

RESOLUTION NO. 3351, AS AMENDED

A RESOLUTION of the Port Commission of the Port of Seattle, amending Resolution No. 3238, as amended, with respect to certain definitions and requirements applicable to the Port's subordinate lien revenue bonds.

Prepared by:

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Adopted: August 24, 1999

RESOLUTION NO. 3351, AS AMENDED

A RESOLUTION of the Port Commission of the Port of Seattle, amending Resolution No. 3238, as amended, with respect to certain definitions and requirements applicable to the Port's subordinate lien revenue bonds.

WHEREAS, on March 25, 1997, the Port of Seattle, Washington (the "Port") adopted Resolution No. 3238, as amended (the "1997 First Resolution"), authorizing the issuance of its Subordinate Lien Revenue Bonds, Series 1997 (the "1997 First Series"); and

WHEREAS, Section 7.08 of the 1997 First Resolution permits the Port to supplement or amend the 1997 First Resolution upon compliance with certain conditions, including receipt of the consent of the Registered Owners of a majority in aggregate principal amount of the bonds then Outstanding and the prior written consent of the Bank as defined in the 1997 First Resolution; and

WHEREAS, it is necessary and desirable to amend certain definitions and requirements in the 1997 First Resolution; and

WHEREAS, the Port has determined that the requisite consents will be received and the requisite conditions will be met;

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

Section 1. Definition of "Available Revenue." The following definition in Section 1.01 of the 1997 First Resolution is hereby deleted in its entirety:

"Available Revenue" means the Gross Revenue of the Port after providing for the payments set forth in paragraphs First, Second, Third and Fourth of Section 5.01(b) of this resolution.

The following definition is hereby added to Section 1.01 of the 1997 First Resolution:

"Available Revenue" means the Gross Revenue of the Port after providing for the payments set forth in paragraphs First, Second, Third and Fourth of Section 5.01(b) of this resolution. Notwithstanding the foregoing, the Port may adopt a resolution obligating and binding the Port to set aside and pay any part or parts of, or all of, or a fixed proportion of, or a fixed amount of other receipts (not previously included in Gross Revenue) at any time as additional security for any one or more series of Subordinate Lien Parity Bonds; provided that the Port has

also obligated and bound itself to set aside and pay such receipts for the benefit of Permitted Prior Lien Bonds.

Section 2. Definition of "Debt Service." The following definition in Section 1.01 of the 1997 First Resolution is deleted in its entirety:

"Debt Service" means, for any period of time,

(a) with respect to any Outstanding Original Issue Discount Bonds or Capital Appreciation Bonds which are not designated as Balloon Maturity Bonds in the Subordinate Lien Resolution authorizing their issuance, the principal amount thereof equal to the Accreted Value thereof maturing or scheduled for redemption in such period, and the interest payable during such period;

(b) with respect to any Outstanding Fixed Rate Bonds, an amount equal to (1) the principal amount of such Subordinate Lien Parity Bonds due or subject to mandatory redemption during such period and for which no sinking fund installments have been established, (2) the amount of any payments required to be made during such period into any sinking fund established for the payment of any such Subordinate Lien Parity Bonds, plus (3) all interest payable during such period on any such Subordinate Lien Parity Bonds Outstanding and with respect to Subordinate Lien Parity Bonds with mandatory sinking fund requirements, calculated on the assumption that mandatory sinking fund installments will be applied to the redemption or retirement of such Subordinate Lien Parity Bonds on the date specified in the Subordinate Lien Resolution authorizing such Subordinate Lien Parity Bonds; and

(c) with respect to all other series of Subordinate Lien Parity Bonds Outstanding, other than Fixed Rate Bonds, Original Issue Discount Bonds or Capital Appreciation Bonds, specifically including but not limited to Balloon Maturity Bonds and Subordinate Lien Parity Bonds bearing variable rates of interest, an amount for any period equal to the amount which would have been payable for principal and interest on such Subordinate Lien Parity Bonds during such period computed on the assumption that the amount of Subordinate Lien Parity Bonds Outstanding as of the date of such computation would be amortized

