

PORT OF TACOMA

RESOLUTION NO. 2017-05-PT

A RESOLUTION OF THE PORT OF TACOMA COMMISSION, TACOMA, WASHINGTON, PROVIDING FOR THE ISSUANCE AND SALE OF LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS OF THE PORT IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$21,585,000 FOR THE PURPOSE OF PROVIDING FUNDS TO REFUND CERTAIN OUTSTANDING LIMITED TAX GENERAL OBLIGATION BONDS OF THE PORT; SETTING FORTH CERTAIN BOND TERMS AND COVENANTS; AND DELEGATING AUTHORITY TO APPROVE FINAL TERMS AND CONDITIONS AND THE SALE OF THE BONDS.

ADOPTED: July 20, 2017

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* This table of contents and the cover page are for convenience of reference and are not intended to be a part of this resolution.

RESOLUTION NO. 2017-05-PT

A RESOLUTION OF THE PORT COMMISSION OF THE PORT OF TACOMA, WASHINGTON, PROVIDING FOR THE ISSUANCE AND SALE OF LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS OF THE PORT IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$21,585,000 FOR THE PURPOSE OF PROVIDING FUNDS TO REFUND CERTAIN OUTSTANDING LIMITED TAX GENERAL OBLIGATION BONDS OF THE PORT; SETTING FORTH CERTAIN BOND TERMS AND COVENANTS; AND DELEGATING AUTHORITY TO APPROVE FINAL TERMS AND CONDITIONS AND THE SALE OF THE BONDS.

WHEREAS, the Port of Tacoma (the “Port”), a municipal corporation of the State of Washington, owns and operates a system of marine terminals and properties; and

WHEREAS, the Port is authorized by RCW 53.36.030 and ch. 39.46 to issue general obligation bonds payable from, *inter alia*, regular tax levies of the Port; and

WHEREAS, pursuant to Resolution No. 2007-17 (the “2008 Bond Resolution”), adopted on December 20, 2007, the Port has issued and has outstanding the Limited Tax General Obligation Bonds, Series 2008B (AMT), issued under date of January 17, 2008, and outstanding as follows:

Maturity (December 1)	Principal Amount	Interest Rate
2017	\$ 540,000	4.750%
2018	565,000	4.750
2019	595,000	4.750
2020	625,000	4.750
2021	650,000	4.750
2022	685,000	4.750
2023	715,000	4.750
2024	750,000	4.750
2025	785,000	4.750
2026	825,000	4.750
2027	860,000	4.750
2028	905,000	4.750
2029	945,000	4.750
2033*	4,250,000	4.750
2038*	6,565,000	4.875

* Term Bonds

(the “2008B Bonds”); and

WHEREAS, the 2008 Bond Resolution authorizes the redemption and defeasance of the 2008 Bonds maturing on or after December 1, 2018, in advance of their scheduled maturity on or after June 1, 2018, at any time at a price of par plus accrued interest to the date of redemption (the “Refunding Candidates”); and

WHEREAS, after due consideration it appears to this Commission that all or a portion of the Refunding Candidates may be defeased and/or refunded by the proceeds of the bonds authorized herein (the “Bonds”) at a savings to the Port; and

WHEREAS, this Commission has determined to delegate authority to the chief executive officer and the chief financial and administrative officer of the Port to approve the designation of the Refunding Candidates to be refunded, approve the manner of sale, final tax status, the interest rates, maturity dates, redemption rights, interest payment dates, and principal amounts under such terms and conditions as are approved herein;

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

Section 1. Definitions. As used in this resolution, the following words shall have the following meanings, unless a different meaning clearly appears from the context.

Acquired Obligations mean the noncallable Government Obligations acquired by the Port under the terms of this resolution and the Escrow Agreement to effect the defeasance and refunding of the Refunded Bonds.

Approved Bid means the winning bid submitted for the Bonds if the Bonds are sold by Competitive Sale.

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, depositories or other intermediaries).

Bond Fund means the Port of Tacoma, Washington, General Obligation Bond Redemption Fund created or maintained pursuant to this resolution.

Bond Insurance Commitment means the commitment(s) of the Bond Insurer, if any, to insure one or more series, or certain principal maturities thereof, of the Bonds.

Bond Insurance Policy means the policy(ies) of municipal bond insurance, if any, delivered by the Bond Insurer at the time of issuance and delivery of Bonds to be insured pursuant to the Bond Insurance Commitment.

Bond Insurer means the municipal bond insurer(s), if any, that has committed to insure one or more series, or certain principal maturities thereof, of Bonds pursuant to the Bond Insurance Commitment.

Bond Purchase Contract means, if the Bonds shall be sold by Negotiated Sale, the purchase contract relating to the Bonds between the Port and the Underwriter.

Bond Register means the registration books showing the name, address and tax identification number of each Registered Owner of the Bonds, maintained pursuant to Section 149(a) of the Code.

Bonds mean the Port's Limited Tax General Obligation Refunding Bonds, [2017][2018] [(AMT)][Taxable], issued pursuant to this resolution.

Call Date means June 1, 2018.

Chief Executive Officer means the chief executive officer of the Port, or any successor to the functions of the chief executive officer.

Chief Financial and Administrative Officer means the chief financial and administrative officer of the Port, or any successor to the functions of the chief financial and administrative officer.

Code means the Internal Revenue Code of 1986, as amended, and shall include all applicable regulations and rulings relating thereto.

Commission means the Commission of the Port, or any successor thereto as provided by law.

Competitive Sale means the process by which the Bonds are sold through the public solicitation of bids from underwriting firms.

Continuing Disclosure Undertaking means the undertaking for ongoing disclosure executed by the Port pursuant to Section 13 of this resolution.

Costs of Issuance Agreement means the Costs of Issuance Agreement(s) dated as of the date of the closing and delivery of the Bonds between the Port and the Escrow Agent to be

executed in connection with paying the costs of issuance of the Bonds, substantially in the form of Exhibit B to this resolution.

Designated Port Representative means the Chief Executive Officer of the Port, the Deputy Chief Executive Officers, the Chief Financial and Administrative Officer and any other person appointed in writing by any of them.

DTC means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, as depository for the Bonds pursuant to Section 4 of this resolution.

Escrow Agent means U.S. Bank National Association or such other Escrow Agent for the Refunded Bonds appointed by the Designated Port Representative.

Escrow Agreement means the Escrow Deposit Agreement dated as of the date of the closing and delivery of the Bonds between the Port and the Escrow Agent to be executed in connection with the refunding of some or all of the Refunded Bonds, substantially in the form of Exhibit A to this resolution.

Federal Tax Certificate means the certificate(s) of that name executed and delivered by the Designated Port Representative at the time of issuance and delivery of the Bonds that are issued on a federally tax-exempt basis.

Government Obligations means those obligations now or hereafter defined as such in chapter 39.53 RCW.

Letter of Representations means the blanket issuer letter of representations from the Port to DTC.

MSRB means the Municipal Securities Rulemaking Board or any successors to its functions. Until otherwise designated by the MSRB or the United States Securities and

Exchange Commission, any information, reports or notices submitted to the MSRB in compliance with the Rule are to be submitted through the MSRB's Electronic Municipal Market Access system, currently located at www.emma.msrb.org.

Negotiated Sale means the process by which the Bonds are sold by negotiation to one or more underwriting firms selected by the Designated Port Representative.

Official Notice of Sale means, if the Bonds shall be sold by Competitive Sale, a notice of bond sale authorized to be given in Section 10 of this resolution.

Official Statement means a final Official Statement delivered to the initial purchasers of the Bonds.

Record Date means the close of business on the 15th day prior to each day on which a payment of interest on the Bonds is due and payable.

