PORT OF LONGVIEW,
WASHINGTON

REVENUE BONDS, 2011A (TAXABLE) - $3,500,000

RESOLUTION NO. 2011-2


ADOPTED ON: FEBRUARY 28, 2011

Prepared by:

K&L GATES LLP
Seattle, Washington
PORT OF LONGVIEW, WASHINGTON
RESOLUTION NO. 2011-2
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* The cover page and this Table of Contents are provided for convenience only and is not a part of this resolution.
RESOLUTION NO. 2011-2

A RESOLUTION OF THE PORT COMMISSION OF THE PORT OF LONGVIEW, WASHINGTON; AUTHORIZING THE ISSUANCE OF REVENUE BONDS, 2011A IN THE PRINCIPAL AMOUNT OF $3,500,000 FOR THE PURPOSE OF FINANCING THE COSTS OF PROPERTY ACQUISITION AND CERTAIN IMPROVEMENTS TO PORT FACILITIES; FIXING THE DATE, FORM, TERMS, MATURITIES AND COVENANTS OF SAID BONDS; AUTHORIZING AN OFFICIAL STATEMENT; RESERVING THE RIGHT TO ISSUE REVENUE BONDS ON A PARITY WITH THE BONDS HEREIN AUTHORIZED UPON COMPLIANCE WITH CERTAIN CONDITIONS; ACCEPTING THE OFFER OF SEATTLE-NORTHWEST SECURITIES CORPORATION TO PURCHASE THE BONDS; AND AUTHORIZING THE AMENDMENT OF RESOLUTION NOS. 98-30 AND 99-22.

WHEREAS, the facilities of the Port of Longview (the “Port”) require certain additions and improvements as herein described (the “Projects”); and

WHEREAS, pursuant to RCW chs. 53.40 and 39.46, the Port is authorized to borrow money to pay the costs of the Projects through the issuance of revenue bonds of the Port; and

WHEREAS, to provide funds to pay part of the costs of the Projects, it is deemed necessary and advisable that the Port now issue and sell its revenue bonds (hereinafter defined as the “Bonds”); and

WHEREAS, 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 Amt.</th>
<th>Currently Outstanding Amt.</th>
<th>Final Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>98-30</td>
<td>12/23/1998</td>
<td>Revenue Bonds, 1998</td>
<td>$4,580,000</td>
<td>$1,555,000</td>
<td>12/01/2018</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Series C (“1998C Bonds”)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resolution Number</td>
<td>Date of Issue</td>
<td>Designation</td>
<td>Original Principal Amt.</td>
<td>Currently Outstanding</td>
<td>Final Maturity</td>
</tr>
<tr>
<td>------------------</td>
<td>---------------</td>
<td>--------------------------------------------------</td>
<td>-------------------------</td>
<td>-----------------------</td>
<td>----------------</td>
</tr>
<tr>
<td>99-22</td>
<td>11/01/1999</td>
<td>Revenue &amp; Refunding Bonds, 1999 Series A (AMT)</td>
<td>$15,260,000</td>
<td>$11,295,000</td>
<td>12/01/2018</td>
</tr>
<tr>
<td>99-22</td>
<td>11/01/1999</td>
<td>Revenue Bonds, 1999 Series B (&quot;1999B Bonds&quot;)</td>
<td>$1,915,000</td>
<td>$1,915,000</td>
<td>12/01/2019</td>
</tr>
</tbody>
</table>

; and

WHEREAS, Resolution Nos. 98-30 and 99-22 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, the Port has received a written offer from Seattle-Northwest Securities Corporation, Seattle, Washington to purchase the Bonds under the terms set forth therein; and

WHEREAS, it is hereby found to be in the best interests of the Port that said offer be accepted;

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:

*Adjusted Net Revenue* means, following the New Covenant Date, 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, prior to the New Covenant Date, with respect to any particular year and to any specified bonds of the Port, an amount equal to (i) 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, (ii) 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 (iii) 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.
Following the New Covenant Date, *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 15 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, hereinafter appointed by the Treasurer.

**Bonds** mean the Port of Longview, Washington, Revenue Bonds, 2011A (Taxable) issued pursuant to this resolution.

**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 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 15 hereof and making the calculation required by Section 15 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.

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 Executive Director and/or Director of Finance and Administration 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 7 hereof.
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.

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 (or from and after the New Covenant Date, a Consultant)
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.

From and after the New Covenant Date, 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 outstanding Parity Bonds.

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 the Municipal Securities Rulemaking Board or any successor to its functions.

**Net Proceeds** means the net sale proceeds received by the Port with respect to the bonds of an issue 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.)

