

PORT OF PORT TOWNSEND, WASHINGTON

LIMITED TAX GENERAL OBLIGATION BOND, 2021

RESOLUTION NO. 741-21

A RESOLUTION OF THE PORT COMMISSION OF THE PORT OF PORT TOWNSEND, WASHINGTON, PROVIDING FOR THE ISSUANCE AND SALE OF A BOND TO EVIDENCE A REVOLVING LINE OF CREDIT IN THE PRINCIPAL AMOUNT NOT TO EXCEED \$7,000,000 REPLACING AN EXISTING LINE OF CREDIT; PROVIDING THE DATE, FORM, TERMS AND MATURITY OF THE BOND; AUTHORIZING EACH DESIGNATED PORT REPRESENTATIVE AUTHORITY TO MANAGE THE REVOLVING LINE OF CREDIT; AND APPROVING THE SALE OF SUCH BOND TO CASHMERE VALLEY BANK.

ADOPTED ON JANUARY 13, 2021

PREPARED BY:

K&L GATES LLP
Seattle, Washington

PORT OF PORT TOWNSEND

RESOLUTION NO. 741-21

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* The Cover Page and this Table of Contents is provided for convenience only and is not a part of this resolution.

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WHEREAS, the Port Commission (the "Commission") of the Port of Port Townsend, Washington (the "Port") deems it necessary and in the best interest of the citizens of the Port to undertake certain improvements to Port facilities within and as a part of its comprehensive scheme of improvements under RCW 53.20.010 (the "Projects"); and

WHEREAS, the Port is authorized by RCW 53.36.030 and Chapter 39.46 RCW to borrow money and issue general obligations payable, *inter alia*, from regular tax levies of the Port; and

WHEREAS, the Commission has determined to establish a revolving line of credit in exchange for its limited tax general obligation bond in the principal amount of not to exceed \$7,000,000 (the "Bond") to provide financing for all or portion of the Projects and to pay costs of issuance of the Bond; and

WHEREAS, the Port has outstanding a revolving line of credit evidenced by a general obligation note of the Port, dated April 30, 2020 (the "2020 Line of Credit"), and provided by Cashmere Valley Bank (the "Bank"); and

WHEREAS, the Bank has provided a term sheet dated January 7, 2021 for an increased revolving line of credit (the “Term Sheet”) to be supported by the Bond authorized herein under the terms and conditions set forth in this resolution; and

WHEREAS, this Commission intends to proceed under the terms described in the Term Sheet with such minor modifications as may be approved by a Designated Port Representative as hereinafter described;

NOW, THEREFORE, BE IT RESOLVED BY THE PORT COMMISSION OF THE PORT OF PORT TOWNSEND, 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.

Bank means Cashmere Valley Bank, Cashmere, Washington.

Bond means the Port of Port Townsend, Washington, Limited Tax General Obligation Bond, 2021, issued pursuant to this resolution.

Bond Fund means the Port of Port Townsend Bond Redemption Fund, 2021, created in the office of the Treasurer of the Port pursuant to Section 5 of this resolution.

Bond Register means the books or records maintained by the Bond Registrar containing the name and mailing address of the owner of the Bond or nominee of such owner and the principal amount outstanding.

Bond Registrar means U.S. Bank National Association, the current fiscal agent of the State of Washington, as designated by the Treasurer, for the purposes of registering and authenticating the Bond, maintaining the Bond Register, effecting the transfer of ownership of the Bond and paying interest on and principal of the Bond.

Commission means the Port Commission, as general legislative authority of the Port as the same shall be duly and regularly constituted from time to time.

Designated Port Representative means the Executive Director and/or the Director of Finance and Administration of the Port (or the successor in function to such person) or such other person as may be directed by resolution of the Commission.

Director of Finance and Administration means the chief financial officer of the Port, charged with the duties of auditor and financial administration.

Draw or **Draws** means incremental draws, in the amount of not less than \$25,000, on the Bond by the Port.

Draw Certificate means a request for a Draw substantially in the form attached to this resolution as Exhibit A.

Draw Record means the administrative records kept by the Bank to record the date and dollar amounts of the Draws on the Bond and the loan repayments made by the Port.

