



# Port of Seattle Regular Commission Meeting

April 14, 2026



## COMMISSION REGULAR MEETING AGENDA

April 14, 2026

To be held virtually via MS Teams and in person at Port of Seattle Headquarters Building, Commission Chambers, located at 2711 Alaskan Way, Seattle Washington. You may view the full meeting live at [meetings.portseattle.org](https://meetings.portseattle.org). To listen live, call in at +1 (206) 800-4046 or (833) 209-2690 and Conference ID 490 021 074#

**\*\*\* PLEASE NOTE: COMMISSIONERS AND STAFF WILL ATTENDING THIS MEETING VIRTUALLY. THE MEETING ROOM WILL BE OPEN AND AVAILABLE TO THE PUBLIC AS NOTED ABOVE.**

### ORDER OF BUSINESS

10:30 a.m.

#### 1. CALL TO ORDER

2. EXECUTIVE SESSION – *if necessary, pursuant to RCW 42.30.110 (executive sessions are not open to the public)*

#### ► 12:00 p.m. – PUBLIC SESSION

Reconvene or Call to Order and Pledge of Allegiance

3. APPROVAL OF THE AGENDA (*at this time, commissioners may reorder, add, or remove items from the agenda*)

#### 4. SPECIAL ORDERS OF THE DAY

#### 5. EXECUTIVE DIRECTOR'S REPORT

#### 6. COMMITTEE REPORTS

7. PUBLIC COMMENT – *procedures available online at <https://www.portseattle.org/page/public-comment-port-commission-meetings>*

During the regular order of business, those wishing to provide public comment (in accordance with the Commission's bylaws) on Commission agenda items or on topics related to the conduct of Port business will have the opportunity to:

**1) Deliver public comment via email:** All written comments received by email to [commission-public-records@portseattle.org](mailto:commission-public-records@portseattle.org) will be distributed to commissioners and attached to the approved minutes. Written comments are accepted three days prior to the meeting and before 9 a.m. on the day of the meeting. Late written comments received after the meeting, but no later than the day following the meeting, will be included as part of the meeting record.

**2) Deliver public comment via phone or Microsoft Teams conference:** To take advantage of this option, please email [commission-public-records@portseattle.org](mailto:commission-public-records@portseattle.org) with your name and agenda item or topic related to the conduct of Port business you wish to speak to by 9:00 a.m. PT on Tuesday, April 14, 2026. ***(Please be advised that public comment is limited to agenda items and topics related to the conduct of Port business only.)*** You will then be provided with instructions and a link to join the Teams meeting.

**3) Deliver public comment in person by signing up to speak on your arrival to the physical meeting location:** To take advantage of this option, please arrive at least 15 minutes prior to the start of any regular

meeting to sign-up on the public comment sheet available at the entrance to the meeting room to speak on agenda items and topics related to the conduct of Port business.

**For additional information**, please contact [commission-public-records@portseattle.org](mailto:commission-public-records@portseattle.org).

**8. CONSENT AGENDA** (*consent agenda items are adopted by one motion without discussion*)

8a. Approval of the Special Meeting Minutes of March 10, 2026; March 12, 2026, State of the Port; March 12, 2026, Retreat; and the Regular Meeting Minutes of March 24, 2026. **(no enclosure)**

8b. Monthly Notification of Prior Executive Director Delegation Actions March 2026. **(memo enclosed)** – For Information Only.

8c. Adoption of Resolution Nos. 3845, 3846, and 3847: Subordinate Lien Master Resolution Authorizing Revenue Bonds of the Port District to Be Issued in Series to Finance Any Legal Purpose of the Port District; Resolution No. 3846, Amending Resolution No. 3777, Which Amended Resolution No. 3456 Commercial Paper Authorization; and Resolution No. 3847, Amending Resolution No. 3598, Authorizing the Issuance and Sale of Subordinate Lien Revenue Refunding Bonds, Series 2008. **(memo, resolution 1, resolution 2, resolution 3, and presentation enclosed)**

8c-1. Resolution No. 3845: A Resolution Authorizing Revenue Bonds to Be Issued in Series to Finance any Legal Purpose of the Port; Providing a Subordinate Lien Upon Revenues for the Payment of Such Bonds; and Making Covenants and Agreements in Connection with the Foregoing.

8c-2. Resolution No. 3846: A Resolution Amending Resolution No. 3456, as Previously Amended by Resolution No. 3777, Authorizing the Issuance and Sale of Subordinate Lien Revenue Notes (Commercial Paper) in Series from Time to Time in an Aggregate Principal Amount Not-to-Exceed \$400,000,000; Amending Definitions, Requirements with Respect to the Subordinate Lien Bond Fund, Provisions Permitting the Issuance of Additional Bonds, Bond Covenants, Defaults and Remedies, Permitted Amendments, and Related Provisions; and Making Technical Amendments.

8c-3. Resolution No. 3847: A Resolution Amending Resolution No. 3598, Authorizing the Issuance and Sale of Subordinate Lien Revenue Refunding Bonds, Series 2008 in the Aggregate Principal Amount Not-to-Exceed \$201,000,000, for the Purpose of Refunding Certain Outstanding Subordinate Lien Revenue Bonds of the Port; Amending Definitions, Requirements with Respect to the Subordinate Lien Bond Fund, Provisions Permitting the Issuance of Additional Bonds, Bond Covenants, Defaults and Remedies, Permitted Amendments, and Related Provisions; and Making Technical Amendments.

8d. Adoption of the 2026 Local and Regional Government Policy Priorities, for Staff to Engage with Local and Regional Officials and Other Partners in Support of These Priorities. **(memo and presentation enclosed)**

- 8e. Authorization for the Executive Director to Enter into an MOU with Western Washington Cement Masons and Plasterers Union Local 528, Representing Cement Masons at Port Construction Services, Amending the Terms of the Collective Bargaining Agreement to include Plasterers. **(memo and agreement enclosed)**
- 8f. Authorization for the Executive Director to Increase the Project Authorization for the Places of Worship Sound Insulation Project and to Advertise and Execute a Construction Contract for One Place of Worship Property in the Requested Amount of \$2,960,000, for a Total Program Authorization of \$13,897,000. (CIP #C200098) **(memo and presentation enclosed)**
- 8g. Authorization for the Executive Director or Delegate to Authorize Spending \$6,318,000 of Environmental Remediation Liability Costs for the Disposal of Legacy Contaminated Soil from the Terminal 5 Upland Projects Authorized Under the Terminal 5 Berth Modernization Management Reserve (CIP 800988) and the Terminal 5 Modern 3rd Lease Amendment Capital Improvement Plans. (CIP 801340) **(memo and presentation enclosed)**
- 8h. Authorization for the Executive Director to Authorize Additional Funding in the Amount of \$500,000 for Close-Out Cost for the Fishermen’s Terminal Maritime Innovation Center and Site Improvements. (C801084 and C801211) Projects. **(memo and presentation enclosed)**
- 8i. Commission Adoption of Order 2026-06: An Order Providing for Performance Rating for Executive Director. **(Order enclosed)**

## 10. NEW BUSINESS

- 10a. Number Not Used.
- 10b<sup>1</sup>. Industrial Development Corporation Annual Meeting – Approval of Minutes, Designation of Officers, and Annual Report for 2025. **(IDC packet and minutes attachment enclosed)**

## 11. PRESENTATIONS AND STAFF REPORTS

- 11a. City of Bellevue Grand Connection Tax Increment Area Briefing. **(memo and presentation enclosed)**

## 12. QUESTIONS on REFERRAL to COMMITTEE and CLOSING COMMENTS

## 13. ADJOURNMENT

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<sup>1</sup> This is a special meeting of the Industrial Development Corporation. The Regular Commission Meeting will recess, and the Commission will enter into the separate IDC meeting as Directors of the IDC. The regular meeting of the Commission will reconvene once the IDC meeting has adjourned.



P.O. Box 1209  
Seattle, Washington 98111  
www.portseattle.org  
206.787.3000

**APPROVED MINUTES  
COMMISSION REGULAR MEETING**

**March 24, 2026**

The Port of Seattle Commission met in a regular meeting Tuesday, March 24, 2026. The meeting was held at the Seattle-Tacoma International Airport Conference Center, located at 17801 International Blvd, Seattle Washington, and virtually on Microsoft Teams. All Commissioners were in attendance.

**1. CALL to ORDER**

The meeting was convened at 10:37 a.m. by Commission President Ryan Calkins.

**2. EXECUTIVE SESSION pursuant to RCW 42.30.110**

The public meeting recessed into executive session to discuss three items: two items regarding Litigation/Potential Litigation/Legal Risk per RCW 42.30.110(1)(i), with one item also related to the national security per RCW 42.30.110(1)(a)(i); and the third item related to the performance of a public employee per RCW 42.30.110(1)(g) for approximately 60 minutes, with the intention of reconvening the public session at 12:00 p.m. Following the executive session, the public meeting reconvened at 12:05 p.m. Commission President Ryan Calkins led the flag salute.

**3. APPROVAL of the AGENDA**

The agenda was approved, as presented.

**4. SPECIAL ORDERS OF THE DAY**

There were no Special Orders of the Day presented.

**5. EXECUTIVE DIRECTOR'S REPORT**

Deputy Executive Director Goon previewed items on the day's agenda and made general and meeting-related announcements.

Deputy Executive Director Goon and Members of the Commission, at this time, welcomed George Blomberg, Senior Environmental Program Manager, to the table. Jon Sloan, Senior Manager, Environmental Programs, Environmental Planning Permit and Compliance and Sandra Kilroy, Senior Director, Environment and Sustainability overviewed Mr. Blomberg's career and accomplishments at the Port of Seattle over the last forty years. Members of the Commission thanked George for his service, recognized the legacy he has created and fostered for the future, and wished him well in his retirement. Commissioners, staff, and audience in attendance gave Mr. Blomberg a standing applause.

## **6. COMMITTEE REPORTS**

Committee Strategic Advisor Erica Chung provided the report.

### Aviation Committee

Commissioners Cho and Mohamed convened the Aviation Committee on March 17, 2026. The Committee they received a high level update on ongoing FIFA planning with a focus on public safety and regional collaboration. Staff also shared that a FIFA briefing is scheduled for the April 28, 2026, Commission meeting, and they will be hosting a SEA Soccer Pep Rally at Central Terminal on June 3, 2026.

### Equity, Workforce Development, and Conditions Committee

Commissioners Hasegawa and Mohamed convened the Equity, Workforce Development, and Conditions Committee on March 17, 2026. Commissioners received an update on the following items: taxi career and childcare navigation efforts at SEA airport; anti-human trafficking efforts; union access badging; and healthcare for SEA workers. Commissioners also discussed community benefits agreements and deliverables.

## **7. PUBLIC COMMENT**

- The following person spoke regarding support for the Seattle Seafarer Center and the services they provide to the cruise community and staff: David Stockert (*written comments submitted*).
- The following people spoke regarding establishing a healthcare mandate for SEA airport workers: Alex VanGelder; Evelyn Makokwe; and Carol Worman.
- The following person spoke regarding her environmental concerns and immediate help needed in the near-airport communities in this regard: Barbara McMichael.

*[Clerk's Note: All written comments are combined and attached here as Exhibit A.]*

## **8. CONSENT AGENDA**

*[Clerk's Note: Items on the Consent Agenda are not individually discussed. Commissioners may remove items for separate discussion and vote when approving the agenda.]*

**8a. Approval of the Regular Meeting Minutes of February 24, 2026.**

**8b. Monthly Notification of Prior Executive Director Delegation Actions February 2026. – For Information Only.**

Request document(s) included an agenda memorandum for information only.

- 8c. Approval of the Claims and Obligations for the Period of February 1, 2026, through February 28, 2026, Including Accounts Payable Check Nos. 962297 through 962713 in the Amount of \$9,108,236.99; Accounts Payable ACH Nos. 081824 through 082600 in the Amount of \$94,663,019.37; Accounts Payable Wire Transfers Nos. 069620 through 069639 in the Amount of \$21,477,633.63; Payroll Check Nos. 230140 through 230234 in the Amount of \$94,238.37; and Payroll ACH Nos 1300386 through 1305469 in the Amount of \$18,798,739.11, for Total Payments of \$144,141,867.47.**

Request document(s) included an agenda memorandum.

- 8d. Authorization for the Executive Director to Execute One Indefinite Delivery/Indefinite Quality Contract to Perform Environmental Regulatory and Infrastructure Support for Port of Seattle Maritime Properties with a Total Value of \$3,500,000 and a Contract Period of Five Years Plus Two Option Years.**

Request document(s) included an agenda memorandum.

- 8e. Authorization for the Executive Director to Increase the Capital Improvement Project Authorization for the Water Reservoir Rehabilitation Project by \$1,088,000, for a Total Estimated Project Cost of Not-to-Exceed \$6,257,000. (CIP #C801172).**

Request document(s) included an agenda memorandum.

- 8f. Authorization for the Executive Director to Execute a New Collective Bargaining Agreement Between the Port of Seattle and the Professional and Technical Employees Local 17, Representing Airport Duty Managers Assigned to the Aviation Operations Divisions, Covering the Period from May 21, 2025, through May 20, 2028.**

Request document(s) included an agenda memorandum and agreement.

- 8g. Authorization for the Executive Director to Execute a New Collective Bargaining Agreement Between the Port of Seattle and the International Association of Firefighters, Local 1257, Representing Two Fire Alarm Technicians Assigned to the Aviation Maintenance Divisions, Covering the Period of January 1, 2025, through December 31, 2027.**

Request document(s) included an agenda memorandum and agreement.

- 8h. Authorization to Execute Settlement Agreement for Recovery of Cleanups Costs at Terminal 91.**

Request document(s) included an agenda memorandum.

- 8i. **Authorization for the Executive Director to Execute a Contract with Oracle for PeopleSoft Financials and Human Capital Management Licensing for Up to Five Years, in the Requested Amount Not-to-Exceed \$4,500,000.**

Request document(s) included an agenda memorandum.

- 8j. **Authorization for the Executive Director to Execute an Amendment to the Existing Sustainable Airport Master Plan Environmental Review Professional Services Agreement with Landrum and Brown for an Increase of \$1,000,000, for a Total Contract Amount Not to Exceed \$9,750,000.**

Request document(s) included an agenda memorandum and presentation.

**The motion to approve the Consent Agenda, made by Commissioner Felleman, carried by the following vote:**

**In favor: Calkins, Cho, Felleman, Hasegawa, and Mohamed (5)**

**Opposed: (0)**

9. **UNFINISHED BUSINESS**

There was no unfinished business presented.

10. **NEW BUSINESS**

- 10a. **Introduction of Resolution Nos. 3845, 3846, and 3847: Subordinate Lien Master Resolution Authorizing Revenue Bonds of the Port District to Be Issued in Series to Finance Any Legal Purpose of the Port District; Introduction of Resolution No. 3846, Amending Resolution No. 3777, Which Amended Resolution No. 3456 Commercial Paper Authorization; and Resolution No. 3847, Amending Resolution No. 3598, Authorizing the Issuance and Sale of Subordinate Lien Revenue Refunding Bonds, Series 2008.**

10a-1. **Resolution No. 3845: A Resolution Authorizing Revenue Bonds to Be Issued in Series to Finance any Legal Purpose of the Port; Providing a Subordinate Lien Upon Revenues for the Payment of Such Bonds; and Making Covenants and Agreements in Connection with the Foregoing.**

10a-2. **Resolution No. 3846: A Resolution Amending Resolution No. 3456, as Previously Amended by Resolution No. 3777, Authorizing the Issuance and Sale of Subordinate Lien Revenue Notes (Commercial Paper).**

10a-3. **Resolution No. 3847: A Resolution Amending Resolution No. 3598, Authorizing the Issuance and Sale of Subordinate Lien Revenue Refunding Bonds, Series 2008.**

Requested document(s) included an agenda memorandum, resolution 1, resolution 2, resolution 3, and presentation.

Presenter(s):

Elizabeth Morrison, Director Corporate Finance, Finance and Budget  
Scott Bertram, Corporate Finance Manager, Finance and Budget

Clerk Hart read Item 10a into the record and Deputy Executive Director Goon introduced the item.

The presentation addressed:

- the requested action for adoption of the subordinate lien master resolution to establish key credit provisions that will apply to all subordinate lien revenue bonds and the amendment of the two series resolutions for currently outstanding subordinate lien bonds;
- beginning in 1997, subordinate lien has been used primarily for variable rate debt-backed by bank credit;
- only 4 percent of the Port's total debt portfolio is variable rate (all on the subordinate lien);
- updates proposed to make the subordinate lien more usable and easier to manage;
- planning for future issuance of subordinate lien variable rate debt – improving the Port's overall debt management;
- key updates;
- process; and
- resolutions proposed for adoption at the April 14, 2026, Commission meeting.

Discussion ensued regarding operations in times of financial crisis and no changes to Port risk from this approach.

**The motion, made by Commissioner Cho, to introduce Resolution Nos. 3845, 3846, and 3847 carried by the following vote:**

**In favor: Calkins, Cho, Felleman, Hasegawa and Mohamed (5)**

**Opposed: (0)**

## **11. PRESENTATIONS AND STAFF REPORTS**

### **11a. Port of Seattle Talent Connections Programs Update.**

Presentation document(s) included an agenda memorandum and presentation.

Presenter(s):

Derek Bender, Talent Connections Manager  
Aissatou Diallo, College Intern, Talent Connections (External)

Clerk Hart read Item 11a into the record and Deputy Executive Director Goon introduced the item.

The presentation addressed:

- program offerings;

- high school programming, partnering with Maritime High School and Raisbeck Aviation High School;
- the high school summer program being open to all high school students;
- workshops;
- community partner engagement;
- outreach
- communities served;
- high school program impacts;
- post-secondary programming and program impacts;
- successes;
- a new pathway program pilot to support those who have and continue to experience barriers in pursuing higher education and quality job experience;
- benefits of participation; and
- 2026 pathway opportunities.

College intern, Aissatou Diallo, spoke regarding her participation in the Talent Connections Program.

Discussion ensued regarding:

- the tremendous support or workforce development and the creation of a pipeline for future workers;
- recognition of the program;
- a growing demand for services based on funding cuts at the state level for disadvantaged youth;
- methods of targeting outreach and engagement;
- 70 community-based organizations who the Port is reaching out to;
- accessibility to students and non-students countywide;
- how the Commission and the Office of Equity, Diversity, and Inclusion can support efforts;
- a system or strategy to recommend interns to other organizations once Port intern opportunities are taken;
- tracking the rate of people who continued into full-time employment opportunities; and
- incorporating those impacted by the legal system.

Members of the Commission thanked the team for their presentation and their work.

### **11b. Implementation of Language Access Order 2023-05.**

Presentation document(s) included an agenda memorandum, attachment, and presentation.

Presenter(s):

Bookda Gheisar, Senior Director, Equity, Diversity, and Inclusion

Jay Doran, Policy and Communications Manager, Equity, Diversity, and Inclusion

LeAnn Blanco, Civil Rights Program Manager, Equity, Diversity, and Inclusion

Clerk Hart read Item 11b into the record and Deputy Executive Director Goon introduced the item.

The presentation addressed:

- language access commitments;

- Commission Order 2023-05;
- high-level timeline and milestones;
- the Language Access Guidance Manual;
- guidance manual next steps;
- multilingual compensation plan and next steps;
- annual departmental language access plans; and
- language access in action – applications.

Discussion ensued regarding:

- adding communication around emergency situations like ICE sightings;
- vast improvements made in signage for language access;
- FIFA preparations for engaging key stakeholders;
- department funding spent on translation and interpretation services; and
- gaps in language access for the Northwest Seaport Alliance and thinking about how the Alliance can incorporate these strategies.

Members of the Commission thanked the team for their presentation and their work.

#### **11c. 2026 Local and Regional GR Priorities Briefing.**

Presentation document(s) included an agenda memorandum and presentation.

Presenter(s):

Samantha St John, East King County Community and Govt Relations Manager  
Sabrina Bolieu, Regional Government Relations Manager  
Dave Kaplan, Local Government Relations Manager  
Roxanne Murphy, Tribal Relations Senior Program Manager

Clerk Hart read Item 11c into the record and Deputy Executive Director Goon introduced the item.

The presentation addressed:

- 2025 priorities advancement;
- 2026 priorities in line with the Port's Century Agenda goals and objectives;
- 2025 local and regional priorities advancement;
- 2026 local and regional policy priorities – regional relations;
- South King County relations;
- East King County relations;
- Tribal relations; and
- next steps – seeking adoption of the priorities from Commission on April 14, 2026.

Discussion ensued regarding:

- raised awareness and visibility of the Port;
- engagement making a tremendous difference;
- connecting and amplifying intentional work;
- real estate pressures in the Ballard area;
- North Bend truck parking issues; and

- tribal memoranda of agreement.

Members of the Commission thanked the team for their presentation and their work.

**12. QUESTIONS on REFERRAL to COMMITTEE and CLOSING COMMENTS**

Commission President Ryan Calkins brought forward a Motion to Rescind Something Previously Adopted, specifically the March 23, 2021, Commission proclamation recognizing March 31<sup>st</sup> as Cesar Chavez and Deloras Huerta Day at the Port of Seattle, due to the recent revelations making it inappropriate to celebrate Cesar Chavez.

Members of the Commission spoke in support of uplifting farmworkers, continued recognition of Deloras Huerta, and bringing back a future action in concert with the Port employee resource group, Latinos Unidos.

**The motion, made by Commissioner Calkins, to rescind the March 23, 2021, Commission Proclamation recognizing March 31<sup>st</sup> as Cesar Chavez and Deloras Huerta Day at the Port of Seattle, carried by the following vote:**

**In favor: Calkins, Cho, Felleman, Hasegawa and Mohamed (5)**

**Opposed: (0)**

*[Clerk's Note: Order No. 2026-05 memorializes this motion.]*

Commissioner Cho and Members of the Commission recognized TSA agents who have not been paid due to the Federal shutdown and efforts to lift up these workers and assist during this time, including donation drives and a Go Fund Me account that has been established and is receiving overwhelming support.

Commissioner Felleman spoke regarding the anniversary of the Exxon Valdez tanker incident; the National Harbor Safety Committee meeting being hosted this year in Seattle; the risk profile of our waterways; and continuous improvement.

Commissioner Mohamed spoke regarding growing concern regarding immigration enforcement at the airport and the need for clear and accurate information.

Commissioner Calkins spoke regarding the Fuels Summit held last week, thanking staff for their efforts in organizing and producing the event. He noted the engagement with industry experts and the important role the Port has with respect to creating space for the industry to operate.

**13. ADJOURNMENT**

The meeting adjourned at 3:07 p.m.

Prepared:

Attest:

\_\_\_\_\_  
Michelle M. Hart, Commission Clerk

\_\_\_\_\_  
Sam Cho, Commission Secretary

Minutes approved: April 14, 2026



P.O. Box 1209  
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**APPROVED MINUTES  
COMMISSION SPECIAL MEETING**

**March 10, 2026**

The Port of Seattle Commission met in a special meeting per RCW 42.30.080 on March 10, 2026. The meeting was held at the Port of Seattle Headquarters Building Commission Chambers and 3CC01 Conference Room, located at 2711 Alaskan Way, Seattle, Washington. All Commissioners were in attendance.

**I. CALL to ORDER**

The meeting was convened at 10:30 a.m. by Commission President Calkins for the purpose of holding an Executive Session regarding RCW 42.30.100(1)(g), performance of a public employee.

**II. ITEMS OF BUSINESS**

The public meeting immediately recessed to Executive Session at 10:32 a.m, for the purpose noted above. The Executive Session lasted approximately 120 minutes.

**III. ADJOURNMENT**

The meeting adjourned at 12:30 p.m.

Prepared:

Attest:

\_\_\_\_\_  
Michelle M. Hart, Commission Clerk

\_\_\_\_\_  
Sam Cho, Commission Secretary

Minutes approved: April 14, 2026



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**APPROVED MINUTES  
COMMISSION SPECIAL MEETING**

**March 12, 2026**

The Port of Seattle Commission met in a special meeting per RCW 42.30.080 on March 12, 2026. The meeting was held at the Bell Harbor International Conference Center, located at 2211 Alaskan Way, Seattle, Washington. All Commissioners were in attendance.

**I. CALL to ORDER**

The meeting was convened at 7:30 a.m. for the purpose of conducting the annual State of the Port Address.

**II. ITEMS OF BUSINESS**

The State of the Port Address was held and Executive Director Metruck and Commissioners spoke.

**III. ADJOURNMENT**

The meeting adjourned at 9:30 a.m.

Prepared:

Attest:

\_\_\_\_\_  
Michelle M. Hart, Commission Clerk

\_\_\_\_\_  
Sam Cho, Commission Secretary

Minutes approved: April 14, 2026



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**APPROVED MINUTES  
COMMISSION SPECIAL MEETING**

**March 12, 2026**

The Port of Seattle Commission met in a special meeting per RCW 42.30.080 on March 12, 2026. The meeting was held at the Bell Harbor International Conference Center, located at 2211 Alaskan Way, Seattle, Washington. All Commissioners were in attendance.

**I. CALL to ORDER**

The meeting was convened by Commission President Ryan Calkins at 10:00 a.m. for the purpose of conducting a 2026 Commission Planning and Organizing Retreat with the Executive Leadership Team.

**II. ITEMS OF BUSINESS**

Commission President Calkins provided opening remarks, followed by opening remarks from Executive Director Metruck.

Members of the Commission, Members of the Executive Leadership Team, and Commission Chief of Staff Aaron Pritchard participated in presentations addressing:

- Year-End Financial Performance;
- Executive Focus Overview regarding Climate/ Energy Transition; Technology/ Resilience; Capital Programs; and Maritime Industrial Base;
- Finance Resources including Sensitivity Analysis; Levy Scenarios; and Proposed Budget Guidance and Strategies;
- Community Investments; and
- Commission Ethics Training.

**III. ADJOURNMENT**

The meeting adjourned at 3:30 p.m.

**PORT COMMISSION SPECIAL MEETING MINUTES  
TUESDAY, MARCH 12, 2026**

Prepared:

Attest:

\_\_\_\_\_  
Michelle M. Hart, Commission Clerk

\_\_\_\_\_  
Sam Cho, Commission Secretary

Minutes approved: April 14, 2026



**COMMISSION  
AGENDA MEMORANDUM  
FOR INFORMATION ONLY**

**Item No.** 8b  
**Date of Meeting** April 14, 2026

**DATE:** April 1, 2026  
**TO:** Stephen P. Metruck, Executive Director  
**FROM:** Karen R. Goon, Deputy Executive Director

**SUBJECT: Monthly Notification of Prior Executive Director Delegation Actions March 2026**

**APPROVAL SUMMARY**

Notification of the following Executive Director delegated approvals that occurred in March 2026.

<b>Category of Approval</b>	<b>Request#</b>	<b>Description of Approvals March 2026</b>	<b>Category Amount</b>
Projects & Associated Contracts	2614-2026	Police Scheduling System Project and Contract Authorization	\$900,000.00
Projects & Associated Contracts	2620-2026	P69 Fan Coil Unit Replacement	\$1,500,000.00
Projects & Associated Contracts	2616-2026	Maritime Industrial Center Fire Alarm System	\$400,000.00
Non-Project Procurement of Goods & Purchased Service Contracts, Other Contracts, & Tenant Reimbursement	2680-2026	MOU - Equipment Donation to TSA	\$1,700,000.00
Non-Project Procurement of Goods & Purchased Service Contracts, Other Contracts, & Tenant Reimbursement	2659-2026	2026 Computer Refresh Purchase Authorization	\$1,900,000.00
Non-Project Procurement of Goods & Purchased Service Contracts, Other Contracts, & Tenant Reimbursement	2642-2026	Building Energy Compliance and Decarbonization Support IDIQ	\$2,000,000.00

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Non-Project Procurement of Goods & Purchased Service Contracts, Other Contracts, & Tenant Reimbursement	2686-2026	Veeam Backup Contract Authorization	\$600,000.00
Non-Project Procurement of Goods & Purchased Service Contracts, Other Contracts, & Tenant Reimbursement	2648-2026	Elevator Emergency Communication System	\$1,600,000.00
Non-Project Procurement of Goods & Purchased Service Contracts, Other Contracts, & Tenant Reimbursement	2634-2026	POSPD purchase of underwater Remotely Operated Vehicle	\$450,000.00
Real Property Agreements	N/A	No Approvals in March	\$0.00
Utilization of Port Crews	N/A	No Approvals in March	\$0.00
Sale of Surplus Port Property	N/A	No Approvals in March	\$0.00
<b>Total Value of Executive Director Approvals</b>			<b>\$11,050,000.00</b>

**TRANSPARENCY:**

In approving the delegations for the Executive Director, the Commission requested that staff ensure transparency as it is paramount moving forward. As a result, staff will make approvals visible to the public in two ways. First, these types of approvals will be made visible in public Commission meetings via monthly reporting similar to this one. This approval is both timed and designed to be visible in a similar manner to the monthly Claims and Obligations reporting. Second, staff will publish these delegations to the web by publishing them in a PeopleSoft formatted report on the Port website in the same manner that all procurements, contracts, and other opportunities are made available to public communities.

**BACKGROUND:**

On January 24, 2023, the Commission approved and adopted Resolution No. 3810 that repealed related prior resolutions and increased the previously delegated Commission authority to the Executive Director and provided clarity in process directives to port staff. The approval made the Delegation of Responsibility and Authority to the Executive Director (DORA) effective on April 3, 2023, and the approvals made by the Executive Director for the month of April are identified in the table above.

Meeting Date: April 14, 2026

The foundation for Resolution No. 3810 included significant data analysis, employee surveys, and internal audit recommendation. Resolution No. 3810 also aligns with the Port Century Agenda in that it helps make the Port a more effective public agency. Many considerations and checks and balances have been built into the associated processes of Executive Director approvals including a high bar of transparency.

Following significant analysis and multiple Commission reviews, the Commission approved the DORA on January 24, 2023. That reporting memo is available for review on the Port website under the January 24, 2023, Commission public meeting, and it provides detailed reasoning and explanation of Resolution No. 3810.



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 8c

**ACTION ITEM**

**Date of Meeting** April 14, 2026

**DATE:** March 17, 2026

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Elizabeth Morrison, Director Corporate Finance, Scott Bertram, Manager Corporate Finance

**SUBJECT:** **Adoption of Resolution No. 3845 – Subordinate Lien Master Resolution Authorizing Revenue Bonds of the Port District to be issued in series to finance any legal purpose of the Port District; Adoption of Resolution No. 3846, amending Resolution No. 3777 – which amended Resolution No. 3456 Commercial Paper Authorization; and Resolution No. 3847, amending Resolution No. 3598 – Authorizing the issuance and sale of Subordinate Lien Revenue Refunding Bonds, Series 2008.**

**ACTION REQUESTED**

Request adoption of:

1. Master Resolution No. 3845: A Resolution of the Commission of the Port of Seattle authorizing revenue bonds to be issued in series to finance any legal purpose of the Port; providing a subordinate lien upon revenues for the payment of such bonds; and making covenants and agreements in connection with the foregoing.
2. Series Resolution No. 3846, amending Resolution No. 3456, as previously amended by Resolution No. 3777, authorizing the issuance and sale of Subordinate Lien Revenue Notes (Commercial Paper)
3. Series Resolution No. 3847, amending Resolution No. 3598 - Authorizing the issuance and sale of Subordinate Lien Revenue Refunding Bonds, Series 2008

**EXECUTIVE SUMMARY**

The Port is seeking to modernize its Subordinate Lien debt structure by creating a new Subordinate Lien Master Resolution, which will govern all future Subordinate Lien Revenue Bonds. This new Subordinate Lien Master Resolution, if implemented, would update certain security provisions to current market standards while providing the Port with some added flexibility in managing current and future Subordinate Lien debt. The creation of this new Subordinate Lien Master Resolution will require amending existing resolutions governing our

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currently outstanding subordinate lien bonds, which include the commercial paper facility and the Series 2008 bonds, to match the covenants that will apply to future issuances.

### **BACKGROUND AND JUSTIFICATION**

The Port's current revenue bond debt structure includes three liens of revenue bonds that have been used to fund a significant portion of the organization's capital needs over the past 30 years. These liens include the *First Lien*, *Intermediate Lien*, and *Subordinate Lien*, and as of January 3, 2026, the Port has outstanding \$146.2 million, \$4.47 billion, and \$230.3 million on these three liens, respectively.

The Port first issued Subordinate Lien Revenue Bonds in 1992, and this subordinate lien has been used primarily for the issuance of variable rate debt backed by bank provided letters of credit. Currently outstanding debt on the subordinate lien includes the Series 2008 Bonds and the commercial paper note program. Unlike most of the Port's debt, which has fixed interest rates, the 2008 bonds and the commercial paper notes have variable interest rates that are set or reset based on market conditions. Additionally, both are backed by bank provided letters of credit, which means investors are, in effect, buying the banks' credit rather than the Port's and have the banks' guarantee of payment.

Variable interest rates tend to be lower on average than long-term fixed interest rates. During the Great Recession and Pandemic, long-term interest rates were historically low and the Port used the opportunity to lock-in low fixed rates. Now that long-term interest rates have risen, the Port can achieve lower cost of debt by increasing its utilization of variable rate bonds and notes.

Variable rate obligations do carry some risks and the Port has safeguards to manage these risks and expects to continue to issue primarily fixed rate bonds while increasing its exposure to variable rate debt. Risks include:

- Interest rate risk. Increases in rates can add to the Port's variable rate debt service (interest) costs. However, those increases in rates would also apply to the Port's investment portfolio which would result in higher interest earnings.
- Remarketing risk. There are different types of variable rate debt but the Port has typically issued variable rate demand bonds backed by a letter of credit from a bank and commercial paper notes also backed by a letter of credit from a bank. The interest rate on variable rate demand bonds resets regularly (for example, weekly) through a remarketing process where the remarketing agent sets the interest rate at the lowest level needed to successfully remarket the bonds (i.e. the level where there is sufficient investor demand). Likewise, the interest rate on commercial paper notes is set each time the short-term notes are issued or rolled. There is a risk of remarketing failure where there is not sufficient investor demand for all the bonds or rolled notes and in this event the letter of credit bank purchases the bonds and the Port pays the bank a predetermined rate of interest until the bonds can be successfully remarketed. This remarketing failure occurred during the Great Recession. The Port has agreements with

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the banks that have been carefully negotiated to provide time to cure the problem before the Port needs to repay the bonds.

An additional benefit of the variable rate demand bond structure is flexible repayment terms. The Port has typically chosen to amortize its variable rate debt in order to avoid a large principal payment(s) in the final years, but the Port has also paused principal payments during times of stress. For example, during the pandemic, the Port paused principal payments temporarily, which reduced the debt service amount charged to the airlines.

