

PORT OF SEATTLE

RESOLUTION NO. 3467

A RESOLUTION of the Port Commission of the Port of Seattle amending Resolution No. 3462, as amended, regarding certain terms for the sale of the Port's Revenue and Refunding Bonds, Series 2001A, Series 2001B, Series 2001C, Series 2001D and Series 2001E and reconfirming said Resolution No. 3462, as thus amended.

ADOPTED: September 25, 2001

Prepared by:

PRESTON GATES & ELLIS LLP
Seattle, Washington

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WHEREAS, the Port of Seattle (the "Port"), a municipal corporation of the State of Washington, owns and operates Seattle-Tacoma International Airport (the "Airport"); and

WHEREAS, the Commission of the Port on the Airport facilities are in need of capital expansion and improvement; and

WHEREAS, the Port Commission, on August 28, 2001, adopted Resolution No. 3462, as amended, authorizing the issuance of five series of parity revenue bonds (collectively, the "Series 2001 Bonds"); and

WHEREAS, pursuant to RCW 53.40.030 and Resolution No. 3436, the Port Commission delegates authority to the chief executive officer of the Port to approve the interest rates, maturity dates, redemption rights, interest payment dates, and principal maturities for the Series 2001 Bonds; and

WHEREAS, national events, initiated by the terrorist attacks on September 11, 2001, have caused a serious disruption in air travel and the financing markets, resulting in the need to extend the authority delegated to the chief executive officer and amend other aspects of the financing terms of the Series 2001 Bonds;

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

Section 1. Unless otherwise defined herein, the terms used in this amendatory resolution have the meanings given such terms in Section 1 of Resolution No. 3462, as amended. In addition, the following definitions in Section 1 of Resolution No. 3462, as amended, are amended to read as follows (additions are underscored; deletions are stricken).

[*Capitalized Interest Account – Series 2001A* means the “Port of Seattle 2001A Capitalized Interest Account” created pursuant to Section 11 of this series resolution for the purpose of holding Series 2001A Bond proceeds and interest earnings thereon to be used and disbursed to pay interest on the Series 2001A Bonds and the payment of a portion of interest to accrue on certain series of Outstanding Parity Bonds originally issued as “governmental bonds” during the construction period for the project(s) being financed with such bonds through the dates specified by the Designated Port Representative.]

[*Capitalized Interest Account – Series 2001B* means the “Port of Seattle 2001B Capitalized Interest Account” created pursuant to Section 11 of this series resolution for the purpose of holding Series 2001B Bond proceeds and interest earnings thereon to be used and disbursed to pay interest on the Series 2001B Bonds and the payment of a portion of interest to accrue on certain series of Outstanding Parity Bonds originally issued as “private activity bonds” during the construction period for the project(s) being financed with such bonds through the dates specified by the Designated Port Representative.]

Section 2. Section 3(a) and Section 3(b) of Resolution No. 3462, as amended, are hereby amended to read as follows (additions are underscored; deletions are stricken).

Section 3. Authorization of Series 2001 Bonds.

(a) *Series 2001A.* The Port shall issue the Series 2001A Bonds for the purpose of providing part of the funds necessary to (i) pay (or pay the principal amount of subordinate lien commercial paper notes issued to pay) or to reimburse the Port for all or a portion of the costs of the Non-AMT Projects; (ii) capitalize interest on the Series 2001A Bonds for all or a portion of the construction period; [(iii) the payment of a portion of interest to accrue on certain Outstanding Parity Bonds originally issued as “governmental bonds” during the construction period for the project(s) being financed with such bonds] ~~[(iii)]~~ [(iv)] make a deposit to the Series 2001 Reserve Fund (which may be a proportionate allocation of an aggregate Series 2001 Reserve Fund Requirement) or purchase a Surety Bond therefor; and ~~[(iv)]~~ [(v)] pay all or a portion of the costs incidental to the foregoing and to the issuance of the Series 2001A Bonds, including all or a portion of the cost of purchasing the Bond Insurance Policy, if any.

