in substantially
the following form:

CERTIFICATE OF AUTHENTICATION

Date of Authentication:

This bond is one of the bonds described in the within-mentioned Bond Resolution and is
one of the Port of Longview, Washington, Revenue Refunding Bonds, 2013[A (Taxable)]

WASHINGTON STATE FISCAL
AGENCY, as Bond Registrar

By ____________________________
Authorized Signer

Section 16. Execution of Bonds. The Bonds shall be executed on behalf of the Port
with the manual or facsimile signatures of the President and Secretary of the Commission and
the seal of the Port impressed, imprinted or otherwise reproduced thereon.

Only such Bonds as shall bear thereon a Certificate of Authentication in the form
hereinbefore recited, manually executed by the Bond Registrar, shall be valid or obligatory for
any purpose or entitled to the benefits of this resolution. Such Certificate of Authentication shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this resolution.

In case either of the officers who shall have executed the Bonds shall cease to be an officer or officers of the Port before the Bonds so signed shall have been authenticated or delivered by the Bond Registrar, or issued by the Port, such Bonds may nevertheless be authenticated, delivered and issued and upon such authentication, delivery and issuance, shall be as binding upon the Port as though those who signed the same had continued to be such officers of the Port. Any Bond may also be signed and attested on behalf of the Port by such persons who are at the actual date of delivery of such Bond the proper officers of the Port although at the original date of such Bond any such person shall not have been such officer of the Port.

Section 17. Disposition of the Proceeds of Sale of Bonds; Refunding Procedures. The Bond proceeds shall be allocated as provided in the closing certificates of the Designated Port Representative. The proceeds of the sale of the Bonds shall be delivered to the Port for the purpose of paying and redeeming the Refunded Bonds, funding the Reserve Account, if required, and paying related costs of issuance.

(a) Reserve Account. The portion of the 2013A Bonds and 2013B Bonds, if any, designated by the Designated Port Representative shall be deposited into the Reserve Account which shall be, together with the balance therein, sufficient to meet the Reserve Account Requirement.

(b) Refunding Proceeds. The proceeds of the 2013A Bonds and the 2013B Bonds in the dollar amount certified by the Designated Port Representative to the Escrow Agent shall be applied by the Port, along with funds of the Port, if any, delivered to the Escrow Agent for the
purpose of prepaying Other Obligations and/or defeasing the Refunded Bonds and at the Port’s option, paying related costs of issuance.

Money received by the Escrow Agent from the Bond proceeds and other money provided by the Port shall be used immediately by the Escrow Agent upon receipt thereof in accordance with the terms of the Escrow Agreement to defease the Refunded Bonds as authorized by the Outstanding Parity Bond Resolutions. The Refunded Bonds shall be called for redemption at 100% of par on the Call Date. The Port shall defease the Refunded Bonds and discharge such obligations by the use of money deposited with the Escrow Agent to purchase certain Government Obligations (which obligations so purchased, are herein called “Acquired Obligations”), bearing such interest and maturing as to principal and interest in such amounts and at such times which, together with any necessary beginning cash balance, will provide for prepayment of the refunded Other Obligations and for the payment of:

(1) interest on the Refunded Bonds coming due on each date on which interest is due and payable, to and including the Call Date; and

(2) the redemption price of the Refunded Bonds (100% of the principal amount thereof) on the Call Date.

(c) Escrow Agent, Escrow Agreement and Costs of Issuance Agreement. The Port hereby appoints U.S. Bank National Association, as the Escrow Agent for the Refunded Bonds (the “Escrow Agent”). A beginning cash balance, if any, and the Acquired Obligations shall be deposited irrevocably with the Escrow Agent in an amount sufficient to defease the Refunded Bonds. The proceeds of the Bonds remaining after acquisition of the Acquired Obligations and provision for the necessary beginning cash balance shall be utilized to pay expenses of the
acquisition and safekeeping of the Acquired Obligations and expenses of the issuance of the
Bonds.

In order to carry out the purposes of this Section 17, the Designated Port Representative
is authorized and directed to execute and deliver to the Escrow Agent, an Escrow Deposit
Agreement and a Costs of Issuance Agreement, each substantially in the form attached hereto as
Exhibit A and Exhibit B, respectively.

(d) Call for Redemption of Refunded Bonds; Prepayment. The Port hereby
irrevocably sets aside sufficient funds out of the purchase of Acquired Obligations from proceeds
of the 2013A and the 2013B Bonds to make the payments described in Subsection (b)(1) and (2)
of this Section.

The Port hereby calls the Refunded Bonds for redemption on the Call Date in accordance
with the provisions of the Outstanding Parity Bond Resolutions.

Said defeasance and call for redemption of the Refunded Bonds shall be irrevocable after
the final establishment of the escrow account and delivery of the Acquired Obligations to the
Escrow Agent.

The Escrow Agent is hereby authorized and directed to provide for the giving of notices
of the redemption of the Refunded Bonds in accordance with the applicable provisions of the
Outstanding Parity Bond Resolutions. The Designated Port Representative is authorized and
requested to provide whatever assistance is necessary to accomplish such redemption and the
giving of notices therefor. The costs of publication of such notices shall be an expense of the
Port.

The Port will take such actions as are found necessary to ensure that all necessary and
proper fees, compensation and expenses of the Escrow Agent shall be paid when due.
Section 18. Supplements and Amendments.