Executive Director means the chief executive officer of the Port.

Installment Payment Date means each March 1 and September 1, following the date of issuance of the Bond.

Interest Rate means a per annum rate equal to (a) 1.55% from the date of issuance of the Bond through and including February 28, 2025; and (b) 1.65% from March 1, 2025 to the Maturity Date.

Maturity Date means March 1, 2027.

Outstanding Principal Balance of the Bond means on any particular day the aggregate dollar amount of all Draws that the Port has made under the Bond to that day less the principal payments made to the Bank with respect to outstanding Draws.

Port means the Port of Port Townsend, Washington, a political subdivision duly organized and existing under and by virtue of the laws of the State of Washington.

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

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

Projects mean the capital improvements to Port facilities within and as a part of its comprehensive scheme of improvements under RCW 53.20.010, and as part of the approved capital budgets of the Port.

Request for Draw or Draws means incremental draws for the Projects as requested by a Designated Port Representative.

2020 Line of Credit means the Port's revolving line of credit with the Bank evidenced by a general obligation note of the Port, dated April 30, 2020.

Term Sheet means the final commitment letter or proposal from the Bank dated January 7, 2021, submitted for the Bond to the Port to purchase the Bond as approved pursuant

to Section 6 of this resolution and may include a separate agreement, at the option of and approved by a Designated Port Representative.

Treasurer means the Treasurer of Jefferson County, as *ex officio* Treasurer of the Port, or any successor to the functions of such Treasurer.

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 importing persons shall include firms, associations, partnerships (including partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons;

(c) 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;

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

Section 2. Authorization of the Bond. For the purpose of establishing a revolving line of credit to finance the Projects, the Port shall issue its limited tax general obligation bond, in the form of a revolving draw down obligation, in the principal amount not to exceed \$7,000,000 (the “Bond”).

(a) **Bond Details.** The Bond shall be designated as the “Port of Port Townsend, Washington, Limited Tax General Obligation Bond, 2021,” shall be dated as of the date of

issuance and delivery of the Bond to the Bank, shall be numbered R-1; shall be issued as a single instrument, fully registered form in the denomination not to exceed \$7,000,000, provided that the principal amount due and owing thereunder shall be measured by the total Drawings made minus repayments of principal made by the Port, as evidenced by the Draw Record attached to the Bond. The Bond shall bear interest on the Outstanding Principal Balance at the Interest Rate, payable semiannually on each March 1 and September 1, beginning on September 1, 2021 (each such date being referred to as an "Installment Payment Date"), with final payment of all outstanding and unpaid principal and interest due at maturity on March 1, 2027. Interest shall be calculated on the basis of a year of 360 days and 12 months of 30 days. Payments of principal of each Draw shall be amortized from the date of the Draw in semiannual installments and reflected in the Term Sheet, payable on an Installment Payment Date, beginning on September 1, 2021. No later than fifteen (15) days prior to an Installment Payment Date, and the final Maturity Date of the Bond, the Bank shall notify the Port, the Bond Registrar and the Treasurer in writing of the amount of principal (or principal and interest) coming due on such date. Payments on the Bond made to the Bank shall be applied first to accrued interest and then to principal.

(b) *Draws.* The Bond is intended to be a revolving obligation and principal amounts repaid may be re-borrowed until the maturity of the Bond. Draws on the Bond shall be disbursed as borrowings from time to time by the Bank upon request from the Port (each such disbursement herein referred to as a "Draw"), as provided in Section 9 of this resolution. Draws may be made on any business day in amounts of not less than \$25,000. Draws must be received by 11:00 a.m. for same day funding. Draws shall be recorded on the Draw Record attached to the Bond, or in such other form as the Port and the Bank may agree. Interest on each Draw shall accrue from the date of that Draw and shall be computed on the basis as described above on the

principal amount of the Draw outstanding for the actual number of days the principal amount of the Draw is outstanding.

(c) *Delegation to the Designated Port Representative.* The Designated Port Representative is hereby authorized to determine for the Port the amount and the timing of Draws and repayments under the Bond; provided, however, that repayments of principal shall be made timely to assure that the Outstanding Principal Balance of Drawings does not exceed \$7,000,000.