Refunded Bonds means (i) the Refunding Candidates selected for refunding with proceeds of the Bonds, and/or (ii) the 2017 maturity of the 2008B Bonds selected for defeasance, by the Designated Port Representative pursuant to Section 10 of this resolution.

Refunding Candidates means the 2008B Bonds maturing on and after December 1, 2018.

Registered Owner means the person in whose name ownership of a Bond is identified in the Bond Register.

Registrar means the fiscal agent of the State of Washington, appointed by the Designated Port Representative for the purposes of registering and authenticating the Bonds, maintaining the Bond Register and effecting transfer of ownership of the Bonds. The term ***Registrar*** shall include any successor to the fiscal agent, if any, hereinafter appointed by the Designated Port Representative.

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

Savings Target means a dollar amount of debt service savings at least equal to three percent (3%) of the principal amount of the Refunded Bonds being refunded by the Bonds.

SEC means the United States Securities and Exchange Commission.

Term Bonds means any Bonds designated by the Underwriters as Term Bonds in the Bond Purchase Contract.

Treasurer means the person currently appointed as the Treasurer of the Port, or any successor to the functions of the Treasurer.

2008 Bond Resolution means Resolution No. 2007-17 adopted by the Commission on December 20, 2007, authorizing the issuance of the 2008B Bonds.

2008B Bonds means the Port of Tacoma, Washington, Limited Tax General Obligation Bonds, Series 2008B (AMT)," issued under date of January 17, 2008, pursuant to the 2008 Bond Resolution.

Underwriter means the underwriter(s) of the Bonds if the Bonds are sold by Negotiated Sale or the successful bidder submitting the Approved Bid if the Bonds are sold by Competitive Sale.

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;

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

Section 2. Plan of Finance; Authorization of Bonds.

(a) *Plan of Finance.* The Refunding Candidates are callable in whole or in part prior to their scheduled maturity dates. The final selection of the Refunding Candidates, if any, to be designated as the Refunded Bonds to be refunded by the Bonds shall be made by the Designated Port Representative pursuant to the authority granted in Section 10 of this resolution.

(b) *Authorization of Bonds.* The Port shall issue its limited tax general obligation refunding bonds in an aggregate amount not to exceed \$21,585,000 for the purpose of providing the funds necessary to (i) refund the Refunded Bonds; and (ii) pay all or a portion of the costs incidental to the foregoing and to the issuance of the Bonds. The aggregate principal amount of Bonds shall be determined by the Designated Port Representative, pursuant to the authority granted in Section 10 of this resolution.

Section 3. Bond Details. The Bonds shall be designated as “Port of Tacoma Limited Tax General Obligation Refunding Bonds, [2017][2018],” with such description and additional designations for identification purposes as may be approved by the Designated Port Representative, shall be registered as to both principal and interest and shall be numbered separately in the manner and with any additional designation as the Registrar deems necessary for purposes of identification, shall be dated as of their date of original issuance and delivery, shall be in the denomination of \$5,000 each or any integral multiple of \$5,000, provided that no Bond shall represent more than one maturity, shall bear interest from their date until the Bond bearing such interest has been paid or its payment duly provided for, at the rates, payable on the dates, set forth in the Bond Purchase Contract or Approved Bid and shall mature on the dates and in the years and in the principal amounts set forth in the Bond Purchase Contract or Approved Bid, all as approved by the Designated Port Representative pursuant to Section 10 of this resolution.

Section 4. Registration, Payment and Transfer.

(a) *Registrar/Bond Register.* The Port hereby adopts the system of registration and transfer for the Bonds approved by the Washington State Finance Committee from time to time through the appointment of state fiscal agents. The Port shall cause a bond register to be maintained by the Registrar. So long as any Bonds remain outstanding, the Registrar shall make all necessary provisions to permit the exchange and registration of transfer of Bonds at its principal corporate trust office. The Registrar may be removed at any time at the option of the Senior Director of Finance and Administration upon prior notice to the Registrar, DTC and a successor Registrar appointed by the Designated Port Representative. No resignation or removal of the Registrar shall be effective until a successor shall have been appointed and until the

successor Registrar shall have accepted the duties of the Registrar hereunder. The 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 Registrar's powers and duties under this resolution. The Registrar shall be responsible for its representations contained in the Certificate of Authentication on the Bonds.

(b) *Registered Ownership.* The Port and the 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 the Continuing Disclosure Undertaking), and neither the Port nor the Registrar shall be affected by any notice to the contrary. Payment of any such Bond shall be made only as described in Section 4(h) of this resolution, but such Bond may be transferred as herein provided. All such payments made as described in Section 4(h) of this resolution shall be valid and shall satisfy and discharge the liability of the Port upon such Bond to the extent of the amount or amounts so paid.

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

Neither the Port nor the Registrar will have any responsibility or obligation to DTC participants or the persons for whom they act as nominees (or any successor depository) with respect to the Bonds in respect of the accuracy of any records maintained by DTC (or any successor depository) or any DTC participant, the payment by DTC (or any successor depository) or any DTC participant of any amount in respect of the principal of or interest on Bonds, any notice which is permitted or required to be given to Registered Owners under this resolution (except such notices as shall be required to be given by the Port to the 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 (except as provided in the Continuing Disclosure Undertaking), and all references herein to the Registered Owners shall mean DTC (or any successor depository) or its nominee and shall not mean the owners of any beneficial interest in such Bonds.

(d) *Use of Depository.*

(1) The Bonds shall be registered initially in the name of “Cede & Co.,” as nominee of DTC, with one Bond for each interest rate maturing on each of the maturity dates for the Bonds in a denomination corresponding to the total principal therein of that interest rate 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 (iv) 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 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 Registrar shall, upon receipt of all outstanding Bonds, together with a written request from a Designated Port Representative, issue a single new Bond for each maturity of the Bonds 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 Registrar, together with a supply of definitive Bonds, to issue Bonds as herein provided in any authorized denomination. Upon receipt by the Registrar of all then outstanding Bonds together with a written request on behalf of the Designated Port Representative to the 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 such Bond is surrendered to the 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 Registrar. Upon such surrender,

the 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 canceled Bond. Any Bond may be surrendered to the 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 or denominations. The Registrar shall not be obligated to register the transfer of or to exchange any Bond during the fifteen (15) days preceding the date any such Bond is to be redeemed.

(f) *Registrar's Ownership of Bonds.* The Registrar may become the Registered Owner of any Bond with the same rights it would have if it were not the 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.

(g) *Registration Covenant.* The Port covenants that, until all of the Bonds have been surrendered and canceled, it will maintain, or cause to be maintained, a system for recording the ownership of the Bonds that complies with the provisions of Section 149 of the Code.

(h) *Place and Medium of Payment.* Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America. Interest on the Bonds shall be calculated on the basis of a 360-day year and twelve 30-day months. For so long as all Bonds are in fully immobilized form, payments of principal and interest shall be made as provided to

the parties entitled to receive payment as of each Record Date in accordance with the operational arrangements of DTC referred to in the Letter of Representations.

In the event that the Bonds are no longer in fully immobilized form, interest on the Bonds shall be paid by check or draft mailed to the Registered Owners at the addresses for such Registered Owners appearing on the Bond Register as of the Record Date, or upon the written request of a Registered Owner of more than \$1,000,000 of Bonds (received by the Bond Registrar at least fifteen (15) days prior to the applicable payment date), such payment shall be made by the Bond Registrar by wire transfer to the account within the continental United States designated by the Registered Owner. Principal 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.

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

Section 5. Redemption and Purchase of Bonds.