(a) The Commission from time to time and at any time may adopt a resolution or resolutions supplemental hereof, which resolution or resolutions thereafter shall become a part of this resolution, for any one or more or all of the following purposes:

(1) To add to the covenants and agreements of the Port in this resolution contained other covenants and agreements thereafter to be observed, which shall not adversely affect the interests of the owners of any Parity Bonds, or to surrender any right or power herein reserved to or conferred upon the Port.

(2) To make such provisions for the purpose of curing any ambiguities or of curing, correcting or supplementing any defective provision contained in this resolution or any resolution authorizing Parity Bonds in regard to matters or questions arising under such resolutions as the Commission may deem necessary or desirable and not inconsistent with such resolutions and which shall not adversely affect the interest of the owners of Parity Bonds.

Any such supplemental resolution of the Commission may be adopted without the consent of the owners of any Parity Bonds at any time Outstanding, notwithstanding any of the provisions of subsection (b) of this section.

(b) With the consent of the owners of not less than 65% in aggregate principal amount of the Parity Bonds at the time Outstanding, the Commission may adopt a resolution or resolutions supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this resolution or of any supplemental resolution; provided, however, that no such supplemental resolution shall:

(1) Extend the fixed maturity of any Parity Bonds, or reduce the rate of interest thereon, or extend the time of payments of interest from their due date, or reduce the
amount of the principal thereof, or reduce any premium payable on the redemption thereof without the consent of the owner of each Parity Bond so affected; or

(2) Reduce the aforesaid percentage of owners of Parity Bonds required to approve any such supplemental resolution, without the consent of the owners of all of the Parity Bonds then Outstanding.

It shall not be necessary for the consent of the Bondowners under this subsection (b) to approve the particular form of any proposed supplemental resolution, but it shall be sufficient if such consent shall approve the substance thereof.

(c) Upon the adoption of any supplemental resolution pursuant to the provisions of this section, this resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations of the Port under this resolution and all owners of Parity Bonds Outstanding hereunder shall thereafter be determined, exercised and enforced thereunder, subject in all respect to such modification and amendments, and all the terms and conditions of any such supplemental resolution shall be deemed to be part of the terms and conditions of this resolution for any and all purposes.

(d) Parity Bonds executed and delivered after the execution of any supplemental resolution adopted pursuant to the provisions of this section may have a notation as to any matter provided for in such supplemental resolution, and if such supplemental resolution shall so provide, new bonds so modified as to conform in the opinion of the Commission, to any modification of this resolution contained in any such supplemental resolution, may be prepared by the Port and delivered without cost to the owners of any affected Parity Bonds then Outstanding.
Section 19. 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, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements in this resolution and shall in no way affect the validity of the other provisions of this resolution or of any Parity Bonds.

Section 20. Effective Date. This resolution shall be effective immediately upon its adoption.

ADOPTED by the Port Commission at a special meeting thereof, held on the 15th day of January, 2013, and duly authenticated in open session by the signatures of the Commissioners present and voting in favor thereof.

PORT OF LONGVIEW, WASHINGTON

[Signatures]

President and Commissioner

Vice President and Commissioner

Secretary and Commissioner
EXHIBIT A

ESCORW DEPOSIT AGREEMENT

PORT OF LONGVIEW, WASHINGTON
REVENUE REFUNDING BONDS, 2013A (TAXABLE)
REVENUE REFUNDING BONDS, 2013B (TAX-EXEMPT – NON-AMT)

THIS ESCROW AGREEMENT, dated as of _______, 2013 (herein, together with any amendments or supplements hereto, called the “Agreement”), is entered into by and between PORT LONGVIEW, WASHINGTON (herein called the “Port”) and U.S. BANK NATIONAL ASSOCIATION, as Escrow Agent (herein, together with any successor in such capacity, called the “Escrow Agent”). The notice addresses of the Port, the Port Treasurer and the Escrow Agent are shown on Exhibit A attached hereto and made a part hereof.

WITNESSETH:

WHEREAS, the Port has issued and there presently remain outstanding the obligations described in Exhibit B (the “Refunded Bonds”); and

WHEREAS, pursuant to Resolution No. 2013-3 adopted on January 15, 2013 (the “Bond Resolution”), the Port has determined to issue its Revenue Refunding Bonds, 2013A and Revenue Refunding Bonds, 2013B (together, the “Bonds”) for the purpose of providing funds to pay the costs of refunding the Refunded Bonds; and

WHEREAS, the Escrow Agent has reviewed this Agreement and the Bond Resolution, and is willing to serve as Escrow Agent; and

WHEREAS, pursuant to the Bond Resolution, the Refunded Bonds have been designated for redemption prior to their scheduled maturity dates and, after provision is made for such redemption, the Refunded Bonds will come due in the amount and at the time set forth in Exhibit C; and

WHEREAS, when Escrowed Securities have been deposited with the Escrow Agent for the payment of all principal and interest of the Refunded Bonds when due, then the Refunded Bonds shall no longer be regarded as outstanding except for the purpose of receiving payment from the funds provided for such purpose; and

WHEREAS, the Bonds have been duly authorized to be issued, sold, and delivered for the purpose of obtaining the funds required to provide for the payment of the redemption price of the Refunded Bonds as shown on Exhibit C; and
WHEREAS, the Port desires that, concurrently with the delivery of the Bonds to the purchasers, the proceeds of the Bonds, together with certain other available funds of the Port, shall be applied to purchase certain noncallable direct obligations of the United States of America hereinafter defined as the "Escrowed Securities" for deposit to the credit of the Refunding Accounts and to establish a beginning cash balance (if needed) in the Refunding Accounts; and

WHEREAS, simultaneously herewith, the Port is entering into a Costs of Issuance Agreement with the Escrow Agent to provide for the payment of costs of issuance relating to the Bonds;

NOW, THEREFORE, in consideration of the mutual undertakings, promises and agreements herein contained, the sufficiency of which hereby are acknowledged, and to secure the full and timely payment of principal of and the interest on the Refunded Bonds, the Port and the Escrow Agent mutually undertake, promise and agree for themselves and their respective representatives and successors, as follows:

Article 1. Definitions

Section 1.1. Definitions.