Section 3. Prepayment. The Port reserves the right to prepay principal of the Bond in advance of the scheduled payments, in whole or in part, at any time, with no prepayment penalty. The Port will notify the Bond Registrar and the Bank at least 10 days in advance of its intent to prepay. Prepayments shall be applied first to interest and then to principal.

Section 4. Registration and Payments. The Port hereby requests that the Treasurer appoint the fiscal agent of the State of Washington to act as the Bond Registrar. The duties of the Bond Registrar hereunder shall be limited to authenticating the Bond and to remitting money to the Bank on the payment dates as provided therein. Principal of and interest on the Bond shall be payable in lawful money of the United States of America. Installments of principal of and interest on the Bond shall be paid by check, wire, or electronic transfer on the date due to the Bank; *provided, however,* upon final payment of all installments of principal and interest thereon, the Bond shall be submitted to the Bond Registrar for cancellation and surrender.

The Bond Registrar is authorized, on behalf of the Port, to authenticate and deliver the Bond and to carry out all of the Bond Registrar's powers and duties under this resolution.

The Bond shall not be transferable, except in whole to a financial institution.

Section 5. Bond Fund. A special fund of the Port known as the "Port of Port Townsend Bond Redemption Fund, 2021" (the "Bond Fund") is hereby authorized to be created

in the office of the Treasurer. The Bond Fund shall be drawn upon for the sole purpose of paying the principal of and interest on the Bond.

The Port hereby further irrevocably covenants that, unless the principal of and interest on the Bond are paid from other sources, it will make annual levies of taxes upon all of the property within the Port subject to taxation within and as a part of each tax levy permitted to the Port 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 6. Sale of the Bond and Authorization to Port Officials. The Port authorizes the Designated Port Representative to review and approve any minor modifications to the Term Sheet in consultation with the Bank and hereby ratifies and confirms its acceptance of the Bank's Term Sheet, to purchase the Bond on the terms specified therein and in this resolution. The proper officials of the Port are hereby authorized and directed to do all things necessary for the prompt execution and delivery of the Bond and the items required to be delivered to the Bank under the terms of the Term Sheet and for proper use and application of the proceeds of Drawings thereunder. 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 the fees of bond counsel and fiscal agent, and other expenses customarily incurred in connection with issuance and sale of the Bond. There will be no loan fee to the Bank for issuance of the Bond.

Section 7. Form of Bond. The Bond shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. R-1

Not to exceed \$7,000,000

STATE OF WASHINGTON

PORT OF PORT TOWNSEND

LIMITED TAX GENERAL OBLIGATION BOND, 2021

INTEREST RATE: Initially, 1.55% from the Date of Issue through and including February 28, 2025; and 1.65% from March 1, 2025 to the Maturity Date

MATURITY DATE: MARCH 1, 2027

REGISTERED OWNER: CASHMERE VALLEY BANK
117 APLETS WAY
CASHMERE, WA 98815

TAX IDENTIFICATION #: 91-0168460

PRINCIPAL AMOUNT: AS MUCH AS HAS BEEN DRAWN AND REMAINS OUTSTANDING HEREUNDER, BUT NOT TO EXCEED SEVEN MILLION AND NO/100 DOLLARS (\$7,000,000)

The Port of Port Townsend, Washington, a municipal corporation organized and existing under and by virtue of the laws of the State of Washington (herein called the "Port"), hereby acknowledges itself to owe and for value received, promises to pay to the Registered Owner identified above, or registered assigns, the Outstanding Principal Balance (as defined in the hereinafter defined Resolution) of this this bond, in an amount not to exceed the Principal Amount specified above. The Outstanding Principal Balance on any particular day shall be the aggregate of all funds that the Port has Drawn from the date of this bond to that day less the aggregate of all principal payments made by the Port on or before that day, and no Draws shall be made or honored if, as a result of such Draw, the Outstanding Principal Balance would exceed \$7,000,000.