(a) *Optional Redemption.* The Bonds may be subject to optional redemption on the dates, at the prices, and under the terms set forth in the Bond Purchase Contract or Approved Bid, all as approved by the Designated Port Representative pursuant to Section 10 of this resolution.

(b) *Mandatory Redemption.* The Bonds may be subject to mandatory redemption to the extent, if any, set forth in the Bond Purchase Contract or Approved Bid, all as approved by the Designated Port Representative pursuant to Section 10 of this resolution.

(c) *Purchase of Bonds.* The Port reserves the right to purchase any Bonds offered to the Port at any price deemed reasonable by the Port.

(d) *Effect of Optional Redemption/Purchase.* To the extent that the Port shall have optionally redeemed or purchased any Term Bonds prior to scheduled mandatory redemption of such Term Bonds, the Port may reduce the principal amount of the Term Bonds to be redeemed in like aggregate principal amount. Such reduction may be applied in the year specified by a Designated Port Representative.

(e) *Selection of Bonds for Redemption.* For as long as the Bonds are held in book-entry only form, the selection of particular Bonds within a maturity to be redeemed shall be made in accordance with the operational arrangements then 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 (e). 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 manner determined by the Registrar) in increments of \$5,000. In the case of a Bond of a denomination greater than \$5,000, the Port and the 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 such Bond at the principal office of the 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.

(f) *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 or may be rescinded or revoked at the option of the Port) shall be given in accordance with the operational arrangements of DTC as then in effect, and neither the Port nor the 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 shall be conditioned by the Registrar on the receipt of sufficient funds for redemption) shall be given by the Registrar on behalf of the Port by mailing a copy of an official redemption notice by first class mail at least twenty (20) days and not more than sixty (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 Register or at such other address as is furnished in writing by such Registered Owner to the Registrar.

All official notices of redemption for Bonds 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) any conditions to redemption, if the notice of redemption is a conditional notice,

(E) unless the notice was conditional and the conditions have not been satisfied or if the Port has not revoked a notice of redemption that 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

(F) 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 Registrar.

On or prior to any redemption date, unless the redemption was conditional and the conditions for the redemption have not been satisfied or if the Port has not revoked a conditional notice, the Port shall deposit with the Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds that are to be redeemed on that date.

(2) 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 twenty-five (25) days before the redemption date to each party entitled to receive notice pursuant to Section 13, and to such persons (including securities repositories who customarily at the time receive notices of redemption in accordance with rules promulgated by the SEC) 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.

(3) 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.

(g) *Effect of Redemption.* Unless the Port has revoked a notice of optional redemption (or unless the Port provided a conditional notice and the conditions for redemption set forth therein are not satisfied), the Port shall transfer to the Registrar amounts that, in addition to other money, if any, held by the Registrar for such purpose, will be sufficient to redeem, on the date fixed for redemption, all the Bonds to be redeemed. If and to the extent that funds have been provided to the Registrar for the redemption of Bonds then from and after the date fixed for redemption for such Bond or portion thereof, interest on each such Bond shall cease to accrue and such Bond or portion thereof shall cease to be outstanding. All Bonds which have been redeemed shall be canceled and destroyed by the Registrar and shall not be reissued.

Section 6. Form of Bonds.

The Bonds shall be in substantially the following form:

[DTC HEADING]
[Statement of Insurance]

UNITED STATES OF AMERICA

NO. _____

\$_____

STATE OF WASHINGTON
PORT OF TACOMA
LIMITED TAX GENERAL OBLIGATION REFUNDING BOND, [2017][2018]
[(AMT)][(Taxable)]

MATURITY DATE:

CUSIP NO.: _____

INTEREST RATE: %

REGISTERED OWNER: CEDE & Co.

PRINCIPAL AMOUNT:

THE PORT OF TACOMA, WASHINGTON (the “Port”), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount indicated above and to pay interest thereon from ____ __, 20__, or the most recent date to which interest has been paid or duly provided for until payment of this bond at the Interest Rate set forth above, payable on _____ 1, 20__, and semiannually thereafter on the first days of each succeeding June and December.

Both principal of and interest on this bond are payable in lawful money of the United States of America. The principal of, premium, if any, and interest on this bond are payable in lawful money of the United States of America. Interest shall be paid 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”) between the Port and DTC. Principal also shall be payable in accordance with the operational arrangements referred to in the foregoing sentence to the Registered Owner or assigns upon presentation and surrender of this bond at the principal office of the fiscal agent of the State of Washington (the “Registrar”). Capitalized terms used in this bond which are not specifically defined have the meanings given such terms in the hereinafter defined Bond Resolution.

This bond is one of an authorized issue of bonds of like date and tenor, except as to number, amount, rate of interest and date of maturity in the aggregate principal amount of \$_____, and is issued pursuant to Resolution No. 2017-05-PT (the “Bond Resolution”) for the purpose of refunding certain outstanding limited tax general obligation bonds of the Port.

The bonds of this issue are subject to redemption at the option of the Port in whole or in part at any time on or after December 1, ____ (maturities to be selected by the Port) at a price of par plus accrued interest, if any, to the date of redemption.

[Unless redeemed pursuant to the forgoing provision, the bonds stated to mature on December 1, 20__ are subject to mandatory redemption on December 1 of the following years in the following principal amounts, at a price of par:

<u>Redemption Dates</u>	<u>Amounts</u>
	\$

*

* Maturity.]

[The bonds of this issue are “private activity bonds” as such term is defined in the Internal Revenue Code of 1986, as amended (the “Code”). The bonds of this issue are not “qualified tax-exempt obligations” under Section 265(b) of the Code for investment by financial institutions.][The Port has taken no action to cause the interest on this bond to be exempt from general federal income taxation.]

The Port hereby irrevocably covenants that it will levy taxes annually upon all the taxable property in the Port within the levy limits permitted to port districts without a vote of the electors and in amounts sufficient, with other monies legally available therefor, to pay the principal of and interest on the bonds of this issue as the same shall become due. The full faith, credit and resources of the Port are hereby irrevocably pledged for the annual levy and collection of such taxes and the prompt payment of such principal and interest. The pledge of tax levies may be discharged prior to maturity of the bonds by making provision for the payment thereof on the terms and conditions set forth in the Bond Resolution.

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 or on behalf of the Registrar or its duly designated agent.

The bonds of this issue are issued under and in accordance with the provisions of the Constitution and applicable statutes of the State of Washington and resolutions duly adopted by the Port Commission including the Bond Resolution.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Washington to exist, to have happened, been done and performed precedent to and in the issuance of this bond have happened, been done and performed and that the issuance of this bond and the bonds of this issue does not violate any constitutional, statutory or other limitation upon the amount of bonded indebtedness that the Port may incur.

IN WITNESS WHEREOF, the Port of Tacoma, Washington, has caused this bond to be executed by the manual or facsimile signatures of the President and Secretary of the Port Commission and the seal of the Port imprinted, impressed or otherwise reproduced hereon as of this ____ day of _____, 2017.

PORT OF TACOMA, WASHINGTON

By _____/s/_____
President, Port Commission

ATTEST:

_____/s/_____
Secretary, Port Commission

[SEAL]

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

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within-mentioned Bond Resolution and is one of the Limited Tax General Obligation Refunding Bonds, [2017][2018] [(AMT)] [(Taxable)], of the Port of Tacoma, Washington, dated _____, 20__.

WASHINGTON STATE FISCAL AGENT,
as Registrar

By _____

In the event that any Bonds are no longer in fully immobilized form, the form of such Bonds may be modified to conform to printing requirements and the terms of this resolution.