Unless the context clearly indicates otherwise, the following terms shall have the meanings assigned to them below when they are used in this Agreement:

*Call Date* means ____________.

*Escrowed Securities* means the noncallable Government Obligations described in Exhibit D.

*Government Obligations* means direct, noncallable (a) United States Treasury Obligations, (b) United States Treasury Obligations - State and Local Government Series, (c) non-prepayable obligations which are unconditionally guaranteed as to full and timely payment of principal and interest by the United States of America or (d) REFCORP debt obligations unconditionally guaranteed by the United States.

*Paying Agent* means the fiscal agency of the state of Washington, as the paying agent for the Refunded Bonds.

*Refunding Accounts* means the funds created by this Agreement to be established, held and administered by the Escrow Agent pursuant to the provisions of this Agreement.

*Treasurer* means the Treasurer of Cowlitz County, as ex officio treasurer of the Port, or any successor to the functions of the Treasurer.
Section 1.2. Other Definitions.

The terms "Agreement," "Bonds," "Port," "Escrow Agent," "Bond Resolution," and "Refunded Bonds" when they are used in this Agreement, shall have the meanings assigned to them in the preamble to this Agreement.

Section 1.3. Interpretations.

The titles and headings of the articles and sections of this Agreement have been inserted for convenience and reference only and are not to be considered a part hereof and shall not in any way modify or restrict the terms hereof. This Agreement and all of the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to achieve the intended purpose of providing for the refunding of the Refunded Bonds in accordance with applicable law.

Article 2. Deposit of Funds and Escrowed Securities

Section 2.1. Deposits in the Refunding Accounts.

Concurrently with the sale and delivery of the Bonds the Port shall deposit, or cause to be deposited, with the Escrow Agent, for deposit in the Refunding Accounts, the funds sufficient to purchase the Escrowed Securities described in Exhibit D, and the Escrow Agent shall, upon the receipt thereof, acknowledge such receipt to the Port in writing.

Article 3. Creation and Operation of Refunding Accounts

Section 3.1. Refunding Accounts.

The Escrow Agent has created on its books special trust funds and irrevocable escrows to be known as the Taxable Refunding Account and the Tax Exempt Refunding Account (together, the "Refunding Accounts"). The Escrow Agent agrees that upon receipt it will deposit to the credit of the Taxable and Tax Exempt Refunding Accounts the funds and the Escrowed Securities described in Exhibits D-1 and D-2, respectively. Such deposit, all proceeds therefrom, and all cash balances on deposit therein (a) shall be the property of the Refunding Accounts, (b) shall be applied only in strict conformity with the terms and conditions of this Agreement, and (c) are hereby irrevocably pledged to the payment of the principal of and interest on the Refunded Bonds, which payment shall be made by timely transfers of such amounts at such times as are provided for in Section 3.2. When the final transfers have been made for the payment of such principal of and interest on the Refunded Bonds, any balance then remaining in the Refunding Accounts shall be transferred to the Port, and the Escrow Agent shall thereupon be discharged from any further duties hereunder.

Section 3.2. Payment of Principal and Interest.

The Escrow Agent is hereby irrevocably instructed to transfer to the Paying Agent from the cash balances on deposit in the Taxable Refunding Account, the amounts required to pay the
principal of the 1998C Bonds and the 1999A Bonds on the Call Date and interest thereon to such Call Date in the amount as shown in Exhibit C-1.

The Escrow Agent is hereby irrevocably instructed to transfer to the Paying Agent from the cash balances on deposit in the Tax Exempt Refunding Account, the amounts required to pay the principal of the 1999B Bonds on the Call Date and interest thereon to such Call Date in the amount as shown in Exhibit C-2.

Section 3.3. Sufficiency of Refunding Accounts.

The Port represents that, based upon the information provided by Seattle-Northwest Securities Corporation, the receipts of the principal of and interest on the Escrowed Securities will assure that the cash balance on deposit in the Refunding Accounts will be at all times sufficient to provide money for transfer to the Paying Agent on the Call Date in the amount required to pay the interest on the Refunded Bonds and the principal of the Refunded Bonds on the Call Date, all as more fully set forth in Exhibit E. If, for any reason, at any time, the cash balances on deposit or scheduled to be on deposit in the Refunding Accounts shall be insufficient to transfer the amounts required by the Paying Agent to make the payments set forth in Section 3.2, the Port shall timely deposit in the Refunding Accounts, from any funds that are lawfully available therefor, additional funds in the amounts required to make such payments. Notice of any such insufficiency shall be given promptly as hereinafter provided, but the Escrow Agent shall not in any manner be responsible for any insufficiency of funds in the Refunding Accounts or the Port’s failure to make additional deposits.

Section 3.4. Trust Fund.