### **DETAILS**

All current and future *First Lien* and *Intermediate Lien* Revenue Bonds require a bond series authorization resolution (“series resolution”) that are governed by First Lien and Intermediate Lien Master Resolutions, respectively. These Master resolutions contain the overarching security provisions for each lien, while the series authorizing resolutions include structural terms specific to the series.

The Port’s *Subordinate Lien* Revenue Bonds, however, are not currently governed by a Master resolution on the lien, but rather only by resolutions authorizing each series of subordinate lien debt. Port staff recommends updating the bond structure on the subordinate lien to include a new Master resolution on this lien.

This new Subordinate Lien Master resolution will provide the overarching security provisions and framework for the subordinate lien that will apply to all future subordinate lien bonds. It will include modification of certain security provisions within the Port’s subordinate lien security structure, which will bring the terms more in line with market standards and provide the Port with additional flexibility in managing current and future subordinate lien debt. These modifications include:

- Providing the Port with flexibility within the rate covenant and additional bonds test calculations to apply certain revenue(s), including passenger and customer facility charges (PFCs and CFCs), not currently pledged to the repayment of the Port’s subordinate lien bonds.
- Changing the debt service coverage calculation to an aggregate calculation. This would be calculated as Port net revenues divided by all revenue bond debt service. The current calculation is lien specific – net revenues minus prior lien debt service divided by subordinate lien debt service. The new aggregate calculation provides the Port and its investors with a more meaningful representation of debt service coverage and is in line with how investors and credit rating agencies calculate debt service coverage.
- Change the additional bonds test threshold. The additional bonds test is provided to investors at the time of a new bond issue to demonstrate that the Port has adequate resources to pay its current debt service obligations as well as the new bonds the Port is seeking to issue. The current test is based on subordinate lien specific coverage of 1.50x.

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The new test will be based on aggregate debt service coverage, which is more commonly used in the industry, and requires a 1.05x aggregate debt service coverage (or 1.10x if the Port pledges PFCs and/or CFCs).

In addition to creating a new Master Subordinate Lien Resolution, the Port must also amend the existing series authorizing resolutions associated with its outstanding subordinate lien bonds to conform to the terms in the Master Subordinate Lien Resolution. The Series 2008 Bonds were authorized by Resolution No. 3598 in 2008, and the CP program was authorized by Resolution No. 3546 in 2001 and Amended by Resolution No. 3777 in 2020. The amendatory resolutions incorporate the new Master Subordinate Lien Resolution provisions into the existing resolutions and make certain timing and technical updates to conform to current requirements.

**ATTACHMENTS TO THIS REQUEST**

- (1) Draft Subordinate Lien Master Resolution No. 3845
- (2) Draft Series Resolution No. 3846, amending Resolution No. 3456, as previously amended by Resolution No. 3777
- (3) Draft Series Resolution No. 3847, amending Resolution No. 3598
- (4) Presentation

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

**March 24, 2026:**

Introduction of Resolution No. 3845 – Subordinate Lien Master Resolution Authorizing Revenue Bonds of the Port District to be issued in series to finance any legal purpose of the Port District; Introduction of Resolution No. 3846, amending Resolution No. 3777 – which amended Resolution No. 3456 Commercial Paper Authorization; and Resolution No. 3847, amending Resolution No. 3598 – Authorizing the issuance and sale of Subordinate Lien Revenue Refunding Bonds, Series 2008.

PORT OF SEATTLE

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RESOLUTION NO. 3845

A RESOLUTION OF THE PORT COMMISSION OF THE PORT OF SEATTLE AUTHORIZING REVENUE BONDS OF THE PORT DISTRICT TO BE ISSUED IN SERIES TO FINANCE ANY LEGAL PURPOSE OF THE PORT DISTRICT; PROVIDING A SUBORDINATE LIEN UPON REVENUES OF THE PORT DISTRICT FOR THE PAYMENT OF SUCH BONDS; AND MAKING COVENANTS AND AGREEMENTS IN CONNECTION WITH THE FOREGOING.

ADOPTED: April 14, 2026

Prepared by:

Pacifica Law Group LLP  
Seattle, Washington

PORT OF SEATTLE

RESOLUTION NO. 3845

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RESOLUTION NO. 3845

A RESOLUTION OF THE PORT COMMISSION OF THE PORT OF SEATTLE AUTHORIZING REVENUE BONDS OF THE PORT DISTRICT TO BE ISSUED IN SERIES TO FINANCE ANY LEGAL PURPOSE OF THE PORT DISTRICT; PROVIDING A SUBORDINATE LIEN UPON REVENUES OF THE PORT DISTRICT FOR THE PAYMENT OF SUCH BONDS; AND MAKING COVENANTS AND AGREEMENTS IN CONNECTION WITH THE FOREGOING.

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

WHEREAS, the Port has authorized the issuance of revenue bonds in one or more series pursuant to Resolution No. 3059, as amended, of the Commission, adopted on February 2, 1990, as most recently amended and restated by Resolution No. 3577 of the Commission adopted on February 27, 2007 (collectively, the “First Lien Master Resolution”), each series being payable from the Net Revenues (as such term is defined in the First Lien Master Resolution); and

WHEREAS, the Port currently has outstanding four series of first lien revenue bonds pursuant to the First Lien Master Resolution, as follows:

Authorizing Resolution Number	Date of Original Issue	Series	Original Principal Amount	Principal Amount Outstanding (as of 01/03/2026)	Final Maturity Date
3619	07/16/2009	(B-2)	\$ 22,000,326 <sup>(1)</sup>	\$ 57,572,236 <sup>(1)</sup>	05/01/2031
3721	08/02/2016	(B)	124,380,000	75,660,000	10/01/2032
3721	08/02/2016	(C)	6,180,000	3,395,000	10/01/2032
3787	06/30/2021		43,015,000	9,540,000	09/01/2026
				<u>\$146,167,236</u>	

<sup>(1)</sup> Series 2009B-2 Bonds are capital appreciation bonds; total principal amount outstanding includes accreted interest of \$40,174,645 through January 3, 2026.

(the “Outstanding First Lien Parity Bonds”); and

WHEREAS, the Port has authorized the issuance of intermediate lien revenue bonds having a lien on Net Revenues subordinate to the lien thereon of the Outstanding First Lien Parity Bonds in one or more series pursuant to Resolution No. 3540, as amended, adopted on June 14, 2005 (the “Intermediate Lien Master Resolution”); and

WHEREAS, the Port currently has outstanding 21 series of intermediate lien revenue bonds pursuant to the Intermediate Lien Master Resolution, as follows:

Authorizing Resolution Number	Date of Original Issue	Series	Original Principal Amount	Principal Amount Outstanding (As of 01/03/2026)	Final Maturity Date
3709	08/06/2015	(C)	\$226,275,000	\$165,730,000	04/01/2040
3722	08/02/2016		99,095,000	84,555,000	02/01/2030
3735	08/22/2017	(A)	16,705,000	16,705,000	05/01/2028
3735	08/22/2017	(B)	264,925,000	161,930,000	05/01/2036
3735	08/22/2017	(C)	313,305,000	261,675,000	05/01/2042
3735	08/22/2017	(D)	93,230,000	23,830,000	05/01/2027
3749	06/21/2018	(A)	470,495,000	404,975,000	05/01/2043
3749	06/21/2018	(B)	85,145,000	32,225,000	05/01/2028
3758	08/07/2019		457,390,000	406,220,000	04/01/2044
3786	06/30/2021	(A)	47,025,000	9,430,000	12/01/2030
3786	06/30/2021	(B)	148,765,000	127,790,000	06/01/2040
3786	06/30/2021	(C)	514,390,000	443,015,000	08/01/2046
3786	06/30/2021	(D)	41,395,000	31,490,000	08/01/2031
3801	08/11/2022	(A)	206,200,000	190,155,000	08/01/2033
3801	08/11/2022	(B)	585,930,000	537,495,000	08/01/2047
3801	08/11/2022	(C)	70,435,000	34,975,000	08/01/2032
3826	08/15/2024	(A)	168,975,000	158,955,000	03/01/2040
3826	08/15/2024	(B)	648,940,000	632,855,000	07/01/2049
3837	08/21/2025	(A)	74,235,000	74,235,000	10/01/2050
3837	08/21/2025	(B)	650,460,000	650,460,000	10/01/2050
3837	08/21/2025	(C)	22,550,000	22,550,000	09/01/2032
				<u>\$4,471,250,000</u>	

(the “Outstanding Intermediate Lien Parity Bonds”); and

WHEREAS, the Port has issued and currently has outstanding two series of subordinate lien revenue bonds, as follows:

Authorizing Resolution Number	Date of Original Issue	Authorized or Original Principal Amount	Principal Amount Outstanding (1/3/2026)	Final Maturity Date
3456 <sup>(1)</sup>	(CP)	\$ 400,000,000	\$120,000,000	06/01/2051
3598	06/17/2008	200,715,000	110,335,000	07/01/2033
			<u>\$230,335,000</u>	

<sup>(1)</sup> As amended by Resolution No. 3777, adopted on September 22, 2020.

(the “Outstanding Subordinate Lien Parity Bonds”); and

WHEREAS, each of the resolutions, as amended, authorizing the issuance of the Outstanding Subordinate Lien Parity Bonds identified above (the “Outstanding Subordinate Lien Resolutions”) authorized the Port to issue revenue obligations having a lien and charge on Available Revenue (hereinafter defined) on a parity with the lien and charge thereon to pay the Outstanding Subordinate Lien Parity Bonds; and

WHEREAS, the Outstanding Subordinate Lien Resolutions authorize the Port to amend the covenants set forth therein from time to time by a Supplemental Resolution approved by the registered owners of 51% in aggregate principal amount of the then Outstanding Subordinate Lien Parity Bonds. The Outstanding Subordinate Lien Resolutions further deem any Credit Facility Issuer (as defined therein) to be the sole registered owner of any Outstanding Subordinate Lien Parity Bonds that are payable from the credit facility provided by such Credit Facility Issuer for the purpose of consenting to amendments, except for amendments that alter the interest rate on any Outstanding Subordinate Lien Parity Bonds, the maturity date, interest payment dates, purchase upon tender or redemption of any Outstanding Subordinate Lien Parity Bonds; and

WHEREAS, with the consent of each Credit Facility Issuer of a credit facility securing the

payment of the Outstanding Subordinate Lien Parity Bonds, the Port intends to amend the covenants set forth in the Outstanding Subordinate Lien Resolutions; and

WHEREAS, the Commission deems it advisable and in the best interest of the Port to adopt this resolution setting forth the covenants in the Outstanding Subordinate Lien Resolutions, as amended, and providing for subordinate lien revenue bonds of the Port to be hereafter issued for any of the Port's legal purposes on a parity with the Outstanding Subordinate Lien Parity Bonds under the provisions, terms and conditions of this resolution and pursuant to series resolutions adopted by the Commission from time to time; and

WHEREAS, the principal of and interest on the bonds authorized by this resolution shall be payable solely from Available Revenue and shall constitute a subordinate lien and charge against Gross Revenue as provided herein;

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

Section 1. Definitions and Interpretation.

(a) *Definitions.* As used in this resolution, the following words and phrases shall have the meanings hereinafter set forth unless the context clearly shall indicate that another meaning is intended:

*Accreted Value* means (a) with respect to any Capital Appreciation Bonds, as of any date of calculation, the sum of the initial principal amount of such Capital Appreciation Bonds plus the interest accumulated, compounded and unpaid thereon as of the most recent compounding date, or (b) with respect to Original Issue Discount Bonds, as of the date of calculation, the amount representing the initial public offering price of such Original Issue Discount Bonds plus the amount of discounted principal which has accreted since the date of issue.

***Annual Debt Service*** means the total amount of Debt Service for all Prior Lien Bonds and Subordinate Lien Parity Bonds Outstanding, and, without duplication, with respect to any Derivative Product, in any fiscal year or Base Period.

***Available Revenue*** means the Gross Revenue of the Port after providing for the payments set forth in paragraphs First through Eighth of Section 3(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 Prior Lien Bonds.

***Balloon Maturity Bonds*** means any Prior Lien Bonds and Subordinate Lien Parity Bonds Outstanding that are so designated in their authorizing resolution or in a certificate of the Designated Port Representative executed on or prior to their date of issuance. Commercial Paper shall be deemed to be a Balloon Maturity Bond.

***Bank Bond*** means any Subordinate Lien Parity Bonds purchased with proceeds of a Credit Facility or Liquidity Facility or Subordinate Lien Parity Bonds evidencing the Port's obligation to reimburse a Credit Facility Issuer or Liquidity Facility Issuer for the payment of the purchase price of or principal of or interest on any Subordinate Lien Parity Bond.

***Base Period*** means any consecutive 12-month period selected by the Designated Port Representative out of the 30-month period preceding the date of issuance of the series of Future Subordinate Lien Parity Bonds then proposed to be issued.

**Bond Counsel** means a firm of lawyers nationally recognized and accepted as bond counsel and so employed by the Port for any purpose under this resolution applicable to the use of that term.

**Capital Appreciation Bonds** mean any Prior Lien Bonds and Subordinate Lien Parity Bonds Outstanding all or a portion of the interest on which is compounded, accumulated and payable only upon redemption or on the maturity date of such Prior Lien Bonds or Subordinate Lien Parity Bonds. If so provided in their authorizing resolution or a certificate of the Designated Port Representative executed on or prior to their date of issuance, Prior Lien Bonds or Subordinate Lien Parity Bonds may be deemed to be Capital Appreciation Bonds for only a portion of their term. On the date on which Prior Lien Bonds or Subordinate Lien Parity Bonds no longer are Capital Appreciation Bonds, they shall be deemed Outstanding in a principal amount equal to their Accreted Value.

**Certificate Period** means the period commencing with the fiscal year following the year in which the proposed series of Subordinate Lien Parity Bonds are to be issued and extending through the earlier of (a) the third fiscal year in 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 Future Subordinate Lien Parity Bonds and (b) the fifth fiscal year following the year in which the proposed series of Subordinate Lien Parity Bonds are to be issued.

**Commercial Paper** means any Prior Lien Bond or Subordinate Lien Parity Bond with a maturity not more than 270 days from its date of issuance.

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

**Consultant** means at any time an independent consultant nationally recognized in marine

or aviation matters or an engineer or engineering firm or other expert appointed by the Port to perform the duties of the Consultant as required by this resolution. For the purposes of delivering any certificate required by Section 4(b)(3)(A)(ii) hereof, the term Consultant shall also include any independent national public accounting firm appointed by the Port to make such calculation or to provide such certificate or nationally-recognized municipal advisor appointed by the Port for purposes of making such calculation.

***Credit Facility*** means a policy of municipal bond insurance, a letter of credit, surety bond, line of credit, guarantee, reimbursement agreement, or other financial instrument or any combination of the foregoing, which obligates a third party to make payment or provide funds for the payment of the purchase price of or the scheduled principal of and interest on Prior Lien Bonds or Subordinate Lien Parity Bonds. There may be one or more Credit Facilities outstanding at any time.

***Credit Facility Issuer*** means the issuer of any Credit Facility.

***Customer Facility Charge*** or ***CFC*** means any customer facility charge authorized pursuant to state law, including pursuant to RCW 14.08.120, as may be amended from time to time, and imposed upon customers of rental car companies accessing the Facilities for the purpose of financing, designing, constructing, operating and maintaining consolidated rental car facilities and common use transportation equipment and facilities which are used to transport the customer between the consolidated car rental facilities and other Facilities, or any successor provision approving such a charge or a similar charge or fee, and any interest, profits or other income derived from the investment thereof.

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

(a) with respect to any Outstanding Original Issue Discount Bonds or Capital Appreciation

Bonds that are not designated as Balloon Maturity Bonds, the principal amount thereof equal to the Accreted Value thereof maturing or scheduled for redemption in such period, plus the interest, if any, payable during such period;

- (b) with respect to any Outstanding Fixed Rate Bonds, an amount equal to (1) the principal amount coming 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 such principal on the assumption that mandatory sinking fund installments will be applied to the redemption or retirement of such Prior Lien Bonds or Subordinate Lien Parity Bonds on the required redemption or retirement date, plus (3) all interest payable during such period on any such Prior Lien Bonds and Subordinate Lien Parity Bonds Outstanding;
- (c) with respect to all other series of Prior Lien Bonds and 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 Prior Lien 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 Prior Lien Bonds or Subordinate Lien Parity Bonds during such period computed on the assumption that the amount of such Prior Lien Bonds or Subordinate Lien Parity Bonds Outstanding as of the date of such computation would be amortized (1) in accordance with their scheduled maturities or required repayment dates, if any, and any mandatory redemption provisions (disregarding any put, mandatory tender or mandatory purchase provisions) set forth in or approved pursuant to their authorizing resolution, or if scheduled maturities, required repayment dates or mandatory redemption

provisions (disregarding any put, mandatory tender or mandatory purchase provisions) are not provided, over a 30-year period commencing with the first fiscal year following the date of computation to provide for essentially level annual debt service of principal and interest over such period and (2) at an interest rate equal to the greater of (A) the average of the applicable Variable Rate Index over the 10-year period ending the week immediately preceding the date of calculation plus 0.50%, and (B) the applicable Variable Rate Index in the week immediately preceding the date of calculation; and

- (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 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.

Debt Service shall include reimbursement obligations (and interest accruing thereon) owing to any Credit Facility Issuer or Liquidity Facility Issuer; provided that a Prior Lien Bond or Subordinate Lien Parity Bond and an unreimbursed reimbursement obligation arising with respect to such Prior Lien Bond or Subordinate Lien Parity Bond shall not be deemed to be Outstanding at the same time. With respect to any Prior Lien Bonds or Subordinate Lien Parity Bonds payable in other than U.S. Dollars, Debt Service shall be calculated as provided in or pursuant to their authorizing resolution. Debt Service shall be net of (1) any principal or interest funded out of Prior Lien Bond or Subordinate Lien Parity Bond proceeds and (2) any Debt Service Offset.

***Debt Service Offset*** means receipts of the Port (such as PFCs or CFCs) that are not included

in Gross Revenue and that are legally available and pledged by the Port to pay debt service on Prior Lien Parity Bonds and/or Subordinate Lien Parity Bonds for a period not less than the duration of the Certificate Period.

***Derivative Facility*** means a letter of credit, an insurance policy, a surety bond or other credit enhancement device, given, issued or posted as security for the Port's obligations under one or more Derivative Products.

***Derivative Payment Date*** means any date specified in the Derivative Product on which a Port Payment is due and payable under the Derivative Product.

***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;
- (b) under which Reciprocal Payments are to be made directly into a bond fund for Prior Lien Bonds or Subordinate Lien Parity Bonds Outstanding;
- (c) 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
- (d) 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.

***Derivative Product Account*** means the Derivative Product Account, if any, created and established under Section 6 hereof or under another authorizing resolution.

***Designated Port Representative*** means the Executive Director of the Port, the Deputy Executive Director of the Port 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.

***EMMA*** means the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system, located at [www.emma.msrb.org](http://www.emma.msrb.org), or any successor to its functions.

***Estimated Average Derivative Rate*** means:

- (a) as to the variable rate payments to be made by a party under any Derivative Product,
  - (1) 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;
  - (2) 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 Prior Lien Bonds or 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 Prior Lien Bonds or Subordinate Lien Parity Bonds; and

- (c) if two or more Derivative Products 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 the 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)(1) and (a)(2) of this definition and, where applicable, with respect to the first of such Derivative Products to become effective.

**Facilities** mean all equipment and all property, real and personal, or any interest therein, whether improved or unimproved, now or hereafter (for as long as any Subordinate Lien Parity Bonds of the Port shall be Outstanding) owned, operated, used, leased or managed by the Port and that contribute in some measure to its Gross Revenue.

**First Lien Bonds** mean the Outstanding First Lien Bonds and any bonds issued by the Port pursuant to Section 5 of the First Lien Master Resolution, which provides that such bonds shall be on a parity of lien with other series of First Lien Bonds.

**First Lien Master Resolution** has the meaning set forth in the recitals, as such resolution may be amended in the future in accordance with its terms.

**Fitch** means Fitch Ratings, Inc., organized and existing under the laws of the State of Delaware, its successors and their assigns, and, if such organization shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, Fitch shall be deemed to refer to any other nationally recognized securities rating agency (other than S&P, Moody's or Kroll) designated by the Designated Port Representative.

**Fixed Rate Bonds** means Bonds other than Capital Appreciation Bonds, Original Issue

Discount Bonds or variable rate Balloon Maturity Bonds with a rate of interest on such Prior Lien Bonds or Subordinate Lien Parity Bonds that is fixed and determinable through their final maturity or for a specified period of time. If so provided in their authorizing resolution or a certificate of the Designated Port Representative executed on or prior to their date of issuance, Prior Lien Bonds or Subordinate Lien Parity Bonds may be deemed to be Fixed Rate Bonds for only a portion of their term.

***Future Subordinate Lien Parity Bonds*** means revenue bonds or other revenue obligations issued by the Port in the future with a lien on Gross Revenue equal to the lien thereon of the Subordinate Lien Parity Bonds Outstanding, including without limitation any Bank Bond issued by the Port in the future with a lien on Gross Revenue equal to the lien thereon of the Subordinate Lien Parity Bonds Outstanding.

***Gross Revenue*** means all income and revenue derived by the Port from any source whatsoever except:

- (a) the proceeds of any borrowing by the Port and the earnings thereon (other than earnings on proceeds deposited in reserve funds);
- (b) income and revenue that may not legally be pledged for revenue bond debt service;
- (c) passenger facility charges (PFCs), head taxes, federal grants or substitutes therefor allocated to capital projects;
- (d) payments made under Credit Facilities or Liquidity Facilities issued to pay or secure the purchase of or payment of a particular series of Prior Lien Bonds or Subordinate Lien Parity Bonds;
- (e) proceeds of insurance or condemnation proceeds other than business interruption insurance;
- (f) income and revenue of the Port separately pledged and used by it to pay and secure the

payment of the principal of and interest on any issue or series of Special Revenue Bonds of the Port issued to acquire, construct, equip, install or improve part or all of the particular facilities from which such income and revenue are derived, *provided that* nothing in this subparagraph (f) shall permit the withdrawal from Gross Revenue of any income or revenue derived or to be derived by the Port from any income producing facility that shall have been contributing to Gross Revenue prior to the issuance of such Special Revenue Bonds and that are not Released Revenues; and

(g) income from investments irrevocably pledged to the payment of bonds to be refunded under any refunding bond plan of the Port.

Notwithstanding the foregoing, the Port may elect to pledge other receipts at any time as additional security for any one or more series of obligations.

***Intermediate Lien Parity Bonds*** means the Outstanding Intermediate Lien Bonds and any future revenue bonds issued pursuant to the Intermediate Lien Master Resolution with a lien on Available Intermediate Lien Revenues (as defined in the Intermediate Lien Master Resolution) on a parity with the lien thereon of the then Outstanding Intermediate Lien Bonds.

***Intermediate Lien Master Resolution*** has the meaning set forth in the recitals, as such resolution may be amended in the future in accordance with its terms.

***Kroll*** means Kroll Bond Rating Agency, Inc. and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term Kroll shall be deemed to refer to any other nationally recognized securities rating agency (other than Moody's, Fitch or S&P) selected by the Designated Port Representative.

***Liquidity Facility*** means a line of credit, standby purchase agreement or other financial

instrument or any combination of the foregoing, which obligates a third party to make payment or to provide funds for the payment of the purchase price of Prior Lien Bonds or Subordinate Lien Parity Bonds. There may be more than one Liquidity Facility providing funds for payment of the purchase price of Prior Lien Bonds or Subordinate Lien Parity Bonds if so provided in or pursuant to the Series Resolution or Series Resolutions.

***Liquidity Facility Issuer*** means the issuer of any Liquidity Facility.

***Maximum Annual Debt Service*** means the highest Annual Debt Service in any future fiscal year.

***Moody's*** means Moody's Ratings, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term Moody's shall be deemed to refer to any other nationally recognized securities rating agency (other than Fitch or S&P or Kroll) selected by the Designated Port Representative.

***Net Revenues*** means Gross Revenue less any part thereof that must be used to pay Operating Expenses.

***Operating Expenses*** means the current expenses incurred for operation or maintenance of the Facilities (other than Special Facilities), as defined under generally accepted accounting principles, in effect from time to time, excluding any allowances for depreciation or amortization or interest on any obligations of the Port incurred in connection with and payable from Gross Revenue, and excluding Operating Expenses paid from sources other than Gross Revenue (e.g. from the Port's property tax levy). Operating Expenses may be further adjusted as may be necessary to reflect more fairly the Port's annual operating performance (e.g. to omit other non-cash items).

**Original Issue Discount Bonds** means Prior Lien Bonds or Subordinate Lien Parity Bonds that are sold at an initial public offering price of less than 95% of their face value and that are designated as Original Issue Discount Bonds in their authorizing resolution or a certificate of the Designated Port Representative on or prior to their date of issuance.

**Other Revenue Available and Applied to Debt Service** means income and revenue derived by the Port from any source whatsoever and not included in Gross Revenue (such as income or revenue generated by or attributable to PFCs, CFCs, or Special Facilities) that the Port receives in a fiscal year and uses to pay debt service on outstanding Prior Lien Bonds or Subordinate Lien Parity Bonds Outstanding in such fiscal year.

**Outstanding**, when used as of a particular time with reference to Prior Lien Bonds or Subordinate Lien Parity Bonds, means all Prior Lien Bonds Subordinate Lien Parity Bonds delivered pursuant to their authorizing resolution except:

- (a) Prior Lien Bonds or Subordinate Lien Parity Bonds cancelled by the Registrar or surrendered to the Registrar for cancellation;
- (b) Prior Lien Bonds or Subordinate Lien Parity Bonds paid or deemed to have been paid within the meaning of their authorizing resolution; and
- (c) Prior Lien Bonds or Subordinate Lien Parity Bonds in lieu of or in substitution for which replacement Prior Lien Bonds or Subordinate Lien Parity Bonds, as applicable, have been executed by the Port and delivered by the Registrar.

Notwithstanding the foregoing, Bank Bonds and other Prior Lien Bonds or Subordinate Lien Parity Bonds evidencing the Port's obligation to reimburse any Credit Facility Issuer or Liquidity Facility Issuer for the payment of the purchase price of, or principal of or interest on, any Prior Lien Bonds or Subordinate Lien Parity Bonds, as applicable, shall remain Outstanding until

the applicable Credit Facility Issuer or Liquidity Facility Issuer is paid all such amounts due.

***Outstanding First Lien Bonds*** has the meaning set forth in the recitals hereto.

***Outstanding Intermediate Lien Bonds*** has the meaning set forth in the recitals hereto.

***Outstanding Subordinate Lien Parity Bonds*** has the meaning set forth in the recitals hereto.

***Passenger Facility Charge*** or ***PFC*** means any charge collected pursuant to the authority granted by the Aviation Safety and Capacity Expansion Act of 1990 (49 U.S.C. § 40117), the Aviation Investment Reform Act of 2000 and 14 C.F.R. Part 158, as amended from time to time, and interest earnings thereon, net of amounts that collecting air carriers are entitled to retain for collecting, handling and remitting such passenger facility charge revenues.

***Port*** means the Port of Seattle, a municipal corporation of the State of Washington, as now or hereafter constituted, or the corporation, authority, board, body, commission, department or officer succeeding to the principal functions of the Port or to whom the powers vested in the Port shall be given by law.

***Port Payment*** means any payment, other than a termination or other nonscheduled payment, required to be made by or on behalf of the Port under a Derivative Product and which is determined according to a formula set forth in a Derivative Product.

***Prior Lien Bonds*** means the First Lien Bonds, the Intermediate Lien Parity Bonds, the Reserved Lien Revenue Bonds, and any other revenue bonds that may be issued in the future at the discretion of the Port payable from Net Revenues as described in paragraphs Second through Eighth of Section 3(b) of this resolution and with a lien on Gross Revenue or Net Revenues superior to the lien thereon of the Subordinate Lien Parity Bonds.

***Prior Lien Debt Service (Rate Covenant)*** means, for any fiscal year, the sum of the

amounts required to be deposited during such fiscal year from Net Revenues for the payment of the amounts described in paragraphs Second through Eighth of Section 3(b) of this resolution.

***Qualified Insurance*** means any non-cancellable municipal bond insurance policy or surety bond issued by any insurance company licensed to conduct an insurance business in any state of the United States (or by a service corporation acting on behalf of one or more such insurance companies) which insurance company or companies, as of the time of issuance of such policy or surety bond, are rated in one of the three highest Rating Categories by one or more of the Rating Agencies for unsecured debt or insurance underwriting or claims paying.

***Qualified Letter of Credit*** means any irrevocable letter of credit issued by a financial institution, which institution maintains an office, agency or branch in the United States and as of the time of issuance of such letter of credit, is rated in one of the three highest long-term Rating Categories by one or more of the Rating Agencies.

***Rating Agency*** means Moody's, S&P, Fitch, Kroll, and/or another nationally recognized rating agency, provided such rating agency is then maintaining a rating on the applicable Series of First Lien Bonds or Subordinate Lien Parity Bonds at the request of the Port.

***Rating Category*** means the generic rating categories of a Rating Agency, without regard to any refinement or gradation of such rating category by a numerical modifier or otherwise.

***Reciprocal Payment*** means any payment to be made to, or for the benefit of, the Port under a Derivative Product by the Reciprocal Payor.

***Reciprocal Payor*** means any bank or corporation, partnership or other entity who itself, or whose guarantor, has at the time the Derivative Product is entered into, at least an "A" rating from a Rating Agency then maintaining a rating on the applicable Prior Lien Bonds or Subordinate Lien Parity Bonds Outstanding, that is a party to a Derivative Product and that is obligated to make

one or more Reciprocal Payments thereunder.

**Registered Owner** means the person named as the registered owner of a Subordinate Lien Parity Bond on the register for such Subordinate Lien Parity Bond. For so long as the Subordinate Lien Parity Bonds are held by a Securities Depository or its nominee, such Securities Depository shall be deemed to be the Registered Owner.

**Released Revenues** means income or revenue of the Port previously included in Gross Revenue in respect of which the following have been delivered by or to the Port:

- (a) a certificate of the Designated Port Representative identifying the income or revenue to be removed from the definition of Gross Revenue and certifying the Port is in compliance with all requirements of this resolution;
- (b) a certificate of the Port or an independent certified public accountant to the effect that Net Revenue, excluding the income or revenues proposed to become Released Revenues, for each of the two audited fiscal years prior to the date of such certificate were equal to at least 110% of Maximum Annual Debt Service; and
- (c) an opinion of Bond Counsel to the effect that the exclusion of such revenues from the definition of Gross Revenue and from the pledge, charge and lien of this resolution will not in and of itself cause the interest on any Subordinate Lien Parity Bond issued as tax-exempt securities to be included in gross income for purposes of federal income tax.

**Repair and Renewal Fund** means the special fund authorized to be created pursuant to Section 2(b) of the First Lien Master Resolution.

**Reserved Lien Revenue Bonds** means those revenue bonds and other revenue obligations issued or incurred by the Port payable from Gross Revenue and having liens on Gross Revenue or

Net Revenues subordinate to that of the Intermediate Lien Parity Bonds and prior to the lien thereon of the Subordinate Lien Parity Bonds.

**Revenue Fund** means, collectively, the Port's general fund, airport development fund and any other fund established in the office of the Treasurer for the receipt of Gross Revenue.

**SIFMA Municipal Swap Index** means the Securities Industry and Financial Markets Association Municipal Swap Index or such other weekly, high-grade index comprised of seven-day, tax-exempt variable rate demand notes produced by Bloomberg, or its successor, or as otherwise designated by the Securities Industry and Financial Markets Association; *provided*, however, that, if such index is no longer produced by Bloomberg or its successor, then SIFMA Municipal Swap Index shall mean such other reasonably comparable index selected by the Designated Port Representative.

**Series Resolution** means a resolution adopted by the Commission authorizing the issuance of one or more series of Subordinate Lien Parity Bonds pursuant to the terms of this resolution.

**Special Facilities** means particular facilities financed with the proceeds of Special Revenue Bonds.

**Special Revenue Bonds** mean any issue or series of revenue bonds, revenue warrants or other revenue obligations of the Port issued to directly or indirectly acquire (by purchase, lease or otherwise), construct, equip, install or improve part or all of particular facilities (together with any revenue obligations issued to refund the foregoing), and which are payable from and secured by the income and revenue from such facilities.

**SOFR Index** means the forward-looking one month term rate based on the secured overnight financing rate that is published by CME Group Benchmark Administration Ltd. ("CME"), or its successor, and displayed on CME's Market Data Platform (or other commercially

available source providing such quotations); *provided*, however, that, if such rate is no longer provided by CME or its successor, then the SOFR Index shall mean such other reasonably comparable index selected by the Designated Port Representative.

**S&P** means S&P Global Ratings, Inc., and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term S&P shall be deemed to refer to any other nationally recognized securities rating agency (other than Moody's or Fitch or Kroll) selected by the Designated Port Representative.

**Subordinate Lien Bond Fund** means the Port of Seattle Subordinate Lien Bond Fund created or maintained in the office of the Treasurer by authority granted in Section 3(a) of this resolution.

**Subordinate Lien Parity Bonds** mean the Outstanding Subordinate Lien Parity Bonds and any Future Subordinate Lien Parity Bonds, including without limitation any Bank Bonds issued in connection with the Outstanding Subordinate Lien Parity Bonds and any Bank Bonds issued in connection with Future Subordinate Lien Parity Bonds.

**Subordinate Lien Parity Test** means (1) if no Debt Service Offset is applied to Debt Service, Net Revenue equal to or greater than 1.05 times Annual Debt Service on all Prior Lien Bonds and Subordinate Lien Parity Bonds then Outstanding and the Future Subordinate Lien Parity Bonds then proposed to be issued, or (2) if any Debt Service Offset is applied to Debt Service, Net Revenue equal to or greater than 1.10 times Annual Debt Service on all Prior Lien Bonds and Subordinate Lien Parity Bonds then Outstanding and the Future Subordinate Lien Parity Bonds then proposed to be issued.

**Subordinate Lien Rate Covenant** means the covenant of the Port to establish, maintain and

collect rentals, tariffs, rates, fees, and charges in the operation of all of its business for as long as any Subordinate Lien Parity Bonds are Outstanding that will produce Net Revenue in each fiscal year at least equal to 100% of the amounts required to pay the following amounts coming due in such fiscal year:

(1) Prior Lien Debt Service (Rate Covenant), and

(2) without duplication and in connection with Subordinate Lien Parity Bonds:

(a) principal of and interest on any Subordinate Lien Parity Bond Outstanding that is not Commercial Paper and is not a Bank Bond,

(b) interest on any Commercial Paper that is Outstanding during such fiscal year,

(c) principal of and interest on any Bank Bond that is Outstanding during such fiscal year,

(d) any Port Payments due with respect to any Derivative Product and,

(e) to the extent not otherwise provided for in this definition, any amounts due to a Reciprocal Payor,

but excluding from each of the foregoing without duplication, payments made or to be made from Other Revenue Available and Applied to Debt Service, bond proceeds and other money irrevocably set aside for such payment.