(i) in accordance with the mandatory redemption provisions, if any, set forth in the Subordinate Lien Resolution authorizing the issuance of such Subordinate Lien Parity Bonds, or if mandatory redemption provisions are not provided, during a period commencing on the date of computation and ending on the date 30 years after the date of issuance to provide for essentially level annual debt service of principal and interest over such period and (ii) at an interest rate equal to the yield to maturity set forth in the 40-Bond Index published in the edition of The Bond Buyer (or comparable publication or such other similar index selected by the Port with the approval of the Consultant, if applicable) selected by the Port and published within ten days prior to the date of calculation or, if such calculation is being made in connection with the certificate required by Section 5.04 hereof, then within ten days of such certificate.

(d) With respect to any Subordinate Lien Parity Bonds payable in other than U. S. Dollars, Debt Service shall be calculated as provided in the Subordinate Lien Resolution authorizing the issuance of such Bonds. Debt Service shall be net of any interest funded out of Subordinate Lien Parity Bond proceeds. Debt Service shall include reimbursement obligations to providers of Credit Facilities to the extent authorized in a Subordinate Lien Resolution.

The following definition is hereby added to Section 1.01 of the 1997 First Resolution:

"Debt Service" means, for any period of time,

(a) with respect to any Outstanding Original Issue Discount Bonds or Capital Appreciation Bonds which are not designated as Balloon Maturity Bonds in the Subordinate Lien Resolution authorizing their issuance, the principal amount thereof equal to the Accreted Value thereof maturing or scheduled for redemption in such period, and the interest payable during such period;

(b) with respect to any Outstanding Fixed Rate Bonds, an amount equal to (1) the principal amount of such Subordinate Lien Parity Bonds due or subject to mandatory redemption during such period and for which no sinking fund installments have been established, (2) the amount of any payments

required to be made during such period into any sinking fund established for the payment of the principal of any such Subordinate Lien Parity Bonds, plus (3) all interest payable during such period on any such Subordinate Lien Parity Bonds Outstanding and with respect to Subordinate Lien Parity Bonds with mandatory sinking fund requirements, calculated on the assumption that mandatory sinking fund installments will be applied to the redemption or retirement of such Subordinate Lien Parity Bonds on the date specified in the Subordinate Lien Resolution authorizing such Subordinate Lien Parity Bonds; and

(c) with respect to all other series of Subordinate Lien Parity Bonds Outstanding, other than Fixed Rate Bonds, Original Issue Discount Bonds or Capital Appreciation Bonds, specifically including but not limited to Balloon Maturity Bonds and Subordinate Lien Parity Bonds bearing variable rates of interest, an amount for any period equal to the amount which would have been payable for principal and interest on such Subordinate Lien Parity Bonds during such period computed on the assumption that the amount of Subordinate Lien Parity Bonds Outstanding as of the date of such computation would be amortized (i) in accordance with the mandatory redemption provisions, if any, set forth in the Subordinate Lien Resolution authorizing the issuance of such Subordinate Lien Parity Bonds, or if mandatory redemption provisions are not provided, during a period commencing on the date of computation and ending on the date 30 years after the date of issuance to provide for essentially level annual debt service of principal and interest over such period and (ii) at an interest rate equal to the yield to maturity set forth in the 40-Bond Index published in the edition of The Bond Buyer (or comparable publication or such other similar index selected by the Port with the approval of the Consultant, if applicable) selected by the Port and published within ten days prior to the date of calculation or, if such calculation is being made in connection with the certificate required by Section 5.04 hereof, then within ten days of such certificate.

(d) with respect to Derivative Products, the Port Payments required by contract to be paid to a Reciprocal Payor under any existing Derivative Product, offset by the Reciprocal Payments during the same period

during the relevant period, on the assumption that if any such payment is not fixed at the time of execution of the Derivative Product, the amount of such payment will be calculated at the Estimated Average Derivative Rate prevailing during the remaining term of the Derivative Product.