Draws made upon this bond shall bear interest at the Interest Rate set forth above (calculated on the basis of a year of 360 days and 12 months of 30 days) and shall accrue from the date of each Draw on the principal amount of such Draw outstanding. Interest on the Outstanding Principal Balance of this bond shall be paid semiannually on each March 1 and September 1, beginning on September 1, 2021, with final payment of all outstanding and unpaid principal and interest due at maturity on March 1, 2027. Draws may be made to make interest payments on this bond. Payments of principal of each Draw shall be amortized from the date of the Draw in installments as determined by the Registered Owner with the intention to provide approximately equal annual payments, payable on each Installment Payment Date, beginning on September 1, 2021, in accordance with a schedule to be provided by the Registered Owner to the

Port, the Bond Registrar and the Treasurer, and regularly to be attached hereto as Exhibit A. No later than fifteen (15) days prior to an Installment Payment Date, and the final Maturity Date of this bond, the Registered Owner shall notify the Port, the Bond Registrar and the Treasurer in writing of the amount of principal (or principal and interest) coming due on such date.

The Port may make Draws upon this bond at any time pursuant to the Resolution. Draws shall be recorded on the Draw Record attached to this bond, or in such other form as the Port and the Registered Owner may agree.

Both principal of and interest on this bond are payable in lawful money of the United States of America. Installments of the principal of and interest on this bond shall be paid by check or draft of the Bond Registrar, initially the fiscal agent of the State of Washington (the "Bond Registrar") mailed on the date such interest is due or by electronic funds transfer made on the date such interest is due to the registered owner or nominee at the address appearing on the Bond Register. Upon final payment of all installments of principal and interest thereon, this bond shall be submitted to the Bond Registrar for cancellation and surrender.

This bond is issued pursuant to Resolution No. 741-21 (the "Resolution") to finance the costs of capital improvements to Port facilities within and as a part of the Port's comprehensive scheme of harbor improvements as provided in Chapter 53.20 RCW and as part of the approved capital budgets of the Port. Capitalized terms appearing on this bond and not otherwise defined herein shall have the meanings given such terms in the Resolution.

The Port reserves the right to prepay principal of this bond in advance of the scheduled maturity set forth above, in whole or in part, at any time, with no prepayment penalty. The Port will notify the Registered Owner at least 10 days in advance of its intent to prepay. Payments on this bond shall be applied first to accrued interest and then to principal.

This bond shall not be transferable, except in whole to a financial institution and conditioned on such institution assuming all obligations to provide the revolving line of credit evidenced by this bond.

This bond is not a "private activity bond" as such term is defined in the Internal Revenue Code of 1986, as amended (the "Code"). The Port has designated this bond as a "qualified tax-exempt obligation" under Section 265(b) of the Code for investment by financial institutions.

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 the Port without a vote of the electors and in amounts sufficient, with other monies legally available therefor, to pay the principal of and interest on this bond 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.

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

This bond is 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 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 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 Port Townsend, 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 the _____ day of _____, 2021.

[SEAL]

PORT OF PORT TOWNSEND,
WASHINGTON

By _____ /s/ _____
President, Port Commission

ATTEST:

_____/s/_____
Secretary, Port Commission

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

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____, 2021

This bond is the Bond described in the within-mentioned Resolution and is the Limited Tax General Obligation Bond, 2021 of the Port of Port Townsend, Washington, dated _____, 2021.

WASHINGTON STATE FISCAL AGENT,
Bond Registrar

By _____
Authorized Signer

The Draw Record shall be substantially in the following form:

PORT OF PORT TOWNSEND, WASHINGTON
LIMITED TAX GENERAL OBLIGATION BOND, 2021

DRAW RECORD

Description	Date	Draw Amount (Principal and Draw Certificate Number)	Payment Amount (Principal)	Payment Amount (Interest)	Principal Balance

EXHIBIT A

PORT OF PORT TOWNSEND, WASHINGTON
LIMITED TAX GENERAL OBLIGATION BOND, 2021

AMORTIZATION SCHEDULE

Payment Date	Principal Amount	Interest	Total

Section 8. Execution and Delivery of Bond. The Bond shall be executed on behalf of the Port by the manual or facsimile signatures of the President and Secretary of its Commission. In case any officer whose signature shall appear on the Bond shall cease to be an officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, and such Bond may be authenticated and delivered as if such officer had remained in office until such delivery.

The Bond shall not be valid for any purpose unless Certificate of Authentication in the form specified in Section 7 has been manually executed by the Bond Registrar. Such Certificate of Authentication shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated and delivered hereunder and is entitled to the benefits of this resolution.