The Escrow Agent shall hold at all times the Refunding Accounts, the Escrowed Securities and all other assets of the Refunding Accounts, wholly segregated from all other funds and securities on deposit with the Escrow Agent; it shall never allow the Escrowed Securities or any other assets of the Refunding Accounts to be commingled with any other funds or securities of the Escrow Agent; and it shall hold and dispose of the assets of the Refunding Accounts only as set forth herein. The Escrowed Securities and other assets of the Refunding Accounts shall always be maintained by the Escrow Agent as trust funds for the benefit of the owners of the Refunded Bonds; and a special account shall at all times be maintained on the books of the Escrow Agent. The amounts received by the Escrow Agent under this Agreement shall not be considered as a banking deposit by the Port, and the Escrow Agent shall have no right to title with respect thereto except as an agent and Escrow Agent under the terms of this Agreement.

Article 4. Limitation on Investments

Except for the initial investment in the Escrowed Securities, the Escrow Agent shall not have any power or duty to invest or reinvest any money held hereunder, or to make substitutions of the Escrowed Securities, or to sell, transfer, pledge, hypothecate or otherwise dispose of the Escrowed Securities.
Article 5. Application of Cash Balances

Section 5.1. In General.

Except as provided in Section 2.1 and 3.2 hereof, no withdrawals, transfers or reinvestment shall be made of cash balances in the Refunding Accounts. Cash balances shall be held by the Escrow Agent in United States currency as cash balances as shown on the books and records of the Escrow Agent.

Article 6. Redemption of Refunded Bonds

Section 6.1. Call for Redemption.

The Port hereby irrevocably calls the Refunded Bonds for redemption on the Call Date, as shown in Appendix A attached hereto.

Section 6.2. Notice of Redemption.

The Escrow Agent agrees to give a notice of notice of the redemption of the Refunded Bonds to the Paying Agent for dissemination in accordance with the terms of Resolution No. 98-30 and Resolution No. 99-22 of the Port and in substantially the forms attached hereto as Appendix A to the Paying Agent for distribution as described therein. The notice of redemption shall be given in accordance with Resolutions No. 98-30 and 99-22. The Escrow Agent hereby certifies that provision satisfactory and acceptable to the Escrow Agent has been made for the giving of notice of redemption of the Refunded Bonds.

Article 7. Records and Reports

Section 7.1. Records.

The Escrow Agent will keep books of record and account in which complete and accurate entries shall be made of all transactions relating to the receipts, disbursements, allocations and application of the money and Escrowed Securities deposited to the Refunding Accounts and all proceeds thereof, and such books shall be available for inspection during business hours and after reasonable notice.

Section 7.2. Reports.

The Escrow Agent shall provide a report to the Port upon the final payment and redemption of the Refunded Bonds.
Article 8. Concerning the Paying Agent and Escrow Agent

Section 8.1. Representations.

The Escrow Agent hereby represents that it has all necessary power and authority to enter into this Agreement and undertake the obligations and responsibilities imposed upon it herein, and that it will carry out all of its obligations hereunder.

Section 8.2. Limitation on Liability.

The liability of the Escrow Agent to transfer funds for the payment of the principal of and interest on the Refunded Bonds shall be limited to the proceeds of the Escrowed Securities and the cash balances from time to time on deposit in the Refunding Accounts. Notwithstanding any provision contained herein to the contrary, the Escrow Agent shall have no liability whatsoever for the insufficiency of funds from time to time in the Refunding Accounts or any failure of the obligors of the Escrowed Securities to make timely payment thereon, except for the obligation to notify the Port promptly of any such occurrence.

The recitals herein and in the proceedings authorizing the Bonds shall be taken as the statements of the Port and shall not be considered as made by, or imposing any obligation or liability upon, the Escrow Agent.

It is the intention of the parties that the Escrow Agent shall never be required to use or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder.

The Escrow Agent shall not be liable for any action taken or neglected to be taken by it in good faith in any exercise of reasonable care and believed by it to be within the discretion or power conferred upon it by this Agreement, nor shall the Escrow Agent be responsible for the consequences of any error of judgment; and the Escrow Agent shall not be answerable except for its own action, neglect or default, nor for any loss unless the same shall have been through its negligence or want of good faith.

Unless it is specifically otherwise provided herein, the Escrow Agent has no duty to determine or inquire into the happening or occurrence of any event or contingency or the performance or failure of performance of the Port with respect to arrangements or contracts with others, with the Escrow Agent’s sole duty hereunder being to safeguard the Refunding Accounts, to dispose of and deliver the same in accordance with this Agreement. If, however, the Escrow Agent is called upon by the terms of this Agreement to determine the occurrence of any event or contingency, the Escrow Agent shall be obligated, in making such determination, only to exercise reasonable care and diligence, and in event of error in making such determination the Escrow Agent shall be liable only for its own misconduct or its negligence. In determining the occurrence of any such event or contingency the Escrow Agent may request from the Port or any other person such reasonable additional evidence as the Escrow Agent in its discretion may deem necessary to determine any fact relating to the occurrence of such event or contingency, and in this connection may make inquiries of, and consult with, among others, the Port at any time.
Article 9. Miscellaneous

Section 9.1 Notice.

Any notice, authorization, request, or demand required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid addressed to the Port, the Port Treasurer or the Escrow Agent at the address shown on Exhibit A attached hereto. The United States Post Office registered or certified mail receipt showing delivery of the aforesaid shall be conclusive evidence of the date and fact of delivery. Any party hereto may change the address to which notices are to be delivered by giving to the other parties not less than ten days prior notice thereof.

Section 9.2 Termination of Responsibilities.

Upon the taking of all the actions as described herein by the Escrow Agent, the Escrow Agent shall have no further obligations or responsibilities hereunder to the Port, the owners of the Refunded Bonds or to any other person or persons in connection with this Agreement.