(b) *Series 2001B.* The Port shall issue the Series 2001B Bonds for the purpose of providing part of the funds necessary to (i) pay (or pay the principal amount of subordinate lien commercial paper notes issued to pay) or to reimburse the Port for all or a portion of the costs of the AMT Projects; (ii) capitalize interest on the Series 2001B Bonds for all or a portion of the construction period; [(iii) the payment of a portion of interest to accrue on certain Outstanding Parity Bonds originally issued as “private activity bonds” during the construction period for the project(s) being financed with such bonds] ~~[(iii)]~~[(iv)] make a deposit to the Series 2001 Reserve Fund (which may be a proportionate allocation of an aggregate Series 2001 Reserve Fund Requirement) or purchase a Surety Bond therefor; and ~~[(iv)]~~[(v)] pay all or a portion of the costs incidental to the foregoing and to the issuance of the Series 2001B Bonds, including all or a portion of the cost of purchasing the Bond Insurance Policy, if any.

Section 3. Section 11 of Resolution No. 3462, as amended, is hereby amended to read as follows (additions are underscored; deletions are stricken).

Section 11. Disposition of Series 2001A and Series 2001B Bond Proceeds.

(a) *Series 2001A Bond Proceeds.* The proceeds of the Series 2001A Bonds, net of Underwriters’ discount, shall be applied as follows:

(1) A sum specified by the Designated Port Representative to the Treasurer prior to the closing and delivery of the Series 2001A Bonds shall be deposited in the Capitalized Interest Account-Series 2001A (hereinafter authorized to be created);

(2) All or a portion of the Bond Insurance Policy premium, if any, shall be paid to the Bond Insurer:

(3) A sum specified by the Designated Port Representative (either in the Series A/B/C/E Bond Purchase Contract or in a closing certificate) shall be deposited to the Series 2001 Reserve Fund or, if designated by the Designated Port Representative, all or a portion of the cost of purchasing the Surety Bond, if any, for (or allocable to) the Series 2001A Bonds shall be paid to the Surety Bond Issuer; and

(4) The remainder of the proceeds of the 2001A Bonds shall be paid into the Construction Fund—2001A (hereinafter authorized to be created).

The Treasurer of the Port is hereby authorized and directed to create a special account, the “Port of Seattle 2001A Capitalized Interest Account” (the “Capitalized Interest Account-Series 2001A”) for the purpose of holding Series 2001A Bond proceeds and interest earnings thereon to be used and

disbursed to pay interest on the Series 2001A Bonds [and the payment of a portion of interest to accrue on certain series of Outstanding Parity Bonds originally issued as “governmental bonds” during the construction period for the project(s) being financed with such bonds] through the date[s] specified by the Designated Port Representative.

The Treasurer of the Port is hereby authorized and directed to create a special fund or account of the Port, designated as the “Port of Seattle Construction Fund, 2001A” (the “Construction Fund—2001A”). The money on deposit in the Construction Fund—2001A and the interest earnings thereon shall be utilized to pay (or pay the principal of subordinate lien commercial paper notes issued to pay) or reimburse the Port for the costs of the non-AMT Projects and costs incidental thereto, and costs incurred in connection with the issuance and sale of the Series 2001A Bonds, to the extent designated by the Designated Port Representative.

All or part of the proceeds of the Series 2001A Bonds may be temporarily invested in or with such institutions or in such obligations as may now or hereafter be permitted to port districts of the State of Washington by law that will mature or otherwise be subject to liquidation prior to the date on which such money shall be needed.

In the event that it shall not be possible or practicable to accomplish all of the Non-AMT Projects, the Port may apply the proceeds of the Series 2001A Bonds to pay the costs of such portion thereof or such other projects as the Commission shall determine to be in the best interests of the Port, subject to the limitations set forth in the Tax and Arbitrage Certificate. Any part of the proceeds of the Series 2001A Bonds remaining in the Construction Fund-2001A and the Series 2001A Capitalized Interest Account after all costs referred to in this section have been paid may be used to acquire, construct, equip and make other improvements to the Facilities of the Port subject to the limitations of the Tax and Arbitrage Certificate or may be transferred to the Series 2001 Bond Fund for the uses and purposes therein provided.