***Subordinate Lien Resolution*** means any Outstanding Subordinate Lien Resolution or Series Resolution authorizing the issuance of one or more series of Subordinate Lien Parity Bonds pursuant to this resolution.

***Taxable Obligation*** means any Prior Lien Bond or Subordinate Lien Parity Bond the interest on which is taxable for federal income tax purposes.

***Tax-Exempt Obligation*** means any Prior Lien Bond or Subordinate Lien Parity Bond the interest on which is tax-exempt or tax-advantaged for federal income tax purposes.

***Treasurer*** means the Chief Financial Officer of the Port, or any other public officer as may hereafter be designated pursuant to law to have the custody of Port funds.

***Variable Rate Index*** means, for Tax-Exempt Obligations, the SIFMA Municipal Swap Index and, for Taxable Obligations, the SOFR Index.

(b) *Interpretation.* In this resolution, unless the context otherwise requires:

- (1) 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 as of and after, and the term “heretofore” shall mean before, the date of this resolution;
- (2) Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations, limited liability companies and other legal entities, including public bodies, as well as natural persons;
- (3) 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;
- (4) All references herein to “articles,” “sections” and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and
- (5) Whenever any consent or direction is required to be given by the Port, such consent or direction shall be deemed given when given by the Designated Port Representative or their designee, respectively, and all references herein to the Designated Port Representative shall

be deemed to include references to their designee, as the case may be.

Section 2. Authorization of Subordinate Lien Parity Bonds; Subordinate Lien Bond Fund.

The Port may issue hereunder from time to time one or more series of Subordinate Lien Parity Bonds by means of a Series 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 Subordinate Lien Parity Bonds hereinafter set forth in this Section 2 and in Section 4 hereof.

Each series of Subordinate Lien Parity Bonds shall be authorized by a Series Resolution which shall, among other provisions, specify and provide for:

- (a) the authorized maximum principal amount, designation and series of such Subordinate Lien Parity Bonds;
- (b) the general purpose or purposes for which such series of Subordinate Lien Parity Bonds is being issued, and the deposit, disbursement and application of the proceeds of the sale of the Subordinate Lien Parity Bonds of such series;
- (c) the maximum interest rate or rates on the Subordinate Lien Parity Bonds of such series (which may be a rate of zero) or, if the interest rate or rates shall be variable, the method for determining such interest rates;
- (d) the circumstances, if any, under which the Subordinate Lien Parity Bonds of such series will be deemed to be no longer Outstanding;
- (e) the denominations of, and the manner of dating, numbering, and, if necessary, authenticating, the Subordinate Lien Parity Bonds of such series;
- (f) the place or places of payment of the principal, redemption price, if any, or purchase price, if any, of and interest on, the Subordinate Lien Parity Bonds of such series;
- (g) authorization for the selection of Credit Facility Issuers, Liquidity Facility Issuers, paying

agent or paying agents, remarketing agent or remarketing agents, if any, tender agent or tender agents, if any, Registrar or Registrars, if any, for the Subordinate Lien Parity Bonds of such series and the duties and obligations thereof;

- (h) the form of and manner of holding the Subordinate Lien Parity Bonds of such series, and the methods, if necessary, for the registration, transfer and exchange of the Subordinate Lien Parity Bonds of such series;
- (i) the terms and conditions, or authorization for the Executive Director to approve the terms and conditions, if any, for the redemption of the Subordinate Lien Parity Bonds of such series prior to maturity, including the redemption date or dates, the redemption price or prices and other applicable redemption terms;
- (j) the terms and conditions, or authorization for the Executive Director to approve the terms and conditions, if any, for the purchase of the Subordinate Lien Parity Bonds of such series upon any optional or mandatory tender for purchase prior to maturity, including the tender date or dates, the purchase date or dates, the purchase price or prices and other applicable terms;
- (k) the manner of sale, or authorization for the Executive Director to establish the manner of sale, of the Subordinate Lien Parity Bonds of such series, with or without a premium or a discount, including the sale of Original Issue Discount Bonds;
- (l) authorization of, or authorization for the Designated Port Representative to approve, including any terms and conditions with respect to, any Credit Facility or Liquidity Facility for the Subordinate Lien Parity Bonds of such series and the pledge or provision of moneys, assets or security other than Net Revenues to or for the payment of the Subordinate Lien Parity Bonds of such series or any portion thereof;

- (m) if so determined by the Port, any special funds or accounts for the Subordinate Lien Parity Bonds of such series and the application of moneys or security therein in addition to the Subordinate Lien Bond Fund;
- (n) the amount, if any, to be deposited or credited to any reserve account(s) securing Subordinate Lien Parity Bonds or authorization for the Designated Port Representative to approve such amount, if any; and
- (o) any other provisions which the Port deems necessary or desirable in connection with the Subordinate Lien Parity Bonds of such series.

Section 3. Subordinate Lien Bond Fund.

(a) *Subordinate Lien Bond Fund.* A special fund of the Port designated the “Port of Seattle Subordinate Lien Revenue Bond Fund” (the “Subordinate Lien Bond Fund”) is hereby authorized to be created or maintained in the office of the Treasurer for the purpose of paying and securing the payment of Subordinate Lien Parity Bonds. The Subordinate Lien Bond Fund shall be held separate and apart from all other funds and accounts of the Port and shall be a trust fund for the owners of the Subordinate Lien Parity Bonds.

The Port hereby irrevocably obligates and binds itself for as long as any Subordinate Lien Parity Bonds remain Outstanding, or any amount is owed to any Credit Facility Issuer or any Liquidity Facility Issuer in connection with any Subordinate Lien Parity Bonds, to set aside and pay into the Subordinate Lien Bond Fund from Available Revenue or money in the Revenue Fund, on or prior to the respective dates the same become due (and if such payment is made on the due date, such payment shall be made in immediately available funds):

- (1) Such amounts as are required to pay the interest scheduled to become due on Subordinate Lien Parity Bonds Outstanding (including payment of and without

duplication amounts required to be paid to Credit Facility Issuers and/or Liquidity Facility Issuers for the payment of interest on Subordinate Lien Parity Bonds Outstanding); and

- (2) Such amounts with respect to Subordinate Lien Parity Bonds Outstanding as are required (A) to pay maturing principal, (B) to make any required sinking fund payments, and (C) to redeem Subordinate Lien Parity Bonds Outstanding in accordance with any mandatory redemption provisions (including payment of and without duplication amounts required to be paid to Credit Facility Issuers and/or Liquidity Facility Issuers for the payment of the purchase price of or principal of Subordinate Lien Parity Bonds Outstanding).

*(b) Priority of Use of Gross Revenue.* The Port's Gross Revenue shall be deposited in the Revenue Fund as collected. The Revenue Fund shall be held separate and apart from all other funds and accounts of the Port, and the Gross Revenue deposited therein shall be used only for the following purposes and in the following order of priority:

First, to pay Operating Expenses not paid from other sources;

Second, to make all payments, including sinking fund payments, required to be made into the debt service account(s) within any redemption fund maintained for First Lien Bonds to pay the principal of and interest and premium, if any, on any First Lien Bonds;

Third, to make all payments required to be made into any reserve account(s) maintained for First Lien Bonds to secure the payment of any First Lien Bonds;

Fourth, to make all payments required to be made into any other revenue bond redemption fund and debt service account or reserve account created therein to pay and secure the payment of the principal of, premium, if any, and interest on any revenue bonds or other revenue

obligations of the Port having liens upon the Net Revenues or Gross Revenue and the money in the Revenue Fund junior and inferior to the lien thereon for the payment of the principal of, premium, if any, and interest on any First Lien Bonds, but prior to the lien thereon of Intermediate Lien Parity Bonds;

Fifth, to make payments necessary to be paid into any bond fund or debt service account created to pay principal of and interest on Intermediate Lien Parity Bonds, including to reimburse or pay any Credit Facility Issuer or Liquidity Facility Issuer for the payment of principal of and interest on or purchase price of Intermediate Lien Parity Bonds, and, without duplication, to make Port Payments due with respect any Derivative Product on a parity with the lien of the Intermediate Lien Parity Bonds;

Sixth, to make all payments required to be made into any reserve account securing Intermediate Lien Parity Bonds;

Seventh, to make payments necessary to be paid into any bond fund or debt service account to pay the principal of and interest on Reserved Lien Revenue Bonds, including to reimburse or pay any Credit Facility Issuer or Liquidity Facility Issuer for the payment of principal of and interest on or purchase price of Reserved Lien Revenue Bonds, and, without duplication, to make Port Payments due with respect any Derivative Product on a parity with the lien of the Reserved Lien Revenue Bonds;

Eighth, to make all payments required to be made into any reserve account(s) securing Reserved Lien Revenue Bonds;

Ninth, to make payments necessary to be paid into any bond fund or debt service account created to pay the debt service on Subordinate Lien Parity Bonds, including, but not limited to the Subordinate Lien Bond Fund, if any, to pay the principal of and interest on Subordinate Lien

Parity Bonds, including to reimburse or pay any Credit Facility Issuer or Liquidity Facility Issuer for the payment of principal of and interest on or purchase price of Subordinate Lien Parity Bonds, and, without duplication, to make Port Payments due with respect any Derivative Product on a parity with the lien of the Subordinate Lien Parity Bonds Outstanding;

Tenth, to make all payments required to be made into any reserve account(s) securing Subordinate Lien Parity Bonds;

Eleventh, to make all payments required to be made into the Repair and Renewal Fund under the terms of the First Lien Master Resolution to maintain any required balance therein; and

Twelfth, to retire by redemption or purchase any outstanding revenue bonds or other revenue obligations of the Port as authorized in the various resolutions of the Commission authorizing their issuance or to make necessary additions, betterments, improvements and repairs to or extension and replacements of the Facilities, or any other lawful Port purposes.

*(c) Lien on Gross Revenue Subject to Prior Priorities.* Subordinate Lien Parity Bonds issued pursuant to the Outstanding Subordinate Lien Resolutions and this resolution and the lien thereof created and established hereunder shall be obligations only of the Subordinate Lien Bond Fund, herein authorized to be created. The Subordinate Lien Parity Bonds shall be payable solely from Available Revenue and secured solely by the subordinate lien on Gross Revenue provided herein; *provided, however*, that any series of Subordinate Lien Parity Bonds also may be payable from and secured by a Credit Facility pledged specifically to or provided for that series of Subordinate Lien Parity Bonds.

So long thereafter as any Subordinate Lien Parity Bonds remain Outstanding or any amount is owed to any Credit Facility Issuer or any Liquidity Facility Issuer, the Port hereby irrevocably

pledges and obligates and binds itself to set aside and pay into the Subordinate Lien Bond Fund out of Available Revenue, on or prior to the date on which the interest on, premium, if any, or principal of and interest on such Subordinate Lien Parity Bonds shall become due, the amount necessary to pay such interest, premium, or principal and interest coming due on such Subordinate Lien Parity Bonds (and reimbursement obligations to any Credit Facility Issuer or Liquidity Facility Issuer for the payment of principal of and interest on or purchase price on Subordinate Lien Parity Bonds).

Said amounts so pledged to be paid into the Subordinate Lien Bond Fund are hereby declared to be a prior lien and charge upon the Gross Revenue superior to all other charges of any kind or nature whatsoever except for Operating Expenses and except for the lien on Gross Revenue of the Prior Lien Bonds and except that the amounts so pledged are of equal lien to the liens and charges on Gross Revenue of the Subordinate Lien Parity Bonds Outstanding and to the lien and charge which may hereafter be made to pay and secure the payment of the principal of and interest on any Future Subordinate Lien Parity Bonds.

Subordinate Lien Parity Bonds shall not in any manner or to any extent constitute general obligations of the Port or of the State of Washington, or of any political subdivision of the State of Washington, and no tax revenues of the Port may be used to pay the principal of and interest on the Subordinate Lien Parity Bonds.

Section 4. Prior Lien Bonds and Future Subordinate Lien Parity Bonds.

(a) *Prior Lien Bonds and Intermediate Lien Parity Bonds.* As provided in the First Lien Master Resolution, the Port reserves the right to issue one or more series of First Lien Bonds 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 First Lien Master

Resolution. In addition, the Port also reserves the right to issue obligations payable from Net Revenue as described in paragraphs Fourth through Eighth of Section 3(b) of this resolution, and having lien(s) on Gross Revenue or Net Revenues prior to the lien of the Subordinate Lien Parity Bonds, including without limitation Intermediate Lien Parity Bonds (which can be issued on the terms set forth in the Intermediate Lien Master Resolution) and Reserved Lien Revenue Bonds. Such obligations shall be subject to such terms, conditions and covenants set forth in their respective authorizing resolutions.

*(b) Future Subordinate Lien Parity Bonds - General Provisions.* The Port hereby further covenants and agrees with the Owners of each of the Subordinate Lien Parity Bonds for as long as any of the same remain Outstanding that it will not issue any Future Subordinate Lien Parity Bonds that constitute a charge and lien upon the Gross Revenue equal to the lien thereon of the Subordinate Lien Parity Bonds then Outstanding, unless the following conditions are satisfied.

- (1) Future Subordinate Lien Parity Bonds may be issued only if there is not then existing and continuing a Default under this resolution; provided, however, that Future Subordinate Lien Parity Bonds may be issued for refunding purposes under subsection (c) below if the Default will be cured as a result of the refunding.
- (2) Future Subordinate Lien Parity Bonds shall be issued pursuant to this resolution and authorized by a Series Resolution of the Commission.
- (3) Either of the following conditions (A) or (B) below shall be satisfied.

(A) Certificate Required. Unless the Port is able to meet the criteria set forth in (B) below, a certificate shall be filed with the Port demonstrating fulfillment of the Subordinate Lien Parity Test in each fiscal year during the Certificate Period. As to any Future Subordinate Lien Parity Bonds in the form of

Commercial Paper or another Subordinate Lien Parity Bond that may be issued from time to time up to a not-to-exceed principal amount (or up to the available commitment), a certificate may, at the Port's discretion, be delivered based on (1) the not-to-exceed principal amount of the Commercial Paper or other Subordinate Lien Parity Bond authorized to be issued, (2) based on the not-to-exceed principal amount available to be issued (such as the available commitment in connection with a direct purchase Subordinate Lien Parity Bond or as Subordinate Lien Parity Bonds secured by a Credit Facility or Liquidity Facility), or (3) based on the principal amounts actually issued from time to time.

- i. The certificate may be delivered by the Port without a Consultant if the Net 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, is sufficient such that the Subordinate Lien Parity Test will be fulfilled in each fiscal year during the Certificate Period.
- ii. Alternatively, a Consultant may deliver the certificate. In making the computations of Net Revenue for the purpose of certifying compliance with the Subordinate Lien Parity Test, the Consultant shall use as a basis the Net Revenue for the Base Period. In making such computations the Consultant shall make such adjustments as

the Consultant deems reasonable.

(B) 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 have not materially changed.

*(c) Future Subordinate Lien Parity Bonds for Refunding Purposes.* The Port may issue Future Subordinate Lien Parity Bonds for refunding purposes, as follows:

- (1) Future Subordinate Lien Parity Bonds may be issued at any time for the purpose of refunding (including by purchase) Subordinate Lien Parity Bonds including amounts to pay principal thereof and redemption premium, if any, and interest thereon to the date of redemption (or purchase), any deposits to a reserve account or to purchase a Qualified Letter of Credit or Qualified Insurance and the

expenses of issuing the Future Subordinate Lien Parity Bonds to purchase or refund the same and of effecting such refunding upon delivery of a certificate as provided in subsection (b)(1)(3)(A) above. Such refunding Future Subordinate Lien Parity Bonds also may be issued without a certificate if Maximum Annual Debt Service after the issuance of such refunding Future Subordinate Lien Parity Bond will not exceed Maximum Annual Debt Service prior to the issuance of such refunding Future Subordinate Lien Parity Bonds.

(2) Future Subordinate Lien Parity Bonds may be issued at any time for the purpose of refunding (including by purchase) any Prior Lien Bonds or Subordinate Lien Parity Bonds including amounts to pay principal thereof and redemption premium, if any, and interest thereon to the date of redemption of such bonds (or purchase), any deposits to a reserve account or to purchase a Qualified Letter of Credit or Qualified Insurance and the expenses of issuing the Future Subordinate Lien Parity Bonds to purchase or refund the same and of effecting such refunding, provided that prior to the issuance of such Future Subordinate Lien Parity Bonds the Port must provide a certificate if required by this section.

(3) Future Subordinate Lien Parity Bonds may be issued for the purpose of refunding (including by purchase) at any time within one year prior to maturity any Prior Lien Bonds or Subordinate Lien Parity Bonds then Outstanding, provided that such bonds are Prior Lien Bonds or Subordinate Lien Parity Bonds, for the payment of which sufficient Net Revenue or other money are not available, without the requirement of a certificate pursuant to this section.

*(d) Liens Subordinate to Subordinate Lien Parity Bonds.* Nothing herein contained shall

prevent the Port from issuing revenue bonds or other obligations that are a charge upon the Gross Revenue junior or inferior to the payments required by this resolution to be made out of such Gross Revenue to pay and secure the payment of any Subordinate Lien Parity Bonds. Such junior or inferior obligations shall not be subject to acceleration. This prohibition against acceleration shall not be deemed to prohibit the term out of any reimbursement obligation, to prohibit any mandatory tender or other tender provisions or to prohibit the payment of a termination amount with respect to a derivative product.

Section 5. Covenants. The Port hereby makes the following covenants and agrees with the owners and holders of each of the Subordinate Lien Parity Bonds for as long as any of the same remain Outstanding.

(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 Subordinate Lien Parity Bonds are Outstanding or any Credit Facility or any Liquidity Facility is in effect that will produce Net Revenue in each fiscal year at least equal to the amounts required to meet the Subordinate Lien Rate Covenant. If the Net Revenue in any fiscal year is less than required to meet the Subordinate Lien Rate Covenant, then the Port will post a notice to EMMA within 60 days after completion of the financial statement audit for the fiscal year (1) showing the deficiency and (2) providing a timeframe for development by the Port of a written plan to address the deficiency.

The Port will prepare a written plan to revise schedules of rentals, tariffs, rates, fees and/or charges, reduce operating costs, modify the manner of operating one or more Facilities, or take other steps to meet the Subordinate Lien Rate Covenant in the next fiscal year, and may amend the Plan as necessary to effectuate implementation. If the Commission has

taken the steps set forth in the written plan and the Net Revenue in the fiscal year in which adjustments under the plan are made nevertheless is not sufficient to meet the Subordinate Lien Rate Covenant, there shall be no default under this Section 5(a) during such fiscal year, unless the Port fails to meet the Subordinate Lien Rate Covenant for three consecutive fiscal years including the fiscal year that was the subject of the notice of deficiency.

- (b) *Performance of Covenants.* The Port will duly and punctually pay or cause to be paid out of the Subordinate Lien Bond Fund the principal of and interest on the Subordinate Lien Parity Bonds at the times and places as provided in this resolution and in said Subordinate Lien Parity Bonds provided and will at all times faithfully perform and observe any and all covenants, undertakings and provisions contained in this resolution and in the Subordinate Lien Parity Bonds.
- (c) *Maintenance of Facilities.* The Port will at all times keep and maintain or cause to be kept or maintained all of the Facilities in good repair, working order and condition and will at all times operate or cause to be operated the same and the business or businesses in connection therewith in an efficient manner and at a reasonable cost.
- (d) *Sale or Condemnation of Projects.* In the event that any Project or portion thereof is sold by the Port or is condemned pursuant to the power of eminent domain, the Port will apply the net proceeds of such sale or condemnation to other Facilities or to the retirement of Prior Lien Bonds or Subordinate Lien Parity Bonds Outstanding.
- (e) *Insurance of Facilities.* The Port will keep or arrange to keep all Facilities insured, if such insurance is obtainable at reasonable rates and upon reasonable conditions, against such risks, in such amounts, and with such deductibles as the Commission or the Designated Port Representative shall deem necessary.

(f) *Insurance against Port Liability.* The Port will at all times keep or arrange to keep in full force and effect policies of public liability and property damage insurance which will protect the Port against anyone claiming damages of any kind or nature, if such insurance is obtainable at reasonable rates and upon reasonable conditions, in such amounts and with such deductibles as the Commission or the Designated Port Representative shall deem necessary.

(g) *Maintenance of Books and Records.* The Port will keep and maintain proper books of account and accurate records of all of its revenue, including tax receipts, received from any source whatsoever, and of all costs of administration and maintenance and operation of all of its business that are in accordance with generally accepted accounting principles as in effect from time to time. On or before 120 days after each fiscal year the Port will prepare or cause to be prepared an operating statement of all of the business of the Port for such preceding fiscal year. Each such annual statement shall contain a statement in detail of the Gross Revenue, tax receipts, expenses of administration, expenses of normal operation, expenses of normal and extraordinary maintenance and repair, and expenditures for capital purposes of the Port for such fiscal year and shall contain a statement as of the end of such year showing the status of all funds and accounts of the Port pertaining to the operation of its business and the status of all of the funds and accounts created by various resolutions of the Commission authorizing the issuance of outstanding bonds and other obligations payable from the Gross Revenue. Copies of such statements shall be placed on file in the main office of the Port and shall be open to inspection at any reasonable time by the owners of Subordinate Lien Parity Bonds.

Section 6. Derivative Products. The following shall be conditions precedent to the delivery

of any Derivative Product on a parity with Subordinate Lien Parity Bonds:

- (a) *General Parity Tests.* The Derivative Product must satisfy the requirements for Future Subordinate Lien Parity Bonds described in Section 4(b) of this resolution.
- (b) *Opinion of Bond Counsel.* The Port shall obtain an opinion of its Bond Counsel on the due authorization and execution of such Derivative Product opining that the action proposed to be taken by the Port is authorized or permitted by this resolution and by Washington law or the applicable provisions of any resolution authorizing Future Subordinate Lien Parity Bonds and is not prohibited by the resolutions that authorized the issuance of the Subordinate Lien Parity Bonds then Outstanding, as amended or supplemented and will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on any Subordinate Lien Parity Bonds then Outstanding.
- (c) *Payments.* Each Derivative Product shall set forth the manner in which the Port Payments and Reciprocal Payments are to be calculated and a schedule of Derivative Payment Dates.
- (d) *Supplemental Agreements to Govern Derivative Products.* Prior to entering into a Derivative Product, the Commission shall adopt a resolution, which shall:
  - (1) create and establish an account to be entitled the “Derivative Product Account” or provide for some other way to account for the use of a Derivative Product; establish general provisions for the retention of Available Revenues in amounts sufficient to make, when due, Port Payments;
  - (2) establish general provisions for the rights of providers of Derivative Products or Derivative Facilities; and
  - (3) set forth such other matters as the Port deems necessary or desirable in connection with the management of Derivative Products as are not clearly inconsistent with the

provisions of this resolution.

Except as may be otherwise provided in the resolution establishing a Derivative Product Account, additional Subordinate Lien Parity Bonds may be delivered in connection with any Derivative Product. Any termination payments under Derivative Products shall be subordinate to Subordinate Lien Parity Bonds.

Section 7. Defaults and Remedies. The Port hereby finds and determines that the failure or refusal of the Port or any of its officers to perform the covenants and obligations of this resolution will endanger the operation of the Facilities and the application of Gross Revenue and such other money, funds and securities to the purposes herein set forth. Any one or more of the following shall constitute a Default under this resolution:

- (a) The Port shall fail to make payment of the principal of any Subordinate Lien Parity Bonds, including without limitation any Bank Bond, when the same shall become due and payable whether by maturity or scheduled redemption prior to maturity or other required repayment date;
- (b) The Port shall fail to make payments of any installment of interest on any Subordinate Lien Parity Bonds, including without limitation any Bank Bond, when the same shall become due and payable; or
- (c) The Port shall default in the observance or performance of any other covenants, conditions, or agreements on the part of the Port contained in this resolution, and such default shall have continued for a period of 90 days; however, if such default cannot be reasonably cured within such 90-day period, the Port shall have such additional time (not to exceed a total cure period of 180 days) as reasonably necessary to cure the default provided that the Port commences cure within 90 days

and diligently pursues cure thereafter.

Upon the occurrence and continuation of a Default, a Credit Facility Issuer of a Credit Facility that supports the payment of principal of and interest on Subordinate Lien Parity Bonds shall be entitled to exercise, on behalf of such Subordinate Lien Parity Bondowners, any of the remedies provided under this section and, such Credit Facility Issuer shall be the only party entitled to exercise the remedies with respect to such Subordinate Lien Parity Bonds provided under this section. The rights granted to any such Credit Facility Issuer shall be disregarded and be of no effect if the Credit Facility Issuer has failed to honor a properly presented and conforming drawing on its Credit Facility. There shall be no waiver of a Default hereunder with respect to the Subordinate Lien Parity Bonds unless the Registrar shall have received from the Credit Facility Issuer a written rescission of its default notice and shall be assured that the Credit Facility or Liquidity Facility, as the case may be, has been fully reinstated.

There may not be any acceleration of the Subordinate Lien Parity Bonds. This prohibition against acceleration shall not be deemed to prohibit the term out of any Bank Bond or other reimbursement obligation to any Credit Facility Issuer or Liquidity Facility Issuer, to prohibit any mandatory tender or other tender provisions or to prohibit the payment of a termination amount with respect to a Derivative Product.

Upon the occurrence of a Default and so long as such Default shall not have been remedied and subject to the foregoing paragraph, a Bondowners' Trustee may be appointed for the Subordinate Lien Parity Bonds by the owners of 51% in principal amount of the Subordinate Lien Parity Bonds Outstanding by an instrument or concurrent instruments in writing signed and acknowledged by such Subordinate Lien Parity Bondowners or by their attorneys-in-fact duly authorized and delivered to such Bondowners' Trustee, notification thereof being given to the Port.

Any Bondowners' Trustee appointed under the provisions of this Section shall be a bank or trust company organized under the laws of a state or a national banking association. The fees and expenses of a Bondowners' Trustee shall be borne by the Bondowners and not by the Port. The bank or trust company acting as a Bondowners' Trustee may be removed at any time, and a successor Bondowners' Trustee may be appointed by the owners of 51% in principal amount of the Subordinate Lien Parity Bonds Outstanding, by an instrument or concurrent instruments in writing signed and acknowledged by such Subordinate Lien Parity Bondowners or by their attorneys-in-fact duly authorized.

The Bondowners' Trustee appointed in the manner herein provided, and each successor thereto, is hereby declared to be a trustee for the owners of all the Subordinate Lien Parity Bonds for which such appointment is made and is empowered to exercise all the rights and powers herein conferred on the Bondowners' Trustee, subject to the rights herein conferred on Credit Facility Issuers.

A Bondowners' Trustee may upon the happening of a Default and during the continuation thereof, take such steps and institute such suits, actions or other proceedings in its own name, or as trustee, all as it may deem appropriate for the protection and enforcement of the rights of Subordinate Lien Parity Bondowners to collect any amounts due and owing the Port, or to obtain other appropriate relief, and may enforce the specific performance of any covenant, agreement or condition contained in this resolution.

Any action, suit or other proceedings instituted by a Bondowners' Trustee hereunder shall be brought in its name as trustee for the Subordinate Lien Parity Bondowners and all such rights of action upon or under any of the Subordinate Lien Parity Bonds or the provisions of this resolution may be enforced by a Bondowners' Trustee without the possession of any of said

Subordinate Lien Parity Bonds, and without the production of the same at any trial or proceedings relating thereto except where otherwise required by law, and the respective owners of said Subordinate Lien Parity Bonds by taking and holding the same, shall be conclusively deemed irrevocably to appoint a Bondowners' Trustee the true and lawful trustee to the respective owners of said Subordinate Lien Parity Bonds, with authority to institute any such action, suit or proceeding; to receive as trustee and deposit in trust any sums that become distributable on account of said Subordinate Lien Parity Bonds; to execute any paper or documents for the receipt of such moneys, and to do all acts with respect thereto that the Subordinate Lien Parity Bondowner might have done in person. Nothing herein contained shall be deemed to authorize or empower any Bondowners' Trustee to consent to accept or adopt, on behalf of any owner of said Subordinate Lien Parity Bonds, any plan of reorganization or adjustment affecting the said Subordinate Lien Parity Bonds or any right of any owner thereof, or to authorize or empower the Bondowners' Trustee to vote the claims of the owners thereof in any receivership, insolvency, liquidation, bankruptcy, reorganization or other proceeding to which the Port shall be a party.

No owner of any one or more of the Subordinate Lien Parity Bonds shall have any right to institute any action, suit or proceedings at law or in equity for the enforcement of the same, unless Default shall have happened and be continuing, and unless no Bondowners' Trustee has been appointed as herein provided, but any remedy herein authorized to be exercised by a Bondowners' Trustee may be exercised individually by any Subordinate Lien Parity Bondowner, in the owner's own name and on the owner's own behalf or for the benefit of all Subordinate Lien Parity Bondowners, in the event no Bondowners' Trustee has been appointed, or with the consent of the Bondowners' Trustee if such Bondowners' Trustee has been appointed; provided however, that nothing in this resolution or in the Subordinate Lien Parity Bonds shall affect or impair the

obligation of the Port which is absolute and unconditional, to pay from Available Revenue the principal of and interest on said Subordinate Lien Parity Bonds to the respective owners thereof at the respective due dates therein specified, or affect or impair the right of action, which is absolute and unconditional, of such owners to enforce such payments.

The remedies herein conferred upon or reserved to the owners of the Subordinate Lien Parity Bonds and to a Bondowners' Trustee are not intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. The privileges herein granted shall be exercised from time to time and continued so long as and as often as the occasion therefor may arise and no waiver of any default hereunder, whether by a Bondowners' Trustee or by the owners of Bonds, shall extend to or shall affect any subsequent default or shall impair any rights or remedies consequent thereon. No delay or omission of the Subordinate Lien Parity Bondowners or of a Bondowners' Trustee to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein.

Upon any such waiver, such Default shall cease to exist, and any Default arising therefrom shall be deemed to have been cured, for every purpose of this resolution; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

The Registered Owner of each of the Subordinate Lien Parity Bonds or a trustee for the Registered Owners of any of the Subordinate Lien Parity Bonds may by mandamus or other appropriate proceeding require the transfer and payment of money as directed in this resolution.

Section 8. Amendments without Registered Owners Consent. This resolution may be amended or supplemented from time to time, without the consent of the Registered Owners by a

Supplemental Resolution adopted by the Commission for one or more of the following purposes:

- (a) pursuant to a Series Resolution to provide for the issuance of a Series or multiple Series of Subordinate Lien Parity Bonds under the provisions of Section 4 hereof and to set forth the terms of such Subordinate Lien Parity Bonds and the special provisions which shall apply to such Subordinate Lien Parity Bonds;
- (b) to cure any formal defect, omission, inconsistency or ambiguity in, or answer any questions arising under, this Resolution or any Series Resolution, provided such supplement or amendment is not materially adverse to the Subordinate Lien Parity Bondholders;
- (c) to add to the covenants and agreements of the Port in this Resolution or any Series Resolution other covenants and agreements, or to surrender any right or power reserved or conferred upon the Port, provided such supplement or amendment shall not adversely affect the interests of the Subordinate Lien Parity Bondholders;
- (d) to confirm, as further assurance, any interest of the Subordinate Lien Parity Bondholders in and to the pledge of Available Revenue or to otherwise add additional security for the Subordinate Lien Parity Bondholders;
- (e) to evidence any change made in the terms of any Series of Bonds if such changes are authorized by the Series Resolution at the time the Series of Bonds is issued and such change is made in accordance with the terms of such Series Resolution;
- (f) to comply with the requirements of the Trust Indenture Act of 1939, as amended from time to time;
- (g) to modify, alter, amend or supplement this Resolution or any Series Resolution in any other respect that is not materially adverse to the Subordinate Lien Parity Bondholders;
- (h) to provide for uncertificated Subordinate Lien Parity Bonds or for the issuance of coupons

and bearer Subordinate Lien Parity Bonds or Subordinate Lien Parity Bonds registered only as to principal;

- (i) to make modifications or adjustments necessary, appropriate or desirable to accommodate the use of a Credit Facility or Liquidity Facility for specific Subordinate Lien Parity Bonds or a specific Series of Subordinate Lien Parity Bonds;
- (j) to provide for the issuance of the Subordinate Lien Parity Bonds pursuant to a book-entry system or as uncertified registered public obligations;
- (k) to make such additions, deletions, or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on any tax-exempt Subordinate Lien Parity Bonds;
- (l) for any other purpose that does not materially and adversely affect the interests of the Owners of the Subordinate Lien Parity Bonds, including without limitation to qualify the Subordinate Lien Parity Bonds or a Series of Subordinate Lien Parity Bonds for a rating or ratings from a Rating Agency or to accommodate the technical, operational and structural features of Bonds that are issued or are proposed to be issued, including, but not limited to, changes needed to accommodate commercial paper, swaps, variable rate or adjustable rate bonds, discounted or compound interest bonds or other forms of indebtedness that the Port, from time to time deems appropriate to incur; and
- (m) for any purpose, if such amendment becomes effective only following a mandatory tender of all Bonds for purchase.

Section 9. Amendments with Registered Owners Consent. This resolution may be amended from time to time by a Supplemental Resolution approved by the Registered Owners of 51% in aggregate principal amount of the Subordinate Lien Parity Bonds 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 Subordinate Lien Parity Bonds Outstanding without the consent of the Registered Owners of 51% in aggregate principal amount of the Subordinate Lien Parity Bonds so affected, and
- (b) except as expressly authorized hereunder, no amendment that alters the interest rates on any Subordinate Lien Parity Bonds, the maturity date, interest payment dates, purchase upon tender or redemption provisions of any Subordinate Lien Parity Bonds, this Section 9(b) without the consent of the Registered Owners of all Subordinate Lien Parity Bonds Outstanding affected thereby.

For the purpose of consenting to amendments under this Section 9 except for amendments that alter the interest rate on any Subordinate Lien Parity Bonds, the maturity date, interest payment dates, purchase upon tender or redemption of any Subordinate Lien Parity Bonds, the Credit Facility Issuer shall be deemed to be the sole Registered Owner of the Subordinate Lien Parity Bonds that are payable from such Credit Facility and that are then Outstanding.

Section 10. Contract; Severability. The covenants in this resolution shall constitute a contract for the benefit of the Registered Owners, and the Registered Owners shall be entitled to enforce the provisions hereof in accordance with its terms. 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 and final appeal (if any appeal be taken) 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 Subordinate Lien Parity Bonds.

ADOPTED by the Port Commission of the Port of Seattle at a regular meeting thereof held this 14th day of April, 2026, and duly authenticated in open session by the signatures of the Commissioners present and voting in favor thereof.