Section 7. 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 Port 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 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 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 are 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 8. Bond Fund and Provision for Tax Levy Payments. A special fund of the Port known as the “Port of Tacoma, Washington, General Obligation Bond Redemption Fund” (the “Bond Fund”) shall be continued in the office of the Treasurer of the Port. The Bond Fund shall be drawn upon for the sole purpose of paying the principal of and interest on general obligation bonds of the Port.

The Port hereby further irrevocably covenants that, unless the principal of and interest on the Bonds are paid from other sources, it will make annual levies of taxes upon all of the property in the Port subject to taxation within and as a part of the tax levy permitted to port districts without a vote of the electors in amounts sufficient to pay such principal and interest as the same shall become due. The full faith, credit and resources of the Port are hereby irrevocably pledged for the annual levy and collection of such taxes and for the prompt payment of such principal and interest.

Section 9. Defeasance. In the event that money and/or noncallable Government Obligations that are direct or indirect obligations of the United States or obligations unconditionally guaranteed by the United States maturing at such time or times and bearing interest to be earned thereon in amounts (together with such money, if necessary) sufficient to redeem and retire part or all of the Bonds authorized hereunder in accordance with their terms, are set aside in a special account of the Port to effect such redemption and retirement, and such moneys and the principal of and interest on such obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made into the Bond Fund of the Port for the payment of the principal of and interest on the Bonds so provided for, and such Bonds

shall cease to be entitled to any lien, benefit or security of this resolution except the right to receive the moneys so set aside and pledged, such Bonds shall be deemed not to be outstanding hereunder.

Section 10. Sale of Bonds.

(a) *Designation of Refunded Bonds.* As outlined in Section 2 and Section 16 of this resolution, the Refunding Candidates may be called for redemption prior to their scheduled maturities. All or some of the Refunding Candidates may be refunded with the proceeds of the Bonds authorized by this resolution, and the 2017 maturity of the 2008B Bonds may be defeased with other legally available funds of the Port.

(b) *Bond Sale.* The Commission has been advised by the Port's financial advisor that the most favorable market conditions may occur on a day other than a regular meeting date of the Commission. The Commission has determined that it would be in the best interest of the Port to delegate to the Designated Port Representative for a limited time the authority to select the Refunding Candidates to be refunded and designate the Refunded Bonds, approve the manner of sale, date of sale, final tax status, final interest rates, maturity dates, aggregate principal amount, principal amounts and prices of each maturity, redemption rights (provided that the Bonds shall not be subject to optional redemption in less than five years from the date of issue), and other terms and conditions of the Bonds. The Designated Port Representative is hereby authorized to select the Refunding Candidates to be refunded, approve with respect to Bonds, the manner of sale, the date of sale, the final tax status, the final interest rates, maturity dates, aggregate principal amount, principal amounts of each maturity and redemption rights (provided that the Bonds shall not be subject to optional redemption in less than five years from the date of issue) for the Bonds in the manner provided hereafter (A) so long as the aggregate principal amount of

the Bonds issued pursuant to this resolution does not exceed \$21,585,000 and (B) so long as the Savings Target is met.

Initially, the Designated Port Representative is hereby authorized to determine whether the Bonds shall be sold by Negotiated Sale or by a Competitive Sale. If the Bonds are sold by Negotiated Sale, the Designated Port Representative shall select one or more underwriting firms from the Port's current team to underwrite the Bonds. Upon the selection of one or more underwriters, the Designated Port Representative shall negotiate the terms of sale for the Bonds, including the terms described in this section, which shall be set forth in the Bond Purchase Contract. If the Bonds are sold by Competitive Sale, all bids submitted for the purchase of Bonds shall be as set forth in the applicable Official Notice of Sale or otherwise as established by the Designated Port Representative, which will be furnished upon request made to the Designated Port Representative. Such bids may be accompanied by a surety bond or by a wire transfer or a cashier's or certified check, as a good faith deposit, made payable to the order of the Port. The Port reserves the right to reject any and all bids and to waive any irregularity or informality in any bid.

In designating the Refunding Candidates for refunding, determining the final tax status, interest rates, maturity dates, aggregate principal amount, principal maturities, redemption rights or provisions of the Bonds for approval, the Designated Port Representative, in consultation with Port staff and the Port's financial advisor, shall take into account those factors that, in his/her judgment, will result in the most favorable interest cost on the Bonds to their maturity, including, but not limited to current financial market conditions and current interest rates for obligations comparable in tenor and quality to the Bonds. Subject to the terms and conditions set forth in this section, the Designated Port Representative is hereby authorized to accept an Approved Bid

or to execute a Bond Purchase Contract, upon his or her approval of the selection of the Refunding Candidates to be refunded, final tax status, the final interest rates, maturity dates, aggregate principal amount, principal maturities and redemption rights set forth therein. Following the execution of an Official Notice of Sale and Approved Bid or the Bond Purchase Contract, the Designated Port Representative shall provide a report to the Commission, describing the final terms of the Bonds approved pursuant to the authority delegated in this section.

The authority granted to the Designated Port Representative by this section shall expire on July 31, 2018. If an Official Notice of Sale and Approved Bid or Bond Purchase Contract for the Bonds has not been approved and/or executed within such period, the authorization for the issuance of the Bonds shall be rescinded, and the Bonds shall not be issued nor their sale approved unless such Bonds shall have been re-authorized by resolution of the Commission. The resolution reauthorizing the issuance and sale of the Bonds may be in the form of a new resolution repealing this resolution or may be in the form of an amendatory resolution approving a bond purchase contract or establishing terms and conditions for the authority delegated under this section.

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

The Designated Port Representative is authorized to deem final and to approve for purposes of the Rule, on behalf of the Port, any Preliminary Official Statement and Official Statement and any supplement thereto relating to the issuance and sale of the Bonds and the distribution of the Bonds pursuant thereto with such changes, if any, as may be deemed by him/her to be appropriate.

The Designated Port Representative and other Port officials, agents and representatives are hereby authorized and directed to do everything necessary for the prompt issuance, execution and delivery of the Bonds to the Underwriter and for the proper application and use of the proceeds of sale of the Bonds. In furtherance of the foregoing, the Designated Port Representative is authorized to approve and enter into agreements for the payment of costs of issuance, including Underwriter's discount, the fees and expenses specified in the Official Notice of Sale and Approved Bid or the Bond Purchase Contract, including fees and expenses of Underwriter, if any, and other retained services, including bond counsel, disclosure counsel, rating agencies, Registrar, Escrow Agent, verification agent, financial advisory services, and other expenses customarily incurred in connection with issuance and sale of bonds.

Section 11. Disposition of Sale Proceeds.

(a) *Application of Bond Proceeds.* The net proceeds of the Bonds (net of underwriter's discount and any amounts that may be designated by the Designated Port Representative in a closing certificate to be allocated to pay costs of issuance or any Bond Insurance Policy), together with other available funds of the Port in the amount specified by the Designated Port Representative, shall be utilized immediately upon receipt thereof to pay and redeem the Refunded Bonds and/or shall be paid at the direction of the Treasurer to the Escrow

Agent (if the Designated Port Representative has determined that an escrow is necessary or desirable to effect the defeasance of all or a portion of the Refunded Bonds).

(b) *Designation of Refunded Bonds.* As outlined in the recitals to this resolution, the Refunding Candidates may be called for redemption prior to their scheduled maturities. All or some of the Refunding Candidates may be refunded and defeased with the proceeds of the Refunding Bonds authorized by this resolution, and the 2017 maturity of the 2008B Bonds may be defeased with other legally available funds of the Port. As provided in Section 10 of this resolution, the Designated Port Representative may select some or all of the Refunding Candidates and the 2017 maturity of the 2008B Bonds and designate them as the “Refunded Bonds” in the Bond Purchase Contract.