Section 9.3 Binding Agreement.

This Agreement shall be binding upon the Port and the Escrow Agent and their respective successors and legal representatives, and shall inure solely to the benefit of the owners of the Refunded Bonds, the Port, the Escrow Agent and their respective successors and legal representatives.

Section 9.4 Severability.

In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

Section 9.5 Washington Law Governs.

This Agreement shall be governed exclusively by the provisions hereof and by the applicable laws of the state of Washington.

Section 9.6 Time of the Essence.

Time shall be of the essence in the performance of obligations from time to time imposed upon the Escrow Agent by this Agreement.
Section 9.7 Notice to Moody’s.

In the event that this Agreement or any provision thereof is severed, amended or revoked, the Port shall provide written notice of such severance, amendment or revocation to Moody’s Investors Service at 7 World Trade Center at 250 Greenwich Street, New York, New York, 10007, Attention: Public Finance Rating Desk/Refunded Bonds.

Section 9.8. Amendments.

This Agreement shall not be amended except to cure any ambiguity or formal defect or omission in this Agreement. No amendment shall be effective unless the same shall be in writing and signed by the parties thereto. No such amendment shall adversely affect the rights of the holders of the Refunded Bonds. No such amendment shall be made without first receiving written confirmation from the rating agencies (if any) which have rated the Refunded Bonds that such administrative changes will not result in a withdrawal or reduction of its rating then assigned to the Refunded Bonds. If this Agreement is amended, prior written notice and copies of the proposed changes shall be given to the rating agencies which have rated the Refunded Bonds.

EXECUTED as of the date first written above.

PORT OF LONGVIEW, WASHINGTON

Designated Port Representative

U.S. BANK NATIONAL ASSOCIATION

Authorized Signatory
Exhibit A - Addresses of the Port, the County Treasurer and the Escrow Agent
Exhibit B - Description of the Refunded Bonds
Exhibit C-1 - Schedule of Debt Service on Taxable Refunded Bonds
Exhibit C-2 - Schedule of Debt Service on Tax-Exempt Refunded Bonds
Exhibit D-1 - Series 2013A Description of Beginning Cash Deposit (if any) and Escrowed Securities
Exhibit D-2 - Series 2013B Description of Beginning Cash Deposit (if any) and Escrowed Securities
Exhibit E - Refunding Accounts Cash Flow
Appendix A-1 - Notice of Redemption for the 1999A Bonds
Appendix A-2 - Notice of Redemption for the 1999B Bonds
Appendix A-3 - Notice of Redemption for the 1998C Bonds
Appendix B-1 - Notice of Defeasance for the 1999A Bonds
Appendix B-2 - Notice of Defeasance for the 1999B Bonds
Appendix B-3 - Notice of Defeasance for the 1998C Bonds
EXHIBIT A
Addresses of the Port, the County Treasurer and Escrow Agent

Port: Port of Longview
     PO Box 1258
     Longview, WA 98632-7739
     Attention: Chief Financial Officer

Treasurer: Cowlitz County Treasurer
          207 North 4th Avenue
          Kelso, WA 98626-4192
          Attention: Treasurer

Escrow Agent: U.S. Bank National Association
              7th Floor
              1420 5th Ave, PD-WA-T7CT
              Seattle, WA 98101
              Attention: Carolyn Morrison, Vice President
EXHIBIT B
Description of the Refunded Bonds

Port of Longview, Washington
Revenue Bonds, 1998 Series C
(the “1998C Bonds”)

<table>
<thead>
<tr>
<th>Maturity Date (December 1)</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$345,000</td>
<td>4.70%</td>
</tr>
<tr>
<td>2018*</td>
<td>565,000</td>
<td>5.00</td>
</tr>
</tbody>
</table>

*Term Bonds

Port of Longview, Washington
Revenue and Refunding Bonds, 1999 Series A
(the “1999A Bonds”)

<table>
<thead>
<tr>
<th>Maturity Date (December 1)</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018*</td>
<td>$6,210,000</td>
<td>6.25%</td>
</tr>
</tbody>
</table>

*Term Bonds

Port of Longview, Washington
Revenue Bonds, 1999 Series B
(the “1999B Bonds”)

<table>
<thead>
<tr>
<th>Maturity Date (December 1)</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
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<tbody>
<tr>
<td>2019*</td>
<td>$1,915,000</td>
<td>5.80%</td>
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*Term Bonds
EXHIBIT C-1

Schedule of Debt Service on the Taxable Refunded Bonds

<table>
<thead>
<tr>
<th>Date</th>
<th>Interest</th>
<th>Principal/Redemption Price</th>
<th>Total</th>
</tr>
</thead>
</table>

TOTAL:
EXHIBIT C-2

Schedule of Debt Service on the Tax Exempt Refunded Bonds

<table>
<thead>
<tr>
<th>Date</th>
<th>Interest</th>
<th>Principal/Redemption Price</th>
<th>Total</th>
</tr>
</thead>
</table>

TOTAL:
EXHIBIT D-1
Series 2013A Escrow Deposit

I. Refunded Bonds

   A. Cash $_____

   B. Other Obligations

<table>
<thead>
<tr>
<th>Description</th>
<th>Maturity Date</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
<th>Total Cost</th>
</tr>
</thead>
</table>


EXHIBIT D-2
Series 2013B Escrow Deposit

I. Refunded Bonds
   A. Cash $_____
   B. Other Obligations

<table>
<thead>
<tr>
<th>Description</th>
<th>Maturity Date</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
<th>Total Cost</th>
</tr>
</thead>
</table>