**New Covenant Date** means the earlier of (a) the date on which the Outstanding Parity Bonds are no longer Outstanding; or (b) the date on which the owner(s) of at least 65% of all Parity Bonds then Outstanding consent to the terms of this resolution. For purposes of this provision, the Owners of the Bonds and any Future Parity Bonds are deemed to have approved the terms of this resolution.

**1998 Bond Resolution** means Resolution No. 98-30 adopted by the Commission on December 10, 1998, authorizing the issuance of the 1998C Bonds, as the same may be amended pursuant to Section 21 of this resolution.

1999 Bond Resolution means Resolution No. 99-22 adopted by the Commission on October 27, 1999, authorizing the issuance of the 1999 Bonds, as the same may be amended pursuant to Section 21 of this resolution.

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

1999A Bonds mean the “Port of Longview, Cowlitz County, 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 $11,295,000.

1999A Refunded Bonds mean the $6,210,000 principal amount of the outstanding 1999A Bonds maturing on December 1, 2018.

1999B Bonds mean the “Port of Longview, Cowlitz County, 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.

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 and the 1999 Bond Resolution.
**Parity Bond Revenue Requirement** means, after the New Covenant Date, either:

(a) Adjusted Net Revenue, certified by the Consultant, to be at least 1.25 times the respective Annual Debt Service Requirement for all outstanding Parity Bonds 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 outstanding Parity Bonds 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.

**Projects** mean the capital projects authorized in Section 2 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, until the New Covenant Date, Net Revenue in an amount at least 1.35 times the then current Annual Debt Service Requirement and from and after the New Covenant Date, 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.

*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, until the New Covenant Date, the lesser of (A) Maximum Annual Debt Service Requirement for Parity Bonds, or (B) 1.25 times average Annual Debt Service Requirement. From and after the New Covenant Date, the term *Reserve Account Requirement* shall mean means the lowest of (i) maximum Annual Debt Service Requirement with respect to Outstanding Parity Bonds; (ii) 125% of average Annual Debt Service Requirement.
Service Requirement with respect to Outstanding Parity Bonds; and (iii) 10% of the initial principal amount of each series then Outstanding of Parity Bonds. 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.

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.

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 Code, 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 1999A Bonds maturing on December 1, 2014, the 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.


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. Authorization of the Projects. The Port is undertaking certain improvements to its facilities within its approved comprehensive scheme of improvements and also is acquiring land for Port purposes. The Port also intends to undertake other capital improvements. Capital improvements that are required to be included within its comprehensive scheme of improvements shall not be undertaken unless and until such improvements have been included, by resolution, in the Port’s comprehensive scheme of improvements. The foregoing acquisition of property and undertaking of capital improvements are herein referred to as the “Projects.”

Section 3. 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 finds and determines that by their purchase of the Bonds, the owners shall be deemed to have approved the terms and covenants set forth in this resolution, including the amendments to Resolution Nos. 98-30 and 99-22 authorized in Section 21 of this resolution. The Commission hereby makes the following
additional findings and determinations, as required by Section 15 of Outstanding Parity Bond Resolutions.

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

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 11(b), contains the covenants required in the third paragraph of subsection (b) of Section 15 of each of the Outstanding Parity Bond Resolutions.

Fourth, this resolution, in Section 14(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 makes applicable to the Bonds all of the other covenants contained in the Outstanding Parity Bond Resolutions that are applicable to the Outstanding Parity Bonds.

Sixth, this resolution at Section 11(a)(ii)(B) requires mandatory sinking fund payments from the Revenue Fund on the Bonds maturing in the years 2023 and 2027 prior to their fixed maturities.

Seventh, on or prior to the date of issuance of the Bonds, this Commission shall have received a certificate from A. Dashen & Associates, consulting engineer, demonstrating that the Net Revenue in each calendar year after the issuance of the Bonds will be at least 1.35 times the respective Annual Debt Service Requirement for each such year on the Bonds and all Outstanding Parity Bonds.
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 4. Authorization of Bonds and Bond Details.

The Port shall now issue and sell $3,500,000 of revenue bonds (the "Bonds") for the purpose of providing part of the funds required to pay the cost of the Projects and to pay a proportionate share of the costs of issuance of the Bonds.