PORT OF SEATTLE, WASHINGTON

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Commissioners

CERTIFICATE

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

1. That the attached resolution numbered 3845 (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 14th day of April, 2026, 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 \_\_\_\_ day of \_\_\_\_\_, 2026.

\_\_\_\_\_  
Secretary

Item Number: <u>8c_reso_2</u> Meeting Date: <u>April 14, 2026</u>
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RESOLUTION NO. 3846

A RESOLUTION of the Port Commission of the Port of Seattle, amending Resolution No. 3456, as previously amended by Resolution No. 3777, authorizing the issuance and sale of Subordinate Lien Revenue Notes (Commercial Paper), in series from time to time in an aggregate principal amount not to exceed \$400,000,000; amending definitions, requirements with respect to the Subordinate Lien Bond Fund, provisions permitting the issuance of additional bonds, bond covenants, defaults and remedies, permitted amendments, and related provisions; and making technical amendments.

Prepared by:

PACIFICA LAW GROUP LLP  
Seattle, Washington

Adopted: April 14, 2026

PORT OF SEATTLE  
RESOLUTION NO. 3846  
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RESOLUTION NO. 3846

A RESOLUTION of the Port Commission of the Port of Seattle, amending Resolution No. 3456, as previously amended by Resolution No. 3777, authorizing the issuance and sale of Subordinate Lien Revenue Notes (Commercial Paper), in series from time to time in an aggregate principal amount not to exceed \$400,000,000; amending definitions, requirements with respect to the Subordinate Lien Bond Fund, provisions permitting the issuance of additional bonds, bond covenants, defaults and remedies, permitted amendments, and related provisions; and making technical amendments.

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

WHEREAS, the Port has authorized the issuance of revenue bonds in one or more series pursuant to Resolution No. 3059, as amended, of the Commission, adopted on February 2, 1990, as most recently amended and restated by Resolution No. 3577 of the Commission adopted on February 27, 2007 (collectively, the “First Lien Master Resolution”), each series being payable from the Net Revenues (as such term is defined in the First Lien Master Resolution); and

WHEREAS, the Port currently has outstanding four series of first lien revenue bonds pursuant to the First Lien Master Resolution, as follows:

Authorizing Resolution Number	Date of Original Issue	Series	Original Principal Amount	Principal Amount Outstanding (as of 01/03/2026)	Final Maturity Date
3619	07/16/2009	(B-2)	\$ 22,000,326 <sup>(1)</sup>	\$ 57,572,236 <sup>(1)</sup>	05/01/2031
3721	08/02/2016	(B)	124,380,000	75,660,000	10/01/2032
3721	08/02/2016	(C)	6,180,000	3,395,000	10/01/2032
3787	06/30/2021		43,015,000	9,540,000	09/01/2026
				\$146,167,236	

<sup>(1)</sup> Series 2009B-2 Bonds are capital appreciation bonds; total principal amount outstanding includes accreted interest of \$40,174,645 through January 3, 2026.

(the “Outstanding First Lien Parity Bonds”); and

WHEREAS, the Port has authorized the issuance of intermediate lien revenue bonds having a lien on Net Revenues subordinate to the lien thereon of the Outstanding First Lien Parity Bonds in one or more series pursuant to Resolution No. 3540, as amended, adopted on June 14, 2005 (the “Intermediate Lien Master Resolution”); and

WHEREAS, the Port currently has outstanding 21 series of intermediate lien revenue bonds pursuant to the Intermediate Lien Master Resolution, as follows:

<u>Authorizing Resolution Number</u>	<u>Date of Original Issue</u>	<u>Series</u>	<u>Original Principal Amount</u>	<u>Principal Amount Outstanding (As of 01/03/2026)</u>	<u>Final Maturity Date</u>
3709	08/06/2015	(C)	\$226,275,000	\$165,730,000	04/01/2040
3722	08/02/2016		99,095,000	84,555,000	02/01/2030
3735	08/22/2017	(A)	16,705,000	16,705,000	05/01/2028
3735	08/22/2017	(B)	264,925,000	161,930,000	05/01/2036
3735	08/22/2017	(C)	313,305,000	261,675,000	05/01/2042
3735	08/22/2017	(D)	93,230,000	23,830,000	05/01/2027
3749	06/21/2018	(A)	470,495,000	404,975,000	05/01/2043
3749	06/21/2018	(B)	85,145,000	32,225,000	05/01/2028
3758	08/07/2019		457,390,000	406,220,000	04/01/2044
3786	06/30/2021	(A)	47,025,000	9,430,000	12/01/2030
3786	06/30/2021	(B)	148,765,000	127,790,000	06/01/2040
3786	06/30/2021	(C)	514,390,000	443,015,000	08/01/2046
3786	06/30/2021	(D)	41,395,000	31,490,000	08/01/2031
3801	08/11/2022	(A)	206,200,000	190,155,000	08/01/2033
3801	08/11/2022	(B)	585,930,000	537,495,000	08/01/2047
3801	08/11/2022	(C)	70,435,000	34,975,000	08/01/2032
3826	08/15/2024	(A)	168,975,000	158,955,000	03/01/2040
3826	08/15/2024	(B)	648,940,000	632,855,000	07/01/2049
3837	08/21/2025	(A)	74,235,000	74,235,000	10/01/2050
3837	08/21/2025	(B)	650,460,000	650,460,000	10/01/2050
3837	08/21/2025	(C)	22,550,000	22,550,000	09/01/2032
				<u>\$4,471,250,000</u>	

(the “Outstanding Intermediate Lien Parity Bonds”); and

WHEREAS, the Port has issued and currently has outstanding two series of subordinate lien revenue bonds, as follows:

Authorizing Resolution Number	Date of Original Issue	Original Principal Amount	Principal Amount Outstanding (1/3/2026)	Final Maturity Date
3456 <sup>(1)</sup>	(CP)	\$ 400,000,000	\$120,000,000	06/01/2051
3598	06/17/2008	200,715,000	110,335,000	07/01/2033
			<u>\$230,335,000</u>	

<sup>(1)</sup> As amended by Resolution No. 3777, adopted on September 22, 2020.

(the “Outstanding Subordinate Lien Parity Bonds”); and

WHEREAS, the Outstanding Subordinate Lien Resolutions authorize amendments thereto from time to time by a Supplemental Resolution approved by the registered owners of 51% in aggregate principal amount of the then Outstanding Subordinate Lien Parity Bonds; and

WHEREAS, the issuer of a Credit Facility that is an irrevocable direct pay letter of credit securing Subordinate Lien Revenue Notes (Commercial Paper) is considered the Registered Owner of such Notes for purposes of granting any consent to an amendment or supplement that requires Registered Owner consent, except for amendments that alter the interest rates on any Notes, the maturity date or Interest Payment Dates of any; and

WHEREAS, with the consent of the issuer of the Credit Facility that is an irrevocable direct pay letter of credit securing Subordinate Lien Revenue Notes (Commercial Paper), the Port intends to amend the covenants set forth in the Outstanding Subordinate Lien Resolutions, specifically including Resolution No. 3456, as amended by Resolution No. 3777 (as amended, the “Original Resolution”); and

WHEREAS, the Port now desires to amend the Original Resolution pursuant to Sections 6.07 and 6.08 thereof;

WHEREAS, the Commission deems it advisable and in the best interest of the Port to adopt this resolution amending the Original Resolution;

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

## ARTICLE I AMENDMENTS

### **Section 1.01. Definitions (Amended).**

Section 1.01 of the Original Resolution is hereby amended to read as set forth in this section. Additions and deletions from the Original Resolution are shown as marked text, with additions double underlined and deletions struck:

Unless the context otherwise requires, the following terms shall have the following meanings:

*Accreted Value* has the meaning set forth in Exhibit A ~~means (1) with respect to any Capital Appreciation Bonds, as of any date of calculation, the sum of the amount set forth in a Subordinate Lien Resolution as the amount representing the initial principal amount of such Subordinate Lien Parity Bonds plus the interest accumulated, compounded and unpaid thereon as of the most recent compounding date, or (2) with respect to Original Issue Discount Bonds, as of the date of calculation, the amount representing the initial public offering price of such Subordinate Lien Parity Bonds plus the amount of discounted principal which has accreted since the date of issue. In each case the Accreted Value shall be determined in accordance with the provisions of the Subordinate Lien Resolution authorizing the issuance of such Subordinate Lien Parity Bonds.~~

~~**Aggregate Annual Debt Service** means the sum of (a) Annual Debt Service for all Subordinate Lien Parity Bonds, and (b) annual debt service for all Subordinate Lien Parity Bonds authorized but unissued under a Subordinate Lien Resolution unless such unissued Subordinate Lien Parity Bonds are authorized to provide permanent financing in connection with the issuance of short term obligations and, without duplication, Annual Debt Service with respect to any Derivative Product.~~

**Aggregate Interest Coverage** means, with respect to any Notes payable from drawings under a Credit Facility (and including, if applicable, all currently outstanding notes issued under the 1997 Program until such outstanding notes are paid and retired) that is an irrevocable direct pay letter of credit, as of any date, the aggregate amount of Interest Coverage determined with respect to all Notes payable from drawings under that direct pay letter of credit, including Notes then proposed to be issued as additional Notes payable from drawings under a Credit Facility that is an irrevocable direct pay letter of credit, including all Interest Periods then in effect.

**Alternate Credit Facility or Facilities** means one or more policy(ies) of municipal bond insurance, letter of credit, surety bond, line of credit, guarantee or other financial instrument or any combination of the foregoing, which obligates a third party to make payment or provide funds for the payment of financial obligations of the Port, including but not limited to payment of the scheduled principal of and interest on one or more Notes. An Alternate Credit Facility may, but is not required to provide only liquidity support rather than liquidity and credit support. There may be one or more Credit Facilities outstanding at any time providing for the payment of the principal of and interest on Notes. Ten days' prior notice of any proposed substitution or assignment of an Alternate Credit Facility shall be given by the Registrar to the Registered Owners.

~~*Annual Debt Service* has the meaning set forth in Exhibit A means the total amount of Debt Service for any series of Subordinate Lien Parity Bonds outstanding and, without duplication, with respect to any Derivative Product, in any fiscal year or Base Period.~~

*Authorized Denominations* means \$100,000 and any integral multiple of \$5,000 in excess thereof.

~~*Available Revenue* has the meaning set forth in Exhibit A means the Gross Revenue of the Port after providing for the payments set forth in paragraphs First, Second, Third and Fourth of Section 4.01(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.~~

~~*Balloon Maturity Bonds* has the meaning set forth in Exhibit A and shall include the Notes means the Subordinate Lien Revenue Bonds, Series 1997, the Subordinate Lien Revenue Bonds, Series 1999A and Series 1999B, the Notes, the Reimbursement Notes and any Future Subordinate Lien Parity Bonds which are so designated in the Subordinate Lien Resolution pursuant to which such Future Subordinate Lien Parity Bonds are issued. Commercial paper (obligations with a maturity of not more than 270 days from the date of issuance) shall be deemed to be Balloon Maturity Bonds. Balloon Maturity Bonds may include indebtedness bearing fixed or variable rates of interest during their term.~~

*Bank* means Bank of America, N.A. with respect to the Letter of Credit – Bank of America, and Bayerische Landesbank Girozentrale, acting through its New York Branch, with

respect to the Letter of Credit – Bayerische, and the term also shall include the issuer of any Alternate Credit Facility.

**Bank Bond** has the meaning set forth in Exhibit A

**Base Period** ~~has the meaning set forth in Exhibit A~~ means ~~any consecutive 12-month period selected by the Port out of the 30-month period next preceding the date of issuance of an additional series of Future Subordinate Lien Parity Bonds.~~

**Beneficial Owner** means the beneficial owner of all or a portion of a Note while the Note is in fully immobilized form.

**Bond Counsel** means a firm of lawyers nationally recognized and accepted as bond counsel and so employed by the Port for any purpose under this resolution applicable to the use of that term.

**Business Day**, with respect to any Note, means a day (a) other than a day on which banks in Seattle, Washington or New York, New York or the city in which demands for payment are to be presented under any Credit Facility are authorized or required to remain closed and (b) on which the New York Stock Exchange is not closed.

**Capital Appreciation Bonds** ~~has the meaning set forth in Exhibit A~~ means ~~Subordinate Lien Parity Bonds all or a portion of the interest on which is compounded, accumulated and payable only upon redemption or on the maturity date of such Subordinate Lien Parity Bonds. If so provided in the Subordinate Lien Resolution authorizing their issuance, Subordinate Lien Parity Bonds may be deemed to be Capital Appreciation Bonds for only a portion of their term. On the date on which Subordinate Lien Parity Bonds no longer are Capital Appreciation Bonds, they shall be deemed Outstanding in a principal amount equal to their Accreted Value.~~

**Capital Fund - A** means the account by that name maintained by the Port or in the office of the Treasurer of the Port for the purpose of holding certain proceeds of the Series A Notes.

**Capital Fund - B** means the account by that name maintained by the Port or in the office of the Treasurer of the Port for the purpose of holding certain proceeds of the Series B Notes.

**Code** means the Internal Revenue Code of 1986, as amended, together with corresponding and applicable final, temporary or proposed regulations or revenue rulings issued or amended with respect thereto by the U.S. Treasury Department or the Internal Revenue Service, to the extent applicable to the Notes.

**Commercial Paper** has the meaning set forth in Exhibit A.

**Commission** means the Commission which is the general governing authority of the Port, or any successor thereto as provided by law.

~~**Consultant** has the meaning set forth in Exhibit A means at any time an independent consultant nationally recognized in marine or aviation matters or an engineer or engineering firm or other expert appointed by the Port to perform the duties of the Consultant as required by this resolution. For the purposes of delivering any certificate required by Section 4.04 hereof and making the calculation required by Section 4.04 hereof, the term Consultant shall also include any independent national public accounting firm appointed by the Port to make such calculation or to provide such certificate or nationally recognized financial advisor appointed by the Port for purposes of making such calculation.~~

**Costs of Construction** means all costs paid or incurred by the Port in connection with the acquisition and construction of capital additions, improvements and betterments to and extensions of the Facilities, and the placing of the same in operation, including, but without limiting the generality of the foregoing, paying all or a portion of the interest on the series of

Subordinate Lien Parity Bonds or any portion thereof issued to finance or refinance the costs of such improvements or to pay maturing Subordinate Lien Parity Bonds of such series during the period of construction of such improvements and for a period of time thereafter; paying amounts required to meet any reserve requirement for the fund or account established or maintained for such series of Subordinate Lien Parity Bonds from the proceeds thereof; paying or reimbursing the Port or any fund thereof or any other person for expenses incident and properly allocable to the acquisition and construction of said improvements and the placing of the same in operation; and all other items of expense incident and properly allocable to the acquisition and construction of said additions and improvements, the financing of the same and the placing of the same in operation.

*Credit Facility* ~~as the meaning set forth in Exhibit A means either Letter of Credit Bayerische and Letter of Credit Bank of America and/or any Alternate Credit Facility then in effect. The term “Credit Facility” is not intended to include the “Total Unutilized Commitment” (as such term is defined in the Reimbursement Agreement – Bayerische).~~

*Customer Facility Charge or CFC* has the meaning set forth in Exhibit A.

*Date of Commercial Operation* means the date upon which any Facilities are first ready for normal continuous operation or, if portions of the Facilities are placed in normal continuous operation at different times, shall mean the midpoint of the dates of continuous operation of all portions of such Facilities, as estimated by the Port or, if used with reference to Facilities to be acquired, shall mean the date on which such acquisition is final.

*Dealer* means each dealer for Notes pursuant to a Dealer Agreement. Lehman Brothers Inc. is herein appointed as the initial Dealer for the Notes.

*Dealer Agreement* means an agreement of that name between the Port and a Dealer.

*Debt Service* has the meaning set forth in Exhibit A ~~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 outstanding Fixed Rate 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 outstanding Fixed Rate Bonds, plus (3) all interest payable during such period on any such Fixed Rate Bonds outstanding and with respect to outstanding Fixed Rate 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 outstanding Fixed Rate Bonds on the date specified in the Subordinate Lien Resolution authorizing such Fixed Rate 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 10 days prior to the date of calculation or, if such calculation is being made in connection with the certificate required by Section 4.04 hereof, then 10 or fewer days prior to the date 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.~~

*Debt Service Offset* has the meaning set forth in Exhibit A.

*Derivative Facility* means a letter of credit, an insurance policy, a surety bond or other credit enhancement device, given, issued or posted as security for obligations under one or more Derivative Products.

*Derivative Payment Date* means any date specified in the Derivative Product on which a Port Payment is due and payable under the Derivative Product.

*Derivative Product* has the meaning set forth in Exhibit A ~~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 Net Revenues 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 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.~~

*Derivative Product Account* means the Derivative Product Account, if any, created and established under Section 4.06(d) hereof.

*Designated Port Representative* has the meaning set forth in Exhibit A~~means the Executive Director of the Port, the Deputy Executive Director of the Port or the Chief Financial Officer of the Port (or the successor in function to such person(s)) or such other person as may be appointed by such person in writing delivered to each Bank and the Registrar.~~

*Drawing* means a request for funds as specified in a Credit Facility.

*DTC* means The Depository Trust Company, New York, New York, as depository for the Notes or any successor or substitute depository for such Notes.

*Electronic Means* means telecopy, telegraph, telex, facsimile transmission, time sharing terminal or any electronic means of communication that produces a written record.

*EMMA* has the meaning set forth in Exhibit A.

*Estimated Average Derivative Rate* has the meaning set forth in Exhibit A~~means:~~

~~(a) ——— as to the variable rate payments to be made by a 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.~~

~~*Facilities* has the meaning set forth in Exhibit A means all equipment and all property, real and personal, or any interest therein, whether improved or unimproved, now or hereafter (for as long as any Subordinate Lien Parity Bonds of the Port shall be outstanding) owned, operated, used, leased or managed by the Port and which contribute in some measure to its Gross Revenue.~~

~~*Favorable Opinion of Bond Counsel* means, with respect to any action, a written legal opinion of Bond Counsel, to the effect that such action is permitted under the laws of the State and this resolution and, if a Series of Notes has been issued on a tax-exempt basis will not impair the exclusion of interest on a Note from gross income for federal income tax purposes (subject to~~

the inclusion of any exceptions contained in the opinion delivered upon original issuance of such Note).

**First Lien Master Resolution** has the meaning set forth in Exhibit A.

**First Lien Bonds** means the Outstanding First Lien Bonds identified in the recitals to this resolution and any bonds issued by the Port in the future under a “Series Resolution” (as defined in the First Lien Master Resolution) and pursuant to Section 7 of the First Lien Master Resolution, which provides that such bonds shall be on a parity of lien with other series of First Lien Bonds.

**Fiscal Agency Agreement** means the agreement of that name dated February 1, 1997, among the State of Washington and The Bank of New York and Wells Fargo Bank, National Association and any amendments and supplements thereto and replacements thereof.

**Fitch** ~~has the meaning set forth in Exhibit A means Fitch, Inc., organized and existing under the laws of the State of Delaware, its successors and their assigns, and, if such organization shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency (other than S&P or Moody’s) designated by the Designated Port Representative.~~

**Fixed Rate Bonds** ~~has the meaning set forth in Exhibit A means those Subordinate Lien Parity Bonds other than Capital Appreciation Bonds, Original Issue Discount Bonds or Balloon Maturity Bonds issued under a Subordinate Lien Resolution in which the rate of interest on such Subordinate Lien Parity Bonds is fixed and determinable through their final maturity or for a specified period of time. If so provided in the Subordinate Lien Resolution authorizing their~~

~~issuance, Subordinate Lien Parity Bonds may be deemed to be Fixed Rate Bonds for only a portion of their term.~~

*Further Advance Balance*, with respect to any Note payable from drawings under a Credit Facility that is an irrevocable direct pay letter of credit, has the meaning given such term in the Reimbursement Agreement(s), if any, applicable to such Credit Facility.

*Further Advance Note*, with respect to any Note payable from drawings under a Credit Facility that is an irrevocable direct pay letter of credit, has the meaning given such term in the Reimbursement Agreement(s), if any, applicable to such Credit Facility.

*Future Subordinate Lien Parity Bonds* has the meaning set forth in Exhibit A~~means those revenue bonds or other revenue obligations which will be issued by the Port in the future with a lien on Net Revenues equal to the lien thereon of the Notes, the Reimbursement Note(s) and the Outstanding Subordinate Lien Bonds.~~

*Government Obligations* has the meaning given to such term in RCW Chapter 39.53, as amended; provided that such obligations must be noncallable obligations issued or unconditionally guaranteed by the United States of America.

*Gross Revenue* has the meaning set forth in Exhibit A~~means all income and revenue derived by the Port from time to time from any source whatsoever except:~~

~~\_\_\_\_\_ (a) the proceeds of any borrowing by the Port and the earnings thereon (other than earnings on proceeds deposited in reserve funds);~~

~~\_\_\_\_\_ (b) income and revenue which may not legally be pledged for revenue bond debt service;~~

~~\_\_\_\_\_ (c) passenger facility charges, head taxes, federal grants or substitutes therefor allocated to capital projects;~~

~~————— (d) ——— payments made under Credit Facilities issued to pay or secure the payment of a particular series of Subordinate Lien Parity Bonds;~~

~~————— (e) ——— proceeds of insurance or condemnation proceeds other than business interruption insurance;~~

~~————— (f) ——— income and revenue of the Port separately pledged and used by it to pay and secure the payment of the principal of and interest on any issue or series of Special Revenue Bonds of the Port issued to acquire, construct, equip, install or improve part or all of the particular facilities from which such income and revenue are derived, *provided that* nothing in this subparagraph (f) shall permit the withdrawal from Gross Revenue of any income or revenue derived or to be derived by the Port from any income producing facility which shall have been contributing to Gross Revenue prior to the issuance of such Special Revenue Bonds; and~~

~~————— (g) ——— income from investments irrevocably pledged to the payment of bonds issued or to be refunded under any refunding bond plan of the Port.~~

~~Notwithstanding the foregoing, the Port may elect to pledge other receipts at any time as additional security for any one or more series of obligations.~~

*Instruction* has the meaning given such term in Section 3.01

*Interest Coverage* means with respect to each Note which is payable from drawings under a Credit Facility that is an irrevocable direct pay letter of credit, a dollar amount determined in accordance with the following formula:

$$((R \times P) \div 365) \times (D + 15)$$

R = Interest Rate, applicable to such Note

P = Principal amount of Note bearing interest at such Interest Rate

D = Duration (in days) of the Interest Period applicable to such Note

***Interest Payment Date*** means for each Note, the maturity date of such Note or, with respect to a Reimbursement Note, the dates specified therefor in the applicable Reimbursement Agreement.

***Interest Period*** means the period of time beginning on and including the date of issuance to but excluding the maturity date for each Note, which period shall be a period of at least one day but not more than 270 days, established pursuant to Section 2.08.

***Interest Portion*** means the dollar amount available to be drawn under a Credit Facility then in effect to pay interest on the Notes.

***Interest Rate*** means the per annum interest rate for each Note determined pursuant to Section 2.08.

***Intermediate Lien Parity Bonds*** has the meaning set forth in Exhibit A.

***Intermediate Lien Master Resolution*** has the meaning set forth in Exhibit A

***Issue Date***, with respect to the Notes, means the first date the aggregate principal amount of Notes issued and Outstanding equals or exceeds \$100,000.

***Kroll*** has the meaning set forth in Exhibit A.

***Letter of Credit – Bank of America*** means the irrevocable direct pay letter of credit issued by Bank of America pursuant to the Reimbursement Agreement – Bank of America.

***Letter of Credit – Bayerische*** means the irrevocable direct pay letter of credit issued by Bayerische Landesbank Girozentrale, acting through its New York Branch, pursuant to the Reimbursement Agreement - Bayerische.

***Letter of Representations*** means the Blanket Issuer Letter of Representations between DTC and the Port.

*Limit*, with respect to a Credit Facility, means the dollar amount available to be drawn under a Credit Facility then in effect to pay principal on the Notes.

*Liquidity Facility* has the meaning set forth in Exhibit A.

*Master Note* means each Note delivered to DTC to evidence one or more Series or portions of Series.

~~*Master Resolution*~~ means Resolution No. 3059, as amended by Resolution Nos. 3214, 3241 and 3436 of the Commission, and as the same may be amended in the future in accordance with its terms.

~~*Maximum Annual Debt Service*~~ has the meaning set forth in Exhibit A ~~means, with respect to any outstanding series of Subordinate Lien Parity Bonds, the highest remaining Annual Debt Service for such series of Subordinate Lien Parity Bonds.~~

~~*Moody's*~~ has the meaning set forth in Exhibit A ~~means Moody's Investors Service, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency (other than Fitch or S&P) selected by the Designated Port Representative.~~

*1997 Program* has the meaning given such term in the recitals to this resolution

*Net Revenues* means Gross Revenue less any part thereof that must be used to pay Operating Expenses.

*Note Payment Account* has the meaning given such term in Section 3.05.

**Note Register** means the records maintained on behalf of the Port containing the name and mailing address of each owner of the Notes or the nominee of such owner, and such other information as the Registrar shall determine.

**Notes** means, collectively, the Series A Notes, the Series B Notes, the Series C Notes and the Series D Notes. When used in this resolution, the term “Note” is not intended to mean or include a Reimbursement Note.

**Notice Parties** means the Port, each Dealer, the Registrar and each Bank.

**Operating Expenses** ~~has the meaning set forth in Exhibit A means the current expenses incurred for operation or maintenance of the Facilities (other than Special Facilities), as defined under generally accepted accounting principles, in effect from time to time, excluding any allowances for depreciation or amortization or interest on any obligations of the Port incurred in connection with and payable from Gross Revenue.~~

**Original Issue Discount Bonds** ~~has the meaning set forth in Exhibit A means Subordinate Lien Parity Bonds which are sold at an initial public offering price of less than 95% of their face value and which are specifically designated as Original Issue Discount Bonds in the Subordinate Lien Resolution authorizing their issuance.~~

**Original Resolution** means Resolution No. 3456, as amended by Resolution No. 3777 of the Commission, and as the same may be amended in the future in accordance with its terms.

**Other Revenue Available and Applied to Debt Service** has the meaning set forth in Exhibit A.

**Outstanding** ~~has the meaning set forth in Exhibit A, when used as of a particular time with reference to Notes delivered under authority of this resolution, means all Notes delivered under authority of this resolution, except:~~

~~\_\_\_\_\_ (a) Notes canceled by the Registrar or surrendered to the Registrar for cancellation;~~

~~\_\_\_\_\_ (b) Notes paid or deemed to have been paid within the meaning of this resolution; and~~

~~\_\_\_\_\_ (c) Notes in lieu of or in substitution for which replacement Notes shall have been executed by the Port and delivered by the Registrar hereunder.~~

~~\_\_\_\_\_ A Reimbursement Note shall be deemed to remain Outstanding until the applicable Bank is paid all amounts due on such Reimbursement Note and the applicable Credit Facility has expired or been terminated.~~

~~***Outstanding Subordinate Lien Bonds*** has the meaning set forth in the recitals hereto. means, collectively, the Port of Seattle, Washington, Subordinate Lien Revenue Bonds, Series 1997 authorized to be issued by Resolution No. 3238, as amended, the Port of Seattle, Washington Subordinate Lien Revenue Notes (Commercial Paper) authorized to be issued by Resolution No. 3255, as amended, the Port of Seattle Subordinate Lien Refunding Revenue Bonds, 1998 authorized to be issued by Resolution No. 3276, as amended, and the Port of Seattle Subordinate Lien Revenue Bonds, Series 1999A and Series 1999B authorized to be issued by Resolution No. 3354, as amended.~~

~~***Participant*** means (a) any person for which, from time to time, DTC effectuates book-entry transfers and pledges of securities pursuant to the book-entry system referred to in Section 2.05 hereof or (b) any securities broker or dealer, bank, trust company or other person that clears through or maintains a custodial relationship with a person referred to in (a).~~

~~***Passenger Facility Charge*** or ***PFC*** has the meaning set forth in Exhibit A.~~

~~**Permitted Prior Lien Bonds** means and includes the First Lien Bonds and any other revenue bonds that may be issued in the future at the discretion of the Port payable from Net Revenues available after the payment of the amounts described in paragraphs First, Second, and Third of Section 4.01(b) of this resolution, all as permitted in Section 4.04(a) of this resolution. All Permitted Prior Lien Bonds shall have liens on Net Revenues superior to the lien thereon of the Subordinate Lien Parity Bonds.~~

**Person** means an individual, a corporation, a limited liability company, a partnership, an association, a joint stock company, a trust, an unincorporated organization, a governmental body or a political subdivision, a municipal corporation, a public corporation or any other group or organization of individuals.

**Port** means the Port of Seattle, a municipal corporation of the State of Washington, as now or hereafter constituted, or the corporation, authority, board, body, commission, department or officer succeeding to the principal functions of the Port or to whom the powers vested in the Port shall be given by law.

**Port Payments** means any payment, other than a termination payment, required to be made by or on behalf of the Port under a Derivative Product and which is determined according to a formula set forth in a Derivative Product.

**Prior Lien Bonds** has the meaning set forth in Exhibit A.

**Prior Lien Debt Service (Rate Covenant)** has the meaning set forth in Exhibit A.

**Projects** means, collectively, the Series A Projects, the Series B Projects and the Series C Projects.

**Qualified Insurance** has the meaning set forth in Exhibit A.

**Qualified Letter of Credit** has the meaning set forth in Exhibit A.

**Rate Determination Date** means the date on which the interest rate and maturity date for a Note (other than a Reimbursement Note) shall be determined.

**Rating Agency** ~~has the meaning set forth in Exhibit A means Fitch, Moody's or S&P.~~

**Rating Category** means the generic rating categories of a Rating Agency, without regard to any refinement or gradation of such rating category by a numerical modifier or otherwise.

**Rating Confirmation Notice** means a written notice from any Rating Agency then maintaining a rating with respect to the Notes confirming that the rating on the Notes will not be lowered, withdrawn or suspended as a result of the action proposed to be taken.

**Reciprocal Payment** means any payment to be made to, or for the benefit of, the Port under a Derivative Product by the Reciprocal Payor.

**Reciprocal Payor** ~~has the meaning set forth in Exhibit A 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 and which is a party to a Derivative Product and which is obligated to make one or more Reciprocal Payments thereunder.~~

**Record Date** means the close of business as of the day (whether or not a Business Day) next preceding each Interest Payment Date.

**Registered Owner** means the person named as the registered owner of a Note on the Note Register. For so long as a Securities Depository or its nominee holds the Notes, such Securities Depository shall be deemed to be the Registered Owner.

**Registered Owners' Trustee** means the bank or financial institution selected by the Registered Owners of the Notes pursuant to Section 4.09 hereof.

**Registrar** means the fiscal agency of the State of Washington in either Seattle, Washington, or New York, New York, for the purposes of (a) registering and authenticating the Notes, (b) maintaining the Note Register, (c) paying interest on and principal of the Notes and (d) drawing any amounts under any Credit Facility for the purpose of paying the interest on and principal of any Notes.

**Reimbursement Agreement – Bank of America** means the Letter of Credit Reimbursement Agreement, dated as of November 1, 1997, between the Port and Bank of America National Association, now known as Bank of America, N.A., as the same has been and may be amended in accordance with its terms.

**Reimbursement Agreement – Bayerische** means the Letter of Credit Reimbursement Agreement, dated as of June 1, 2001, between the Port and Bayerische Landesbank Girozentrale, acting through its New York Branch, as the same may be amended in accordance with its terms.

**Reimbursement Agreement** means the Reimbursement Agreement – Bayerische, the Reimbursement Agreement – Bank of America and any other similar agreement entered into in connection with the issuance of any Alternate Credit Facility and any and all modifications, alterations, and amendments and supplements thereto.

**Reimbursement Note** means a note delivered to a Bank pursuant to Section 4.01(d) hereof or under Resolution No. 3255, as amended, and a Reimbursement Agreement.

**Released Revenues** has the meaning set forth in Exhibit A.

**Repair and Renewal Fund** means the special fund authorized to be created pursuant to Section 2(B) of the First Lien Master Resolution.

**Request** has the meaning given such term in Section 3.01.

**Reserved Lien Revenue Bonds** have the meaning set forth in Exhibit A.

**Revenue Fund** means, collectively, the Port’s General Fund, Airport Development Fund and any other fund established in the office of the Treasurer of the Port for the receipt of Gross Revenues.

**Securities Depository** means any “clearing agency” registered under Section 17A of the Securities Exchange Act of 1934, as amended.

**Series** shall refer, as the context may require, to all Notes issued under the designation Series A, Series B, Series C or Series D or may refer to any separately identified set of Notes within such Series.

**Series A Notes** means the Port of Seattle Subordinate Lien Revenue Notes (Tax-Exempt Commercial Paper), Series A authorized by Section 2.02 of this resolution.

**Series B Notes** means the Port of Seattle Subordinate Lien Revenue Notes (Tax-Exempt Commercial Paper), Series B authorized by Section 2.02 of this resolution.

**Series C Notes** means the Port of Seattle Subordinate Lien Revenue Notes (Tax-Exempt Commercial Paper), Series C authorized by Section 2.02 of this resolution.

**Series D Notes** means the Port of Seattle Subordinate Lien Revenue Notes (Taxable Commercial Paper), Series D authorized by Section 2.02 of this resolution.

**Series A Projects** means those capital improvement projects identified as part of the Port’s 1998-2001 capital improvement plans as they appear in the 1998-2001 budgets and shall include any subsequent capital improvement plan or program approved by the Commission but including therein only those facilities which may be financed with tax exempt governmental (not private activity) obligations.

*Series B Projects* means those capital improvement projects identified on Exhibit A-1 attached hereto and incorporated by this reference herein as such Exhibit may be amended or supplemented from time to time by notice published by the Port.

*Series C Projects* means the application of Working Capital as herein defined.

*Series Resolution* has the meaning set forth in the Exhibit A.

*SIFMA Municipal Swap Index* has the meaning set forth in Exhibit A

*SOFR Index* has the meaning set forth in Exhibit A.

~~*S&P* has the meaning set forth in Exhibit A means Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, and its successors and assigns, except that if such corporation or division shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "S&P" shall be deemed to refer to any other nationally recognized securities rating agency (other than Moody's or Fitch) selected by the Designated Port Representative.~~

*Special Facilities* means particular facilities financed with the proceeds of Special Revenue Bonds.

*Special Revenue Bonds* means any issue or series of revenue bonds, revenue warrants or other revenue obligations of the Port issued to directly or indirectly acquire (by purchase, lease or otherwise), construct, equip, install or improve part or all of particular facilities and which are payable from and secured by the income and revenue from such facilities.