Section 9. Disposition of Drawings Under the Bond. Following the execution and delivery of the Bond, the Designated Port Representative shall notify the Bank, the Treasurer and the Bond Registrar in writing each time that a Draw is required to pay costs of the Projects, interest on the Bond or costs of issuance of the Bond, by completing a Draw Certificate substantially in the form of Exhibit A attached hereto and incorporated by this reference herein (or in such other form or format acceptable to the Bank, the Port and the Treasurer). The Bank will then notify the Treasurer of its intent to wire transfer a Draw (including the dollar amount of the Draw and the date on which the Draw amount will be wired to the Treasurer for deposit into the fund designated by the Port). The Drawings under the Bond shall be used, together with other moneys on deposit therein and available therefor, for the undertaking of the Projects and for paying all expenses incidental thereto (including but not limited to costs of issuance of the Bond, engineering, financing, legal or any other incidental costs) and for repaying any advances heretofore or hereafter made on account of such costs or for paying interest on the Bond.

Section 10. Tax Covenants; Special Designation.

(a) *Arbitrage Covenant.* The Port hereby covenants that it will not make any use of the proceeds of sale of the Bond or any other funds of the Port which may be deemed to be proceeds of such Bond pursuant to Section 148 of the Code and applicable regulations thereunder which will cause the Bond to be an “arbitrage bond” within the meaning of said section and regulations. The Port will comply with the requirements of Section 148 of the Code

(or any successor provision thereof applicable to the Bond) and the applicable regulations thereunder throughout the term of the Bond.

(b) *Private Person Use Limitation for the Bond.* The Port covenants that for as long as the Bond is outstanding, it will not permit:

(1) More than 10% of the Net Proceeds of the Bond to be allocated to any Private Person Use; and

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

The Port further covenants that, if:

(3) More than five percent of the Net Proceeds of the Bond are allocable to any Private Person Use; and

(4) More than five percent of the principal or interest payments on the Bond in a Bond Year are (under the terms of this resolution or any underlying arrangement) directly or indirectly: (A) secured by any interest in property used or to be used for any Private Person Use or secured by payments in respect of property used or to be used for any Private Person Use, or (B) derived from payments (whether or not made to the Port) in respect of property, or borrowed money, used or to be used for any Private Person Use, then, (i) any Private Person Use of the projects financed with Bond proceeds or Private Person Use payments described in subsection (4) hereof that is in excess of the five percent limitations described in subsections (3) or (4) will be for a Private Person Use that is related to the state or local governmental use of the projects financed with Bond proceeds, and (ii) any Private Person Use will not exceed the

amount of Net Proceeds of the Bond used for the state or local governmental use portion of those projects to which the Private Person Use of such portion of the Project relates. The Port further covenants that it will comply with any limitations on the use of the projects by other than state and local governmental users that are necessary, in the opinion of its bond counsel, to preserve the tax exemption of the interest on the and Bond. The covenants of this section are specified solely to assure the continued exemption from regular income taxation of the interest on the Bond.

(c) *Designation under Section 265(b).* The Port hereby designates the Bond as a “qualified tax-exempt obligation” under Section 265(b)(3) of the Code for banks, thrift institutions and other financial institutions. The Port does not anticipate issuing more than \$10,000,000 in qualified tax-exempt obligations during 2021 (excluding obligations permitted by the Code to be excluded for purposes of the Port’s qualification as a qualified small issuer).

Section 11. No Undertaking to Provide Ongoing Disclosure. The Bond is not subject to Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, and the Port makes no undertaking regarding ongoing disclosure with respect to the Bond.

Section 12. Financial Reporting. While the Bond is outstanding, the Port shall provide the Bank, or provide notification of such repository where the Bank may reasonably obtain, (i) the Port’s annual financial statements, anticipated to be no later than 270 days of the end of each fiscal year, and (ii) the Port’s annual audited financial statements promptly upon receipt thereof from the Office of the Washington State Auditor.