With respect to any Subordinate Lien Parity Bonds payable in other than U. S. Dollars, Debt Service shall be calculated as provided in the Subordinate Lien Resolution authorizing the issuance of such Bonds. Debt Service shall be net of any interest funded out of Subordinate Lien Parity Bond proceeds. Debt Service also shall be net of any principal funded out of Subordinate Lien Parity Bond proceeds and shall be net of any principal and/or interest (not including any amounts deposited to any reserve account for payment of principal and/or interest) funded from proceeds of any Permitted Prior Lien Bonds or any other obligations thereafter issued for such purposes. Debt Service shall include reimbursement obligations (and interest accruing thereon) to providers of Credit Facilities to the extent authorized in a Subordinate Lien Resolution.

Section 3. Definitions Relating to Derivative Products. The following definitions are hereby added to Section 1.01 of the 1997 First Resolution:

"Derivative Product" means a written contract or agreement between the Port and a Reciprocal Payor, which provides that the Port's obligations thereunder will be conditioned on the absence of: (i) a failure by the Reciprocal Payor to make any payment required thereunder when due and payable, and (ii) a default thereunder with respect to the financial status of the Reciprocal Payor; and

(a) under which the Port is obligated to pay, on one or more scheduled and specified Derivative Payment Dates, the Port Payments in exchange for the Reciprocal Payor's obligation to pay or to cause to be paid to the Port, on the same scheduled and specified Derivative Payment Dates, the Reciprocal Payments; *i.e.*, the contract must provide for net payments;

(b) for which the Port's obligations to make all or any portion of Port Payments may be secured by a pledge of and lien on Available Revenue on an equal and ratable basis with the outstanding Subordinate Lien Parity Bonds;

(c) under which Reciprocal Payments are to be made directly into a bond fund for the outstanding Subordinate Lien Parity Bonds;

(d) for which the Port Payments are either specified to be one or more fixed amounts or are determined according to a formula set forth in the Derivative Product; and

(e) for which the Reciprocal Payments are either specified to be one or more fixed amounts or are determined according to a formula set forth in the Derivative Product.

"Estimated Average Derivative Rate" means:

(a) as to the variable rate payments made by any party under any Derivative Product,

(i) if the Port is the variable rate payor, the greater of the then-prevailing value of the formula set forth in the Derivative Product by which the variable rate payments to be paid by the Port are determined or the average of such variable rate formula during the immediately preceding 12 months, or

(ii) if the Reciprocal Payor is the variable rate payor, the lesser of the then-prevailing value of the formula set forth in the Derivative Product by which the variable rate payments to be paid by the Reciprocal Payor are determined or the average of such variable rate formula during the immediately preceding 12 months; and

(b) when the variable rate to be used in a Derivative Product is a designated hedge of one or more specified maturities of the variable rate Subordinate Lien Parity Bonds, the variable rate or rates under the Derivative Product will be deemed to be the same rate or rates estimated for the specified maturity or maturities of the specified Subordinate Lien Parity Bonds; and

(c) if two or more Derivative Products each specify the same index and formula for determining and setting their respective variable rates, on the same dates, and for the same periods of time, and with respect to identical derivative principal amounts, all such Derivative Products shall be deemed to have the same Estimated Average Derivative Rate, calculated in accordance with

paragraphs (a)(i) and (a)(ii) of this definition and, where applicable, with respect to the first of such Derivative Products to become effective.

"Reciprocal Payor" means any bank or corporation, partnership or other entity whose guarantor maintains or who maintains for itself at least an A rating from each Rating Agency then maintaining a rating on Outstanding Subordinate Lien Parity Bonds that is a party to a Derivative Product and that is obligated to make one or more Reciprocal Payments thereunder.

Section 4. Definition of Designated Port Representative. The following definition in Section 1.01 of the 1997 First Resolution is hereby deleted in its entirety:

"Designated Port Representative" means the Executive Director or the chief financial officer of the Port or such other person as may be directed from time to time by resolution of the Commission.

The following definition is hereby added to Section 1.01 of the 1997 First Resolution:

"Designated Port Representative" means the Executive Director, Director of Finance and Budget or the Chief Financial Officer of the Port (or the successor in function to such person(s)) or such other person as may be directed by resolution of the Commission.