(c) *Refunding.* A portion of the proceeds of sale of the Bonds, together with legally available funds of the Port, if any, in the dollar amount certified by the Port to the Escrow Agent shall be delivered to the Escrow Agent for the purpose of defeasing the Refunded Bonds and paying related costs of issuance.

Money received by the Escrow Agent from Bond proceeds and other money provided by the Port, if any, shall be used immediately by the Escrow Agent upon receipt thereof in accordance with the terms of the Escrow Agreement to defease the Refunded Bonds, as authorized by the 2008 Bond Resolution, and to pay costs of issuance of the Bonds. The Port shall defease the Refunded Bonds and discharge such obligations by the use of money deposited with the Escrow Agent to purchase certain Government Obligations (which obligations so purchased, are herein called “Acquired Obligations”), bearing such interest and maturing as to principal and interest in such amounts and at such times which, together with any necessary

beginning cash balance, will provide for the payment of each of the following bonds that have been designated as “Refunded Bonds”:

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

(2) the redemption price of the Refunded Bonds (100% of the principal amount thereof) on the Call Date or maturity date, as applicable.

Such Acquired Obligations shall be purchased at a yield not greater than the yield permitted by the Code and regulations relating to acquired obligations in connection with refunding bond issues.

(d) *Appointment of Escrow Agent.* U.S. Bank National Association is hereby designated as the escrow agent for the Refunded Bonds (the “Escrow Agent”). The Bond proceeds designated in the foregoing subsection together with a cash contribution from the Port, if any, shall be transferred to the Escrow Agent in order to implement the refunding plan. A beginning cash balance, if any, and Acquired Obligations shall be deposited irrevocably with the Escrow Agent in an amount sufficient to defease the Refunded Bonds. The proceeds of the Bonds remaining after acquisition of the Acquired Obligations and provision for the necessary beginning cash balance shall be utilized to pay expenses of the acquisition and safekeeping of the Acquired Obligations and expenses of the issuance of the Bonds and/or returned to the Port for the payment of such expenses.

(e) *Call For Redemption of the Refunded Bonds.* The Port hereby irrevocably sets aside sufficient funds out of the purchase of Acquired Obligations from proceeds of the Bonds to make the payments described in this Section.

The Port hereby irrevocably calls the Refunded Bonds for redemption on the Call Date in accordance with terms of the 2008 Bond Resolution, authorizing the redemption and retirement of the Refunded Bonds prior to their fixed maturities.

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

The Escrow Agent is hereby authorized and directed to provide for the giving of notice of the redemption of the Refunded Bonds in accordance with the applicable provisions of the 2008 Bond Resolution. The Treasurer of the Port is authorized and requested to provide whatever assistance is necessary to accomplish such redemption and the giving of notice therefor.

The Escrow Agent is hereby authorized and directed to pay to the fiscal agent or agents of the State of Washington, sums sufficient to pay, when due, the payments specified in this Section. All such sums shall be paid from the moneys and Acquired Obligations deposited with said Escrow Agent pursuant to the previous section of this resolution, and the income therefrom and proceeds thereof. All moneys and Acquired Obligations deposited with said bank and any income therefrom shall be credited to a refunding account and held, invested (but only at the direction of the Treasurer) and applied in accordance with the provisions of this resolution and with the laws of the State of Washington for the benefit of the Port and owners of the Refunded Bonds.

The Port will take such actions as are found necessary to see that all necessary and proper fees, compensation and expenses of the Escrow Agent for the Refunded Bonds shall be paid when due.

(f) *Escrow Agreement/Costs of Issuance Agreement.* The Designated Port Representative is authorized and directed to execute and deliver to the Escrow Agent an Escrow Deposit Agreement (the “Escrow Agreement”) and a Costs of Issuance Agreement (the “Costs of Issuance Agreement”).

The Port hereby irrevocably sets aside for and pledges to the payment of the Refunded Bonds the moneys and obligations to be deposited with the Escrow Agent pursuant to the Escrow Agreement to accomplish the plan of refunding and defeasance of the Refunded Bonds set forth herein and in the Escrow Agreement. When all of the Refunded Bonds have been redeemed and retired, the Port may cause any remaining money to be transferred to the Bond Fund for the purposes set forth above.

Section 12. Tax Covenants.

(a) *General.* The Port covenants that it will not take or permit to be taken on its behalf any action that would adversely affect the exclusion from gross income for federal income tax purposes of the interest on such Bonds issued on a federally tax-exempt basis and will take or require to be taken such acts as may reasonably be within its ability and as may from time to time be required under applicable law to continue the exclusion from gross income for federal income tax purposes of the interest on the Bonds issued on a federally tax-exempt basis. The Port shall comply with its covenants set forth in the Federal Tax Certificate with respect to the Bonds issued on a federally tax-exempt basis.

(b) *No Designation under Section 265(b).* The Bonds are not “qualified tax-exempt obligations” under Section 265(b)(3) of the Code for banks, thrift institutions and other financial institutions.

Section 13. Undertaking to Provide Ongoing Disclosure. The Designated Port Representative is authorized to execute and deliver a Continuing Disclosure Undertaking regarding ongoing disclosure in order to assist the Underwriters in complying with Section (b)(5) of the Rule.

Section 14. Lost, Stolen or Destroyed Bonds. In case any Bond or Bonds shall be lost, stolen or destroyed, the Registrar may execute and deliver a new Bond or Bonds of like date, number and tenor to the owner thereof upon the owner's paying the expenses and charges of the Port in connection therewith and upon his filing with the Port evidence satisfactory to the Port that such Bond was actually lost, stolen or destroyed and of his ownership thereof, and upon furnishing the Port with indemnity satisfactory to the Port.

Section 15. Bond Insurance. The payments of the principal of and interest on one or more series, or principal maturities within the Bonds may be insured by the issuance of the Bond Insurance Policy. The Designated Port Representative may solicit proposals from municipal bond insurance companies, and the Designated Port Representative, in consultation with the Port's financial advisor, is hereby authorized to select the proposal that is deemed to be the most cost effective and further to execute the Bond Insurance Commitment with the Bond Insurer, which may include such covenants and conditions as shall be approved by the Designated Port Representative.

Section 16. 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 of this resolution and shall in no way affect the validity of the other provisions of this resolution or of the Bonds.

Section 17. Effective Date. This resolution shall become effective immediately upon its adoption.

ADOPTED at a meeting of the Commission of the Port of Tacoma, Washington, held this 20th day of July, 2017.

PORT OF TACOMA, WASHINGTON

President and Commissioner

Vice-President and Commissioner

Commissioner

Commissioner

Commissioner

EXHIBIT A
ESCROW DEPOSIT AGREEMENT

PORT OF TACOMA

**LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, [2017][2018]
[(AMT)][(Taxable)]**

THIS ESCROW AGREEMENT, dated as of _____, 2017 (herein, together with any amendments or supplements hereto, called the “Agreement”) is entered into by and between the PORT OF TACOMA (herein called the “Port”) and U.S. BANK NATIONAL ASSOCIATION, as escrow agent (herein, together with any successor in such capacity, called the “Escrow Agent”). The notice addresses of the Port and the Escrow Agent are shown on Annex A attached hereto and made a part hereof.