Section 13. Lost, Stolen or Destroyed Bond. In case the Bond shall be lost, stolen or destroyed, the Port may execute and the Bond Registrar may deliver a new Bond of like date and tenor to the Bank and upon its filing with the Bond Registrar evidence satisfactory to said Bond

Registrar that the Bond was actually lost, stolen or destroyed, and upon furnishing the Bond Registrar with indemnity satisfactory to the Bond Registrar.

Section 14. Termination of 2020 Line of Credit. Promptly upon the execution and delivery of the Bond, the Port shall cause the 2020 Line of Credit to be terminated, and the Director of Finance and Administration is authorized and directed to coordinate the termination process with the Treasurer and the Bank.

Section 15. Resolution and Laws a Contract with the Bank. This resolution is adopted under the authority of and in full compliance with the Constitution and laws of the State of Washington. In consideration of the loan made by the Bank, evidenced by the Bond, the provisions of this resolution and of said laws shall constitute a contract with the Bank, and the obligations of the Port and its Commission under said laws and under this resolution shall be enforceable by any court of competent jurisdiction; and the covenants and agreements herein and in the Bond set forth shall be for the equal benefit of the Bank and any permitted transferee or assignee.


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 in this resolution and shall in no way affect the validity of the other provisions of this resolution or of the Bond.


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

ADOPTED AND APPROVED at a regular meeting of the Commission of the Port of
Port Townsend, Washington held this 13th day of January, 2021.



PORT OF PORT TOWNSEND,
WASHINGTON

By 
President and Commissioner

By 
Vice President and Commissioner

By 
Secretary and Commissioner

**EXHIBIT A
FORM OF REQUEST FOR DRAW**

PORT OF PORT TOWNSEND, WASHINGTON
LIMITED TAX GENERAL OBLIGATION BOND, 2021

PRINCIPAL AMOUNT OF NOT TO EXCEED \$7,000,000

REQUEST FOR DRAW NO. _____

TO: Cashmere Valley Bank
117 Aplets Way
Cashmere, Washington 98815

On behalf of Port of Port Townsend, Washington (the "Port"), I hereby certify that:

1. I am the Designated Port Representative of the Port, and that I am authorized to request this Draw under the Port's Limited Tax General Obligation Bond, 2021 (the "Bond"), and to make the representations on behalf of the Port set forth herein. Capitalized terms used in this Draw Certificate have the meanings defined for such terms in Resolution No. 741-21 of the Port, adopted on January 13, 2021 (the "Resolution").

2. The Port requests a Draw under the Bond in the amount of: \$ _____. The proceeds of the Draw should be sent by electronic transfer to _____, for the Jefferson County Treasurer [insert wiring instructions] for the further attention and direction of _____ [identify Port fund into which the Draw should be deposited].

3. The amount of this Draw, together with the principal amount of all remaining outstanding Draws of the Port under the Bond, do not exceed \$7,000,000. Please disburse the Draw to the Port on (insert date).

4. The Draw will be expended for purposes authorized by the Resolution.

5. All representations of the Port in the Resolution were true and correct when made, and remain true and correct on this date.

Dated as of this ___ day of _____, _____.

PORT OF PORT TOWNSEND,
WASHINGTON

By: _____
Name: _____
Title: _____

cc: The Treasurer at:

JEFFERSON COUNTY TREASURER
P.O. Box 571
Port Townsend, WA 98368
Email: treasurerstaff@co.jefferson.wa.us

The Bond Registrar at:

U.S. BANK NATIONAL ASSOCIATION
Global Corporate Trust Services
1420 Fifth Avenue, 7th Floor
PD-WA-T7CT
Seattle, Washington 98101
Attention: Carolyn Morrison, Vice President
Email: carolyn.morrison@usbank.com

CERTIFICATE

I, the undersigned, Secretary of the Port Commission (the "Commission") of the Port of Port Townsend, Washington (the "Port") and keeper of the records of the Commission, DO HEREBY CERTIFY:

1. That the attached resolution is a true and correct copy of Resolution No. 741-21 of the Port Commission (the "Resolution"), duly adopted at a regular meeting thereof held on the 13th day of January, 2021; and

2. That said meeting was duly convened and held in all respects in accordance with law, due and proper notice of such meeting was given, that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Commission voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the 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 13th day of January, 2021.



Secretary, Port Commission