(b) *Series 2001B Bond Proceeds.* The proceeds of the Series 2001B Bonds, net of Underwriters’ discount, shall be applied as follows:

(1) A sum specified by the Designated Port Representative to the Treasurer prior to the closing and delivery of the Series 2001B Bonds shall be deposited in the Capitalized Interest Account-Series 2001B (hereinafter authorized to be created);

(2) All or a portion of the Bond Insurance Policy premium, if any, shall be paid to the Bond Insurer;

(3) A sum specified by the Designated Port Representative (either in the Series A/B/C/E Bond Purchase Contract or in a closing certificate) shall be deposited to the Series 2001 Reserve Fund or, if designated by the Designated Port Representative, all or a portion of the cost of purchasing the Surety Bond, if any, for (or allocable to) the Series 2001B Bonds shall be paid to the Surety Bond Issuer; and

(4) The remainder of the proceeds of the 2001B Bonds shall be paid into the Construction Fund—2001B (hereinafter authorized to be created).

The Treasurer of the Port is hereby authorized and directed to create a special account, the “Port of Seattle 2001B Capitalized Interest Account” (the “Capitalized Interest Account-Series 2001B”) for the purpose of holding Series 2001B Bond proceeds and interest earnings thereon to be used and disbursed to pay interest on the Series 2001B Bonds [and the payment of a portion of interest to accrue on certain series of Outstanding Parity Bonds originally issued as “private activity bonds” during the construction period for the project(s) being financed with such bonds.]through the date[s] specified by the Designated Port Representative.

The Treasurer of the Port is hereby authorized and directed to create a special fund or account of the Port, designated as the “Port of Seattle Construction Fund, 2001B” (the “Construction Fund—2001B”). The money on deposit in the Construction Fund—2001B shall be utilized to pay (or pay the principal of subordinate lien commercial paper notes issued to pay) or reimburse the Port for the costs of the AMT Projects and costs incidental thereto, and costs incurred in connection with the issuance and sale of the Series 2001B Bonds, to the extent designated by the Designated Port Representative.

All or part of the proceeds of the Series 2001B Bonds may be temporarily invested in or with such institutions or in such obligations as may now or hereafter be permitted to port districts of the State of Washington by law that will mature or otherwise be subject to liquidation prior to the date on which such money shall be needed.

In the event that it shall not be possible or practicable to accomplish all of the AMT Projects, the Port may apply the proceeds of the Series 2001B Bonds to pay the costs of such portion thereof or such other projects as the Commission shall determine to be in the best interests of the Port, subject to the limitations set forth in the Tax and Arbitrage Certificate.

Any part of the proceeds of the Series 2001 Bonds remaining in the Construction Fund—2001B and the Capitalized Interest Account—Series 2001B after all costs referred to in this section have been paid may be used to acquire, construct, equip and make other improvements to the Facilities of the Port subject to the limitations set forth in the Tax and Arbitrage Certificate or may be

transferred to the Series 2001 Bond Fund for the uses and purposes therein provided.

Section 4. Section 17 of Resolution No. 3462, as amended, is hereby amended to read as follows (additions are underscored; deletions are stricken).