Section 5. Definition of Subordinate Lien Parity Test. The following definition in Section 1.01 of the 1997 First Resolution is deleted in its entirety:

"Subordinate Lien Parity Test" means Available Revenue equal to or greater than two times Aggregate Annual Debt Service with respect to all Subordinate Lien Parity Bonds then Outstanding.

The following definition is hereby added to Section 1.01 of the 1997 First Resolution:

"Subordinate Lien Parity Test" means Available Revenue equal to or greater than 1.5 times Aggregate Annual Debt Service with respect to all Subordinate Lien Parity Bonds then Outstanding.

Section 6. Permitted Prior Lien Bonds. Section 5.04(a) of the 1997 First Resolution which reads as follows is hereby deleted in its entirety:

(a) *Permitted Prior Lien Bonds.* As provided in the Master Resolution, the Port reserves the right to issue from time to time one or more series of First Lien Bonds by means of a Series Resolution (as such term is

defined and required under the Master Resolution) for any purpose of the Port now or hereafter permitted by law, provided that the Port shall comply with the terms and conditions for the issuance of First Lien Bonds set forth in the Master Resolution. In addition, and provided that the Port is not in default of its obligations under this resolution, the Port also reserves the right to issue obligations payable from Net Revenue available after payment of the amounts described in paragraphs First through Third of Section 5.01(b) of this resolution, and having lien(s) on such Net Revenues prior to the lien of the Bonds and the Outstanding Subordinate Lien Bonds. Such obligations shall be subject to such terms, conditions and covenants set forth in their respective authorizing resolutions.

The following is hereby added as Section 5.04(a) of the 1997 First Resolution:

(a) *Permitted Prior Lien Bonds.* As provided in the Master Resolution, the Port reserves the right to issue from time to time one or more series of First Lien Bonds by means of a Series Resolution (as such term is defined and required under the Master Resolution) for any purpose of the Port now or hereafter permitted by law, provided that the Port shall comply with the terms and conditions for the issuance of First Lien Bonds set forth in the Master Resolution. In addition, the Port also reserves the right to issue obligations payable from Net Revenue available after payment of the amounts described in paragraphs First through Third of Section 5.01(b) of this resolution, and having lien(s) on such Net Revenues prior to the lien of the Bonds and the Outstanding Subordinate Lien Bonds. Such obligations shall be subject to such terms, conditions and covenants set forth in their respective authorizing resolutions.

Section 7. Future Subordinate Lien Parity Bonds. Section 5.04(b) of the 1997 First Resolution which reads as follows is hereby deleted in its entirety:

(b) *Future Subordinate Lien Parity Bonds - General Provisions.* The Port hereby further covenants and agrees with the Owners of each of the Bonds for as long as any of the same remain Outstanding that it will not issue any Future Subordinate Lien Parity Bonds, except that the Port hereby reserves the right to issue additional revenue bonds, which shall constitute a charge and lien upon the

Available Revenue equal to the lien thereon of the Bonds, if at the time of the issuance of such Future Subordinate Lien Parity Bonds the Port is not in default under this resolution, and either of the conditions (1) or (2) below is satisfied.

(1) Certificate Required. Unless the Port is able to meet the criteria set forth in (2) below, a certificate shall be filed with the Port (as described in this subsection (b) or subsection (c) below) demonstrating fulfillment of the Subordinate Lien Parity Test, (i) commencing with the first full fiscal year following the earlier of (A) the Date of Commercial Operation of the Facilities to be financed with the proceeds of the Future Subordinate Lien Parity Bonds or (B) the date on which any portion of interest on the Future Subordinate Lien Parity Bonds then being issued no longer will be paid from the proceeds of such bonds, and (ii) for the following two fiscal years.