The Bonds shall be designated as the Port of Longview, Washington, Revenue Bonds, 2011A (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 $5,000, or any integral multiple thereof, provided that no Bond shall represent more than one maturity; shall be numbered separately in such manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification; and shall bear interest from their date payable on the first days of each December and June, commencing on June 1, 2011, at the following per annum interest rates and shall mature in the following years and in the following principal amounts:
<table>
<thead>
<tr>
<th>Maturity Dates (December 1)</th>
<th>Principal Amounts</th>
<th>Interest Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$ 95,000</td>
<td>2.500%</td>
</tr>
<tr>
<td>2012</td>
<td>140,000</td>
<td>3.250</td>
</tr>
<tr>
<td>2013</td>
<td>140,000</td>
<td>3.750</td>
</tr>
<tr>
<td>2014</td>
<td>145,000</td>
<td>4.250</td>
</tr>
<tr>
<td>2015</td>
<td>155,000</td>
<td>4.750</td>
</tr>
<tr>
<td>2016</td>
<td>160,000</td>
<td>5.250</td>
</tr>
<tr>
<td>2023</td>
<td>1,460,000</td>
<td>7.000</td>
</tr>
<tr>
<td>2027</td>
<td>1,205,000</td>
<td>7.375</td>
</tr>
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</table>

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

(a) Optional Redemption. The Bonds maturing on December 1 in the years 2011 through 2016, inclusive are not subject to redemption prior to maturity. The Bonds maturing on December 1, 2023 are subject to redemption at the option of the Port in whole or in part at any time on or after December 1, 2018 at a price of par plus accrued interest, if any, to the date of redemption. The Bonds maturing on December 1, 2027 are subject to redemption at the option of the Port in whole or in part at any time on or after December 1, 2016 at a price of par plus accrued interest, if any, to the date of redemption.

(b) Mandatory Redemption. The Bonds maturing on December 1, 2023, are subject to mandatory redemption on December 1 of the following years in the following principal amounts, at a price of par:

<table>
<thead>
<tr>
<th>Redemption Dates</th>
<th>Redemption Amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$ 170,000</td>
</tr>
<tr>
<td>2018</td>
<td>180,000</td>
</tr>
<tr>
<td>2019</td>
<td>195,000</td>
</tr>
<tr>
<td>2020</td>
<td>205,000</td>
</tr>
<tr>
<td>2021</td>
<td>220,000</td>
</tr>
<tr>
<td>2022</td>
<td>235,000</td>
</tr>
<tr>
<td>2023*</td>
<td>255,000</td>
</tr>
</tbody>
</table>

* Final Maturity
The Bonds maturing on December 1, 2027, are subject to mandatory redemption on December 1 of the following years in the following principal amounts, at a price of par:

<table>
<thead>
<tr>
<th>Redemption Dates</th>
<th>Redemption Amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>2024</td>
<td>$ 270,000</td>
</tr>
<tr>
<td>2025</td>
<td>290,000</td>
</tr>
<tr>
<td>2026</td>
<td>310,000</td>
</tr>
<tr>
<td>2027*</td>
<td>335,000</td>
</tr>
</tbody>
</table>

* Final Maturity

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 10 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 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 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 maturity and interest rate in any of the denominations herein authorized.

(e) **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 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. 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 25 days before the redemption date to each party entitled to receive notice pursuant to Section 18 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. Place and Medium of Payment. The principal of, premium, if any, 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 (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 (or by wire transfer to a Registered Owner of such Bonds in aggregate principal amount of $500,000 or more who so requests) 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 and premium, if any, of the Bonds shall be payable upon presentation and surrender of such Bonds by the Registered Owners at the principal office of the Bond Registrar.

Section 7. Registration.

(a) Bond Registrar/Bond Register. The Port hereby requests that the Treasurer specify and adopt the system of registration 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 or transfer of Bonds at its principal 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 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 of 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 18 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 6 hereof, but such Bond may be transferred as herein provided. All such payments made as described in Section 6 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. The Bonds initially shall be held in fully immobilized form by DTC acting as depositary. To induce DTC to accept the Bonds as eligible for deposit at DTC, the Port has executed and delivered to DTC a Blanket Issuer 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 depositary) with respect to the Bonds in respect of the accuracy of any records maintained by DTC (or any successor depositary) or any DTC participant, the payment by DTC (or any successor depositary) 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 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 Beneficial Owners.

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 it is paid.

(d) *Use of Depository.*

(1) The Bonds shall be registered initially in the name of “Cede & Co.”, as nominee of DTC, with one Bond 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 then outstanding, registered in the name of such successor or such substitute depository, or their 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 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 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 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 it 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 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 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 any interest payment or principal payment 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 right of the Registered Owners of Bonds.

Section 8. Form of Bonds. The Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. _____ $________

STATE OF WASHINGTON

PORT OF LONGVIEW
REVENUE BOND, 2011A (TAXABLE)

-27-
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 March 14, 2011, 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 June 1, 2011. 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”).