*Subordinate Lien Note Fund* means the Port of Seattle Subordinate Lien Bond Fund ~~Note Fund (Commercial Paper)~~, created in the office of the Treasurer of the Port by authority granted in Section 4.01 of this resolution.

***Subordinate Lien Parity Bonds*** means the Outstanding Subordinate Lien Bonds, including the Notes, each Reimbursement Note and any Future Subordinate Lien Parity Bonds.

***Subordinate Lien Parity Test*** has the meaning set forth in Exhibit A~~means Available Revenue equal to or greater than 1.5 times Aggregate Annual Debt Service.~~

***Subordinate Lien Rate Covenant*** has the meaning set forth in Exhibit A~~means the covenant of the Port to establish, maintain and collect rentals, tariffs, rates, fees and charges in the operation of all of its business for as long as any Notes or Reimbursement Notes 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 Note Funds, 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 Product and any other amounts due to the Banks, to the issuers of Credit Facilities for the Subordinate Lien Parity Bonds then outstanding or, to the extent not otherwise provided for in this definition, 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 payment.~~

***Subordinate Lien Resolutions*** means each of the resolutions identified in the chart describing the Outstanding Subordinate Lien Bonds in the recitals to this resolution and shall include this resolution, together with any Supplement thereto, and any resolution of the Commission approved in the future authorizing the issuance of a series of Future Subordinate Lien Parity Bonds, as such resolution(s) may thereafter be amended or supplemented.

***Sum*** means, with respect to Notes payable from drawings under a particular Credit Facility that is an irrevocable direct pay letter of credit, the aggregate principal amount of those

Notes Outstanding (and including, if applicable, all currently outstanding notes issued under the 1997 Program until such outstanding notes are paid and retired) plus the balance then outstanding under the Reimbursement Note relating to that Credit Facility.

**Taxable Obligation** has the meaning set forth in Exhibit A.

**Tax-Exempt Obligation** has the meaning set forth in Exhibit A.

**Treasurer of the Port** means the Director of Finance of King County, Washington, or any other public officer as may hereafter be designated pursuant to law to have the custody of Port funds.

**Variable Rate Index** has the meaning set forth in Exhibit A.

**Working Capital** means money required by the Port to meet a temporary cash flow deficit in one or more of the funds of the Port.

**Working Capital Fund - C** means the account by that name maintained by the Port or in the office of the Treasurer of the Port for the purpose of holding certain proceeds of the Series C Notes.

**Section 1.02. Interpretation (Amended).**

Section 1.02 of the Original Resolution is hereby amended to read as set forth in this section. Additions and deletions from the Original Resolution are shown as marked text, with additions double underlined and deletions struck:

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;~~

~~—————(e)——~~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~~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;

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

(~~f~~e) Whenever any consent or direction is required to be given by the Port, such consent or direction shall be deemed given when given by the Designated Port Representative or ~~their~~his or her designee, respectively, and all references herein to the Designated Port Representative shall be deemed to include references to ~~their~~his or her designee, as the case may be.

**Section 1.03. Note Payment Account; Draws on Credit Facility (Amended).**

Section 3.05 of the Original Resolution is hereby amended to read as set forth in this section. Additions and deletions from the Original Resolution are shown as marked text, with additions double underlined and deletions struck:

(a) *Note Payment Account.* The Port or the Registrar shall establish a special account to be used by the Registrar for payment of Notes (the "Note Payment Account"). The Note

Payment Account shall be held by the Port or Registrar in trust for the Registered Owners and Beneficial Owners of the Notes and, to the extent described in Section 3.05(d) hereof, for each Bank; provided, however, that all money drawn under a Credit Facility shall be held under the exclusive control of the Registrar. The Registrar shall not have a lien on the Note Payment Account for the payment of any fees or expenses or other obligations owing to the Registrar hereunder. The Note Payment Account shall be held uninvested by the Port or Registrar. The remaining provisions of this Section 3.05(b), (c) and (d) shall be applicable only to Notes payable from drawings under a Credit Facility that is an irrevocable direct pay letter of credit.

(b) *Drawings.* For each Note payable from drawings under a Credit Facility that is an irrevocable direct pay letter of credit, the Registrar shall submit to the applicable Bank a Drawing in accordance with the terms of the applicable Credit Facility or Reimbursement Agreement, in such form as is set forth in the Credit Facility, no later than 12:00 noon, New York City time ~~in the case of a drawing under the Letter of Credit — Bank of America and no later than 12:30 p.m. in the case of a drawing under the Letter of Credit — Bayerische~~, in order to draw thereunder an amount that will be sufficient to pay the Notes payable from drawings under such Credit Facility (including principal and interest) maturing on such date. The Registrar shall deposit the amount of any such Drawing in the Note Payment Account and apply the amount thereof in accordance with Section 3.06 hereof.

(c) *Drawings and Remarketing Proceeds.* On any day that Notes payable from drawings under a Credit Facility that is an irrevocable direct pay letter of credit mature, if the amount of any applicable Drawing received by the Registrar pursuant to paragraph (b) above, together with any Note proceeds actually received from the Dealer on such day pursuant to Section 3.08 hereof, exceeds the amount of principal and interest paid with respect to the Notes

maturing on such day, the Registrar shall promptly distribute the excess first to the Port to the extent that the Port has issued Further Advance Notes with respect to the Credit Facility and then to the applicable Bank to satisfy the Port's obligations under the applicable Reimbursement Note.

(d) *Deficiency.* If the Registrar fails to receive a payment drawn under the Credit Facility, the Registrar will notify the Port of the amount of the deficiency, and the Port will remit an amount sufficient to remedy the deficiency from the appropriate Subordinate Lien Note Fund, as authorized in Section 4.01. There is no expectation that Port money and proceeds of a Drawing will ever be on deposit at the same time in the Note Payment Account. If, for any reason, money is received from a Bank and the Port, the Registrar is hereby directed to segregate and not commingle the moneys.

(e) *Alternate Credit Facilities.* If Notes are payable from drawings under a letter of credit or dedicated line of credit, then that Credit Facility may not be replaced except upon a date on which all Outstanding Notes then payable from drawings under such Credit Facility are scheduled to mature. All Notes payable from drawings under a Credit Facility that is a direct pay letter of credit will be paid from drawings upon the applicable Credit Facility currently in effect and such Credit Facility will not be released until such draws are honored.

~~(f) *Final Drawing on Letter of Credit – Bayerische.* Within 10 days after the Registrar receives written notice stating that an Event of Default has occurred under the Reimbursement Agreement – Bayerische and requesting that the Registrar make a final drawing under the Letter of Credit – Bayerische pursuant to a demand for payment in the form of Exhibit B thereto, the Registrar shall not issue any Notes payable from drawings under the Letter of~~

~~Credit Bayerische and shall draw on the Letter of Credit Bayerische an amount equal to the principal of and accrued interest to maturity on all Notes Outstanding on the date of such final drawing and payable from the Letter of Credit Bayerische.~~

**Section 1.04. Delivery and Application of Note Proceeds (Amended).**

Section 3.08 of the Original Resolution is hereby amended to read as set forth in this section. Additions and deletions from the Original Resolution are shown as marked text, with additions double underlined and deletions struck:

No later than 2:00 ~~3:00~~ p.m., New York City time, on the day that any Notes are issued hereunder, the Dealer for such Notes shall deliver to the Registrar the proceeds of sale of such Notes in immediately available funds. The Registrar shall apply proceeds from the sale of each Series of Notes in the following order of priority:

- (i) First, to the extent of any deficiency therein, as a result of a failure by the Bank to honor a drawing under the Credit Facility, credited to the Note Payment Account for the payment of Notes of the same Series maturing on such date;
- (ii) Second, credited to the applicable Bank Repayment Account for the reimbursement of the Bank and satisfaction of the Port's obligations under the applicable Reimbursement Note, except for the proceeds of Further Advance Notes which shall be paid to the Port; and
- (iii) Third, paid to the Port for deposit, as provided in Section 4.07 of this resolution.

**Section 1.05. Payment of Notes (Amended).**

Section 4.01 of the Original Resolution is hereby amended to read as set forth in this section. Additions and deletions from the Original Resolution are shown as marked text, with additions double underlined and deletions struck:

(a) Subordinate Lien Bond Fund. A special fund of the Port designated the “Port of Seattle Subordinate Lien Revenue Bond Fund” (the “Subordinate Lien Bond Fund”) is hereby authorized to be created or maintained in the office of the Treasurer for the purpose of paying and securing the payment of Subordinate Lien Parity Bonds, including without limitation the Notes and the Reimbursement Notes. The Subordinate Lien Bond Fund shall be held separate and apart from all other funds and accounts of the Port and shall be a trust fund for the owners of the Subordinate Lien Parity Bonds.

The Port hereby irrevocably obligates and binds itself for as long as any Subordinate Lien Parity Bonds remain Outstanding, or any amount is owed to any Credit Facility Issuer or any Liquidity Facility Issuer in connection with any Subordinate Lien Parity Bonds, to set aside and pay into the Subordinate Lien Bond Fund from Available Revenue or money in the Revenue Fund, on or prior to the respective dates the same become due (and if such payment is made on the due date, such payment shall be made in immediately available funds):

- (1) Such amounts as are required to pay the interest scheduled to become due on Subordinate Lien Parity Bonds Outstanding (including payment of and without duplication amounts required to be paid to Credit Facility Issuers and/or Liquidity Facility Issuers for the payment of interest on Subordinate Lien Parity Bonds Outstanding); and
- (2) Such amounts with respect to Subordinate Lien Parity Bonds Outstanding as are

required (A) to pay maturing principal, (B) to make any required sinking fund payments, and (C) to redeem Subordinate Lien Parity Bonds Outstanding in accordance with any mandatory redemption provisions (including payment of and without duplication amounts required to be paid to Credit Facility Issuers and/or Liquidity Facility Issuers for the payment of the purchase price of or principal of Subordinate Lien Parity Bonds Outstanding).

(b) Priority of Use of Gross Revenue. The Port's Gross Revenue shall be deposited in the Revenue Fund as collected. The Revenue Fund shall be held separate and apart from all other funds and accounts of the Port, and the Gross Revenue deposited therein shall be used only for the following purposes and in the following order of priority:

First, to pay Operating Expenses not paid from other sources;

Second, to make all payments, including sinking fund payments, required to be made into the debt service account(s) within any redemption fund maintained for First Lien Bonds to pay the principal of and interest and premium, if any, on any First Lien Bonds;

Third, to make all payments required to be made into any reserve account(s) maintained for First Lien Bonds to secure the payment of any First Lien Bonds;

Fourth, to make all payments required to be made into any other revenue bond redemption fund and debt service account or reserve account created therein to pay and secure the payment of the principal of, premium, if any, and interest on any revenue bonds or other revenue obligations of the Port having liens upon the Net Revenues or Gross Revenue and the money in the Revenue Fund junior and inferior to the lien thereon for the payment of the principal of, premium, if any, and interest on any First Lien Bonds, but prior to the lien thereon of Intermediate Lien Parity Bonds;

Fifth, to make payments necessary to be paid into any bond fund or debt service account created to pay principal of and interest on Intermediate Lien Parity Bonds, including to reimburse or pay any Credit Facility Issuer or Liquidity Facility Issuer for the payment of principal of and interest on or purchase price of Intermediate Lien Parity Bonds, and, without duplication, to make Port Payments due with respect any Derivative Product on a parity with the lien of the Intermediate Lien Parity Bonds;

Sixth, to make all payments required to be made into any reserve account securing Intermediate Lien Parity Bonds;

Seventh, to make payments necessary to be paid into any bond fund or debt service account to pay the principal of and interest on Reserved Lien Revenue Bonds, including to reimburse or pay any Credit Facility Issuer or Liquidity Facility Issuer for the payment of principal of and interest on or purchase price of Reserved Lien Revenue Bonds, and, without duplication, to make Port Payments due with respect any Derivative Product on a parity with the lien of the Reserved Lien Revenue Bonds;

Eighth, to make all payments required to be made into any reserve account(s) securing Reserved Lien Revenue Bonds;

Ninth, to make payments necessary to be paid into any bond fund or debt service account created to pay the debt service on Subordinate Lien Parity Bonds, including, but not limited to the Subordinate Lien Bond Fund, if any, to pay the principal of and interest on Subordinate Lien Parity Bonds, including to reimburse or pay any Credit Facility Issuer or Liquidity Facility Issuer for the payment of principal of and interest on or purchase price of Subordinate Lien Parity Bonds, and, without duplication, to make Port Payments due with respect any Derivative Product on a parity with the lien of the Subordinate Lien Parity Bonds

Outstanding;

Tenth, to make all payments required to be made into any reserve account(s) securing Subordinate Lien Parity Bonds;

Eleventh, to make all payments required to be made into the Repair and Renewal Fund under the terms of the First Lien Master Resolution to maintain any required balance therein; and

Twelfth, to retire by redemption or purchase any outstanding revenue bonds or other revenue obligations of the Port as authorized in the various resolutions of the Commission authorizing their issuance or to make necessary additions, betterments, improvements and repairs to or extension and replacements of the Facilities, or any other lawful Port purposes.

(c) Lien on Gross Revenue Subject to Prior Priorities. Subordinate Lien Parity Bonds issued pursuant to the Outstanding Subordinate Lien Resolutions and this resolution and the lien thereof created and established hereunder shall be obligations only of the Subordinate Lien Bond Fund, herein authorized to be created. The Subordinate Lien Parity Bonds shall be payable solely from Available Revenue and secured solely by the subordinate lien on Gross Revenue provided herein; *provided, however,* that any series of Subordinate Lien Parity Bonds also may be payable from and secured by a Credit Facility pledged specifically to or provided for that series of Subordinate Lien Parity Bonds.

So long thereafter as any Subordinate Lien Parity Bonds remain Outstanding or any amount is owed to any Credit Facility Issuer or any Liquidity Facility Issuer, the Port hereby irrevocably pledges and obligates and binds itself to set aside and pay into the Subordinate Lien Bond Fund out of Available Revenue, on or prior to the date on which the interest on, premium,

if any, or principal of and interest on such Subordinate Lien Parity Bonds shall become due, the amount necessary to pay such interest, premium, or principal and interest coming due on such Subordinate Lien Parity Bonds (and reimbursement obligations to any Credit Facility Issuer or Liquidity Facility Issuer for the payment of principal of and interest on or purchase price on Subordinate Lien Parity Bonds).

Said amounts so pledged to be paid into the Subordinate Lien Bond Fund are hereby declared to be a prior lien and charge upon the Gross Revenue superior to all other charges of any kind or nature whatsoever except for Operating Expenses and except for the lien on Gross Revenue of the Prior Lien Bonds and except that the amounts so pledged are of equal lien to the liens and charges on Gross Revenue of the Subordinate Lien Parity Bonds Outstanding and to the lien and charge which may hereafter be made to pay and secure the payment of the principal of and interest on any Future Subordinate Lien Parity Bonds.

Subordinate Lien Parity Bonds shall not in any manner or to any extent constitute general obligations of the Port or of the State of Washington, or of any political subdivision of the State of Washington, and no tax revenues of the Port may be used to pay the principal of and interest on the Subordinate Lien Parity Bonds.

~~————— (a) ——— *Subordinate Lien Note Fund.* A special fund of the Port, to be designated the “Port of Seattle Subordinate Lien Note Fund (Commercial Paper)” (the “Subordinate Lien Note Fund”) is hereby authorized to be created in the office of the Treasurer of the Port for the purpose of paying and securing the payment of the Notes and the Reimbursement Notes. The Subordinate Lien Note Fund shall be held separate and apart from all other funds and accounts of the Port and shall be trust funds for the owners, from time to time, of the Notes and for the applicable Bank(s) with respect to each Reimbursement Note. At the option of the Designated~~

~~Port Representative, the Port may establish separate subaccounts within the Subordinate Lien Note Fund for the purpose of paying separate Series of Notes and/or Reimbursement Notes.~~

~~———— The Port hereby irrevocably obligates and binds itself for as long as any Note or any Reimbursement Note remains Outstanding to set aside and pay into the Subordinate Lien Note Fund from Available Revenue or money in the Revenue Fund, on or prior to the respective dates the same become due (and if such payment is made on the due date, such payment shall be made in immediately available funds):~~

~~———— (1) ——— Such amounts as are required to pay the interest scheduled to become due on Outstanding Notes and Reimbursement Notes; and~~

~~———— (2) ——— Such amounts as are required to pay maturing principal of Outstanding Notes and Reimbursement Notes.~~

~~———— (b) ——— *Priority of Use of Gross Revenue.* The Port's Gross Revenue shall be deposited in the Revenue Fund as collected. The Revenue Fund shall be held separate and apart from all other funds and accounts of the Port, and the Gross Revenue deposited therein shall be used only for the following purposes and in the following order of priority:~~

~~———— First, to pay Operating Expenses not paid from other sources;~~

~~———— Second, to make all payments, including sinking fund payments, required to be made into the debt service account(s) within any redemption fund maintained for First Lien Bonds to pay the principal of and interest and premium, if any, on any First Lien Bonds;~~

~~———— Third, to make all payments required to be made into any reserve account(s) maintained for First Lien Bonds to secure the payment of any First Lien Bonds;~~

~~———— Fourth, to make all payments required to be made into any other revenue bond redemption fund and debt service account or reserve account created therein to pay and secure~~

~~the payment of the principal of, premium, if any, and interest on any revenue bonds or other revenue obligations of the Port having liens upon the Net Revenues and the money in the Revenue Fund junior and inferior to the lien thereon for the payment of the principal of, premium, if any, and interest on any First Lien Bonds, but prior to the lien thereon of Subordinate Lien Parity Bonds;~~

~~—— Fifth, to make payments necessary to be paid into any bond fund or debt service account created to pay the principal, interest and redemption premium, if any, coming due on Subordinate Lien Parity Bonds, including, but not limited to the Subordinate Lien Note Fund;~~

~~—— Sixth, to make all payments required to be made into the reserve account(s) securing Subordinate Lien Parity Bonds; and~~

~~—— Seventh, to make all payments required to be made into the Repair and Renewal Fund under the terms of the Master Resolution, as the same may be amended from time to time, to maintain any required balance therein; and~~

~~—— Eighth, to retire by redemption or purchase in the open market any outstanding revenue bonds or other revenue obligations of the Port as authorized in the various resolutions of the Commission authorizing their issuance or to make necessary additions, betterments, improvements and repairs to or extension and replacements of the Facilities, or any other lawful Port purposes.~~

~~—— (e) — *Lien on Available Revenue.* The Notes and Reimbursement Notes and the liens thereof created and established hereunder shall be obligations only of the Subordinate Lien Note Fund hereinbefore authorized to be created. The Notes and Reimbursement Notes shall be payable solely from and secured solely by Available Revenue, and by the proceeds of Notes, *provided, however*, that any Notes also may be payable from drawings under a Credit Facility~~

~~pledged specifically to or provided for such Notes. Credit Facilities may be available to pay less than all the Outstanding principal balance of the Notes. Funds drawn under a Credit Facility shall be held separately and not invested.~~

~~From and after the time of issuance and delivery of the Notes and so long thereafter as any Note or any Reimbursement Note remains Outstanding, the Port hereby irrevocably obligates and binds itself to set aside and pay into the Subordinate Lien Note Fund out of Available Revenue, on or prior to the date on which the interest on and principal of the Notes and Reimbursement Notes shall become due, the amount necessary to pay such principal and interest.~~

~~Said amounts so pledged to be paid into the Subordinate Lien Note Fund are hereby declared to be a prior lien and charge upon the Gross Revenue superior to all other charges of any kind or nature whatsoever except for Operating Expenses and except for the lien on Gross Revenue of the Permitted Prior Lien Bonds and except that the amounts so pledged are of equal lien to the liens and charges on Gross Revenue of the Outstanding Subordinate Lien Bonds and to the lien and charge which may hereafter be made to pay and secure the payment of the principal of and interest on any Future Subordinate Lien Parity Bonds.~~

~~The Notes and Reimbursement Notes shall not in any manner or to any extent constitute general obligations of the Port or of the State of Washington, or of any political subdivision of the State of Washington, and no tax revenues of the Port may be used to pay the principal of and interest on the Notes or Reimbursement Notes.~~

(d) *Reimbursement Note.* The obligations of the Port under each Reimbursement Agreement may be evidenced by a “Reimbursement Note” issued by the Port thereunder. Each “Reimbursement Note” shall also be secured by the Subordinate Lien Note

Bond Fund (but not by moneys drawn under a Credit Facility), all in accordance with the applicable Reimbursement Agreement. The payment obligations of the Port represented by a Reimbursement Note, and subject to the dollar limitation set forth in Section 5.03(b) hereof shall be included in any computation of Debt Service; but only to the extent that such payment obligations are not otherwise included as Debt Service for Notes.

**Section 1.06. Permitted Prior Lien Bonds and Future Subordinate Lien Parity Bonds (Amended).**

Section 4.04 of the Original Resolution is hereby amended to read as set forth in this section. Additions and deletions from the Original Resolution are shown as marked text, with additions double underlined and deletions struck:

(a) *Prior Lien Bonds and Intermediate Lien Parity Bonds.* As provided in the First Lien Master Resolution, the Port reserves the right to issue one or more series of First Lien Bonds 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 First Lien Master Resolution. In addition, the Port also reserves the right to issue obligations payable from Net Revenue as described in paragraphs Fourth through Eighth of Section 3(b) of this resolution, and having lien(s) on Gross Revenue or Net Revenues prior to the lien of the Subordinate Lien Parity Bonds, including without limitation Intermediate Lien Parity Bonds (which can be issued on the terms set forth in the Intermediate Lien Master Resolution) and Reserved Lien Revenue Bonds. Such obligations shall be subject to such terms, conditions and covenants set forth in their respective authorizing resolutions.

(b) *Future Subordinate Lien Parity Bonds - General Provisions.* The Port hereby further covenants and agrees with the Owners of each of the Subordinate Lien Parity Bonds for

as long as any of the same remain Outstanding that it will not issue any Future Subordinate Lien Parity Bonds that constitute a charge and lien upon the Gross Revenue equal to the lien thereon of the Subordinate Lien Parity Bonds then Outstanding, unless the following conditions are satisfied.

- (1) Future Subordinate Lien Parity Bonds may be issued only if there is not then existing and continuing a Default under this resolution; provided, however, that Future Subordinate Lien Parity Bonds may be issued for refunding purposes under subsection (c) below if the Default will be cured as a result of the refunding.
- (2) Future Subordinate Lien Parity Bonds shall be issued pursuant to this resolution and authorized by a Series Resolution of the Commission.
- (3) Either of the following conditions (A) or (B) below shall be satisfied.
  - (A) Certificate Required. Unless the Port is able to meet the criteria set forth in (B) below, a certificate shall be filed with the Port demonstrating fulfillment of the Subordinate Lien Parity Test in each fiscal year during the Certificate Period. As to any Future Subordinate Lien Parity Bonds in the form of Commercial Paper or another Subordinate Lien Parity Bond that may be issued from time to time up to a not-to-exceed principal amount (or up to the available commitment), a certificate may, at the Port's discretion, be delivered based on (1) the not-to-exceed principal amount of the Commercial Paper or other Subordinate Lien Parity Bond authorized to be issued, (2) based on the not-to-exceed principal amount available to be issued (such as the available commitment in connection

with a direct purchase Subordinate Lien Parity Bond or as Subordinate Lien Parity Bonds secured by a Credit Facility or Liquidity Facility), or (3) based on the principal amounts actually issued from time to time.

- i. The certificate may be delivered by the Port without a Consultant if the Net 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, is sufficient such that the Subordinate Lien Parity Test will be fulfilled in each fiscal year during the Certificate Period.
- ii. Alternatively, a Consultant may deliver the certificate. In making the computations of Net Revenue for the purpose of certifying compliance with the Subordinate Lien Parity Test, the Consultant shall use as a basis the Net Revenue for the Base Period. In making such computations the Consultant shall make such adjustments as the Consultant deems reasonable.

(B) 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 have not materially changed.

(c) Future Subordinate Lien Parity Bonds for Refunding Purposes. The Port may issue Future Subordinate Lien Parity Bonds for refunding purposes, as follows:

- (1) Future Subordinate Lien Parity Bonds may be issued at any time for the purpose of refunding (including by purchase) Subordinate Lien Parity Bonds including amounts to pay principal thereof and redemption premium, if any, and interest thereon to the date of redemption (or purchase), any deposits to a reserve account or to purchase a Qualified Letter of Credit or Qualified Insurance and the expenses of issuing the Future Subordinate Lien Parity Bonds to purchase or refund the same and of effecting such refunding upon delivery of a certificate as provided in subsection (b)(1)(3)(A) above. Such refunding Future Subordinate Lien Parity Bonds also may be issued without a certificate if Maximum Annual Debt Service after the issuance of such refunding Future Subordinate Lien Parity Bond will not exceed Maximum Annual Debt Service prior to the issuance of such refunding Future Subordinate Lien Parity Bonds.

(2) Future Subordinate Lien Parity Bonds may be issued at any time for the purpose of refunding (including by purchase) any Prior Lien Bonds or Subordinate Lien Parity Bonds including amounts to pay principal thereof and redemption premium, if any, and interest thereon to the date of redemption of such bonds (or purchase), any deposits to a reserve account or to purchase a Qualified Letter of Credit or Qualified Insurance and the expenses of issuing the Future Subordinate Lien Parity Bonds to purchase or refund the same and of effecting such refunding, provided that prior to the issuance of such Future Subordinate Lien Parity Bonds the Port must provide a certificate if required by this section.

(3) Future Subordinate Lien Parity Bonds may be issued for the purpose of refunding (including by purchase) at any time within one year prior to maturity any Prior Lien Bonds or Subordinate Lien Parity Bonds then Outstanding, provided that such bonds are Prior Lien Bonds or Subordinate Lien Parity Bonds, for the payment of which sufficient Net Revenue or other money are not available, without the requirement of a certificate pursuant to this section.

(d) Liens Subordinate to Subordinate Lien Parity Bonds. Nothing herein contained shall prevent the Port from issuing revenue bonds or other obligations that are a charge upon the Gross Revenue junior or inferior to the payments required by this resolution to be made out of such Gross Revenue to pay and secure the payment of any Subordinate Lien Parity Bonds. Such junior or inferior obligations shall not be subject to acceleration. This prohibition against acceleration shall not be deemed to prohibit the term out of any reimbursement obligation, to

prohibit any mandatory tender or other tender provisions or to prohibit the payment of a termination amount with respect to a derivative product.

~~———— (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 Revenues available after payment of the amounts described in paragraphs First through Third of Section 4.01(b) of this resolution, and having lien(s) on such Net Revenues prior to the lien of the Notes, the Outstanding Subordinate Lien Bonds and the Reimbursement Notes. Such obligations shall be subject to such terms, conditions and covenants set forth in their respective authorizing resolutions.~~

~~———— (b) ——— *Future Subordinate Lien Parity Bonds – General Provisions.* The Port hereby further covenants and agrees with the Bank and the Registered Owners of each of the Notes for as long as any of the same or any Reimbursement Notes remain Outstanding that it will not issue any Future Subordinate Lien Parity Bonds that constitute a charge and lien upon the Available Revenue equal to the lien thereon of the Notes or the Reimbursement Notes, unless, except for Future Subordinate Lien Parity Bonds issued for refunding purposes pursuant to subsection (c) below, (i) for as long as the Notes, the Reimbursement Notes or the Outstanding Subordinate Lien Bonds remain Outstanding, at the time of the issuance of such Future Subordinate Lien Parity Bonds the Port is not in default under this resolution, and (ii) 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 and with each Bank (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 Future Lien Parity Bonds, and (ii) for the following two fiscal years.~~

~~————— 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 (A) 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 (B) for the following two fiscal years. Except as provided in the foregoing paragraphs, compliance with the coverage requirements of this 4.04(b) shall be demonstrated conclusively by a certificate of a Consultant.~~

~~————— 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.~~

~~————— (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, each such certificate to be delivered to each of the Banks.~~

~~————— (c) Future Subordinate Lien Parity Bonds For Refunding Purposes. The Port may issue Future Subordinate Lien Parity Bonds for refunding purposes, as follows:~~

~~————— (1) Future Subordinate Lien Parity Bonds may be issued at any time for the purpose of refunding (including by purchase) Subordinate Lien Parity Bonds including the Notes and the Reimbursement Notes, including amounts to pay principal thereof and redemption premium, if any, and interest thereon to the date of redemption (or purchase), any deposits to a reserve account or to acquire credit enhancement and the expenses of issuing the Future Subordinate Lien Parity Bonds to purchase or refund the same and of effecting such refunding upon delivery of a certificate as provided in subsection (b)(1) above. Such refunding~~

~~Future Subordinate Lien Parity Bonds also may be issued without a certificate if the Maximum Annual Debt Service on all Subordinate Lien Parity Bonds to be outstanding after the issuance of the refunding Future Subordinate Lien Parity Bonds shall not be greater than the Maximum Annual Debt Service on the Subordinate Lien Parity Bonds which would have been outstanding were such refunding not to occur.~~

~~————— (2) — Future Subordinate Lien Parity Bonds may be issued at any time for the purpose of refunding (including by purchase) any other obligations of the Port having a lien on Available Revenue prior to the lien of the Notes, provided that such bonds are Permitted Prior Lien Bonds, including amounts to pay principal thereof and redemption premium, if any, and interest thereon to the date of redemption of such bonds (or purchase), any deposits to a reserve account or to acquire credit enhancement and the expenses of issuing the Future Subordinate Lien Parity Bonds to purchase or refund the same and of effecting such refunding without a certificate.~~

~~————— (3) — Future Subordinate Lien Parity Bonds may be issued for the purpose of refunding (including by purchase) at any time within one year prior to maturity any bonds or notes of the Port having a lien on Available Revenue on a parity with or prior to the lien of the Notes, provided that such bonds are Permitted Prior Lien Bonds or Subordinate Lien Parity Bonds, for the payment of which sufficient Available Revenue or other money are not available, without the requirement of a certificate pursuant to this section.~~

~~————— (d) — *Liens Subordinate to Subordinate Lien Parity Bonds.* Nothing herein contained shall prevent the Port from issuing revenue bonds or other obligations which are a charge upon the Available Revenue junior or inferior to the payments required by this resolution~~

~~to be made out of such Available Revenue to pay and secure the payment of any Subordinate Lien Parity Bonds including the Reimbursement Notes.~~

**Section 1.07. Covenants (Amended).**

Section 4.05 of the Original Resolution is hereby amended to read as set forth in this section. Additions and deletions from the Original Resolution are shown as marked text, with additions double underlined and deletions struck:

The Port hereby makes the following covenants and agrees with the owners and holders of each of the Subordinate Lien Parity Bonds for as long as any of the same remain Outstanding.

(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 Subordinate Lien Parity Bonds are Outstanding or any Credit Facility or any Liquidity Facility is in effect that will produce Net Revenue in each fiscal year at least equal to the amounts required to meet the Subordinate Lien Rate Covenant. If the Net Revenue in any fiscal year is less than required to meet the Subordinate Lien Rate Covenant, then the Port will post a notice to EMMA within 60 days after completion of the financial statement audit for the fiscal year (1) showing the deficiency and (2) providing a timeframe for development by the Port of a written plan to address the deficiency.

The Port will prepare a written plan to revise schedules of rentals, tariffs, rates, fees and/or charges, reduce operating costs, modify the manner of operating one or more Facilities, or take other steps to meet the Subordinate Lien Rate Covenant in the next fiscal year, and may amend the Plan as necessary to effectuate implementation. If the Commission has taken the steps set forth in the written plan and the Net Revenue in the fiscal year in which adjustments under the plan are made nevertheless is not sufficient to meet the Subordinate Lien Rate

Covenant, there shall be no default under this Section 5(a) during such fiscal year, unless the Port fails to meet the Subordinate Lien Rate Covenant for three consecutive fiscal years including the fiscal year that was the subject of the notice of deficiency.

(b) *Performance of Covenants.* The Port will duly and punctually pay or cause to be paid out of the Subordinate Lien Bond Fund the principal of and interest on the Subordinate Lien Parity Bonds at the times and places as provided in this resolution and in said Subordinate Lien Parity Bonds provided and will at all times faithfully perform and observe any and all covenants, undertakings and provisions contained in this resolution and in the Subordinate Lien Parity Bonds.

(c) *Maintenance of Facilities.* The Port will at all times keep and maintain or cause to be kept or maintained all of the Facilities in good repair, working order and condition and will at all times operate or cause to be operated the same and the business or businesses in connection therewith in an efficient manner and at a reasonable cost.

(d) *Sale or Condemnation of Projects.* In the event that any Project or portion thereof is sold by the Port or is condemned pursuant to the power of eminent domain, the Port will apply the net proceeds of such sale or condemnation to other Facilities or to the retirement of Prior Lien Bonds or Subordinate Lien Parity Bonds Outstanding.

(e) *Insurance of Facilities.* The Port will keep or arrange to keep all Facilities insured, if such insurance is obtainable at reasonable rates and upon reasonable conditions, against such risks, in such amounts, and with such deductibles as the Commission or the Designated Port Representative shall deem necessary.

(f) *Insurance against Port Liability.* The Port will at all times keep or arrange to keep in full force and effect policies of public liability and property damage insurance which

will protect the Port against anyone claiming damages of any kind or nature, if such insurance is obtainable at reasonable rates and upon reasonable conditions, in such amounts and with such deductibles as the Commission or the Designated Port Representative shall deem necessary.

(g) *Maintenance of Books and Records.* The Port will keep and maintain proper books of account and accurate records of all of its revenue, including tax receipts, received from any source whatsoever, and of all costs of administration and maintenance and operation of all of its business that are in accordance with generally accepted accounting principles as in effect from time to time. On or before 120 days after each fiscal year the Port will prepare or cause to be prepared an operating statement of all of the business of the Port for such preceding fiscal year. Each such annual statement shall contain a statement in detail of the Gross Revenue, tax receipts, expenses of administration, expenses of normal operation, expenses of normal and extraordinary maintenance and repair, and expenditures for capital purposes of the Port for such fiscal year and shall contain a statement as of the end of such year showing the status of all funds and accounts of the Port pertaining to the operation of its business and the status of all of the funds and accounts created by various resolutions of the Commission authorizing the issuance of outstanding bonds and other obligations payable from the Gross Revenue. Copies of such statements shall be placed on file in the main office of the Port and shall be open to inspection at any reasonable time by the owners of Subordinate Lien Parity Bonds.