Section 17. Sale of Series 2001 Bonds. The Series 2001 Bonds shall be sold at negotiated sale to the Underwriters pursuant to the terms of the Bond Purchase Contracts. The Designated Port Representative is hereby authorized to negotiate terms for the purchase of the Series 2001 Bonds and execute the Bond Purchase Contracts, with such terms (including the designation of the Series 2001 Reserve Fund Requirement(s)) as are approved by the Chief Executive Officer (formerly designated as the Executive Director) pursuant to this section and consistent with this series resolution and Resolution No. 3436, as amended. The Commission has been advised by the Underwriters that market conditions, which are particularly critical in maximizing the savings effected by the issuance of the refunding Series 2001C Bonds, Series 2001D Bonds and Series 2001E Bonds, are fluctuating and, as a result, the most favorable market conditions may occur on a day other than a regular meeting date of the Commission. The Commission has determined that it would be in the best interest of the Port to delegate to the Chief Executive Officer for a limited time the authority to approve the final interest rates, maturity dates, aggregate principal amounts for each series, principal amounts of each maturity, redemption rights and other terms and conditions of the Series 2001 Bonds. In designating the aggregate principal amounts and principal amounts of each maturity for the Series 2001C Bonds, the Series 2001D Bonds and the Series 2001E Bonds, the Chief Executive Officer shall also designate the Refunding Candidates to be refunded thereby. The Chief Executive Officer is hereby authorized to approve the final interest rates, maturity dates, aggregate principal amounts, principal maturities and redemption rights for one or more series of the Series 2001 Bonds in the manner provided hereafter so long as the aggregate principal amount of the Series 2001 Bonds does not exceed \$700,000,000 and so long as the true interest cost for the Series 2001 Bonds (in the aggregate) does not exceed [6.5%]~~[5.90%]~~.

In addition, the issuance and delivery of the Series 2001C Bonds is conditioned upon the Port's realization of a net present value of savings effected as a result of the issuance of the Series 2001C Bonds equal to at least 2.0% of the principal amount of the Series C Refunded Bonds. The Chief Executive Officer is authorized to approve the principal maturities of the Series 2001C Bonds in amounts sufficient to provide sufficient funds for the defeasance of all or any portion of the Series C Refunding Candidates (which Candidates when finally designated by the Chief Executive Officer shall be the "Series C Refunded Bonds"). The Series 2001C Bonds shall be sized to provide sufficient funds to pay interest on the Series C Refunded Bonds and the redemption price thereof on their designated call date(s), respectively.

In addition, the issuance and delivery of the Series 2001E Bonds is conditioned upon the Port's realization of a net present value of savings effected as a result of the issuance of the Series 2001E Bonds equal to at least 2.0% of the principal amount of the Series E Refunded Bonds. The Chief Executive Officer is authorized to approve the principal maturities of the Series 2001E Bonds in amounts sufficient to provide sufficient funds for the defeasance of all or any portion of the Series E Refunding Candidates (which Candidates when finally designated by the Chief Executive Officer shall be the "Series E Refunded Bonds"). The Series 2001E Bonds shall be sized to provide sufficient funds to pay interest on the Series E Refunded Bonds and the redemption price thereof on their designated call date(s), respectively.

In addition, the issuance and delivery of the Series 2001D Bonds is conditioned upon the Port's realization of a net present value of savings effected as a result of the issuance of the Series 2001D Bonds equal to at least 2.0% of the principal amount of the Series D Refunded Bonds. The Chief Executive Officer is authorized to approve the principal maturities of the Series 2001D Bonds in amounts sufficient to provide sufficient funds for the defeasance of all or any portion of the Series D Refunding Candidates (which Candidates when finally designated by the Chief Executive Officer shall be the "Series D Refunded Bonds"). The Series 2001D Bonds shall be sized to provide sufficient funds to pay interest on the Series D Refunded Bonds and the redemption price thereof on their designated call date(s), respectively. The Series D Bond Purchase Contract shall also specify that the Series 2001D Bonds shall be delivered on a date mutually agreed upon by the Designated Port Representative and the Underwriter, not earlier than 90 days before the call date for the Series D Refunded Bonds.