This bond is one of an issue of $3,500,000 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. 2011-2 of the Port’s Commission (the “Bond Resolution”) to make certain improvements and additions to Port facilities.

The bonds of this issue are 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.

Interest on this bond is includible in gross income for purposes of 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 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 14 day of March, 2011.

[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 Bonds, 2011A, dated March 14, 2011.

WASHINGTON STATE FISCAL AGENCY, as Bond Registrar

By __________________________

Authorized Signer

Section 9. 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 10. 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 11. 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 outstanding Parity Bonds; and

(2) Such amounts with respect to outstanding Parity Bonds as are required (A) to pay maturing principal, (B) to make required sinking fund payments, and (C) to redeem outstanding Parity Bonds 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 for Parity Bonds 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 10 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 11(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 11(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 outstanding Parity Bonds 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 then outstanding Parity Bonds. 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 12. 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 received notice under Section 18 of this resolution.

Section 13. Tax Status. The Port has taken no action to cause the interest on the Bonds to be excluded from federal income taxation.
Section 14. 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. From and after the New Covenant Date, the Port may provide all or a portion of any insurance by self insurance and 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. From and after the New Covenant Date, the Port may provide all or a portion of any insurance by self insurance, and 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 thirty days after the end of each calendar quarter, the Port will prepare an operating for the preceding quarter in the form customarily prepared by the Port. On or before 120 days after each calendar year, the Port will prepare or cause to be prepared an operating statement of all 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 15. 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 11 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 14.

   (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 Revenue Requirement.**

(A) The following provisions of this subsection (A) shall apply until the New Covenant Date. The Net Revenue determined, adjusted and certified as hereinafter provided for each calendar year after the issuance of such Future Parity Bonds (the “Adjusted Net Revenue”) will equal at least the respective Annual Debt Service Requirement for each such year on the Future Parity Bonds being issued and all outstanding Parity Bonds, multiplied by a factor of 1.35 for so long as any Outstanding Parity Bonds remain outstanding.

Such Adjusted Net Revenue shall be the Net Revenue of the Port for a period of any 12 consecutive months out of the 24 months immediately preceding the date of delivery of such proposed Future Parity Bonds as adjusted and certified by a firm of consulting engineers experienced in the design and operation of port facilities (or, after all 1998 Bonds are no longer outstanding, in the alternative, by a firm of independent certified public accountants) to take into consideration additional Net Revenue estimated by such engineers to be derived by the Port under the following conditions for each calendar year after such delivery for so long as any Parity Bonds and any Future Parity Bonds proposed to be issued shall be outstanding:

(i) 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 such 12-month period, had been in force during the full 12-month period;

(ii) the additional Net Revenue which would have been received by the Port if any Facility which became fully operational after the beginning of such 12-month period had been so operating for the entire period;
(iii) the additional Net Revenue estimated by such engineers to be received by the Port as a result of any additions, betterments and improvements to and extensions of any Facilities which are (x) under construction at the time of such certificate or (y) will be constructed from the proceeds of the Future Parity Bonds to be issued; and

(iv) the additional Net Revenue to be received by the Port as a result of executed leases or contracts, which Revenue has not been included in (i), (ii), or (iii) hereof.

(B) From and after the New Covenant Date, compliance with the Parity Bond Revenue Requirement shall be demonstrated in accordance with the following provisions. 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, financial statements of the Port audited by the State Auditor (unless such an audit is not available for the Base Period) 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 then outstanding Parity Bonds 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 16. 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 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 17. Sale of Bonds. The Bonds shall be sold by negotiated sale to Seattle-Northwest Securities Corporation, of Seattle, Washington (the “Underwriter”), under the terms and conditions thereof as provided in the purchase contract presented by the Underwriter to the Commission on this date (the “Purchase Contract”) and in this resolution. The Executive Director of the Port is hereby authorized and directed to execute the Purchase Contract.

The President of the Commission and the Executive Director of the Port are hereby authorized to review and approve on behalf of the Port the preliminary and final Official Statements relative to the Bonds with such additions and changes as may be deemed necessary or advisable to them. The Preliminary Official Statement for the Bonds, dated February 17, 2011, is hereby deemed final for purposes of the Rule. The Port authorizes, approves and ratifies the distribution by the Underwriter of those preliminary and final Official Statements to potential purchasers and purchasers of the Bonds. The proper Port officials are hereby authorized and directed to do everything necessary for the prompt execution and delivery of the Bonds to the Underwriter and for the proper application and use of the proceeds of sale thereof.