~~The Port hereby makes the following covenants and agrees with the owners and holders of each of the Notes for as long as any of the same remain Outstanding and agrees with each Bank until such time as the applicable Reimbursement Note is no longer Outstanding and the applicable Credit Facility has been terminated.~~

~~—————(a)—— *Subordinate Lien Rate Covenant.* The Port will at all times comply with the Subordinate Lien Rate Covenant.~~

~~If the Available Revenue in any fiscal year is less than required to fulfill the Subordinate Lien Rate Covenant, then the Port will retain a Consultant to make recommendations as to operations and the revision of schedules of rentals, tariffs, rates, fees and charges; and upon receiving such recommendations or giving reasonable opportunity for such recommendations to be made, the Commission, on the basis of such recommendations and other available information, will establish rentals, tariffs, rates, fees and charges for services and operations which will be necessary to meet the Subordinate Lien Rate Covenant in the fiscal year during which such adjustments are made. If the Commission has taken the steps set forth in this paragraph and the Available Revenue in the fiscal year in which adjustments are made nevertheless is not sufficient to meet the Subordinate Lien Rate Covenant, there shall be no default under this Section 4.05(a) during such fiscal year, unless the Port fails to meet the Subordinate Lien Rate Covenant for two consecutive fiscal years.~~

~~—————(b)—— *Performance of Covenant.* The Port will duly and punctually pay or cause to be paid out of the Subordinate Lien Bond Fund the principal of and interest on the Notes and the Reimbursement Notes at the times and places as provided in this resolution and in said Notes and the Reimbursement Notes provided and will at all times faithfully perform and observe any and all covenants, undertakings and provisions contained in this resolution, in the Notes and the Reimbursement Notes.~~

~~—————(c)—— *Maintenance of Facilities.* The Port will at all times keep and maintain or cause to be kept or maintained all of the Facilities in good repair, working order and condition~~

and will at all times operate or cause to be operated the same and the business or businesses in connection therewith in an efficient manner and at a reasonable cost.

~~—————(d) — *Sale or Condemnation of Projects.* In the event that any Project or portion thereof is sold by the Port or is condemned pursuant to the power of eminent domain, the Port will apply the net proceeds of such sale or condemnation to other Facilities or to the retirement of Permitted Prior Lien Bonds or Subordinate Lien Parity Bonds then Outstanding.~~

~~—————(e) — *Insurance of Facilities.* The Port will keep or arrange to keep all Facilities insured, if such insurance is obtainable at reasonable rates and upon reasonable conditions, against such risks, in such amounts, and with such deductibles as the Commission or the Designated Port Representative shall deem necessary.~~

~~—————(f) — *Insurance Against Port Liability.* The Port will at all times keep or arrange to keep in full force and effect policies of public liabilities and property damage insurance which will protect the Port against anyone claiming damages of any kind or nature, if such insurance is obtainable at reasonable rates and upon reasonable conditions, in such amounts and with such deductibles as the Commission or the Designated Port Representative shall deem necessary.~~

~~—————(g) — *Maintenance of Books and Records.* The Port will keep and maintain proper books of account and accurate records of all of its revenue, including tax receipts, received from any source whatsoever, and of all costs of administration and maintenance and operation of all of its business that are in accordance with generally accepted accounting principles as in effect from time to time. On or before 120 days after each fiscal year the Port will prepare or cause to be prepared an operating statement of all of the business of the Port for such preceding fiscal year. Each such annual statement shall contain a statement in detail of the~~

~~Gross Revenue, tax receipts, expenses of administration, expenses of normal operation, expenses of normal and extraordinary maintenance and repair, and expenditures for capital purposes of the Port for such fiscal year and shall contain a statement as of the end of such year showing the status of all funds and accounts of the Port pertaining to the operation of its business and the status of all of the funds and accounts created by various resolutions of the Commission authorizing the issuance of outstanding bonds and other obligations payable from the Gross Revenue. Copies of such statements shall be placed on file in the main office of the Port and shall be open to inspection at any reasonable time by the Bank and the owners of Subordinate Lien Parity Bonds.~~

**Section 1.08. Derivative Products (Amended).**

Section 4.06 of the Original Resolution is hereby amended to read as set forth in this section. Additions and deletions from the Original Resolution are shown as marked text, with additions double underlined and deletions struck:

The following shall be conditions precedent to the delivery of any Derivative Product on a parity with Subordinate Lien Parity Bonds:

(a) *General Parity Tests.* The Derivative Product must satisfy the requirements for Future Subordinate Lien Parity Bonds described in Section 4(b) of this resolution.

(b) *Opinion of Bond Counsel.* The Port shall obtain an opinion of its Bond Counsel on the due authorization and execution of such Derivative Product opining that the action proposed to be taken by the Port is authorized or permitted by this resolution and by Washington law or the applicable provisions of any resolution authorizing Future Subordinate Lien Parity Bonds and is not prohibited by the resolutions that authorized the issuance of the Subordinate Lien Parity Bonds then Outstanding, as amended or supplemented and will not adversely affect

the exclusion from gross income for federal income tax purposes of the interest on any Subordinate Lien Parity Bonds then Outstanding.

(c) Payments. Each Derivative Product shall set forth the manner in which the Port Payments and Reciprocal Payments are to be calculated and a schedule of Derivative Payment Dates.

(d) Supplemental Agreements to Govern Derivative Products. Prior to entering into a Derivative Product, the Commission shall adopt a resolution, which shall:

- (1) create and establish an account to be entitled the “Derivative Product Account” or provide for some other way to account for the use of a Derivative Product; establish general provisions for the retention of Available Revenues in amounts sufficient to make, when due, Port Payments;
- (2) establish general provisions for the rights of providers of Derivative Products or Derivative Facilities; and
- (3) set forth such other matters as the Port deems necessary or desirable in connection with the management of Derivative Products as are not clearly inconsistent with the provisions of this resolution.

Except as may be otherwise provided in the resolution establishing a Derivative Product Account, additional Subordinate Lien Parity Bonds may be delivered in connection with any Derivative Product. Any termination payments under Derivative Products shall be subordinate to Subordinate Lien Parity Bonds.

~~The following shall be conditions precedent to the use of any Derivative Product on a parity with Subordinate Lien Parity Bonds:~~

~~\_\_\_\_\_ (a) *General Parity Tests.* The Derivative Product must satisfy the requirements for Future Subordinate Lien Parity Bonds described in Sections 4.04 of this resolution.~~

~~\_\_\_\_\_ (b) *Opinion of Bond Counsel.* The Port shall obtain an opinion of its Bond Counsel on the due authorization and execution of such Derivative Product opining that the action proposed to be taken by the Port is authorized or permitted by this resolution or the applicable provisions of any resolution authorizing Future Subordinate Lien Parity Bonds and is not prohibited by the resolutions that authorized the issuance of the Outstanding Subordinate Lien Bonds, as such resolutions may be amended or supplemented from time to time and will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on any Subordinate Lien Parity Bonds then Outstanding.~~

~~\_\_\_\_\_ (c) *Payments.* Each Derivative Product shall set forth the manner in which the Port Payments and Reciprocal Payments are to be calculated and a schedule of Derivative Payment Dates.~~

~~\_\_\_\_\_ (d) *Supplemental Agreements to Govern Derivative Products.* Prior to entering into a Derivative Product, the Commission shall adopt a resolution, which shall:~~

~~\_\_\_\_\_ (1) create and establish a Derivative Product Account or provide for some other way to account for the use of a Derivative Product; establish general provisions for the retention of Net Revenues in amounts sufficient to make, when due, Port Payments;~~

~~\_\_\_\_\_ (2) establish general provisions for the rights of providers of Derivative Products or Derivative Facilities; and~~

~~\_\_\_\_\_ (3) \_\_\_\_\_ set forth such other matters as the Port deems necessary or desirable in connection with the management of Derivative Products as are not clearly inconsistent with the provisions of this resolution.~~

~~\_\_\_\_\_ Except as may be otherwise provided in the resolution establishing a Derivative Product Account, Future Subordinate Lien Parity Bonds may be delivered in connection with any Derivative Product. This resolution may be amended in the future to reflect the lien position and priority of any payments made in connection with a Derivative Product; *provided, however,* that no amendment shall be made which permits a payment under a Derivative Product to constitute a lien on Net Revenues superior to that of Subordinate Lien Parity Bonds (including the Reimbursement Notes) without the consent of each Bank unless such payment constitutes Permitted Prior Lien Bonds and, *provided, further,* that termination payments under Derivative Products may not attain a parity lien with Subordinate Lien Parity Bonds (including the Reimbursement Notes).~~

**Section 1.09. Defaults and Remedies (Amended).** Section 4.09 of the Original Resolution is hereby amended to read as set forth in this section. Additions and deletions from the Original Resolution are shown as marked text, with additions double underlined and deletions struck:

\_\_\_\_\_ The Port hereby finds and determines that the failure or refusal of the Port or any of its officers to perform the covenants and obligations of this resolution will endanger the operation of the Facilities and the application of Gross Revenue and such other money, funds and securities to the purposes herein set forth. Any one or more of the following shall constitute a Default under this resolution:

- (a) The Port shall fail to make payment of the principal of any Subordinate Lien

Parity Bonds, including without limitation any Bank Bond, when the same shall become due and payable whether by maturity or scheduled redemption prior to maturity or other required repayment date;

- (b) The Port shall fail to make payments of any installment of interest on any Subordinate Lien Parity Bonds, including without limitation any Bank Bond, when the same shall become due and payable; or
- (c) The Port shall default in the observance or performance of any other covenants, conditions, or agreements on the part of the Port contained in this resolution, and such default shall have continued for a period of 90 days; however, if such default cannot be reasonably cured within such 90-day period, the Port shall have such additional time (not to exceed a total cure period of 180 days) as reasonably necessary to cure the default provided that the Port commences cure within 90 days and diligently pursues cure thereafter.

Upon the occurrence and continuation of a Default, a Credit Facility Issuer of a Credit Facility that supports the payment of principal of and interest on Subordinate Lien Parity Bonds shall be entitled to exercise, on behalf of such Subordinate Lien Parity Bondowners, any of the remedies provided under this section and, such Credit Facility Issuer shall be the only party entitled to exercise the remedies with respect to such Subordinate Lien Parity Bonds provided under this section. The rights granted to any such Credit Facility Issuer shall be disregarded and be of no effect if the Credit Facility Issuer has failed to honor a properly presented and conforming drawing on its Credit Facility. There shall be no waiver of a Default hereunder with respect to the Subordinate Lien Parity Bonds unless the Registrar shall have received from the Credit Facility Issuer a written rescission of its default notice and shall be assured that the Credit

Facility or Liquidity Facility, as the case may be, has been fully reinstated.

There may not be any acceleration of the Subordinate Lien Parity Bonds. This prohibition against acceleration shall not be deemed to prohibit the term out of any Bank Bond or other reimbursement obligation to any Credit Facility Issuer or Liquidity Facility Issuer, to prohibit any mandatory tender or other tender provisions or to prohibit the payment of a termination amount with respect to a Derivative Product.

Upon the occurrence of a Default and so long as such Default shall not have been remedied and subject to the foregoing paragraph, a Bondowners' Trustee may be appointed for the Subordinate Lien Parity Bonds by the owners of 51% in principal amount of the Subordinate Lien Parity Bonds Outstanding by an instrument or concurrent instruments in writing signed and acknowledged by such Subordinate Lien Parity Bondowners or by their attorneys-in-fact duly authorized and delivered to such Bondowners' Trustee, notification thereof being given to the Port. Any Bondowners' Trustee appointed under the provisions of this Section shall be a bank or trust company organized under the laws of a state or a national banking association. The fees and expenses of a Bondowners' Trustee shall be borne by the Bondowners and not by the Port. The bank or trust company acting as a Bondowners' Trustee may be removed at any time, and a successor Bondowners' Trustee may be appointed by the owners of 51% in principal amount of the Subordinate Lien Parity Bonds Outstanding, by an instrument or concurrent instruments in writing signed and acknowledged by such Subordinate Lien Parity Bondowners or by their attorneys-in-fact duly authorized.

The Bondowners' Trustee appointed in the manner herein provided, and each successor thereto, is hereby declared to be a trustee for the owners of all the Subordinate Lien Parity Bonds for which such appointment is made and is empowered to exercise all the rights and powers

herein conferred on the Bondowners' Trustee, subject to the rights herein conferred on Credit Facility Issuers.

A Bondowners' Trustee may upon the happening of a Default and during the continuation thereof, take such steps and institute such suits, actions or other proceedings in its own name, or as trustee, all as it may deem appropriate for the protection and enforcement of the rights of Subordinate Lien Parity Bondowners to collect any amounts due and owing the Port, or to obtain other appropriate relief, and may enforce the specific performance of any covenant, agreement or condition contained in this resolution.

Any action, suit or other proceedings instituted by a Bondowners' Trustee hereunder shall be brought in its name as trustee for the Subordinate Lien Parity Bondowners and all such rights of action upon or under any of the Subordinate Lien Parity Bonds or the provisions of this resolution may be enforced by a Bondowners' Trustee without the possession of any of said Subordinate Lien Parity Bonds, and without the production of the same at any trial or proceedings relating thereto except where otherwise required by law, and the respective owners of said Subordinate Lien Parity Bonds by taking and holding the same, shall be conclusively deemed irrevocably to appoint a Bondowners' Trustee the true and lawful trustee to the respective owners of said Subordinate Lien Parity Bonds, with authority to institute any such action, suit or proceeding; to receive as trustee and deposit in trust any sums that become distributable on account of said Subordinate Lien Parity Bonds; to execute any paper or documents for the receipt of such moneys, and to do all acts with respect thereto that the Subordinate Lien Parity Bondowner might have done in person. Nothing herein contained shall be deemed to authorize or empower any Bondowners' Trustee to consent to accept or adopt, on behalf of any owner of said Subordinate Lien Parity Bonds, any plan of reorganization or

adjustment affecting the said Subordinate Lien Parity Bonds or any right of any owner thereof, or to authorize or empower the Bondowners' Trustee to vote the claims of the owners thereof in any receivership, insolvency, liquidation, bankruptcy, reorganization or other proceeding to which the Port shall be a party.

No owner of any one or more of the Subordinate Lien Parity Bonds shall have any right to institute any action, suit or proceedings at law or in equity for the enforcement of the same, unless Default shall have happened and be continuing, and unless no Bondowners' Trustee has been appointed as herein provided, but any remedy herein authorized to be exercised by a Bondowners' Trustee may be exercised individually by any Subordinate Lien Parity Bondowner, in the owner's own name and on the owner's own behalf or for the benefit of all Subordinate Lien Parity Bondowners, in the event no Bondowners' Trustee has been appointed, or with the consent of the Bondowners' Trustee if such Bondowners' Trustee has been appointed; provided however, that nothing in this resolution or in the Subordinate Lien Parity Bonds shall affect or impair the obligation of the Port which is absolute and unconditional, to pay from Available Revenue the principal of and interest on said Subordinate Lien Parity Bonds to the respective owners thereof at the respective due dates therein specified, or affect or impair the right of action, which is absolute and unconditional, of such owners to enforce such payments.

The remedies herein conferred upon or reserved to the owners of the Subordinate Lien Parity Bonds and to a Bondowners' Trustee are not intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. The privileges herein granted shall be exercised from time to time and continued so long as and as often as the occasion therefor may arise and no waiver of any default hereunder, whether by a

Bondowners' Trustee or by the owners of Bonds, shall extend to or shall affect any subsequent default or shall impair any rights or remedies consequent thereon. No delay or omission of the Subordinate Lien Parity Bondowners or of a Bondowners' Trustee to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein.

Upon any such waiver, such Default shall cease to exist, and any Default arising therefrom shall be deemed to have been cured, for every purpose of this resolution; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

The Registered Owner of each of the Subordinate Lien Parity Bonds or a trustee for the Registered Owners of any of the Subordinate Lien Parity Bonds may by mandamus or other appropriate proceeding require the transfer and payment of money as directed in this resolution.

~~The Port hereby finds and determines that the failure or refusal of the Port or any of its officers to perform the covenants and obligations of this resolution will endanger the operation of the Facilities and the application of Gross Revenue and such other money, funds and securities to the purposes herein set forth. Any one or more of the following shall constitute a Default with respect to the Notes:~~

~~————— (a) — The Port shall fail to make payment of the principal of any Note or a Reimbursement Note when the same shall become due and payable;~~

~~————— (b) — The Port shall fail to make payments of any installment of interest on any Note or a Reimbursement Note when the same shall become due and payable;~~

~~————— (c) — The Port shall default in the observance or performance of any other covenants, conditions, or agreements on the part of the Port contained in this resolution, and such default shall have continued for a period of 90 days.~~

~~Upon the occurrence and continuation of a Default with respect to a Note payable from drawings under a Credit Facility that is an irrevocable direct pay letter of credit, the issuer of such Credit Facility shall be entitled to exercise, on behalf of the Registered Owners of the Notes payable from drawings under such Credit Facility, any of the remedies provided under this section and, for as long as the Bank is not in default of its obligations under such Credit Facility, the Bank shall be the only party entitled to exercise the remedies with respect to such Notes as provided under this section. There shall be no waiver of a Default hereunder with respect to the Notes that are payable from drawings under a Credit Facility that is an irrevocable direct pay letter of credit unless the Registrar shall be assured that such Credit Facility has been fully reinstated.~~

~~Subject to provisions of the preceding paragraph, upon the occurrence of a Default with respect to the Notes and so long as such Default shall not have been remedied, a Registered Owners' Trustee may be appointed for the Notes by the owners of 51% in principal amount of the Outstanding Notes by an instrument or concurrent instruments in writing signed and acknowledged by such Registered Owners or by their attorneys in fact duly authorized and delivered to such Registered Owners' Trustee, notification thereof being given to the Port. Any Registered Owners' Trustee appointed under the provisions of this Section shall be a bank or trust company organized under the laws of a state or a national banking association. The fees and expenses of a Registered Owners' Trustee shall be borne by the Registered Owners and not by the Port. The bank or trust company acting as a Registered Owners' Trustee may be removed at any time, and a successor Registered Owners' Trustee may be appointed by the owners of a majority in principal amount of the Notes Outstanding, by an instrument or concurrent~~

~~instruments in writing signed and acknowledged by such Registered Owners or by their attorneys in fact duly authorized.~~

~~— The Registered Owners' Trustee appointed in the manner herein provided, and each successor thereto, is hereby declared to be a trustee for the owners of all the Notes for which such appointment is made and is empowered to exercise all the rights and powers herein conferred on the Registered Owners' Trustee.~~

~~— A Registered Owners' Trustee may upon the happening of a Default and during the continuation thereof, take such steps and institute such suits, actions or other proceedings in its own name, or as trustee, all as it may deem appropriate for the protection and enforcement of the rights of Registered Owners to collect any amounts due and owing the Port, or to obtain other appropriate relief, and may enforce the specific performance of any covenant, agreement or condition contained in this resolution.~~

~~— Any action, suit or other proceedings instituted by a Registered Owners' Trustee hereunder shall be brought in its name as trustee for the Registered Owners and all such rights of action upon or under any of the Notes or the provisions of this resolution may be enforced by a Registered Owners' Trustee without the possession of any of said Notes, and without the production of the same at any trial or proceedings relating thereto except where otherwise required by law, and the respective owners of said Notes by taking and holding the same, shall be conclusively deemed irrevocably to appoint a Registered Owners' Trustee the true and lawful trustee to the respective owners of said Notes, with authority to institute any such action, suit or proceeding; to receive as trustee and deposit in trust any sums that become distributable on account of said Notes; to execute any paper or documents for the receipt of such moneys, and to do all acts with respect thereto that the Registered Owner himself might have done in person.~~

~~Nothing herein contained shall be deemed to authorize or empower any Registered Owners' Trustee to consent to accept or adopt, on behalf of any owner of said Notes, any plan of reorganization or adjustment affecting the said Notes or any right of any owner thereof, or to authorize or empower the Registered Owners' Trustee to vote the claims of the owners thereof in any receivership, insolvency, liquidation, bankruptcy, reorganization or other proceeding to which the Port shall be a party.~~

~~———— No owner of any one or more of the Notes shall have any right to institute any action, suit or proceedings at law or in equity for the enforcement of the same, unless Default shall have happened and be continuing, and unless no Registered Owners' Trustee has been appointed as herein provided, but any remedy herein authorized to be exercised by a Registered Owners' Trustee may be exercised individually by any Registered Owner, in his own name and on his own behalf or for the benefit of all Registered Owners, in the event no Registered Owners' Trustee has been appointed, or with the consent of the Registered Owners' Trustee if such Registered Owners' Trustee has been appointed; provided however, that nothing in this resolution or in the Notes shall affect or impair the obligation of the Port which is absolute and unconditional, to pay from Available Revenue the principal of and interest on said Notes to the respective owners thereof at the respective due dates therein specified, or affect or impair the right of action, which is absolute and unconditional, of such owners to enforce such payments.~~

~~———— The remedies herein conferred upon or reserved to the owners of the Notes and to a Registered Owners' Trustee are not intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. The privileges herein granted shall be exercised from time to time and continued so long as and as~~

~~often as the occasion therefor may arise and no waiver of any default hereunder, whether by a Registered Owners' Trustee or by the owners of Notes, shall extend to or shall affect any subsequent default or shall impair any rights or remedies consequent thereon. No delay or omission of the Registered Owners or of a Registered Owners' Trustee to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein.~~

~~— Upon any such waiver, such Default shall cease to exist, and any Default arising therefrom shall be deemed to have been cured, for every purpose of this resolution; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.~~

~~— If the Port has received a default notice from a Bank in the form set forth in the Credit Facility, the Port shall notify each Dealer and shall cease issuing Notes payable from drawings under the Credit Facility of such Bank and shall not instruct the Registrar to authenticate any additional Notes payable from drawings under that Credit Facility. Upon receipt of a default notice, the Registrar shall notify the Dealer and shall not authenticate and deliver any further Notes payable from drawings under that Credit Facility.~~

**Section 1.10. Amendments Without Registered Owners' Consent (Amended).**

Section 6.06 of the Original Resolution is hereby amended to read as set forth in this section. Additions and deletions from the Original Resolution are shown as marked text, with additions double underlined and deletions struck:

This resolution may be amended or supplemented from time to time, without the consent of the Registered Owners by a Supplemental Resolution adopted by the Commission for one or more of the following purposes:

- (a) pursuant to a Series Resolution to provide for the issuance of a Series or multiple Series

of Subordinate Lien Parity Bonds under the provisions of Section 4 hereof and to set forth the terms of such Subordinate Lien Parity Bonds and the special provisions which shall apply to such Subordinate Lien Parity Bonds;

- (b) to cure any formal defect, omission, inconsistency or ambiguity in, or answer any questions arising under, this Resolution or any Series Resolution, provided such supplement or amendment is not materially adverse to the Subordinate Lien Parity Bondholders;
- (c) to add to the covenants and agreements of the Port in this Resolution or any Series Resolution other covenants and agreements, or to surrender any right or power reserved or conferred upon the Port, provided such supplement or amendment shall not adversely affect the interests of the Subordinate Lien Parity Bondholders;
- (d) to confirm, as further assurance, any interest of the Subordinate Lien Parity Bondholders in and to the pledge of Available Revenue or to otherwise add additional security for the Subordinate Lien Parity Bondholders;
- (e) to evidence any change made in the terms of any Series of Bonds if such changes are authorized by the Series Resolution at the time the Series of Bonds is issued and such change is made in accordance with the terms of such Series Resolution;
- (f) to comply with the requirements of the Trust Indenture Act of 1939, as amended from time to time;
- (g) to modify, alter, amend or supplement this Resolution or any Series Resolution in any other respect that is not materially adverse to the Subordinate Lien Parity Bondholders;
- (h) to provide for uncertificated Subordinate Lien Parity Bonds or for the issuance of coupons and bearer Subordinate Lien Parity Bonds or Subordinate Lien Parity Bonds

registered only as to principal;

- (i) to make modifications or adjustments necessary, appropriate or desirable to accommodate the use of a Credit Facility or Liquidity Facility for specific Subordinate Lien Parity Bonds or a specific Series of Subordinate Lien Parity Bonds;
- (j) to provide for the issuance of the Subordinate Lien Parity Bonds pursuant to a book-entry system or as uncertified registered public obligations;
- (k) to make such additions, deletions, or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on any tax-exempt Subordinate Lien Parity Bonds;
- (l) for any other purpose that does not materially and adversely affect the interests of the Owners of the Subordinate Lien Parity Bonds, including without limitation to qualify the Subordinate Lien Parity Bonds or a Series of Subordinate Lien Parity Bonds for a rating or ratings from a Rating Agency or to accommodate the technical, operational and structural features of Bonds that are issued or are proposed to be issued, including, but not limited to, changes needed to accommodate commercial paper, swaps, variable rate or adjustable rate bonds, discounted or compound interest bonds or other forms of indebtedness that the Port, from time to time deems appropriate to incur; and
- (m) for any purpose, if such amendment becomes effective only following a mandatory tender of all Bonds for purchase.

~~This resolution may be amended or supplemented from time to time, without the consent of the Registered Owners by a Supplemental Resolution adopted by the Commission for one or more of the following purposes:~~

~~\_\_\_\_\_ (a) \_\_\_\_\_ to add additional covenants of the Commission or to surrender any right or power herein conferred upon the Port; or~~

~~\_\_\_\_\_ (b) \_\_\_\_\_ to cure any ambiguity or to cure, correct or supplement any defective (whether because of any inconsistency with any other provision hereof or otherwise) provision of this resolution in such manner as shall not be inconsistent with this resolution or to make any other provisions with respect to matters or questions arising under this resolution, provided such action shall not impair the security hereof or adversely affect the interests of the Registered Owners; or~~

~~\_\_\_\_\_ (c) \_\_\_\_\_ to provide or modify procedures permitting Registered Owners to utilize a certificated system of registration for Notes; or~~

~~\_\_\_\_\_ (d) \_\_\_\_\_ to modify, alter, amend, supplement or restate this resolution in any and all respects necessary, desirable or appropriate in connection with the delivery of a Credit Facility, so long as such amendment or supplement does not adversely affect the security for any Outstanding Notes or Reimbursement Notes; or~~

~~\_\_\_\_\_ (e) \_\_\_\_\_ to modify, alter, amend, supplement or restate this resolution in any and all respects necessary, desirable or appropriate in order to satisfy the requirements of any Rating Agency which may from time to time provide a rating on the Notes, or in order to obtain or retain such rating on the Notes as is deemed necessary by the Port; or~~

~~\_\_\_\_\_ (f) \_\_\_\_\_ for any purpose, if such amendment becomes effective only on a date on which all Notes are scheduled to mature.~~

**Section 1.11. Amendments with Registered Owners Consent (Amended).**

Section 6.07 of the Original Resolution is hereby amended to read as set forth in this section. Additions and deletions from the Original Resolution are shown as marked text, with additions double underlined and deletions struck:

This resolution may be amended from time to time by a Supplemental Resolution approved by the Registered Owners of 51% in aggregate principal amount of the Subordinate Lien Parity Bonds 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 Subordinate Lien Parity Bonds Outstanding without the consent of the Registered Owners of 51% in aggregate principal amount of the Subordinate Lien Parity Bonds so affected, and
- (b) except as expressly authorized hereunder, no amendment that alters the interest rates on any Subordinate Lien Parity Bonds, the maturity date, interest payment dates, purchase upon tender or redemption provisions of any Subordinate Lien Parity Bonds, this Section 9(b) without the consent of the Registered Owners of all Subordinate Lien Parity Bonds Outstanding affected thereby.

For the purpose of consenting to amendments under this Section 9 except for amendments that alter the interest rate on any Subordinate Lien Parity Bonds, the maturity date, interest payment dates, purchase upon tender or redemption of any Subordinate Lien Parity Bonds, the Credit Facility Issuer shall be deemed to be the sole Registered Owner of the Subordinate Lien Parity Bonds that are payable from such Credit Facility and that are then Outstanding.

~~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 Notes 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 Notes without the consent of the Registered Owners of a majority in aggregate principal amount of the Notes so affected, and (b) except as expressly authorized hereunder, no amendment which alters the interest rates on any Notes, the maturity date or Interest Payment Dates of any Notes without the consent of the Registered Owners of all Outstanding Notes affected thereby.~~

## ARTICLE II. MISCELLANEOUS

### **Section 2.01. Contract; Severability.**

The covenants in this resolution shall constitute a contract for the benefit of the Registered Owners, and the Registered Owners shall be entitled to enforce the provisions hereof in accordance with its terms. 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 and final appeal (if any appeal be taken) 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 Bonds.

### **Section 2.02. Effect of Amendments.**

Exhibit A is incorporated as if set forth herein. Except as specifically amended herein and in Exhibit A, the Original Resolution shall continue in full force and effect in accordance with its original terms.

### **Section 2.03. Amendments With Credit Facility Issuer's Consent.**

Any amendment or supplement to this resolution shall require the prior written consent of the Credit Facility Issuer.

**Section 2.04. Immediate Effect.**

This resolution shall take effect immediately upon its adoption.

ADOPTED by the Port Commission of the Port of Seattle at a meeting thereof, held this \_\_\_\_ day of \_\_\_\_\_, 2026, and duly authenticated in open session by the signatures of the commissioners voting in favor thereof.

PORT OF SEATTLE, WASHINGTON

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\_\_\_\_\_  
\_\_\_\_\_

Commissioners

## EXHIBIT A: AMENDED DEFINITIONS

As used in this resolution, the following words and phrases shall have the meanings hereinafter set forth unless the context clearly shall indicate that another meaning is intended:

***Accreted Value*** means (a) with respect to any Capital Appreciation Bonds, as of any date of calculation, the sum of the initial principal amount of such Capital Appreciation Bonds plus the interest accumulated, compounded and unpaid thereon as of the most recent compounding date, or (b) with respect to Original Issue Discount Bonds, as of the date of calculation, the amount representing the initial public offering price of such Original Issue Discount Bonds plus the amount of discounted principal which has accreted since the date of issue.

***Annual Debt Service*** means the total amount of Debt Service for all Prior Lien Bonds and Subordinate Lien Parity Bonds Outstanding, and, without duplication, with respect to any Derivative Product, in any fiscal year or Base Period.

***Available Revenue*** means the Gross Revenue of the Port after providing for the payments set forth in paragraphs First through Eighth of Section 3(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 Prior Lien Bonds.

***Balloon Maturity Bonds*** means any Prior Lien Bonds and Subordinate Lien Parity Bonds Outstanding that are so designated in their authorizing resolution or in a certificate of the

Designated Port Representative executed on or prior to their date of issuance. Commercial Paper shall be deemed to be a Balloon Maturity Bond.

**Bank Bond** means any Subordinate Lien Parity Bonds purchased with proceeds of a Credit Facility or Liquidity Facility or Subordinate Lien Parity Bonds evidencing the Port's obligation to reimburse a Credit Facility Issuer or Liquidity Facility Issuer for the payment of the purchase price of or principal of or interest on any Subordinate Lien Parity Bond.

**Base Period** means any consecutive 12-month period selected by the Designated Port Representative out of the 30-month period preceding the date of issuance of the series of Future Subordinate Lien Parity Bonds then proposed to be issued.

**Bond Counsel** means a firm of lawyers nationally recognized and accepted as bond counsel and so employed by the Port for any purpose under this resolution applicable to the use of that term.

**Capital Appreciation Bonds** mean any Prior Lien Bonds and Subordinate Lien Parity Bonds Outstanding all or a portion of the interest on which is compounded, accumulated and payable only upon redemption or on the maturity date of such Prior Lien Bonds or Subordinate Lien Parity Bonds. If so provided in their authorizing resolution or a certificate of the Designated Port Representative executed on or prior to their date of issuance, Prior Lien Bonds or Subordinate Lien Parity Bonds may be deemed to be Capital Appreciation Bonds for only a portion of their term. On the date on which Prior Lien Bonds or Subordinate Lien Parity Bonds no longer are Capital Appreciation Bonds, they shall be deemed Outstanding in a principal amount equal to their Accreted Value.

***Certificate Period*** means the period commencing with the fiscal year following the year in which the proposed series of Subordinate Lien Parity Bonds are to be issued and extending through the earlier of (a) the third fiscal year in 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 Future Subordinate Lien Parity Bonds and (b) the fifth fiscal year following the year in which the proposed series of Subordinate Lien Parity Bonds are to be issued.

***Commercial Paper*** means any Prior Lien Bond or Subordinate Lien Parity Bond with a maturity not more than 270 days from its date of issuance.

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

***Consultant*** means at any time an independent consultant nationally recognized in marine or aviation matters or an engineer or engineering firm or other expert appointed by the Port to perform the duties of the Consultant as required by this resolution. For the purposes of delivering any certificate required by Section 4(b)(3)(A)(ii) hereof, the term Consultant shall also include any independent national public accounting firm appointed by the Port to make such calculation or to provide such certificate or nationally-recognized municipal advisor appointed by the Port for purposes of making such calculation.

***Credit Facility*** means a policy of municipal bond insurance, a letter of credit, surety bond, line of credit, guarantee, reimbursement agreement, or other financial instrument or any combination of the foregoing, which obligates a third party to make payment or provide funds for the payment of the purchase price of or the scheduled principal of and interest on Prior Lien

Bonds or Subordinate Lien Parity Bonds. There may be one or more Credit Facilities outstanding at any time.

***Credit Facility Issuer*** means the issuer of any Credit Facility.

***Customer Facility Charge*** or ***CFC*** means any customer facility charge authorized pursuant to state law, including pursuant to RCW 14.08.120, as may be amended from time to time, and imposed upon customers of rental car companies accessing the Facilities for the purpose of financing, designing, constructing, operating and maintaining consolidated rental car facilities and common use transportation equipment and facilities which are used to transport the customer between the consolidated car rental facilities and other Facilities, or any successor provision approving such a charge or a similar charge or fee, and any interest, profits or other income derived from the investment thereof.

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

- (a) with respect to any Outstanding Original Issue Discount Bonds or Capital Appreciation Bonds that are not designated as Balloon Maturity Bonds, the principal amount thereof equal to the Accreted Value thereof maturing or scheduled for redemption in such period, plus the interest, if any, payable during such period;
- (b) with respect to any Outstanding Fixed Rate Bonds, an amount equal to (1) the principal amount coming 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 such principal on the assumption that mandatory sinking fund installments will be applied to the redemption or retirement of such Prior Lien Bonds or Subordinate Lien Parity Bonds on the required redemption or retirement date, plus (3) all interest

payable during such period on any such Prior Lien Bonds and Subordinate Lien Parity Bonds Outstanding;

- (c) with respect to all other series of Prior Lien Bonds and 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 Prior Lien 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 Prior Lien Bonds or Subordinate Lien Parity Bonds during such period computed on the assumption that the amount of such Prior Lien Bonds or Subordinate Lien Parity Bonds Outstanding as of the date of such computation would be amortized (1) in accordance with their scheduled maturities or required repayment dates, if any, and any mandatory redemption provisions (disregarding any put, mandatory tender or mandatory purchase provisions) set forth in or approved pursuant to their authorizing resolution, or if scheduled maturities, required repayment dates or mandatory redemption provisions (disregarding any put, mandatory tender or mandatory purchase provisions) are not provided, over a 30-year period commencing with the first fiscal year following the date of computation to provide for essentially level annual debt service of principal and interest over such period and (2) at an interest rate equal to the greater of (A) the average of the applicable Variable Rate Index over the 10-year period ending the week immediately preceding the date of calculation plus 0.50%, and (B) the applicable Variable Rate Index in the week immediately preceding the date of calculation; and
- (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 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.