(2) No Certificate Required. A certificate shall not be required as a condition to the issuance of Future Subordinate Lien Parity Bonds:

(i) if the Future Subordinate Lien Parity Bonds are being issued for refunding purposes upon compliance with the provisions of subsection (c) of this section; or

(ii) if the Future Subordinate Lien Parity Bonds are being issued to pay Costs of Construction of Facilities for which indebtedness has been issued previously and the principal amount of such indebtedness being issued for completion purposes does not exceed an amount equal to an aggregate of 15% of the principal amount of indebtedness theretofore issued for such Facilities and reasonably allocable to the Facilities to be completed as shown in a written certificate of the Designated Port Representative, and there is delivered a Consultant's certificate stating that the nature and purpose of such Facilities has not materially changed.

A certificate may be delivered by the Port without a Consultant if the Available Revenue, based upon the financial statements of the Port for the Base Period, corroborated by the certified statements of the Division of Municipal Corporations of the State Auditor's office of the State of Washington, or any successor to the duties thereof, or by an independent certified public accounting

firm for the Base Period, is sufficient such that the Subordinate Lien Parity Test will be fulfilled commencing with the first full fiscal year following the earlier of (i) the date of Commercial Operation of the Facilities to be financed with the proceeds of the Future Subordinate Lien Parity Bonds as reasonably estimated by the Port, or (ii) the date on which any portion of interest on the Future Subordinate Lien Parity Bonds then being issued will not be paid from the proceeds of such Future Subordinate Lien Parity Bonds and for the following two fiscal years. Except as provided in the foregoing paragraphs, compliance with the coverage requirements of this Section 5.04 shall be demonstrated conclusively by a certificate of a Consultant. Upon the issuance of any Future Subordinate Lien Parity Bonds, Available Revenue shall be distributed among each series of Subordinate Lien Parity Bonds on a pro rata basis without regard to the existence of a funded debt service reserve or a surety bond.

In making the computations of Available Revenue for the purpose of certifying compliance with the Subordinate Lien Parity Test, the Consultant shall use as a basis the Available Revenue for the Base Period. In making such computations the Consultant shall make such adjustments as he/she/it deems reasonable.

The following is hereby added to Section 5.04 of the 1997 First Resolution:

(b) *Future Subordinate Lien Parity Bonds - General Provisions.* The Port hereby further covenants and agrees with the Owners of each of the Bonds for as long as any of the same remain Outstanding that it will not issue any Future Subordinate Lien Parity Bonds, except that the Port hereby reserves the right to issue additional revenue bonds, which shall constitute a charge and lien upon the Available Revenue equal to the lien thereon of the Bonds, if either of the conditions (1) or (2) below is satisfied. Unless the Future Subordinate Lien Parity Bonds then proposed to be issued are for refunding purposes, the Port may not issue Future Subordinate Lien Parity Bonds if at the time of the issuance of such Future Subordinate Lien Parity Bonds the Port is in default under this resolution.

(1) Certificate Required. Unless the Port is able to meet the criteria set forth in (2) below, a certificate shall be filed with the Port (as

described in this subsection (b) or subsection (c) below) demonstrating fulfillment of the Subordinate Lien Parity Test, (i) commencing with the first full fiscal year following the earlier of (A) the Date of Commercial Operation of the Facilities to be financed with the proceeds of the Future Subordinate Lien Parity Bonds or (B) the date on which any portion of interest on the Future Subordinate Lien Parity Bonds then being issued no longer will be paid from the proceeds of such bonds, and (ii) for the following two fiscal years.

(2) No Certificate Required. A certificate shall not be required as a condition to the issuance of Future Subordinate Lien Parity Bonds:

(i) if the Future Subordinate Lien Parity Bonds are being issued for refunding purposes upon compliance with the provisions of subsection (c) of this section; or

(ii) if the Future Subordinate Lien Parity Bonds are being issued to pay Costs of Construction of Facilities for which indebtedness has been issued previously and the principal amount of such indebtedness being issued for completion purposes does not exceed an amount equal to an aggregate of 15% of the principal amount of indebtedness theretofore issued for such Facilities and reasonably allocable to the Facilities to be completed as shown in a written certificate of the Designated Port Representative, and there is delivered a Consultant's certificate stating that the nature and purpose of such Facilities has not materially changed.