In determining the final interest rates, maturity dates, aggregate principal amounts, principal maturities, redemption rights of the Series 2001 Bonds, Refunding Candidates, Series 2001 Reserve Fund Requirement and call dates for the Refunded Bonds, the Chief Executive Officer, in consultation with Port staff and the Port's financial advisor, shall take into account those factors that, in his judgment, will result in the lowest true interest cost on the Series 2001 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 Series 2001 Bonds. Subject to the terms and conditions set forth in this Section 17, the Designated Port Representative is hereby authorized to execute the final form of the Bond Purchase Contracts, upon the Chief Executive Officer's approval of the final interest rates, maturity dates, aggregate principal amounts, principal maturities and redemption rights set forth therein. Following the execution of the Bond Purchase Contracts, the Chief Executive Officer shall provide a report to the Commission, describing the final terms of the Series 2001 Bonds approved pursuant to the authority delegated in this section. The authority granted to the Chief Executive Officer and the Designated Port Representative by this Section 17 shall expire [on November 30, 2001]~~[45 days after the date of~~

~~approval of this series resolution].~~ If a Bond Purchase Contract for any one or more series of the Series 2001 Bonds has not been executed [on or prior to November 30, 2001]~~[within 45 days after the date of final approval of this series resolution]~~, the authorization for the issuance of such series of Series 2001 Bond shall be rescinded, and such Series 2001 Bonds shall not be issued nor their sale approved unless such Series 2001 Bonds shall have been re-authorized by resolution of the Commission. The resolution re-authorizing the issuance and sale of such Series 2001 Bonds may be in the form of a new series resolution repealing this series resolution in whole or in part (only with respect to the Series 2001 Bonds not issued) 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 17.

Upon the adoption of this series 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 Series 2001 Bonds to the Underwriters thereof and further to execute the Escrow Agreement(s) and all closing certificates and documents required to effect the closing and delivery of the Series 2001 Bonds in accordance with the terms of the Bond Purchase Contracts.

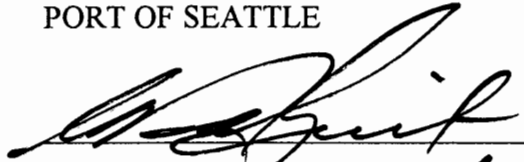
The Designated Port Representative is authorized to ratify and to approve for purposes of the Rule, on behalf of the Port, the Official Statement (and any Preliminary Official Statement) and any supplement thereto relating to the issuance and sale of the Series 2001 Bonds and the distribution of the Series 2001 Bonds pursuant thereto with such changes, if any, as may be deemed by him/her to be appropriate.


Section 4. As amended by this amendatory resolution, Resolution No. 3462, as amended, is hereby ratified, approved and confirmed.

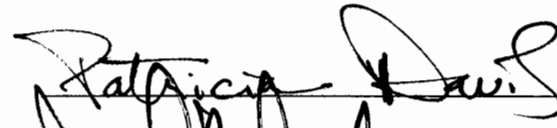
Section 5. This series resolution shall be effective immediately upon its adoption.

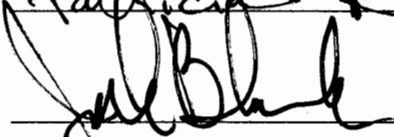
ADOPTED by the Port Commission of the Port of Seattle at a regular meeting thereof, held this 25th day of September, 2001, and duly authenticated in open session by the signatures of the commissioners voting in favor thereof and the seal of the commission duly affixed.


PORT OF SEATTLE


CLARE NORDQUIST


BOB EDWARDS


PATRICIA DAVIS


JACK BLOCK


PAIGE MILLER

Commissioners

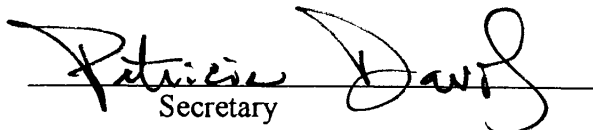
CERTIFICATE

I, the undersigned, Secretary of the Port Commission (the "Commission") of the Port of Seattle (the "Port"), DO HEREBY CERTIFY:

1. That the attached resolution numbered 3467 (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 ___ day of _____, 2001, 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 25th day of September, 2001.


Secretary