WITNESSETH:

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

WHEREAS, pursuant to Resolution No. 2017-05-PT adopted on July 20, 2017 (the “Bond Resolution”), the Port has determined to issue its Limited Tax General Obligation Refunding Bonds, [2017][2018] [(AMT)][(Taxable)] (the “Bonds”) for the purpose of providing funds to pay the costs of defeasing and/or refunding certain Refunded Bonds; and

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

[WHEREAS, _____, a firm of independent certified public accountants, has prepared a verification report which is dated _____, 2017 (the “Verification Report”) relating to the source and use of funds available to accomplish the defeasance and/or refunding of the Refunded Bonds, the investment of such funds and the adequacy of such funds and investments to provide for the payment of the debt service due on the Refunded Bonds; and]

WHEREAS, pursuant to the Bond Resolution, certain Refunded Bonds have been designated for redemption prior to their scheduled maturity dates and, after provision is made for such redemption, such Refunded Bonds will come due in such years, bear interest at such rates, and be payable at such times and in such amounts as are set forth in Exhibit C; and certain Refunded Bonds have been designated for defeasance and shall be paid on their scheduled maturity dates, and will come due in such years, bear interest at such rates, and be payable at such times and in such amounts as are set forth in Exhibit C; and

WHEREAS, when Escrowed Securities have been deposited with the Escrow Agent for the payment of all principal and interest of the Refunded Bonds when due, then the Refunded

Bonds shall no longer be regarded as outstanding except for the purpose of receiving payment from the funds provided for such purpose; and

WHEREAS, the Bonds have been duly authorized to be issued, sold, and delivered for the purpose of obtaining the funds required to provide for the payment of the principal of, interest on and redemption premium (if any) on the Bonds when due as shown on Exhibit C; and

WHEREAS, the Port desires that, concurrently with the delivery of the Bonds to the purchasers, the proceeds of the Bonds, together with certain other available funds of the Port, shall be applied to purchase certain direct obligations of the United States of America hereinafter defined as (the “Escrowed Securities”) for deposit to the credit of the Refunding Accounts and to establish a beginning cash balance (if needed) in the Refunding Accounts; and

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

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

Article 1. Definitions

Section 1.1. Definitions.

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

Escrow Account Deposits mean the cash deposits from proceeds of the Bonds and contributions from the Port in the amount and all as described in Exhibit D.

Escrowed Securities means the noncallable Government Obligations described in Exhibit D, or cash or other noncallable obligations substituted therefor pursuant to Section 4.2 of this Agreement.

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

Paying Agent means the fiscal agent of the State of Washington, as the paying agent for the Refunded Bonds.

Refunded Bonds mean those maturities and amounts of the Port of Tacoma Limited Tax General Obligation Bonds, Series 2008B (AMT) identified in Exhibit B that are being refunded by the Bonds or defeased by other legally available funds of the Port.

Refunding Account means the tax-exempt escrow account of that name established pursuant to this Agreement for the purpose of defeasing and refunding the Refunded Bonds.

Section 1.2. Other Definitions.

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

Section 1.3. Interpretations.

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

Article 2. Deposit of Funds and Escrowed Securities

Section 2.1. Deposits in the Refunding Accounts.

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

Article 3. Creation and Operation of Refunding Accounts

Section 3.1. Refunding Accounts.

The Escrow Agent is authorized and directed to create on its books a special trust account and irrevocable escrow to be known as the Refunding Account. The Refunding Account shall be established for the purpose of refunding the Refunded Bonds. The Escrow Agent agrees that upon receipt it will deposit to the credit of the Refunding Account certain amounts described in Exhibit D. Such deposit, all proceeds therefrom, and all cash balances on deposit therein (a) shall be the property of the Refunding Account, (b) shall be applied only in strict conformity with the terms and conditions of this Agreement, and (c) are hereby irrevocably pledged to the payment of the principal of and interest on the Refunded Bond, which payment shall be made by timely transfers of such amounts at such times as are provided for in Section 3.2. When the final transfers have been made for the payment of such principal of and interest on the Refunded

Bond, any balance then remaining in the Refunding Account shall be transferred to the Port, and the Escrow Agent shall thereupon be discharged from any further duties hereunder.

Section 3.2. Payment of Principal and Interest.

The Escrow Agent is hereby irrevocably instructed to transfer to the Paying Agent from the cash balances on deposit in the Refunding Accounts, the amounts required to pay the principal of the Refunded Bonds at their respective redemption dates and interest thereon to such redemption dates in the amounts and at the times shown in Exhibit C.

Section 3.3. Sufficiency of Refunding Accounts.

The Port represents that, the successive receipts of the principal of and interest on the Escrowed Securities will assure that the cash balance on deposit from in the Refunding Account will be at all times sufficient to provide money for transfer to the Paying Agent at the times and in the amounts required to pay the interest on the Refunded Bonds as such interest comes due and the principal of the Refunded Bonds as the Refunded Bonds are paid on an optional redemption date prior to maturity, all as more fully set forth in Exhibit E. If, for any reason, at any time, the cash balances on deposit or scheduled to be on deposit in the Refunding Account shall be insufficient to transfer the amounts required by the Paying Agent to make the payments set forth in Section 3.2., the Port shall timely deposit in the Refunding Accounts, from any funds that are lawfully available therefor, additional funds in the amounts required to make such payments. Notice of any such insufficiency shall be given promptly as hereinafter provided, but the Escrow Agent shall not in any manner be responsible for any insufficiency of funds in the Refunding Accounts or the Port's failure to make additional deposits.

Section 3.4. Trust Fund.

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

Article 4. Limitation on Investments

Section 4.1. Investments.

Except for the initial investment in the Escrowed Securities, and except as provided in Section 4.2, the Escrow Agent shall not have any power or duty to invest or reinvest any money held hereunder, or to make substitutions of the Escrowed Securities, or to sell, transfer, or otherwise dispose of the Escrowed Securities.

Section 4.2. Substitution of Securities.

At the written request of the Port, and upon compliance with the conditions hereinafter stated, the Escrow Agent shall utilize cash balances in the Refunding Account, or sell, transfer, otherwise dispose of or request the redemption of the Escrowed Securities and apply the proceeds therefrom to purchase Refunded Bonds or Government Obligations which do not permit the redemption thereof at the option of the obligor. Any such transaction may be effected by the Escrow Agent only if (a) the Escrow Agent shall have received a written opinion from a firm of certified public accountants that such transaction will not cause the amount of money and securities in the Refunding Account to be reduced below an amount sufficient to provide for the full and timely payment of principal of and interest on all of the remaining Refunded Bonds as they become due, taking into account any optional redemption thereof exercised by the Port in connection with such transaction; and (b) the Escrow Agent shall have received the unqualified written legal opinion of its bond counsel or tax counsel to the effect that such transaction will not cause any of the Bonds or Refunded Bonds to be an “arbitrage bond” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended.

Article 5. Application of Cash Balances

Section 5.1. In General.

Limitation regarding the Bonds. Except as provided in Section 2.1, 3.2 and 4.2 hereof, no withdrawals, transfers or reinvestment shall be made of cash balances in the Refunding Accounts. Cash balances shall be held by the Escrow Agent in United States currency as cash balances as shown on the books and records of the Escrow Agent and, except as provided herein, shall not be reinvested by the Escrow Agent; provided, however, a conversion to currency shall not be required (i) for so long as the Escrow Agent’s internal rate of return does not exceed 20%, or (ii) if the Escrow Agent’s internal rate of return exceeds 20%, the Escrow Agent receives a letter of instructions, accompanied by the opinion of nationally recognized bond counsel, approving the assumed reinvestment of such proceeds at such higher yield.

Article 6. Redemption of Refunded Bonds

Section 6.1. Call for Redemption.

The Port hereby irrevocably calls for redemption those Refunded Bonds designated for redemption on their earliest redemption dates, as shown in Appendix A attached hereto.

Section 6.2. Notice of Redemption/Notice of Defeasance.