EXHIBIT E
Taxable Refunding Account Cash Flow

<table>
<thead>
<tr>
<th>Date</th>
<th>Escrow Requirement</th>
<th>Net Escrow Receipts</th>
<th>Excess Receipts</th>
<th>Cash Balance</th>
</tr>
</thead>
</table>

Tax Exempt Refunding Account Cash Flow

<table>
<thead>
<tr>
<th>Date</th>
<th>Escrow Requirement</th>
<th>Net Escrow Receipts</th>
<th>Excess Receipts</th>
<th>Cash Balance</th>
</tr>
</thead>
</table>
APPENDIX A-1
Notice of Redemption
Port of Longview, Washington
Revenue Bonds, 1998 Series C

NOTICE IS HEREBY GIVEN that the Port of Longview, Washington, has called for redemption on __________, 2013, the following described outstanding Revenue Bonds, 1998 Series C (the “1998 Bonds”).

The 1998 Bonds will be redeemed at a price of one hundred percent (100%) of their principal amount, plus interest accrued to __________, 2013. The redemption price of the 1998 Bonds is payable on presentation and surrender of the 1998 Bonds at the office of:

The Bank of New York Mellon
Worldwide Securities -or-
Processing
2001 Bryan Street, 9th Floor
Dallas, TX 7520

Wells Fargo Bank, National Association
Corporate Trust Department
14th Floor
999 Third Avenue
Seattle, WA 98104

Interest on all 1998 Bonds or portions thereof which are redeemed shall cease to accrue on __________, 2013.

The following 1998 Bonds are being redeemed:

<table>
<thead>
<tr>
<th>Maturity Year (December 1)</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
<th>CUSIP No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$345,000</td>
<td>4.70%</td>
<td>734728EK0</td>
</tr>
<tr>
<td>2018*</td>
<td>565,000</td>
<td>5.00</td>
<td>734728EQ7</td>
</tr>
</tbody>
</table>

*Term Bonds; outstanding portion of original principal amount issued.

By Order of Port of Longview, Washington
The Bank of New York Mellon, as Paying Agent
Dated: ____________________________

Withholding of 28% of gross redemption proceeds of any payment made within the United States may be required by the Jobs and Growth Tax Relief Reconciliation Act of 2003 unless the Paying Agent has the correct taxpayer identification number (social security or employer identification number) or exemption certificate of the payee. Please furnish a properly completed Form W-9 or exemption certificate or equivalent when presenting your Bonds.

* This notice shall be given not more than 60 nor less than 30 days prior to __________, by first-class mail to each registered owner of the 1998 Bonds. In addition notice shall be mailed at least 35 days prior to __________, 2013 to The Depository Trust Company of New York, New York; Seattle-Northwest Securities Corporation; Moody’s Investors Service and to the Municipal Securities Rulemaking Board.
APPENDIX A-2
Notice of Redemption*
Port of Longview, Washington
Revenue and Refunding Bonds, 1999 Series A

NOTICE IS HEREBY GIVEN that the Port of Longview, Washington, has called for redemption on __________, 2013, the following described outstanding Revenue and Refunding Bonds, 1999 Series A (the "1999A Bonds").

The 1999A Bonds will be redeemed at a price of one hundred percent (100%) of their principal amount, plus interest accrued to __________, 2013. The redemption price of the 1999A Bonds is payable on presentation and surrender of the 1999A Bonds at the office of:

The Bank of New York Mellon
Worldwide Securities Processing
2001 Bryan Street, 9th Floor
Dallas, TX 7520

Wells Fargo Bank, National Association
Corporate Trust Department
14th Floor
999 Third Avenue
Seattle, WA 98104

Interest on all 1999A Bonds or portions thereof which are redeemed shall cease to accrue on __________, 2013.

The following 1999A Bond is being redeemed:

<table>
<thead>
<tr>
<th>Maturity Year (December 1)</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
<th>CUSIP No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018*</td>
<td>$ 6,210,000</td>
<td>6.25%</td>
<td>734728FK9</td>
</tr>
</tbody>
</table>

*Term Bonds

By Order of Port of Longview, Washington
The Bank of New York Mellon, as Paying Agent
Dated: ________________________________

Withholding of 28% of gross redemption proceeds of any payment made within the United States may be required by the Jobs and Growth Tax Relief Reconciliation Act of 2003 unless the Paying Agent has the correct taxpayer identification number (social security or employer identification number) or exemption certificate of the payee. Please furnish a properly completed Form W-9 or exemption certificate or equivalent when presenting your Bonds.

* This notice shall be given not more than 60 nor less than 30 days prior to __________, by first-class mail to each registered owner of the 1999A Bonds. In addition notice shall be mailed at least 35 days prior to __________, 2013 to The Depository Trust Company of New York, New York; Seattle-Northwest Securities Corporation; Moody's Investors Service and to the Municipal Securities Rulemaking Board.
APPENDIX A-3
Notice of Redemption*
Port of Longview, Washington
Revenue Bonds, 1999 Series B

NOTICE IS HEREBY GIVEN that the Port of Longview, Washington, has called for redemption on __________, 2013, the following described outstanding Revenue Bonds, 1999 Series B (the “1999B Bonds”).