Section 18. 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 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 depositaries.
(b) **Financial Statements/Operating Data.**

(1) **Annual Disclosure Report.** The Port covenants and agrees that not later than nine months after the end of each fiscal year (the “Submission Date”), commencing September 1, 2011 for the fiscal year ending December 31, 2010, 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 18(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 18(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 heading "Historical Operating Results" and "Comparative Statement of Net Assets";

(B) a statement of authorized, issued and outstanding obligations 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 "Port of Longview 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. The Port shall identify clearly each document so included by reference.

If not provided as part of the annual financial information discussed above, the Port shall provide the Port's audited annual financial statement prepared in accordance with regulations prescribed by the State Auditor pursuant to RCW 43.09.200 (or any successor statutes), when and if available, to the MSRB.

(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-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 agreement, 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.

(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; 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 18 (including the items in the closing certificate referenced above) and any provision of this Section 18 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.

In the event of any amendment of or waiver of a provision of this Section 18, 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 18 shall be deemed to prevent the Port from disseminating any other information, using the means of dissemination set forth in this Section 18 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 18. 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 18, 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 19. Disposition of the Proceeds of Sale of Bonds. The Bond proceeds shall be allocated as provided in the closing certificates of the Designated Port Representative.

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

(b) Project Fund. The Treasurer is hereby requested to establish a fund to be designated as the "2011 Project Fund" (the "Project Fund"), into which the balance of the net proceeds of the Bonds shall be deposited. Money on hand in the Project Fund shall be used to pay the costs of or reimburse the costs of the Projects and costs of issuance of the Bonds. The Treasurer shall invest money in the Project Fund in such obligations as may now or hereafter be permitted to the Port by law and which will mature prior to the date on which such money shall
be needed. Any part of the proceeds of the Bonds remaining in the Project Fund after all costs of the Projects have been paid (including costs of issuance, if any) shall be transferred to the Bond Fund for the uses and purposes therein provided.

Section 20. 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 Bond so affected; or

2. Reduce the aforesaid percentage of owners of 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 21. Amendments to Resolution No. 98-30 and 99-22. In order to conform Resolution No. 99-22 to the modifications in terms and covenants set forth in this resolution, the Commission hereby approves the following amendments to Resolution Nos. 98-30- 99-22. The amendments set forth in this Section 21 shall become effective from and after the New Covenant Date. As amended by this amendatory resolution, Resolution Nos. 98-30 and 99-22 are hereby ratified, confirmed and approved.

(a) Section 1 (Definitions) of Resolution Nos. 98-30 and 99-22 is hereby amended to include the following definitions, and in the case of previously defined terms, such definitions shall replace the definitions set forth in Section 1 of Resolution Nos. 98-30 and 99-22:

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 (iii) 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 15 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.

**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 15 hereof and making the calculation required by Section 15 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.

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.

*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.

*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 (or from and after the New Covenant Date, a Consultant) 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 (iii) 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).

*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.
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.)

Parity Bond Revenue Requirement means, after the New Covenant Date, either:
(a) Adjusted Net Revenue, certified by the Consultant, to be at least 1.25 times the respective Annual Debt Service Requirement for all outstanding Parity Bonds 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 outstanding Parity Bonds 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.

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.
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.

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.

Tax Maximum means the maximum dollar amount permitted by the Code, 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.

(b) Section 11(a) and (b) of Resolution Nos. 98-30 and 99-22 are hereby revised in their entirety to read as follows:

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

(b) 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 for Parity Bonds 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 10 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 11(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 11(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) Section 14(e) and (f) of Resolution Nos. 98-30 and 99-22 are hereby revised in their entirety to read as follows:

(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.

(d) Section 15 of Resolution Nos. 98-30 and 99-22 is hereby revised in its entirety to read as follows:

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:

That it 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

\[(a)\] 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 11 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 14.
(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.

(b) 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 then outstanding Parity Bonds and if the conditions required in subsections (a)(1) and (a)(2) of this section are complied with, but without a certificate referred to in (a)(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.

(c) 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.

(d) 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 22. 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 23. Effective Date. This resolution shall be effective immediately upon its adoption.

ADOPTED by the Port Commission at a special meeting thereof, held on the 28th day of February, 2011, and duly authenticated in open session by the signatures of the Commissioners present and voting in favor thereof.

PORT OF LONGVIEW, WASHINGTON

[Signature]
President and Commissioner

[Signature]
Vice President and Commissioner

[Signature]
Secretary and Commissioner
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 2011-2 (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 28th day of February, 2011, 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 28th day of February, 2011.

[Signature]
Robert Bagdasaran, Secretary