The Escrow Agent agrees to give a notice of defeasance and a notice of the redemption of the Refunded Bonds to the Paying Agent for dissemination in accordance with the terms of Resolutions No. 2006-15 and No. 2007-17, of the Port Commission of the Port and in substantially the forms attached as and as described in Appendices A and B to the Paying Agent for distribution as described therein. The notice of defeasance shall be given immediately following the execution of this Agreement, and the notice of redemption shall be given in accordance with the ordinance or resolution authorizing the Refunded Bonds. The Escrow Agent hereby certifies that provision satisfactory and acceptable to the Escrow Agent has been made for the giving of notice of redemption of the Refunded Bonds.

Article 7. Records and Reports

Section 7.1. Records.

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

Section 7.2. Reports.

While this Agreement remains in effect, the Escrow Agent annually shall prepare and send to the Port a written report summarizing all transactions relating to the Refunding Account during the preceding year, including, without limitation, credits to the Refunding Account as a result of interest payments on or maturities of the Escrowed Securities and transfers from the Refunding Account for payments on the Refunded Bonds or otherwise, together with a detailed statement of all Escrowed Securities and the cash balance on deposit in the Refunding Account as of the end of such period.

Article 8. Concerning the Paying Agent and Escrow Agent

Section 8.1. Representations.

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

Section 8.2. Limitation on Liability.

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

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

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

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

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

Section 8.3. Successor Escrow Agents.

If at any time the Escrow Agent or its legal successor or successors should become unable, through operation or law or otherwise, to act as Escrow Agent hereunder, or if its property and affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy or for any other reason, a vacancy shall forthwith exist in the office of Escrow Agent hereunder. In such event the Port, by appropriate action, promptly shall appoint an Escrow Agent to fill such vacancy. If no successor Escrow Agent shall have been appointed by the Port within sixty (60) days, a successor may be appointed by the owners of a majority in principal amount of the Refunded Bonds then outstanding by an instrument or instruments in writing filed with the Port, signed by such owners or by their duly authorized attorneys-in-fact. If, in a proper case, no appointment of a successor Escrow Agent shall be made pursuant to the foregoing provisions of this section within three months after a vacancy shall have occurred, the owner of any Refunded Bond may apply to any court of competent jurisdiction to appoint a successor Escrow Agent. Such court may thereupon, after such notice, if any, as it may deem proper, prescribe and appoint a successor Escrow Agent.

Any successor Escrow Agent shall be a corporation organized and doing business under the laws of the United States or any state, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$100,000,000 and subject to the supervision or examination by federal or state authority.

Any successor Escrow Agent shall execute, acknowledge and deliver to the Port and the Escrow Agent an instrument accepting such appointment hereunder, and the Escrow Agent shall execute and deliver an instrument transferring to such successor Escrow Agent, subject to the terms of this Agreement, all the rights, powers and trusts of the Escrow Agent hereunder. Upon the request of any such successor Escrow Agent, the Port shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor Escrow Agent all such rights, powers and duties.

The obligations assumed by the Escrow Agent pursuant to this Agreement may be transferred by the Escrow Agent to a successor Escrow Agent if (a) the requirements of this Section 8.3 are satisfied; (b) the successor Escrow Agent has assumed all the obligations of the Escrow Agent under this Agreement; and (c) all of the Escrowed Securities and money held by the Escrow Agent pursuant to this Agreement have been duly transferred to such successor Escrow Agent.

Article 9. Miscellaneous

Section 9.1. Notice.

Any notice, authorization, request, or demand required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid addressed to the Port or the Escrow Agent at the address shown on Exhibit A attached hereto. The United States Post Office registered or certified mail receipt showing delivery of the aforesaid shall be conclusive evidence of the date and fact of delivery. Any party hereto may change the address to which notices are to be delivered by giving to the other parties not less than ten (10) days prior notice thereof.

Section 9.2. Termination of Responsibilities.

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

Section 9.3. Binding Agreement.

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

Section 9.4. Severability.

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

Section 9.5. Washington Law Governs.

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

Section 9.6. Time of the Essence.

Time shall be of the essence in the performance of obligations from time to time imposed upon the Escrow Agent by this Agreement.

Section 9.7. Notice to Moody's and S&P.

In the event that this Agreement or any provision thereof is severed, amended or revoked, the Port shall provide written notice of such severance, amendment or revocation to Moody's Investors Service at 7 World Trade Center at 250 Greenwich Street, New York, New York, 10007, Attention: Public Finance Rating Desk/Refunded Bonds; and to S&P Global Ratings, 55 Water Street, New York, New York 10041, Attention: Public Finance Rating Desk/Refunded Bonds.

Section 9.8. Amendments.

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

EXECUTED as of the date first written above.

PORT OF TACOMA

Chief Financial and Administrative Officer

U.S. BANK NATIONAL ASSOCIATION

Authorized Signer

Exhibit A	-	Addresses of the Port and the Escrow Agent
Exhibit B	-	Descriptions of the Refunded Bonds
Exhibit C	-	Schedule of Debt Service on Refunded Bonds
Exhibit D	-	Description of Beginning Cash Deposit and Escrowed Securities
Exhibit E	-	Refunding Accounts Cash Flow
Appendix A	-	Notice of Redemption
Appendix B	-	Notice of Defeasance

EXHIBIT A
Addresses of the Port and the Escrow Agent

Port: Port of Tacoma
P.O. Box 1837
Tacoma, WA 98401
Attention: Erin Galeno, Chief Financial and Administrative Officer

Escrow Agent: U.S. Bank National Association
Corporate Trust Services PD-WA-T7CT
1420 Fifth Avenue, 7th Floor
Seattle, WA 98101
Attention: Ryan Brennan, Assistant Vice President

EXHIBIT B
Description of the Refunded Bonds
(the “Refunded Bonds”)

Port of Tacoma
Limited Tax General Obligation Bonds, Series 2008B (AMT)

Maturity Year (December 1)	Principal Amounts	Interest Rates
[2017	\$ 540,000	4.750%]
2018	565,000	4.750
2019	595,000	4.750
2020	625,000	4.750
2021	650,000	4.750
2022	685,000	4.750
2023	715,000	4.750
2024	750,000	4.750
2025	785,000	4.750
2026	825,000	4.750
2027	860,000	4.750
2028	905,000	4.750
2029	945,000	4.750
2023*	4,250,000	4.750
2038*	6,565,000	4.875

* Term Bonds

EXHIBIT C
Schedule of Debt Service on Refunded Bonds

Date	Interest	Principal/ Redemption Price	Total
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EXHIBIT D
Escrow Deposit

I. Cash \$_____

II. Other Obligations

Description	Maturity Date	Principal Amount	Interest Rate	Total Cost
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EXHIBIT E
Refunding Accounts Cash Flow

Date	Escrow Requirement	Net Escrow Receipts	Excess Receipts	Cash Balance
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APPENDIX A

Notice of Redemption* Port of Tacoma Limited Tax General Obligation Bonds, Series 2008B (AMT)

NOTICE IS HEREBY GIVEN that the Port of Tacoma has called for redemption on June 1, 2018, its outstanding Limited Tax General Obligation Refunding Bonds, Series 2008B (AMT), described in the table below (the “Bonds”).

The Bonds will be redeemed at a price of one hundred percent (100%) of their principal amount, plus interest accrued to June 1, 2018. The redemption price of the Bonds is payable on presentation and surrender of the Bonds at the office of:

U.S. Bank National Association
Global Corporate Trust Services
111 Fillmore Ave E
St. Paul, MN 55107

Interest on all Bonds or portions thereof which are redeemed shall cease to accrue on June 1, 2018.