The 1999B Bonds will be redeemed at a price of one hundred percent (100%) of their principal amount, plus interest accrued to __________, 2013. The redemption price of the 1999B Bonds is payable on presentation and surrender of the 1999B Bonds at the office of:

The Bank of New York
Mellon
Worldwide Securities -or-
Processing
2001 Bryan Street, 9th Floor
Dallas, TX 7520

Wells Fargo Bank, National
Association
Corporate Trust Department
14th Floor
999 Third Avenue
Seattle, WA 98104

Interest on all 1999B Bonds or portions thereof which are redeemed shall cease to accrue on __________, 2013.

The following 1999B Bond is being redeemed:

<table>
<thead>
<tr>
<th>Maturity Year (December 1)</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
<th>CUSIP No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$1,915,000</td>
<td>5.80%</td>
<td>734728FT0</td>
</tr>
</tbody>
</table>

*Term Bonds

By Order of Port of Longview, Washington

The Bank of New York Mellon, as Paying Agent

Dated: ____________________________

Withholding of 28% of gross redemption proceeds of any payment made within the United States may be required by the Jobs and Growth Tax Relief Reconciliation Act of 2003 unless the Paying Agent has the correct taxpayer identification number (social security or employer identification number) or exemption certificate of the payee. Please furnish a properly completed Form W-9 or exemption certificate or equivalent when presenting your Bonds.

*This notice shall be given not more than 60 nor less than 30 days prior to __________, by first-class mail to each registered owner of the 1999B Bonds. In addition notice shall be mailed at least 35 days prior to __________, 2013 to The Depository Trust Company of New York, New York; Seattle-Northwest Securities Corporation; Moody’s Investors Service and to the Municipal Securities Rulemaking Board.
APPENDIX B-1*
Notice of Defeasance
Port of Longview, Washington
Revenue Bonds, 1998 Series C

NOTICE IS HEREBY GIVEN to the owners of that portion of the above captioned bonds with respect to which, pursuant to an Escrow Agreement dated __________, 2013, by and between Port of Longview, Washington (the “Port”) and U.S. Bank National Association, Seattle, Washington (the “Escrow Agent”), the Port has deposited into an escrow account, held by the Escrow Agent, cash and non-callable direct obligations of the United States of America, the principal of and interest on which, when due, will provide money to pay each year, to and including the respective maturity or redemption dates of such bonds so provided for, the principal thereof and interest thereon (the “Defeased Bonds”). Such Defeased Bonds are therefore deemed to be no longer outstanding pursuant to Resolution No. 98-30 of the Port authorizing the Defeased Bonds, but will be paid by application of the assets in such escrow.

The Defeased Bonds are described as follows:

Port of Longview, Washington Revenue Bonds, 1998 Series C.

(Dated December 23, 1998)

<table>
<thead>
<tr>
<th>Maturity Year (December 1)</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
<th>CUSIP No.</th>
<th>Call Date (at 100%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$ 345,000</td>
<td>4.70%</td>
<td>734728EK0</td>
<td></td>
</tr>
<tr>
<td>2018*</td>
<td>565,000</td>
<td>5.00</td>
<td>734728EQ7</td>
<td></td>
</tr>
</tbody>
</table>

*Term Bonds; outstanding portion of original principal amount issued.

*This notice shall be given immediately by first class mail to each registered owner of the Defeased Bonds. In addition notice shall be mailed to The Depository Trust Company of New York, New York; Moody’s Investors Service; and to the Municipal Securities Rulemaking Board.
APPENDIX B-2*
Notice of Defeasance
Port of Longview, Washington
Revenue and Refunding Bonds, 1999 Series A

NOTICE IS HEREBY GIVEN to the owners of that portion of the above captioned bonds with respect to which, pursuant to an Escrow Agreement dated _______, 2013, by and between Port of Longview, Washington (the "Port") and U.S. Bank National Association, Seattle, Washington (the "Escrow Agent") the Port has deposited into an escrow account, held by the Escrow Agent, cash and non-callable direct obligations of the United States of America, the principal of and interest on which, when due, will provide money to pay each year, to and including the respective maturity or redemption dates of such bonds so provided for, the principal thereof and interest thereon (the "Defeased Bonds"). Such Defeased Bonds are therefore deemed to be no longer outstanding pursuant to Resolution No. 99-22 of the Port authorizing the Defeased Bonds, but will be paid by application of the assets in such escrow.

The Defeased Bonds are described as follows:

Port of Longview, Washington Revenue and Refunding Bonds, 1999 Series A.

(Dated November 1, 1999)

<table>
<thead>
<tr>
<th>Maturity Year (December 1)</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
<th>CUSIP No.</th>
<th>Call Date (at 100%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018*</td>
<td>$6,210,000</td>
<td>6.25%</td>
<td>734728FK9</td>
<td></td>
</tr>
</tbody>
</table>

*Term Bonds

*This notice shall be given immediately by first class mail to each registered owner of the Defeased Bonds. In addition notice shall be mailed to The Depository Trust Company of New York, New York; Moody’s Investors Service; and to the Municipal Securities Rulemaking Board.
APPENDIX B-3*
Notice of Defeasance
Port of Longview, Washington
Revenue Bonds, 1999 Series B

NOTICE IS HEREBY GIVEN to the owners of that portion of the above captioned bonds with respect to which, pursuant to an Escrow Agreement dated ________, 2013, by and between Port of Longview, Washington (the “Port”) and U.S. Bank National Association, Seattle, Washington (the “Escrow Agent”), the Port has deposited into an escrow account, held by the Escrow Agent, cash and non-callable direct obligations of the United States of America, the principal of and interest on which, when due, will provide money to pay each year, to and including the respective maturity or redemption dates of such bonds so provided for, the principal thereof and interest thereon (the “Defeased Bonds”). Such Defeased Bonds are therefore deemed to be no longer outstanding pursuant to Resolution No. 99-22 of the Port authorizing the Defeased Bonds, but will be paid by application of the assets in such escrow.