Debt Service shall include reimbursement obligations (and interest accruing thereon) owing to any Credit Facility Issuer or Liquidity Facility Issuer; provided that a Prior Lien Bond or Subordinate Lien Parity Bond and an unreimbursed reimbursement obligation arising with respect to such Prior Lien Bond or Subordinate Lien Parity Bond shall not be deemed to be Outstanding at the same time. With respect to any Prior Lien Bonds or Subordinate Lien Parity Bonds payable in other than U.S. Dollars, Debt Service shall be calculated as provided in or pursuant to their authorizing resolution. Debt Service shall be net of (1) any principal or interest funded out of Prior Lien Bond or Subordinate Lien Parity Bond proceeds and (2) any Debt Service Offset.

***Debt Service Offset*** means receipts of the Port (such as PFCs or CFCs) that are not included in Gross Revenue and that are legally available and pledged by the Port to pay debt service on Prior Lien Parity Bonds and/or Subordinate Lien Parity Bonds for a period not less than the duration of the Certificate Period.

***Derivative Facility*** means a letter of credit, an insurance policy, a surety bond or other credit enhancement device, given, issued or posted as security for the Port's obligations under one or more Derivative Products.

***Derivative Payment Date*** means any date specified in the Derivative Product on which a Port Payment is due and payable under the Derivative Product.

***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;
- (b) under which Reciprocal Payments are to be made directly into a bond fund for Prior Lien Bonds or Subordinate Lien Parity Bonds Outstanding;
- (c) 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
- (d) 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.

***Derivative Product Account*** means the Derivative Product Account, if any, created and established under Section 6 hereof or under another authorizing resolution.

***Designated Port Representative*** means the Executive Director of the Port, the Deputy Executive Director of the Port 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.

***EMMA*** means the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system, located at [www.emma.msrb.org](http://www.emma.msrb.org), or any successor to its functions.

*Estimated Average Derivative Rate* means:

- (a) as to the variable rate payments to be made by a party under any Derivative Product,
  - (1) 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;
  - (2) 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 Prior Lien Bonds or 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 Prior Lien Bonds or Subordinate Lien Parity Bonds; and
- (c) if two or more Derivative Products 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 the 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)(1) and (a)(2) of this definition and, where

applicable, with respect to the first of such Derivative Products to become effective.

**Facilities** mean all equipment and all property, real and personal, or any interest therein, whether improved or unimproved, now or hereafter (for as long as any Subordinate Lien Parity Bonds of the Port shall be Outstanding) owned, operated, used, leased or managed by the Port and that contribute in some measure to its Gross Revenue.

**First Lien Bonds** mean the Outstanding First Lien Bonds and any bonds issued by the Port pursuant to Section 5 of the First Lien Master Resolution, which provides that such bonds shall be on a parity of lien with other series of First Lien Bonds.

**First Lien Master Resolution** has the meaning set forth in the recitals, as such resolution may be amended in the future in accordance with its terms.

**Fitch** means Fitch Ratings, Inc., organized and existing under the laws of the State of Delaware, its successors and their assigns, and, if such organization shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, Fitch shall be deemed to refer to any other nationally recognized securities rating agency (other than S&P, Moody's or Kroll) designated by the Designated Port Representative.

**Fixed Rate Bonds** means Bonds other than Capital Appreciation Bonds, Original Issue Discount Bonds or variable rate Balloon Maturity Bonds with a rate of interest on such Prior Lien Bonds or Subordinate Lien Parity Bonds that is fixed and determinable through their final maturity or for a specified period of time. If so provided in their authorizing resolution or a certificate of the Designated Port Representative executed on or prior to their date of issuance, Prior Lien Bonds or Subordinate Lien Parity Bonds may be deemed to be Fixed Rate Bonds for only a portion of their term.

***Future Subordinate Lien Parity Bonds*** means revenue bonds or other revenue obligations issued by the Port in the future with a lien on Gross Revenue equal to the lien thereon of the Subordinate Lien Parity Bonds Outstanding, including without limitation any Bank Bond issued by the Port in the future with a lien on Gross Revenue equal to the lien thereon of the Subordinate Lien Parity Bonds Outstanding.

***Gross Revenue*** means all income and revenue derived by the Port from any source whatsoever except:

- (a) the proceeds of any borrowing by the Port and the earnings thereon (other than earnings on proceeds deposited in reserve funds);
- (b) income and revenue that may not legally be pledged for revenue bond debt service;
- (c) passenger facility charges (PFCs), head taxes, federal grants or substitutes therefor allocated to capital projects;
- (d) payments made under Credit Facilities or Liquidity Facilities issued to pay or secure the purchase of or payment of a particular series of Prior Lien Bonds or Subordinate Lien Parity Bonds;
- (e) proceeds of insurance or condemnation proceeds other than business interruption insurance;
- (f) income and revenue of the Port separately pledged and used by it to pay and secure the payment of the principal of and interest on any issue or series of Special Revenue Bonds of the Port issued to acquire, construct, equip, install or improve part or all of the particular facilities from which such income and revenue are derived, *provided that* nothing in this subparagraph (f) shall permit the withdrawal from Gross Revenue of any income or revenue derived or to be derived by the Port from any income producing

facility that shall have been contributing to Gross Revenue prior to the issuance of such Special Revenue Bonds and that are not Released Revenues; and

(g) income from investments irrevocably pledged to the payment of bonds to be refunded under any refunding bond plan of the Port.

Notwithstanding the foregoing, the Port may elect to pledge other receipts at any time as additional security for any one or more series of obligations.

***Intermediate Lien Parity Bonds*** means the Outstanding Intermediate Lien Bonds and any future revenue bonds issued pursuant to the Intermediate Lien Master Resolution with a lien on Available Intermediate Lien Revenues (as defined in the Intermediate Lien Master Resolution) on a parity with the lien thereon of the then Outstanding Intermediate Lien Bonds.

***Intermediate Lien Master Resolution*** has the meaning set forth in the recitals, as such resolution may be amended in the future in accordance with its terms.

***Kroll*** means Kroll Bond Rating Agency, Inc. and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term Kroll shall be deemed to refer to any other nationally recognized securities rating agency (other than Moody's, Fitch or S&P) selected by the Designated Port Representative.

***Liquidity Facility*** means a line of credit, standby purchase agreement or other financial instrument or any combination of the foregoing, which obligates a third party to make payment or to provide funds for the payment of the purchase price of Prior Lien Bonds or Subordinate Lien Parity Bonds. There may be more than one Liquidity Facility providing funds for payment of the purchase price of Prior Lien Bonds or Subordinate Lien Parity Bonds if so provided in or pursuant to the Series Resolution or Series Resolutions.

***Liquidity Facility Issuer*** means the issuer of any Liquidity Facility.

***Maximum Annual Debt Service*** means the highest Annual Debt Service in any future fiscal year.

***Moody's*** means Moody's Ratings, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term Moody's shall be deemed to refer to any other nationally recognized securities rating agency (other than Fitch or S&P or Kroll) selected by the Designated Port Representative.

***Net Revenues*** means Gross Revenue less any part thereof that must be used to pay Operating Expenses.

***Operating Expenses*** means the current expenses incurred for operation or maintenance of the Facilities (other than Special Facilities), as defined under generally accepted accounting principles, in effect from time to time, excluding any allowances for depreciation or amortization or interest on any obligations of the Port incurred in connection with and payable from Gross Revenue, and excluding Operating Expenses paid from sources other than Gross Revenue (e.g. from the Port's property tax levy). Operating Expenses may be further adjusted as may be necessary to reflect more fairly the Port's annual operating performance (e.g. to omit other non-cash items).

***Original Issue Discount Bonds*** means Prior Lien Bonds or Subordinate Lien Parity Bonds that are sold at an initial public offering price of less than 95% of their face value and

that are designated as Original Issue Discount Bonds in their authorizing resolution or a certificate of the Designated Port Representative on or prior to their date of issuance.

***Other Revenue Available and Applied to Debt Service*** means income and revenue derived by the Port from any source whatsoever and not included in Gross Revenue (such as income or revenue generated by or attributable to PFCs, CFCs, or Special Facilities) that the Port receives in a fiscal year and uses to pay debt service on outstanding Prior Lien Bonds or Subordinate Lien Parity Bonds Outstanding in such fiscal year.

***Outstanding***, when used as of a particular time with reference to Prior Lien Bonds or Subordinate Lien Parity Bonds, means all Prior Lien Bonds Subordinate Lien Parity Bonds delivered pursuant to their authorizing resolution except:

- (a) Prior Lien Bonds or Subordinate Lien Parity Bonds cancelled by the Registrar or surrendered to the Registrar for cancellation;
- (b) Prior Lien Bonds or Subordinate Lien Parity Bonds paid or deemed to have been paid within the meaning of their authorizing resolution; and
- (c) Prior Lien Bonds or Subordinate Lien Parity Bonds in lieu of or in substitution for which replacement Prior Lien Bonds or Subordinate Lien Parity Bonds, as applicable, have been executed by the Port and delivered by the Registrar.

Notwithstanding the foregoing, Bank Bonds and other Prior Lien Bonds or Subordinate Lien Parity Bonds evidencing the Port's obligation to reimburse any Credit Facility Issuer or Liquidity Facility Issuer for the payment of the purchase price of, or principal of or interest on, any Prior Lien Bonds or Subordinate Lien Parity Bonds, as applicable, shall remain Outstanding until the applicable Credit Facility Issuer or Liquidity Facility Issuer is paid all such amounts due.

***Outstanding First Lien Bonds*** has the meaning set forth in the recitals hereto.

***Outstanding Intermediate Lien Bonds*** has the meaning set forth in the recitals hereto.

***Outstanding Subordinate Lien Parity Bonds*** has the meaning set forth in the recitals hereto.

***Passenger Facility Charge*** or ***PFC*** means any charge collected pursuant to the authority granted by the Aviation Safety and Capacity Expansion Act of 1990 (49 U.S.C. § 40117), the Aviation Investment Reform Act of 2000 and 14 C.F.R. Part 158, as amended from time to time, and interest earnings thereon, net of amounts that collecting air carriers are entitled to retain for collecting, handling and remitting such passenger facility charge revenues.

***Port*** means the Port of Seattle, a municipal corporation of the State of Washington, as now or hereafter constituted, or the corporation, authority, board, body, commission, department or officer succeeding to the principal functions of the Port or to whom the powers vested in the Port shall be given by law.

***Port Payment*** means any payment, other than a termination or other nonscheduled payment, required to be made by or on behalf of the Port under a Derivative Product and which is determined according to a formula set forth in a Derivative Product.

***Prior Lien Bonds*** means the First Lien Bonds, the Intermediate Lien Parity Bonds, the Reserved Lien Revenue Bonds, and any other revenue bonds that may be issued in the future at the discretion of the Port payable from Net Revenues as described in paragraphs Second through Eighth of Section 3(b) of this resolution and with a lien on Gross Revenue or Net Revenues superior to the lien thereon of the Subordinate Lien Parity Bonds.

***Prior Lien Debt Service (Rate Covenant)*** means, for any fiscal year, the sum of the amounts required to be deposited during such fiscal year from Net Revenues for the payment of the amounts described in paragraphs Second through Eighth of Section 3(b) of this resolution.

***Qualified Insurance*** means any non-cancellable municipal bond insurance policy or surety bond issued by any insurance company licensed to conduct an insurance business in any state of the United States (or by a service corporation acting on behalf of one or more such insurance companies) which insurance company or companies, as of the time of issuance of such policy or surety bond, are rated in one of the three highest Rating Categories by one or more of the Rating Agencies for unsecured debt or insurance underwriting or claims paying.

***Qualified Letter of Credit*** means any irrevocable letter of credit issued by a financial institution, which institution maintains an office, agency or branch in the United States and as of the time of issuance of such letter of credit, is rated in one of the three highest long-term Rating Categories by one or more of the Rating Agencies.

***Rating Agency*** means Moody's, S&P, Fitch, Kroll, and/or another nationally recognized rating agency, provided such rating agency is then maintaining a rating on the applicable Series of First Lien Bonds or Subordinate Lien Parity Bonds at the request of the Port.

***Rating Category*** means the generic rating categories of a Rating Agency, without regard to any refinement or gradation of such rating category by a numerical modifier or otherwise.

***Reciprocal Payment*** means any payment to be made to, or for the benefit of, the Port under a Derivative Product by the Reciprocal Payor.

***Reciprocal Payor*** means any bank or corporation, partnership or other entity who itself, or whose guarantor, has at the time the Derivative Product is entered into, at least an "A"

rating from a Rating Agency then maintaining a rating on the applicable Prior Lien Bonds or Subordinate Lien Parity Bonds Outstanding, that is a party to a Derivative Product and that is obligated to make one or more Reciprocal Payments thereunder.

**Registered Owner** means the person named as the registered owner of a Subordinate Lien Parity Bond on the register for such Subordinate Lien Parity Bond. For so long as the Subordinate Lien Parity Bonds are held by a Securities Depository or its nominee, such Securities Depository shall be deemed to be the Registered Owner.

**Released Revenues** means income or revenue of the Port previously included in Gross Revenue in respect of which the following have been delivered by or to the Port:

- (a) a certificate of the Designated Port Representative identifying the income or revenue to be removed from the definition of Gross Revenue and certifying the Port is in compliance with all requirements of this resolution;
- (b) a certificate of the Port or an independent certified public accountant to the effect that Net Revenue, excluding the income or revenues proposed to become Released Revenues, for each of the two audited fiscal years prior to the date of such certificate were equal to at least 110% of Maximum Annual Debt Service; and
- (c) an opinion of Bond Counsel to the effect that the exclusion of such revenues from the definition of Gross Revenue and from the pledge, charge and lien of this resolution will not in and of itself cause the interest on any Subordinate Lien Parity Bond issued as tax-exempt securities to be included in gross income for purposes of federal income tax.

**Repair and Renewal Fund** means the special fund authorized to be created pursuant to Section 2(b) of the First Lien Master Resolution.

***Reserved Lien Revenue Bonds*** means those revenue bonds and other revenue obligations issued or incurred by the Port payable from Gross Revenue and having liens on Gross Revenue or Net Revenues subordinate to that of the Intermediate Lien Parity Bonds and prior to the lien thereon of the Subordinate Lien Parity Bonds.

***Revenue Fund*** means, collectively, the Port's general fund, airport development fund and any other fund established in the office of the Treasurer for the receipt of Gross Revenue.

***SIFMA Municipal Swap Index*** means the Securities Industry and Financial Markets Association Municipal Swap Index or such other weekly, high-grade index comprised of seven-day, tax-exempt variable rate demand notes produced by Bloomberg, or its successor, or as otherwise designated by the Securities Industry and Financial Markets Association; *provided*, however, that, if such index is no longer produced by Bloomberg or its successor, then SIFMA Municipal Swap Index shall mean such other reasonably comparable index selected by the Designated Port Representative.

***Series Resolution*** means a resolution adopted by the Commission authorizing the issuance of one or more series of Subordinate Lien Parity Bonds pursuant to the terms of this resolution.

***Special Facilities*** means particular facilities financed with the proceeds of Special Revenue Bonds.

***Special Revenue Bonds*** mean any issue or series of revenue bonds, revenue warrants or other revenue obligations of the Port issued to directly or indirectly acquire (by purchase, lease or otherwise), construct, equip, install or improve part or all of particular facilities (together with

any revenue obligations issued to refund the foregoing), and which are payable from and secured by the income and revenue from such facilities.

***SOFR Index*** means the forward-looking one month term rate based on the secured overnight financing rate that is published by CME Group Benchmark Administration Ltd. (“CME”), or its successor, and displayed on CME’s Market Data Platform (or other commercially available source providing such quotations); *provided*, however, that, if such rate is no longer provided by CME or its successor, then the SOFR Index shall mean such other reasonably comparable index selected by the Designated Port Representative.

***S&P*** means S&P Global Ratings, Inc., and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term S&P shall be deemed to refer to any other nationally recognized securities rating agency (other than Moody’s or Fitch or Kroll) selected by the Designated Port Representative.

***Subordinate Lien Bond Fund*** means the Port of Seattle Subordinate Lien Bond Fund created or maintained in the office of the Treasurer by authority granted in Section 3(a) of this resolution.

***Subordinate Lien Parity Bonds*** mean the Outstanding Subordinate Lien Parity Bonds and any Future Subordinate Lien Parity Bonds, including without limitation any Bank Bonds issued in connection with the Outstanding Subordinate Lien Parity Bonds and any Bank Bonds issued in connection with Future Subordinate Lien Parity Bonds.

***Subordinate Lien Parity Test*** means (1) if no Debt Service Offset is applied to Debt Service, Net Revenue equal to or greater than 1.05 times Annual Debt Service on all Prior Lien

Bonds and Subordinate Lien Parity Bonds then Outstanding and the Future Subordinate Lien Parity Bonds then proposed to be issued, or (2) if any Debt Service Offset is applied to Debt Service, Net Revenue equal to or greater than 1.10 times Annual Debt Service on all Prior Lien Bonds and Subordinate Lien Parity Bonds then Outstanding and the Future Subordinate Lien Parity Bonds then proposed to be issued.

***Subordinate Lien Rate Covenant*** means the covenant of the Port to establish, maintain and collect rentals, tariffs, rates, fees, and charges in the operation of all of its business for as long as any Subordinate Lien Parity Bonds are Outstanding that will produce Net Revenue in each fiscal year at least equal to 100% of the amounts required to pay the following amounts coming due in such fiscal year:

- (1) Prior Lien Debt Service (Rate Covenant), and
- (2) without duplication and in connection with Subordinate Lien Parity Bonds:
  - (a) principal of and interest on any Subordinate Lien Parity Bond Outstanding that is not Commercial Paper and is not a Bank Bond,
  - (b) interest on any Commercial Paper that is Outstanding during such fiscal year,
  - (c) principal of and interest on any Bank Bond that is Outstanding during such fiscal year,
  - (d) any Port Payments due with respect to any Derivative Product and,
  - (e) to the extent not otherwise provided for in this definition, any amounts due to a Reciprocal Payor,

but excluding from each of the foregoing without duplication, payments made or to be made from Other Revenue Available and Applied to Debt Service, bond proceeds and other money irrevocably set aside for such payment.

***Subordinate Lien Resolution*** means any Outstanding Subordinate Lien Resolution or Series Resolution authorizing the issuance of one or more series of Subordinate Lien Parity Bonds pursuant to this resolution.

***Taxable Obligation*** means any Prior Lien Bond or Subordinate Lien Parity Bond the interest on which is taxable for federal income tax purposes.

***Tax-Exempt Obligation*** means any Prior Lien Bond or Subordinate Lien Parity Bond the interest on which is tax-exempt or tax-advantaged for federal income tax purposes.

***Treasurer*** means the Chief Financial Officer of the Port, or any other public officer as may hereafter be designated pursuant to law to have the custody of Port funds.

***Variable Rate Index*** means, for Tax-Exempt Obligations, the SIFMA Municipal Swap Index and, for Taxable Obligations, the SOFR Index.

CERTIFICATE

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

1. That the attached resolution numbered 3847 (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 14th day of April, 2026, 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 \_\_\_\_ day of \_\_\_\_\_, 2026.

\_\_\_\_\_  
Secretary

Item Number: <a href="#">8c_reso_3</a> Meeting Date: <a href="#">April 14, 2026</a>
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RESOLUTION NO. 3847

A RESOLUTION of the Port Commission of the Port of Seattle, amending Resolution No. 3598, which authorized the issuance and sale of Subordinate Lien Revenue Refunding Bonds, Series 2008, in the aggregate principal amount not to exceed \$201,000,000, for the purpose of refunding certain outstanding subordinate lien revenue bonds of the Port; amending definitions, requirements with respect to the Subordinate Lien Bond Fund, provisions permitting the issuance of additional bonds, bond covenants, defaults and remedies, permitted amendments, and related provisions; and making technical amendments.

Prepared by:

PACIFICA LAW GROUP LLP  
Seattle, Washington

Adopted: April 14, 2026

PORT OF SEATTLE  
RESOLUTION NO. 3847  
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RESOLUTION NO. 3847

A RESOLUTION of the Port Commission of the Port of Seattle, amending Resolution No. 3598, which authorized the issuance and sale of Subordinate Lien Revenue Refunding Bonds, Series 2008, in the aggregate principal amount not to exceed \$201,000,000, for the purpose of refunding certain outstanding subordinate lien revenue bonds of the Port; amending definitions, requirements with respect to the Subordinate Lien Bond Fund, provisions permitting the issuance of additional bonds, bond covenants, defaults and remedies, permitted amendments, and related provisions; and making technical amendments.

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

WHEREAS, the Port has authorized the issuance of revenue bonds in one or more series pursuant to Resolution No. 3059, as amended, of the Commission, adopted on February 2, 1990, as most recently amended and restated by Resolution No. 3577 of the Commission adopted on February 27, 2007 (collectively, the “First Lien Master Resolution”), each series being payable from the Net Revenues (as such term is defined in the First Lien Master Resolution); and

WHEREAS, the Port currently has outstanding four series of first lien revenue bonds pursuant to the First Lien Master Resolution, as follows:

Authorizing Resolution Number	Date of Original Issue	Series	Original Principal Amount	Principal Amount Outstanding (as of 01/03/2026)	Final Maturity Date
3619	07/16/2009	(B-2)	\$ 22,000,326 <sup>(1)</sup>	\$ 57,572,236 <sup>(1)</sup>	05/01/2031
3721	08/02/2016	(B)	124,380,000	75,660,000	10/01/2032
3721	08/02/2016	(C)	6,180,000	3,395,000	10/01/2032
3787	06/30/2021		43,015,000	9,540,000	09/01/2026
				\$146,167,236	

<sup>(1)</sup> Series 2009B-2 Bonds are capital appreciation bonds; total principal amount outstanding includes accreted interest of \$40,174,645 through January 3, 2026.

(the “Outstanding First Lien Parity Bonds”); and

WHEREAS, the Port has authorized the issuance of intermediate lien revenue bonds having a lien on Net Revenues subordinate to the lien thereon of the Outstanding First Lien Parity Bonds in one or more series pursuant to Resolution No. 3540, as amended, adopted on June 14, 2005 (the “Intermediate Lien Master Resolution”); and

WHEREAS, the Port currently has outstanding 21 series of intermediate lien revenue bonds pursuant to the Intermediate Lien Master Resolution, as follows:

Authorizing Resolution Number	Date of Original Issue	Series	Original Principal Amount	Principal Amount Outstanding (As of 01/03/2026)	Final Maturity Date
3709	08/06/2015	(C)	\$226,275,000	\$165,730,000	04/01/2040
3722	08/02/2016		99,095,000	84,555,000	02/01/2030
3735	08/22/2017	(A)	16,705,000	16,705,000	05/01/2028
3735	08/22/2017	(B)	264,925,000	161,930,000	05/01/2036
3735	08/22/2017	(C)	313,305,000	261,675,000	05/01/2042
3735	08/22/2017	(D)	93,230,000	23,830,000	05/01/2027
3749	06/21/2018	(A)	470,495,000	404,975,000	05/01/2043
3749	06/21/2018	(B)	85,145,000	32,225,000	05/01/2028
3758	08/07/2019		457,390,000	406,220,000	04/01/2044
3786	06/30/2021	(A)	47,025,000	9,430,000	12/01/2030
3786	06/30/2021	(B)	148,765,000	127,790,000	06/01/2040
3786	06/30/2021	(C)	514,390,000	443,015,000	08/01/2046
3786	06/30/2021	(D)	41,395,000	31,490,000	08/01/2031
3801	08/11/2022	(A)	206,200,000	190,155,000	08/01/2033
3801	08/11/2022	(B)	585,930,000	537,495,000	08/01/2047
3801	08/11/2022	(C)	70,435,000	34,975,000	08/01/2032
3826	08/15/2024	(A)	168,975,000	158,955,000	03/01/2040
3826	08/15/2024	(B)	648,940,000	632,855,000	07/01/2049
3837	08/21/2025	(A)	74,235,000	74,235,000	10/01/2050
3837	08/21/2025	(B)	650,460,000	650,460,000	10/01/2050
3837	08/21/2025	(C)	22,550,000	22,550,000	09/01/2032
				\$4,471,250,000	

(the “Outstanding Intermediate Lien Parity Bonds”); and

WHEREAS, the Port has issued and currently has outstanding two series of subordinate lien revenue bonds, as follows:

Authorizing Resolution Number	Date of Original Issue	Original Principal Amount	Principal Amount Outstanding (1/3/2026)	Final Maturity Date
3456 <sup>(1)</sup>	(CP)	\$ 400,000,000	\$120,000,000	06/01/2051
3598	06/17/2008	200,715,000	110,335,000	07/01/2033
			<u>\$230,335,000</u>	

<sup>(1)</sup> As amended by Resolution No. 3777, adopted on September 22, 2020.

(the “Outstanding Subordinate Lien Parity Bonds”); and

WHEREAS, the Outstanding Subordinate Lien Resolutions authorize amendments thereto from time to time by a Supplemental Resolution approved by the registered owners of 51% in aggregate principal amount of the then Outstanding Subordinate Lien Parity Bonds. The Outstanding Subordinate Lien Resolutions further deem any Credit Facility Issuer (as defined therein) to be the sole registered owner of any Outstanding Subordinate Lien Parity Bonds that are payable from the credit facility provided by such Credit Facility Issuer for the purpose of consenting to amendments, except for amendments that alter the interest rate on any Outstanding Subordinate Lien Parity Bonds, the maturity date, interest payment dates, purchase upon tender or redemption of any Outstanding Subordinate Lien Parity Bonds; and

WHEREAS, with the consent of the Credit Facility Issuer of a credit facility securing the payment of the Outstanding Subordinate Lien Revenue Refunding Bonds, Series 2008, the Port intends to amend the covenants set forth in the Outstanding Subordinate Lien Resolutions, specifically including Resolution No. 3598, as amended (the “Original Resolution”); and

WHEREAS, the Port now desires to amend the Original Resolution pursuant to Section 7.07(a) thereof;

WHEREAS, the Commission deems it advisable and in the best interest of the Port to adopt this resolution amending the Original Resolution;

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

## ARTICLE I. AMENDMENTS

### Section 1.01. Definitions (Amended).

Section 1.01 of the Original Resolution is hereby amended to read as set forth in this section. Additions and deletions from the Original Resolution are shown as marked text, with additions double underlined and deletions struck:

Unless the context otherwise requires, the following terms shall have the following meanings.

*Accreted Value* has the meaning set forth in Exhibit A ~~means (a) with respect to any Capital Appreciation Bonds, as of any date of calculation, the sum of the initial principal amount of such Subordinate Lien Parity Bonds plus the interest accumulated, compounded and unpaid thereon as of the most recent compounding date, or (b) with respect to Original Issue Discount Bonds, as of the date of calculation, the amount representing the initial public offering price of such Subordinate Lien Parity Bonds plus the amount of discounted principal which has accreted since the date of issue. In each case the Accreted Value shall be determined in accordance with the provisions of the Subordinate Lien Resolution authorizing the issuance of such Subordinate Lien Parity Bonds.~~

~~*Aggregate Annual Debt Service* means Annual Debt Service for all Outstanding Subordinate Lien Parity Bonds and all Subordinate Lien Parity Bonds authorized but unissued under a Subordinate Lien Resolution unless such unissued Subordinate Lien Parity Bonds are~~

~~authorized to provide permanent financing in connection with the issuance of short term obligations, and, without duplication, Annual Debt Service with respect to any Derivative Product.~~

*Aggregate Interest Coverage* means, as of any date, the aggregate amount of Interest Coverage determined with respect to Bonds in the Commercial Paper Mode, including all Interest Periods then in effect.

*Annual Debt Service* ~~has the meaning set forth in Exhibit A means the total amount of Debt Service for any Series of Outstanding Subordinate Lien Parity Bonds, and, without duplication, with respect to any Derivative Product, in any fiscal year or Base Period.~~

*Authorized Denominations* means:

(a) with respect to Bonds in a Commercial Paper Mode, \$100,000 and any integral multiple of \$1,000 in excess thereof within a maturity,

(b) with respect to Bonds in a Daily Mode or Weekly Mode, \$100,000 and any integral multiple of \$5,000 in excess thereof within a maturity,

(c) with respect to Bonds in a Long Term Mode or a Fixed Rate Mode, \$5,000 and any integral multiple thereof within a maturity, and

(d) with respect to Bank Bonds, any amount (but only during the period that such Bonds are Bank Bonds).

*Available Revenue* ~~has the meaning set forth in Exhibit A 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.

***Balloon Maturity Bonds*** has the meaning set forth in Exhibit A and shall include the Bonds means, ~~except as provided in Section 2.02(b), the Bonds, the Subordinate Lien Revenue Bonds, Series 1997, the Subordinate Lien Revenue Commercial Paper Notes, the Series 2003C Bonds, the Subordinate Lien Revenue Bonds, Series 2005, and any Future Subordinate Lien Parity Bonds that are so designated in the Subordinate Lien Resolution pursuant to which such Future Subordinate Lien Parity Bonds are issued. Commercial paper (obligations with a maturity of not more than 270 days from the date of issuance) shall be deemed to be Balloon Maturity Bonds.~~

***Bank*** means, ~~initially, Landesbank Hessen-Thüringen Girozentrale, acting through its New York Branch~~ Bank of America, N.A., and any successor Bank appointed by the Designated Port Representative pursuant to this resolution.

***Bank Bonds*** has the meaning set forth in Exhibit A ~~shall have the meaning set forth in Section 4.04 hereof.~~

***Bank Interest Rate*** means the rate of interest payable with respect to Bank Bonds, if any, which rate of interest shall be determined in accordance with the provisions of the Reimbursement Agreement.

***Bank Purchase Subaccount*** means the subaccount by that name created within the Purchase Account in accordance with Section 4.04 hereof.

***Base Period*** has the meaning set forth in Exhibit A ~~means any consecutive 12-month period selected by the Designated Port Representative out of the 30-month period next preceding the date of issuance of an additional series of Future Subordinate Lien Parity Bonds.~~

**Beneficial Owner** means any person that has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediary).

**Bond or Bonds** means the Port of Seattle Subordinate Lien Revenue Refunding Bonds, Series 2008.

**Bond Counsel** means a firm of lawyers nationally recognized and accepted as bond counsel and so employed by the Port for any purpose under this resolution applicable to the use of that term.

**Bond Purchase Contract** means the purchase contract relating to the Bonds between the Port and the Underwriter.

**Bond Register** means the registration records for the Bonds maintained by the Registrar.

**Business Day** means a day (a) other than a day on which banks in Seattle, Washington or New York, New York, the Securities Depository, the Registrar, the Remarketing Agent, the Credit Facility Issuer or the Liquidity Facility Provider are authorized or required to be closed and (b) on which the New York Stock Exchange is not closed.

**Capital Appreciation Bonds** ~~has the meaning set forth in Exhibit A~~ ~~mean Subordinate Lien Parity Bonds all or a portion of the interest on which is compounded, accumulated and payable only upon redemption or on the maturity date of such Subordinate Lien Parity Bonds. If so provided in the Subordinate Lien Resolution authorizing their issuance, Subordinate Lien Parity Bonds may be deemed to be Capital Appreciation Bonds for only a portion of their term. On the date on which Subordinate Lien Parity Bonds no longer are Capital Appreciation Bonds, they shall be deemed Outstanding in a principal amount equal to their Accreted Value.~~

**Closing Date** means the date of initial issuance and delivery of the Bonds.

**Code** means the Internal Revenue Code of 1986, as amended, together with corresponding and applicable final, temporary or proposed regulations or revenue rulings issued or amended with respect thereto by the U.S. Treasury Department or the Internal Revenue Service, to the extent applicable to the Bonds.

**Commercial Paper** has the meaning set forth in Exhibit A.

**Commercial Paper Bond** means a Bond while in a Commercial Paper Mode.

**Commercial Paper Mode** means the Mode in which the Bonds or Bonds of a Series bear interest at Commercial Paper Rates for Interest Periods established pursuant to Section 2.09.

**Commercial Paper Rate** means the per annum interest rate for a Bond in the Commercial Paper Mode determined pursuant to Section 2.09.

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

**Consultant** ~~has the meaning set forth in Exhibit A—means at any time an independent consultant nationally recognized in marine or aviation matters or an engineer or engineering firm or other expert appointed by the Port to perform the duties of the Consultant as required by this resolution. For the purposes of delivering any certificate required by Section 5.04 hereof and making the calculation required by Section 5.04 hereof, the term Consultant shall also include any independent national public accounting firm appointed by the Port to make such calculation or to provide such certificate or nationally recognized financial advisor appointed by the Port for purposes of making such calculation.~~

**Costs of Construction** means all costs paid or incurred by the Port in connection with the acquisition and construction of capital additions, improvements and betterments to and extensions of the Facilities, and the placing of the same in operation, including, but without limiting the

generality of the foregoing, paying all or a portion of the interest on the series of Subordinate Lien Parity Bonds or any portion thereof issued to finance the costs of such improvements during the period of construction of such improvements, and for a period of time thereafter; paying amounts required to meet any reserve requirement for the fund or account established or maintained for such series of Subordinate Lien Parity Bonds from the proceeds thereof; paying or reimbursing the Port or any fund thereof or any other person for expenses incident and properly allocable to the acquisition and construction of said improvements and the placing of the same in operation; and all other items of expense incident and properly allocable to the acquisition and construction of said additions and improvements, the financing of the same and the placing of the same in operation.

***Credit Facility*** has the meaning set forth in Exhibit A ~~means, initially, the Letter of Credit and, thereafter, a policy of municipal bond insurance, a letter of credit, surety bond, line of credit, guarantee or other financial instrument or any combination of the foregoing, which obligates a third party to make payment or provide funds for the payment of financial obligations of the Port, including but not limited to payment of the scheduled principal of and interest on Bonds or Bonds of a Series. There may be one or more Credit Facilities outstanding at any time.~~

***Credit Facility Issuer*** means the Bank ~~initially~~ and shall include the issuer of any other Credit Facility.

***Current Mode*** means, on any date, the Mode in effect on that date for the Bonds or Bonds of a Series.

***Customer Facility Charge*** or ***CFC*** has the meaning set forth in Exhibit A.

***Daily Mode*** means the Mode in which the interest rate on the Bonds or Bonds of a Series is determined on each Business Day.

*Daily Rate* means the per annum interest rate on Bonds in the Daily Mode determined pursuant to Section 2.09.