The following Bonds are being redeemed:

Maturity Years (December 1)	Principal Amounts	Interest Rates	Redemption Date (at 100%)	CUSIP Numbers
[2018	\$ 565,000	4.750%	June 1, 2018	735422LR6]
[2019	595,000	4.750	June 1, 2018	735422LS4]
[2020	625,000	4.750	June 1, 2018	735422LT2]
[2021	650,000	4.750	June 1, 2018	735422LU9]
[2022	685,000	4.750	June 1, 2018	735422LV7]
[2023	715,000	4.750	June 1, 2018	735422LW5]
[2024	750,000	4.750	June 1, 2018	735422LX3]
[2025	785,000	4.750	June 1, 2018	735422LY1]
[2026	825,000	4.750	June 1, 2018	735422LZ8]
[2027	860,000	4.750	June 1, 2018	735422MA2]
[2028	905,000	4.750	June 1, 2018	735422MB0]
[2029	945,000	4.750	June 1, 2018	735422MC8]
[2023†	4,250,000	4.750	June 1, 2018	735422MD6]
[2038†	6,565,000	4.875	June 1, 2018	735422ME4]

† Term bonds

* This notice shall be given not more than sixty (60) nor less than thirty (30) days prior to June 1, 2018, by first class mail to each registered owner of the Bonds. In addition notice shall be mailed at least thirty (30) days prior to June 1, 2018, to The Depository Trust Company, Citigroup Global Markets Inc., Assured Guaranty Corp., Moody's Investors Service, Inc., S&P Global Ratings, and to the Municipal Securities Rulemaking Board.

The Port and Paying Agent shall not be responsible for the selection or use of the CUSIP numbers selected, nor is any representation made as to their correctness indicated in the notice or as printed on any Bond. They are included solely for the convenience of the holders.

By Order of Port of Tacoma

U.S. Bank National Association, as Paying Agent

Dated: _____.

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

APPENDIX B

Notice of Defeasance*

Port of Tacoma

Limited Tax General Obligation Bonds, Series 2008B (AMT)

NOTICE IS HEREBY GIVEN to the owners of that portion of the above-captioned bonds with respect to which, pursuant to an Escrow Agreement dated _____, 2017, by and between the Port of Tacoma (the “Port”) and U.S. Bank National Association (the “Escrow Agent”), the Port has deposited into an escrow account, held by the Escrow Agent, cash and non-callable direct obligations of the United States of America, the principal of and interest on which, when due, will provide money sufficient to pay each year, to and including the respective maturity or redemption dates of such bonds so provided for, the principal thereof and interest thereon (the “Defeased Bonds”). Such Defeased Bonds are therefore deemed to be no longer outstanding pursuant to the provisions of Resolution No. 2007-17 of the Port, authorizing the issuance of the Defeased Bonds, but will be paid by application of the assets of such escrow account.

The Defeased Bonds are described as follows:

Port of Tacoma

Limited Tax General Obligation Bonds, Series 2008B (AMT)

(Dated January 17, 2008)

Maturity Years (December 1)	Principal Amounts	Interest Rates	Redemption Date (at 100%)	CUSIP Numbers
[2018	\$ 565,000	4.750%	June 1, 2018	735422LR6]
[2019	595,000	4.750	June 1, 2018	735422LS4]
[2020	625,000	4.750	June 1, 2018	735422LT2]
[2021	650,000	4.750	June 1, 2018	735422LU9]
[2022	685,000	4.750	June 1, 2018	735422LV7]
[2023	715,000	4.750	June 1, 2018	735422LW5]
[2024	750,000	4.750	June 1, 2018	735422LX3]
[2025	785,000	4.750	June 1, 2018	735422LY1]
[2026	825,000	4.750	June 1, 2018	735422LZ8]
[2027	860,000	4.750	June 1, 2018	735422MA2]
[2028	905,000	4.750	June 1, 2018	735422MB0]
[2029	945,000	4.750	June 1, 2018	735422MC8]
[2023†	4,250,000	4.750	June 1, 2018	735422MD6]
[2038†	6,565,000	4.875	June 1, 2018	735422ME4]

† Term bonds

* This notice shall be given immediately by first class mail to each registered owner of the Defeased Bonds. In addition notice shall be mailed to The Depository Trust Company, Citigroup Global Markets Inc., Assured Guaranty Corp., Moody's Investors Service, Inc., S&P Global Ratings, and to the Municipal Securities Rulemaking Board.

Information for Individual Registered Owner

The addressee of this notice is the registered owner of Bond Certificate No. _____ of the Defeased Bonds described above, which certificate is in the principal amount of \$_____.

Dated: _____, 2017.

U.S. Bank National Association, as Escrow Agent

EXHIBIT B

COSTS OF ISSUANCE AGREEMENT

PORT OF TACOMA LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, [2017][2018] [(AMT)][(Taxable)]

THIS COSTS OF ISSUANCE AGREEMENT, dated as of _____, 2017 (herein, together with any amendments or supplements hereto, called the “Agreement”), is entered into by and between the PORT OF TACOMA (herein called the “Port”) and U.S. BANK NATIONAL ASSOCIATION, as Escrow Agent (herein, together with any successor in such capacity, called the “Escrow Agent”).

WITNESSETH:

WHEREAS, pursuant to Resolution No. 2017-05-PT adopted on July __, 2017 (the “Bond Resolution”), the Port has determined to issue its Limited Tax General Obligation Refunding Bonds, [2017][2018] [(AMT)][(Taxable)] (the “Bonds”), for the purpose of providing funds to pay the costs of refunding certain outstanding bonds of the Port; and

WHEREAS, simultaneously herewith, the Port is entering into an Escrow Deposit Agreement, dated _____, 2017, under which the Escrow Agent will hold invested proceeds of the Bonds in order to pay and redeem the refunded bonds under the terms set forth therein; and

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

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

Section 1. Deposit in the Costs of Issuance Fund.

The Escrow Agent has created on its books a special trust fund and escrow fund to be known as the Costs of Issuance Fund. The Escrow Agent agrees that upon receipt it will deposit to the credit of the Costs of Issuance Fund Account the sum of \$_____ to pay those costs of issuance set forth on Exhibit A. Such deposit, all proceeds therefrom, and all cash balances on deposit therein shall be the property of the Costs of Issuance Fund to pay those costs of issuance set forth on Exhibit A upon receipt of invoices. If any of the \$_____ deposit allocated for costs of issuance for the Bonds remains unspent on _____, 20__, the Escrow Agent shall transfer such unspent amount to the Port, and this Agreement shall be deemed fully performed and terminated.

Section 2. Investments.

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

Section 3. Limitation on Liability.

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

Section 4. Compensation.

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

Section 5. Notice.

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

Section 6. Washington Law Governs.

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

EXECUTED as of the date first written above.

PORT OF TACOMA

Chief Financial and Administrative Officer

U.S. BANK NATIONAL ASSOCIATION

Authorized Signer

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

EXHIBIT A

Costs of Issuance

Escrow Agent Fee (U.S. Bank National Association)	\$
Bond Counsel Fee (K&L Gates LLP)	
[Verification Agent Fee (.....)]	
Official Statement Printing/Distribution	
Financial Advisor Fee (Public Financial Management, Inc.)	
Rating Agency Fees ([Moody's, S&P])	_____
Total:	\$_____

EXHIBIT B

Fee Schedule

[Attach Fee Schedule]

CERTIFICATE

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

1. That the attached resolution numbered 2017-05-PT (the “Resolution”) is a true and correct copy of a resolution of the Port, as finally adopted at a meeting of the Commission held on the 20th day of July, 2017, 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 20th day of July, 2017.

Secretary