The Defeased Bonds are described as follows:

Port of Longview, Washington Revenue Bonds, 1999 Series B,

(Dated November 1, 1999)

<table>
<thead>
<tr>
<th>Maturity Year (December 1)</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
<th>CUSIP No.</th>
<th>Call Date (at 100%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019*</td>
<td>$1,915,000</td>
<td>5.80%</td>
<td>734728FT0</td>
<td></td>
</tr>
</tbody>
</table>

*Term Bonds

*This notice shall be given immediately by first class mail to each registered owner of the Defeased Bonds. In addition notice shall be mailed to The Depository Trust Company of New York, New York; Moody’s Investors Service; and to the Municipal Securities Ratemaking Board.
EXHIBIT B

COSTS OF ISSUANCE AGREEMENT

PORT OF LONGVIEW, WASHINGTON
REVENUE REFUNDING BONDS, 2013A (TAXABLE) - $___
REVENUE REFUNDING BONDS, 2013B (TAX-EXEMPT - NON-AMT) - $___

THIS COSTS OF ISSUANCE AGREEMENT, dated as of __________, 2013 (herein,
together with any amendments or supplements hereto, called the “Agreement”), is entered into
by and between the Port of Longview, Washington, (herein called the “Port”) and U.S. Bank
National Association, Seattle, Washington, as Escrow Agent (herein, together with any successor
in such capacity, called the “Escrow Agent”).

WITNESSETH:

WHEREAS, pursuant to Resolution No. 2013-3 adopted on January 15, 2013 (the “Bond
Ordinance”), the Port has determined to issue its Revenue Refunding Bonds, 2013 (the
“Bonds”); and

WHEREAS, simultaneously herewith, the Port is entering into an Escrow Deposit
Agreement, dated __________, 2013 under which the Escrow Agent will hold invested
proceeds of the Bonds in order to pay and redeem the refunded bonds under the terms set forth
therein; and

WHEREAS, certain proceeds of the Bonds will be delivered to the Escrow Agent on the
date of issuance of the Bonds that are required to be disbursed to pay costs of issuance of the
Bonds; and

WHEREAS, the Escrow Agent has agreed, without additional compensation, to disburse
the Bond proceeds received to pay costs of issuance under the terms of this Agreement;

Section 1. Deposit in the Costs of Issuance Fund.

The Escrow Agent has created on its books a special trust fund and escrow fund to be
known as the Costs of Issuance Fund. The Escrow Agent agrees that upon receipt it will deposit
to the credit of the Costs of Issuance Fund Account the sum of $_______ to pay those costs of
issuance set forth on Exhibit A. Such deposit, all proceeds therefrom, and all cash balances on
deposit therein shall be the property of the Costs of Issuance Fund to pay those costs of issuance
set forth on Exhibit A upon receipt of invoices. If any of the $_______ deposit allocated for
costs of issuance for the Bonds remains unspent on __________, 2013, the Escrow Agent shall
transfer such unspent amount to the Port, and this Agreement shall be deemed fully performed
and terminated.
Section 2. Investments.

The Escrow Agent shall not have any power or duty to invest or reinvest any money held hereunder.

Section 3. Limitation on Liability.

The liability of the Escrow Agent to transfer funds for the payment of the costs of issuance identified herein shall be limited to the proceeds of the Bonds delivered to the Escrow Agent.

Section 4. Compensation.

The Port shall pay to the Escrow Agent fees for performing the services hereunder and under the Escrow Agreement for the expenses incurred or to be incurred by the Escrow Agent in the administration of this Agreement and the Escrow Agreement pursuant to the terms of the Fee Schedule attached as Exhibit B. The Escrow Agent hereby agrees that in no event shall it ever assert any claim or lien against funds held under the Escrow Agreement for any fees for its services, whether regular or extraordinary, as Escrow Agent, or in any other capacity, or for reimbursement for any of its expenses as Escrow Agent or in any other capacity.

Section 5. Notice.

Any notice, authorization, request, or demand required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid addressed to the Port or the Escrow Agent at the address shown on Exhibit A to the Escrow Agreement.


This Agreement shall be governed exclusively by the provisions hereof and by the applicable laws of the state of Washington.
EXECUTED as of the date first written above.

PORT OF LONGVIEW, WASHINGTON

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Chief Financial Officer

U.S. BANK NATIONAL ASSOCIATION

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Authorized Signer

Exhibit A  -  Costs of Issuance Schedule
Exhibit B  -  Fee Schedule
EXHIBIT A

Costs of Issuance

Bond Counsel Fee (K&L Gates LLP) ............... $

Escrow Agent Fee (U.S. Bank National Association) .................................................

[Rating Agency Fee (Moody's)] ..................

Total: ......................................................... $
EXHIBIT B
Fee Schedule
CERTIFICATE

I, the undersigned, Secretary of the Port Commission (the “Commission”) of the Port of Longview, Washington (the “Port”), DO HEREBY CERTIFY:

1. That the attached resolution numbered 2013-3 (the “Resolution”) is a true and correct copy of a resolution of the Port as finally adopted at a special meeting of the Commission held on the 15th day of January, 2013, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a quorum of the Commission was present throughout the meeting and a legally sufficient number of members of the Commission voted in the proper manner for the adoption of said Resolution; that all other requirements and proceedings incident to the proper adoption of said Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 15th day of January, 2013.

____________________________
Secretary