A certificate may be delivered by the Port without a Consultant if the Available Revenue, based upon the financial statements of the Port for the Base Period, corroborated by the certified statements of the Division of Municipal Corporations of the State Auditor's office of the State of Washington, or any successor to the duties thereof, or by an independent certified public accounting firm for the Base Period, is sufficient such that the Subordinate Lien Parity Test will be fulfilled commencing with the first full fiscal year following the earlier of (i) the date of Commercial Operation of the Facilities to be financed with the proceeds of the Future Subordinate Lien Parity Bonds as reasonably estimated by the Port, or (ii) the date on which any portion of interest on the Future

Subordinate Lien Parity Bonds then being issued will not be paid from the proceeds of such Future Subordinate Lien Parity Bonds and for the following two fiscal years. Except as provided in the foregoing paragraphs, compliance with the coverage requirements of this Section 5.04 shall be demonstrated conclusively by a certificate of a Consultant. Upon the issuance of any Future Subordinate Lien Parity Bonds, Available Revenue shall be distributed among each series of Subordinate Lien Parity Bonds on a pro rata basis without regard to the existence of a funded debt service reserve or a surety bond.

In making the computations of Available Revenue for the purpose of certifying compliance with the Subordinate Lien Parity Test, the Consultant shall use as a basis the Available Revenue for the Base Period. In making such computations the Consultant shall make such adjustments as he/she/it deems reasonable.

Section 8. Covenants. Section 5.05(a) of the 1997 First Resolution which reads as follows is hereby deleted in its entirety:

(a) *Subordinate Lien Rate Covenant.* The Port will at all times establish, maintain and collect rentals, tariffs, rates, fees, and charges in the operation of all of its business for as long as any Bonds are Outstanding that will produce Available Revenue in each fiscal year at least equal to the amounts required to be deposited during such fiscal year from Net Revenues into the Subordinate Lien Bond Fund and any other bond fund established or maintained for the benefit of Subordinate Lien Parity Bonds and any other amounts due to the Bank and to the insurer for the Outstanding Subordinate Lien Parity Bonds, but excluding from each of the foregoing, payments made from refunding debt and capitalized debt service (herein referred to as the "Subordinate Lien Rate Covenant").

The following is hereby added as Section 5.05(a) of the 1997 First Resolution:

(a) *Subordinate Lien Rate Covenant.* The Port will at all times establish, maintain and collect rentals, tariffs, rates, fees, and charges in the operation of all of its business for as long as any Bonds are Outstanding that will produce Available Revenue in each fiscal year at least equal to the amounts

required to be deposited during such fiscal year from Net Revenues into the Subordinate Lien Bond Fund, any other bond fund established or maintained for the benefit of Subordinate Lien Parity Bonds and any fund established or maintained to pay any Port Payments due with respect to any Derivative Products and any other amounts due to the Bank and to the insurer for the Outstanding Subordinate Lien Parity Bonds or, to the extent not otherwise provided for, to any Reciprocal Payor, but excluding from each of the foregoing, payments made or to be made from refunding debt and capitalized debt service or other money irrevocably set aside for such payments (herein referred to as the "Subordinate Lien Rate Covenant").

Section 9. Amendments With Registered Owners' Consent. Section 7.08 of the 1997

First Resolution which reads as follows is hereby deleted in its entirety:

This resolution may be amended from time to time by a Supplemental Resolution approved by the Registered Owners of a majority in aggregate principal amount of the Bonds then Outstanding; provided, that (a) no amendment shall be made which affects the rights of some but fewer than all of the Registered Owners of the Outstanding Bonds without the consent of the Registered Owners of a majority in aggregate principal amount of the Bonds so affected, and (b) except as expressly authorized hereunder, no amendment which alters the interest rates on any Bonds, the maturity date, Interest Payment Dates, purchase upon tender or redemption provisions of any Bonds, this Section 7.08 without the consent of the Registered Owners of all Outstanding Bonds affected thereby.

The following is hereby added as Section 7.08 of the 1997 First Resolution:

This resolution may be amended from time to time by a Supplemental Resolution approved by the Registered Owners of a majority in aggregate principal amount of the Bonds then Outstanding; provided, that (a) no amendment shall be made which affects the rights of some but fewer than all of the Registered Owners of the Outstanding Bonds without the consent of the Registered Owners of a majority in aggregate principal amount of the Bonds so affected, and (b) except as expressly authorized hereunder, no amendment which alters the interest rates on any Bonds, the maturity date, Interest Payment Dates, purchase

upon tender or redemption provisions of any Bonds, this Section 7.08 without the consent of the Registered Owners of all Outstanding Bonds affected thereby. For the purpose of consenting to amendments under this Section 7.08 except for amendments that alter the interest rates on any Bonds, the maturity date, Interest Payment Dates, purchase upon tender or redemption provisions of any Bonds, the Bank shall be deemed to be the sole Registered Owner of the Bonds then Outstanding.

Section 10. Specific Authorizations. Section 6.08 of the 1997 First Resolution which reads as follows is hereby deleted in its entirety:

The Designated Port Representative may, in his or her discretion, without further action by the Commission, (a) effect changes in Mode of the Bonds from one Mode to another, and, in the event of a failure to establish a New Mode, to effect a change to the Commercial Paper Mode as provided in this resolution, (b) negotiate extensions of the Expiration Date, and execute documents necessary to effect such changes, and (c) effect such changes in Mode and negotiate such extensions of and fees for the liquidity facilities for the Bonds, and execute documents necessary to effect such changes.

The following is hereby added as Section 6.08 of the 1997 First Resolution:

The Designated Port Representative may, in his or her discretion, without further action by the Commission, (a) effect changes in Mode of the Bonds from one Mode to another, and, in the event of a failure to establish a New Mode, to effect a change to the Commercial Paper Mode as provided in this resolution, (b) negotiate extensions of the Expiration Date, and execute documents necessary to effect such changes, (c) effect such changes in Mode and negotiate such extensions of and fees for the liquidity facilities for the Bonds, and execute documents necessary to effect such changes and (d) execute a Continuing Disclosure Certificate providing for an undertaking by the Port to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission.

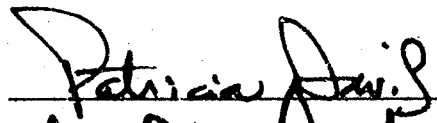
Section 11. Approval of Amendment to Financing Documents. The Commission finds that it is in the best interest of the Port to enter into amendments to the Reimbursement Agreement and the Remarketing Agreement. The Port therefore authorizes the execution of such

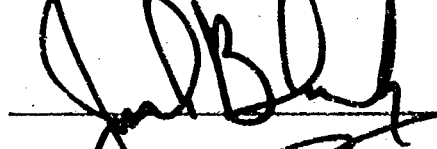
documents by the Designated Port Representative (with such changes to such documents as may be approved by the Designated Port Representative and are consistent with the 1997 First Resolution as amended) and the performance by the Port of its obligations thereunder.

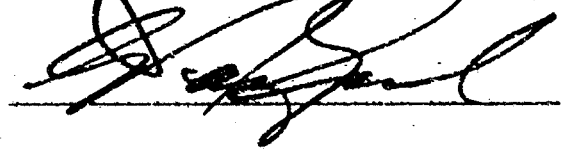
Section 12. Effective Date. This resolution shall take effect immediately upon the later of its adoption and the Port's receipt of the requisite consent of the Registered Owners of a majority in aggregate principal amount of the 1997 First Series and the written consent of the Bank as defined in the 1997 First Resolution.

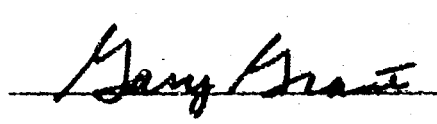
ADOPTED by the Port Commission of the Port of Seattle at a meeting thereof, held this 24th day of August, 1999, and duly authenticated in open session by the signatures of the commissioners voting in favor thereof and the seal of the commission duly affixed.

PORT OF SEATTLE, WASHINGTON









Commissioners