~~*Date of Commercial Operation* means the date upon which any Facilities are first ready for normal continuous operation or, if portions of the Facilities are placed in normal continuous operation at different times, shall mean the midpoint of the dates of continuous operation of all portions of such Facilities, as estimated by the Port or, if used with reference to Facilities to be acquired, shall mean the date on which such acquisition is final.~~

*Debt Service* has the meaning set forth in Exhibit A ~~means, for any period of time,~~

~~(a) — with respect to any Outstanding Original Issue Discount Bonds or Capital Appreciation Bonds that 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, including 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;~~

~~(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 (1) 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 (2) at an interest rate equal to the yield to maturity set forth in the 40 Bond Index published in the edition of *The Bond Buyer* (or comparable publication or such other similar index selected by the Port with the approval of the Consultant, if applicable) selected by the Port and published within ten days prior to the date of calculation or, if such calculation is being made in connection with the certificate required by Section 5.04 hereof, then within ten days of the date of such certificate; and~~

~~(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 amount deposited in 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) owing to any Credit Facility Issuer or Liquidity Facility Issuer to the extent authorized herein or in another Subordinate Lien Resolution.~~

*Debt Service Offset* has the meaning set forth in Exhibit A.

*Default Tender Date* means the Business Day that is two Business Days prior to the termination of a Credit Facility because an event of default under a Reimbursement Agreement has occurred or due to a non-reinstatement of interest under the Credit Facility, but in any event no later than five Business Days following receipt of the notice of non-reinstatement.

*Derivative Facility* means a letter of credit, an insurance policy, a surety bond or other credit enhancement device, given, issued or posted as security for the Port's obligations under one or more Derivative Products.

*Derivative Payment Date* means any date specified in the Derivative Product on which a Port Payment is due and payable under the Derivative Product.

*Derivative Product* has the meaning set forth in Exhibit A ~~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;~~

(b) ~~subject to Section 5.06, 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, but not prior, 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.~~

*Derivative Product Account* means the Derivative Product Account, if any, created and established under Section 5.06 hereof or under another Subordinate Lien Resolution.

*Designated Port Representative* has the meaning set forth in Exhibit A ~~means the Chief Executive Officer of the Port, the Deputy Chief Executive Officer of the Port 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.~~

*EMMA* has the meaning set forth in Exhibit A.

**Discharge** occurs on the date that all amounts due under the terms of a Bond are actually and unconditionally due if cash is available at the place of payment, and no interest accrues with respect to the Bond after such date.

**DTC** means The Depository Trust Company, New York, New York as depository for the Bonds, or any successor or substitute depository for the Bonds.

**Electronic Means** mean e-mail, telecopy, telegraph, telex, facsimile transmission, time sharing terminal or any electronic means of communication that produces a written record.

~~**Escrow Agent**, if any is required, means Wells Fargo Bank, National Association.~~

**Escrow Agreement** means the Escrow Deposit Agreement, dated the date of issuance of the Bonds, between the Port and the Escrow Agent identified therein.

~~**Estimated Average Derivative Rate** has the meaning set forth in Exhibit A means:~~

~~(a) — as to the variable rate payments to be made by a party under any Derivative Product,~~  
~~—— (1) — 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;~~

~~—— (2) — 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~~

~~(e) if two or more Derivative Products 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 the 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)(1) and (a)(2) of this definition and, where applicable, with respect to the first of such Derivative Products to become effective.~~

*Expiration Date* means the stated expiration date of the Credit Facility or Liquidity Facility.

*Expiration Tender Date* means the day that is one Business Day prior to the Expiration Date.

*Facilities* has the meaning set forth in Exhibit A ~~mean all equipment and all property, real and personal, or any interest therein, whether improved or unimproved, now or hereafter (for as long as any Bonds of the Port shall be Outstanding) owned, operated, used, leased or managed by the Port and that contribute in some measure to its Gross Revenue.~~

*Favorable Opinion of Bond Counsel* means, with respect to any action, a written legal opinion of Bond Counsel, to the effect that such action is permitted under the laws of the State and this resolution and will not impair the exclusion of interest on a Bond from gross income for federal income tax purposes (subject to any exceptions contained in the opinion delivered upon original issuance of such Bond). The Favorable Opinion of Bond Counsel shall be addressed, or a reliance letter provided, to any Remarketing Agent and any Credit Facility Issuer.

***Federal Tax Certificate*** means the certificate executed by the Designated Port Representative pertaining to certain federal tax matters with respect to the Bonds.

***First Lien Bonds*** mean the Outstanding First Lien Bonds and any bonds issued by the Port in the future under a Series Resolution (as defined in the First Lien Master Resolution) and pursuant to Section 7 of the First Lien Master Resolution, which provides that such bonds shall be on a parity of lien with other series of First Lien Bonds.

***First Lien Master Resolution*** ~~has the meaning set forth in Exhibit A~~ ~~means Resolution No. 3059, as amended, of the Commission adopted on February 2, 1990, as amended by Resolution No. 3214, adopted on March 26, 1996, Resolution No. 3241, adopted on April 8, 1997, and Resolution No. 3436, adopted on July 11, 2000, and as amended and restated by Resolution No. 3577, adopted on February 27, 2007, of the Commission and as the same may be amended in the future in accordance with its terms.~~

***Fiscal Agency Agreement*** means the Agreement for Fiscal Agency Services dated ~~January 1, 2008,~~ between the State of Washington and ~~The Bank of New York~~ U.S. Bank Trust Company, National Association, and any amendments and supplements thereto and replacements thereof.

***Fitch*** ~~has the meaning set forth in Exhibit A~~ ~~means Fitch Ratings, Inc., organized and existing under the laws of the State of Delaware, its successors and their assigns, and, if such organization shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, Fitch shall be deemed to refer to any other nationally recognized securities rating agency (other than S&P or Moody's) designated by the Designated Port Representative.~~

***Fixed Mode*** means the Mode in which the Bonds or Bonds of a Series bear interest at a Fixed Rate or Fixed Rates to the Maturity Date or Maturity Dates.

***Fixed Rate*** means a per annum interest rate or rates borne by Bonds or Bonds of a Series to the maturity thereof determined pursuant to Section 2.09.

***Fixed Rate Bonds*** ~~has the meaning set forth in Exhibit A means Bonds other than Capital Appreciation Bonds, Original Issue Discount Bonds or Balloon Maturity Bonds issued under a Subordinate Lien Resolution in which the rate of interest on such Subordinate Lien Parity Bonds is fixed and determinable through their final maturity or for a specified period of time. If so provided in the Subordinate Lien Resolution authorizing their issuance, Subordinate Lien Parity Bonds may be deemed to be Fixed Rate Bonds for only a portion of their term.~~

***Future Subordinate Lien Parity Bonds*** ~~has the meaning set forth in Exhibit A means revenue bonds or other revenue obligations issued by the Port in the future with a lien on Net Revenues equal to the lien thereon of the Bonds and the Outstanding Subordinate Lien Bonds.~~

***Government Obligations*** has the meaning given to such term in RCW Chapter 39.53, as amended; provided that such obligations must be noncallable obligations issued or unconditionally guaranteed by the United States of America.

***Gross Revenue*** ~~has the meaning set forth in Exhibit A means all income and revenue derived by the Port from any source whatsoever except:~~

- ~~(a) — the proceeds of any borrowing by the Port and the earnings thereon (other than earnings on proceeds deposited in reserve funds);~~
- ~~(b) — income and revenue that may not legally be pledged for revenue bond debt service;~~
- ~~(c) — passenger facility charges, head taxes, federal grants or substitutes therefor allocated to capital projects;~~
- ~~(d) — payments made under Credit Facilities issued to pay or secure the payment of a particular series of Subordinate Lien Parity Bonds;~~

~~(e) — proceeds of insurance or condemnation proceeds other than business interruption insurance;~~

~~(f) — income and revenue of the Port separately pledged and used by it to pay and secure the payment of the principal of and interest on any issue or series of Special Revenue Bonds of the Port issued to acquire, construct, equip, install or improve part or all of the particular facilities from which such income and revenue are derived, *provided that* nothing in this subparagraph (f) shall permit the withdrawal from Gross Revenue of any income or revenue derived or to be derived by the Port from any income producing facility that shall have been contributing to Gross Revenue prior to the issuance of such Special Revenue Bonds; and~~

~~(g) — income from investments irrevocably pledged to the payment of bonds issued or to be refunded under any refunding bond plan of the Port.~~

~~Notwithstanding the foregoing, the Port may elect to pledge other receipts at any time as additional security for any one or more series of obligations.~~

***Interest Accrual Period*** means the period during which a Bond accrues interest payable on any Interest Payment Date, commencing on the last Interest Payment Date to which interest has been paid (or, if no interest has been paid in such Mode, commencing on the date of original authentication and delivery of such Bond, or the Mode Change Date, as the case may be) to, but not including, the Interest Payment Date on which interest is to be paid. Notwithstanding anything to the contrary in the foregoing, the Interest Accrual Period for any Bank Bond shall begin on the date that Bond becomes a Bank Bond and shall end on the day immediately preceding the day that Bond ceases to be a Bank Bond and the Interest Accrual Period for the Reimbursement Bond shall be as specified in the Reimbursement Agreement.

**Interest Coverage** means with respect to each Bond in the Commercial Paper Mode, a dollar amount determined in accordance with the following formula:

$$((R \times P) \div 365) \times (D + 15)$$

R = Commercial Paper Rate, applicable to such Bond

P = Principal amount of Bonds bearing interest at such Commercial Paper Rate

D = Duration (in days) of the Commercial Paper Interest Period applicable to such Bond

**Interest Payment Date** means:

- (a) with respect to Bonds in the Commercial Paper Mode, the Purchase Date;
- (b) with respect to Bonds in the Daily Mode, the first Business Day of each month;
- (c) with respect to Bonds in the Weekly Mode, the first Wednesday of each month, or the next succeeding Business Day if the first Wednesday of any month is not a Business Day;
- (d) with respect to Bonds in the Long Term Mode (1) the first Business Day of each January and July prior to the Purchase Date and (2) the Purchase Date;
- (e) with respect to Bonds in the Fixed Mode, each January 1 and July 1;
- (f) with respect to Bank Bonds, as to that portion of the Purchase Price of the Bond paid by the Credit Facility Issuer or Liquidity Facility Issuer, as the case may be, and constituting accrued interest, the date of purchase and thereafter, the dates specified in the Reimbursement Agreement, the applicable Maturity Date, the date of any optional redemption of a Bank Bond and the date of any remarketing of that Bank Bond;
- (g) any Mode Change Date (but only with respect to the particular Bonds changing Modes on that date);
- (h) any Mandatory Purchase Date (but only with respect to the particular Bonds subject to purchase on that date);

(i) the Maturity Date (but only with respect to the particular Bonds maturing on that date); and

(j) with respect to the Reimbursement Bond, the dates specified therefor in the Reimbursement Agreement.

***Interest Period*** means the period of time that any interest rate remains in effect for the Bonds, which period:

(a) with respect to Bonds in the Commercial Paper Mode, shall be a period of at least one day, but not more than 270 days, established pursuant to Section 2.09;

(b) with respect to Bonds in the Weekly Mode, shall be from and including the first day that the Bonds become subject to the Weekly Mode to and including the following Tuesday and thereafter commencing on each Wednesday to and including Tuesday of the following week, *provided that* in the case of a conversion from a Weekly Mode to a different Mode, the last Interest Period prior to conversion shall end on the last day immediately preceding the Mode Change Date;

(c) with respect to the Long Term Mode, initially, shall be a period of one year or more from and including the Mode Change Date to, but not including, the Purchase Date established pursuant to Section 2.09, and thereafter shall be the period of one year or more from and including such Purchase Date to but not including the next Purchase Date or Maturity Date established by the Remarketing Agent pursuant to Section 2.09;

(d) with respect to Bonds in the Fixed Mode, shall be from and including the Mode Change Date for those Bonds to but not including the Maturity Date for those Bonds;

(e) with respect to the Daily Mode, the period from and including each Business Day during which the Bonds are in the Daily Mode to but excluding the next Business Day; and

(f) with respect to any Bank Bond, the period from the date that Bond becomes a Bank Bond to but not including the date that Bond ceases to be a Bank Bond.

In no event shall an Interest Period for any Bond extend beyond the Maturity Date for that Bond or, except in the case of Bank Bonds, the day preceding any Mandatory Purchase Date for that Bond.

**Interest Portion** means the dollar amount available with respect to Bonds to be drawn under the Credit Facility or Liquidity Facility then in effect to pay interest, and/or the portion of the Purchase Price constituting interest, on Bonds.

**Interest Rate** means a Daily Rate, a Weekly Rate, a Long Term Rate, a Fixed Rate or a Commercial Paper Rate, as the context requires.

**Intermediate Lien Parity Bonds** ~~has the meaning set forth in Exhibit A—means the Outstanding Intermediate Lien Bonds and any future revenue bonds issued pursuant to the Intermediate Lien Master Resolution with a lien on Available Intermediate Lien Revenues (as defined in the Intermediate Lien Master Resolution) on a parity with the lien thereon of the Outstanding Intermediate Lien Bonds.~~

**Intermediate Lien Master Resolution** ~~has the meaning set forth in Exhibit A~~ means Resolution No. 3540 of the Port adopted by the Commission on June 14, 2005.

**Kroll** ~~has the meaning set forth in Exhibit A.~~

**Letter of Credit** means the irrevocable letter of credit issued by the Bank ~~on the Closing Date~~ securing the payment of the principal of and interest on the Bonds. The Letter of Credit is the ~~initial~~ Credit Facility and the ~~initial~~ Liquidity Facility.

**Letter of Representations** means the Blanket Issuer Letter of Representations from the Port to DTC.

***Liquidity Facility*** ~~has the meaning set forth in Exhibit A and initially is the Letter of Credit means, initially, the Letter of Credit and, thereafter, a line of credit, standby purchase agreement or other financial instrument or any combination of the foregoing, which obligates a third party to make payment or to provide funds for the payment of the Purchase Price of Bonds or Bonds of a Series. There may be more than one Liquidity Facility providing for payment of the Purchase Price of Bonds or Bonds of a Series.~~

***Liquidity Facility Issuer*** means the Bank ~~initially~~ and shall include the issuer of any Liquidity Facility.

***Long Term Bond*** means any Bond or Bonds of a Series while in the Long Term Mode.

***Long Term Mode*** means the Mode in which the interest rate on the Bonds or Bonds of a Series is determined for a period of one year or longer.

***Long Term Rate*** means the per annum interest rate for a term of one year or more to be borne by Bonds or Bonds of a Series on and after a Mode Change Date for such Bonds to a Long Term Mode, which rates shall be determined in accordance with Section 2.09.

***Mandatory Purchase Date*** means:

- (a) any Purchase Date for a Bond in the Commercial Paper Mode or the Long Term Mode,
- (b) any Mode Change Date for the Bonds or Bonds of a Series changing Modes,
- (c) any Substitution Tender Date or Expiration Tender Date,
- (d) any Default Tender Date, and
- (e) any Resolution Tender Date.

***Maturity Date*** means the date designated in the Bond Purchase Contract pursuant to Section 6.04 of this resolution, which date shall be no later than July 1, 2033, and upon a change

of Bonds to the Long Term Mode or Fixed Mode, any Serial Maturity Date or Term Maturity Date for such Bonds established pursuant to Section 3.01.

~~**Maximum Annual Debt Service** has the meaning set forth in Exhibit A means, with respect to any Outstanding series of Subordinate Lien Parity Bonds, the highest remaining Annual Debt Service for such series of Subordinate Lien Parity Bonds.~~

**Maximum Rate** means, on any day, the least of (a) 15%, (b) the maximum interest rate permitted by applicable law, and (c) the per annum interest rate used under any Credit Facility or any Liquidity Facility then in effect for the Bonds.

**Mode** means the Commercial Paper Mode, the Daily Mode, the Weekly Mode, the Long Term Mode or the Fixed Mode, as the context may require.

**Mode Change Date** means the date one Mode terminates for the Bonds or Bonds of a Series and another Mode for such Bonds begins.

**Mode Change Notice** means the notice sent by the Registrar to the Registered Owners pursuant to Section 2.10 notifying the Registered Owners that a change in Mode is to occur.

~~**Moody's** has the meaning set forth in Exhibit A means Moody's Investors Service, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term Moody's shall be deemed to refer to any other nationally recognized securities rating agency (other than Fitch or S&P) selected by the Designated Port Representative.~~

**Net Revenues** means Gross Revenue less any part thereof that must be used to pay Operating Expenses.

*New Mode* means the Mode to which the Bonds or Bonds of a Series are to be changed in accordance with Section 2.10.

*Notice Parties* means the Port, the Remarketing Agent (if any), the Registrar, any Credit Facility Issuer (if any), and the Liquidity Facility Issuer (if any).

*Operating Expenses* ~~has the meaning set forth in Exhibit A means the current expenses incurred for operation or maintenance of the Facilities (other than Special Facilities), as defined under generally accepted accounting principles, in effect from time to time, excluding any allowances for depreciation or amortization or interest on any obligations of the Port incurred in connection with and payable from Gross Revenue.~~

*Optional Redemption* means any redemption of Bonds made pursuant to Sections 3.02 through 3.05 hereof.

*Original Issue Discount Bonds* ~~has the meaning set forth in Exhibit A means Subordinate Lien Parity Bonds that are sold at an initial public offering price of less than 95% of their face value and that are specifically designated as Original Issue Discount Bonds in the Subordinate Lien Resolution authorizing their issuance.~~

*Other Revenue Available and Applied to Debt Service* has the meaning set forth in Exhibit A.

*Outstanding*; ~~has the meaning set forth in Exhibit A when used as of a particular time with reference to Bonds, means all Bonds delivered hereunder except:~~

~~—— (a) Bonds cancelled by the Registrar or surrendered to the Registrar for cancellation;~~

~~—— (b) Bonds paid or deemed to have been paid within the meaning of this resolution; and~~

~~————(e)—— Bonds in lieu of or in substitution for which replacement Bonds have been executed by the Port and delivered by the Registrar hereunder.~~

~~Notwithstanding the foregoing, Bank Bonds and the Reimbursement Bond shall remain Outstanding until the applicable Credit Facility Issuer or Liquidity Facility Issuer is paid all amounts due on such Bank Bonds and the Reimbursement Bond.~~

*Outstanding First Lien Bonds* has the meaning set forth in the recitals hereto.

*Outstanding Intermediate Lien Bonds* has the meaning set forth in the recitals hereto.

*Outstanding Subordinate Lien Bonds* has the meaning set forth in the recitals hereto.

*Participant* means (a) any person for which, from time to time, DTC may effect book-entry transfers and pledges of securities pursuant to the book-entry system referred to in Section 2.05 hereof or (b) any securities broker or dealer, bank, trust company or other person that clears through or maintains a custodial relationship with a person referred to in (a).

*Passenger Facility Charge* or *PFC* has the meaning set forth in Exhibit A.

~~*Permitted Prior Lien Bonds* means and includes the First Lien Bonds, the Intermediate Lien Parity Bonds, and any other revenue bonds that may be issued in the future at the discretion of the Port payable from Net Revenues available after the payment of the amounts described in paragraphs First, Second, and Third of Section 5.01(b) of this resolution and with a lien on Net Revenues superior to the lien thereon of the Subordinate Lien Parity Bonds.~~

*Person* means an individual, a corporation, a partnership, limited liability company, an association, a joint stock company, a trust, an unincorporated organization, a governmental body or a political subdivision, a municipal corporation, a public corporation or any other group or organization of individuals.

**Port** means the Port of Seattle, a municipal corporation of the State of Washington, as now or hereafter constituted, or the corporation, authority, board, body, commission, department or officer succeeding to the principal functions of the Port or to whom the powers vested in the Port shall be given by law.

**Port Payment** means any payment, other than a termination or other nonscheduled payment, required to be made by or on behalf of the Port under a Derivative Product and which is determined according to a formula set forth in a Derivative Product.

**Principal Payment Date** means the Maturity Date or Dates and any Redemption Date for the Bonds.

**Prior Lien Bonds** has the meaning set forth in Exhibit A.

**Prior Lien Debt Service (Rate Covenant)** has the meaning set forth in Exhibit A.

**Purchase Account** means the account by that name maintained by the Registrar in accordance with Section 4.04 hereof.

**Purchase Date** means (a) during the Commercial Paper Mode or the Long Term Mode, the date determined by the Remarketing Agent on the most recent Rate Determination Date as the next date on which a Bond shall be subject to purchase, and (b) during the Daily Mode or the Weekly Mode, any Business Day.

**Purchase Price** means (a) an amount equal to 100% of the principal amount of any Bond purchased on any Purchase Date, plus, in the case of any purchase of a Bond in the Daily Mode or the Weekly Mode on a day that is not an Interest Payment Date, accrued interest, to the Purchase Date, or (b) an amount equal to 100% of the principal amount of any Bond purchased on a Mandatory Purchase Date.

***Qualified Insurance*** has the meaning set forth in Exhibit A ~~means any non-cancellable municipal bond insurance policy or surety bond issued by any insurance company licensed to conduct an insurance business in any state of the United States (or by a service corporation acting on behalf of one or more such insurance companies) (a) which insurance company or companies, as of the time of issuance of such policy or surety bond, are rated in one of the two highest Rating Categories by one or more of the Rating Agencies for unsecured debt or insurance underwriting or claims paying ability or (b) by issuing its policies causes obligations insured thereby to be rated, as of the time of issuance of such policy or surety bond, in one of the two highest Rating Categories by one or more of the Rating Agencies.~~

***Qualified Letter of Credit*** has the meaning set forth in Exhibit A ~~means any irrevocable letter of credit issued by a financial institution, which institution maintains an office, agency or branch in the United States and as of the time of issuance of such letter of credit, is rated in one of the two highest long-term Rating Categories by one or more of the Rating Agencies.~~

***Rate Determination Date*** means the date on which the interest rate(s) on a Bond (other than a Bank Bond or the Reimbursement Bond) shall be determined, which,

(a) in the case of the Commercial Paper Mode, shall be the first day of an Interest Period;

(b) in the case of the Daily Mode, shall be each Business Day commencing with the first day the Bond becomes subject to the Daily Mode;

(c) in the case of the Weekly Mode, shall be the Business Day prior to the first day the Bond becomes subject to the Weekly Mode, and thereafter, shall be each Tuesday or, if Tuesday is not a Business Day, the next succeeding Business Day;

(d) in the case of the Long Term Mode, shall be a Business Day determined by the Remarketing Agent which shall be at least one Business Day prior to the first day of an Interest Period; and

(e) in the case of the Fixed Mode, shall be a Business Day determined by the Remarketing Agent which shall be at least one Business Day prior to the Mode Change Date.

**Rating Agency** ~~has the meaning set forth in Exhibit A means Moody's if Moody's is then maintaining a rating on a Series of Bonds; S&P if S&P is then maintaining a rating on a Series of Bonds; and/or Fitch if Fitch is then maintaining a rating on a Series of Bonds and/or another nationally recognized rating agency then maintaining a rating on a Series of Bonds (at the request of the Port).~~

**Rating Category** means the generic rating categories of a Rating Agency, without regard to any refinement or gradation of such rating category by a numerical modifier or otherwise.

**Rating Confirmation Notice** means a written notice from any Rating Agency then maintaining a rating with respect to the Bonds confirming that the rating on the Bonds will not be lowered, withdrawn or suspended (other than a withdrawal of a short-term rating upon a change to a Long Term Mode or Fixed Mode) as a result of the action proposed to be taken.

**Reciprocal Payment** means any payment to be made to, or for the benefit of, the Port under a Derivative Product by the Reciprocal Payor.

**Reciprocal Payor** ~~has the meaning set forth in Exhibit A means any bank or corporation, partnership or other entity who itself, or whose guarantor, has or at the time the Derivative Product is entered into, 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.~~

**Record Date** means:

- (a) with respect to Bank Bonds, the Reimbursement Bond and Bonds in a Commercial Paper Mode, a Daily Mode or a Weekly Mode, the close of business as of the day (whether or not a Business Day) next preceding each Interest Payment Date; and
- (b) with respect to Bonds in a Long Term Mode or a Fixed Mode, the 15th day (whether or not a Business Day) of the month next preceding each Interest Payment Date.

**Redemption Date** means the date fixed for redemption of Bonds subject to redemption in any notice of redemption given in accordance with the terms hereof.

**Redemption Price** means amounts to be paid to redeem the Bonds on the Redemption Date as set forth in Article III hereof.

**Registered Owner** means the person named as the registered owner of a Bond on the Bond Register. For so long as the Bonds are held by a Securities Depository or its nominee, such Securities Depository shall be deemed to be the Registered Owner.

**Released Revenues** has the meaning set forth in Exhibit A.

**Registrar** means the fiscal agency of the State of Washington whose duties include registering and authenticating the Bonds, maintaining the Bond Register, registering the transfer of the Bonds, paying interest on and principal of the Bonds and drawing on any Credit Facility securing Bonds for such purpose and drawing any amounts under any Credit Facility or Liquidity Facility for the purpose of paying the Purchase Price of any Bonds payable pursuant to such Credit Facility or Liquidity Facility.

**Reimbursement Agreement** means the Reimbursement Agreement between the Port and the Bank selected by the Designated Port Representative and thereafter, any other reimbursement

agreement between the Port and the Credit Facility Issuer, if any, or any Liquidity Facility Issuer, and any and all modifications, alterations, and amendments and supplements thereto.

***Reimbursement Bond*** means the Bond delivered to the Credit Facility Issuer pursuant to Section 5.01(d) hereof and the Reimbursement Agreement.

***Remarketing Agent*** means each remarketing agent, if any, appointed by the Port pursuant to a Remarketing Agreement.

***Remarketing Agreement*** means any agreement of that name between the Port and a Remarketing Agent.

***Repair and Renewal Fund*** means the special fund authorized to be created pursuant to Section 4(B) of the First Lien Master Resolution.

***Reserved Lien Revenue Bonds*** have the meaning set forth in Exhibit A.

***Resolution Tender Date*** means the date on which the Bonds are subject to mandatory purchase to effect amendments to this resolution, pursuant to Section 4.02(e).

***Revenue Fund*** means, collectively, the Port's general fund, airport development fund and any other fund established in the office of the Treasurer of the Port for the receipt of Gross Revenues.

***Securities Depository*** means any clearing agency registered under Section 17A of the Securities Exchange Act of 1934, as amended.

***Serial Bonds*** mean the Bonds maturing on the Serial Maturity Dates after conversion of the Bonds to a Long Term Mode or Fixed Mode, as determined pursuant to Section 3.01.

***Serial Maturity Dates*** mean the dates on which the Serial Bonds mature, as determined pursuant to Section 3.01.

***Series Resolution*** has the meaning set forth in the Exhibit A.

*Series 2003C Bonds* means, the Port of Seattle Subordinate Lien Revenue Bonds, Series 2003C.

~~*SIFMA Municipal Swap Index* has the meaning set forth in Exhibit A means the Securities Industry and Financial Markets Association Municipal Swap Index as of the most recent date for which such index was published or such other weekly, high grade index comprised of seven day, tax exempt variable rate demand notes produced by Municipal Market Data, Inc., or its successor, or as otherwise designated by the Securities Industry and Financial Markets Association; provided, however, that, if such index is no longer produced by Municipal Market Data, Inc. or its successor, then SIFMA Municipal Swap Index shall mean such other reasonably comparable index selected by the Designated Port Representative.~~

*Special Facilities* means particular facilities financed with the proceeds of Special Revenue Bonds.

*Special Record Date* means a special date fixed to determine the names and addresses of holders of the Bonds (or Bonds of a Series) in connection with the payment of overdue interest on such Bonds.

*Special Revenue Bonds* mean any issue or series of revenue bonds, revenue warrants or other revenue obligations of the Port issued to directly or indirectly acquire (by purchase, lease or otherwise), construct, equip, install or improve part or all of particular facilities (together with any revenue obligations issued to refund the foregoing), and which are payable from and secured by the income and revenue from such facilities.

*SOFR Index* has the meaning set forth in Exhibit A.

~~*S&P* has the meaning set forth in Exhibit A means Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, and its successors and assigns, except that if such~~

~~corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term S&P shall be deemed to refer to any other nationally recognized securities rating agency (other than Moody's or Fitch) selected by the Designated Port Representative.~~

*Subordinate Lien Bond Fund* means the Port of Seattle Subordinate Lien Bond Fund, Series 2008, created in the office of the Treasurer of the Port by authority granted in Section 5.01 of this resolution.

*Subordinate Lien Parity Bonds* mean the Outstanding Subordinate Lien Bonds, including the Bonds, and any Future Subordinate Lien Parity Bonds.

*Subordinate Lien Parity Test* has the meaning set forth in Exhibit A~~means Available Revenue equal to or greater than 1.5 times Aggregate Annual Debt Service.~~

*Subordinate Lien Rate Covenant* has the meaning set forth in Exhibit A~~means the covenant of the Port to 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 Product and any other amounts due to any Credit Facility Issuer, any Liquidity Facility Issuer, to the issuers of credit facilities for any Subordinate Lien Parity Bonds and, to the extent not otherwise provided for in this definition, 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 payment.~~

***Substitution Date*** means the date on which an alternate Credit Facility or Liquidity Facility becomes effective.

***Substitution Tender Date*** means the Substitution Date.

***2003 Subordinate Lien Resolution*** means Resolution No. 3510, as amended, of the Commission.

***Taxable Obligation*** has the meaning set forth in Exhibit A.

***Tax-Exempt Obligation*** has the meaning set forth in Exhibit A.

***Term Bonds*** mean the Bonds maturing on Term Bond Maturity Dates after conversion of the Bonds to a Long Term Mode or Fixed Mode as determined pursuant to Section 3.01.

***Term Maturity Dates*** mean the dates on which Term Bonds mature, as determined pursuant to Section 3.01.

***Treasurer*** means the Chief Financial Officer of the Port, or any other public officer as may hereafter be designated pursuant to law to have the custody of Port funds.

***Underwriter*** means Morgan Stanley & Co. Incorporated.

***Variable Rate Index*** has the meaning set forth in Exhibit A.

***Weekly Mode*** means the Mode in which the Interest Rate on the Bonds or Bonds of a Series is determined on a weekly basis.

***Weekly Rate*** means the per annum interest rate on Bonds while in the Weekly Mode determined pursuant to Section 2.09.

**Section 1.02. Interpretation (Amended).**

Section 1.02 of the Original Resolution is hereby amended to read as set forth in this section. Additions and deletions from the Original Resolution are shown as marked text, with additions double underlined and deletions struck:

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, limited liability companies 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; and

~~(f)~~ Whenever any consent or direction is required to be given by the Port, such consent or direction shall be deemed given when given by the Designated Port Representative or ~~his or her~~ their designee, respectively, and all references herein to the Designated Port Representative shall be deemed to include references to ~~his or her~~ their designee, as the case may be.

**Section 1.03. Purchase of Tendered Bonds (Amended).**

Section 4.03 of the Original Resolution is hereby amended to read as set forth in this section. Additions and deletions from the Original Resolution are shown as marked text, with additions double underlined and deletions struck:

(a) *Remarketing of Tendered Bonds.* Unless otherwise instructed by the Port with the consent of the Credit Facility Issuer or Liquidity Facility Issuer (if there is no Credit Facility Issuer), the Remarketing Agent shall use best efforts to remarket Bonds or the Bank Bonds or portions thereof that are subject to the Remarketing Agreement and for which notice of tender has been received pursuant to Section 4.01(b) or which are subject to mandatory tender on a Mandatory Purchase Date (other than a Default Tender Date) up to the Maximum Rate. The terms of any remarketing by the Remarketing Agent shall provide for the payment of the full Purchase Price for tendered Bonds by the purchaser in immediately available funds by 11:30 a.m. ~~12:00 noon~~, New York City time, on the Purchase Date. The Remarketing Agent shall not remarket any Bonds to the Port. The Remarketing Agent shall not sell any Bond as to which a notice of Mode Change Date or notice of redemption has been given by the Registrar and is in effect unless the Remarketing Agent has notified the Person to whom the sale is made of the conversion or redemption. Bank Bonds may not be delivered to new purchasers until the Registrar has received written confirmation by Electronic Means from the Credit Facility Issuer or Liquidity Facility Issuer, as the case may be, to the effect that the “Principal Portion” and the “Interest Portion” as defined in the Liquidity Facility or Credit Facility have been fully reinstated with respect to such Bank Bonds or will be upon the remarketing of the Bonds.

(b) *Purchase of Tendered Bonds.*

(1) Notice. Not later than ~~11:30 a.m.12:00 p.m.~~, New York City time, on any Purchase Date or Mandatory Purchase Date, as the case may be, the Remarketing Agent shall give notice by telephone or Electronic Means to the Registrar of the principal amount of tendered Bonds that were remarketed by the Remarketing Agent and the amount of remarketing proceeds it holds and those that were not remarketed, if any. If fewer than all of the tendered Bonds have been remarketed or if the full proceeds of the remarketing have not been received by ~~11:30 a.m.12 noon~~, New York City time, then the Remarketing Agent shall transfer all proceeds of remarketing, if any, to the Registrar. If the Registrar has not received written confirmation that all tendered Bonds have been remarketed and remarketing proceeds received by Remarketing Agent by ~~11:30 a.m.12:00 p.m.~~, New York City time, then not later than ~~11:45 a.m.12:15 p.m.~~, New York City time, on the Purchase Date or the Mandatory Purchase Date, the Registrar shall give notice to the Port and any direct-pay Credit Facility Issuer or the Liquidity Facility Issuer, if any, by telephone or Electronic Means, specifying the principal amount of all tendered Bonds and drawing for the full Purchase Price of all tendered Bonds. Not later than ~~12:301:00~~ p.m., New York City time, on the Purchase Date or the Mandatory Purchase Date, the Remarketing Agent shall give notice to the Registrar by telephone (promptly confirmed in writing or by Electronic Means) of the names, addresses and taxpayer identification numbers of the purchasers, the denominations of Bonds to be delivered to each purchaser and, if available, payment instructions for regularly scheduled interest payments, or of any changes in any such information previously communicated. Not later than 11:30 a.m., New York City time, on any Purchase Date or Mandatory Purchase Date, as the case may be, the Remarketing Agent shall give notice by telephone or Electronic Means to the

Bank of the principal amount of tendered Bonds that were remarketed by the Remarketing Agent and the amount of remarketing proceeds it holds and those that were not remarketed, if any.

(2) Sources of Payments. Payments on the Purchase Date shall be made in the manner and at the time specified in subsection 4.03(a) above and in this and the following section. If the amounts of remarketing proceeds received by the Remarketing Agent are not sufficient to pay the Purchase Price, the Registrar shall immediately notify the Remarketing Agent, the Port and any direct-pay Credit Facility Issuer or the Liquidity Facility Issuer, if any, of any deficiency with respect to tendered Bonds payable pursuant to such Credit Facility or Liquidity Facility, as applicable (but no later than ~~12:00~~12:30 p.m., New York time). Pursuant to such direct-pay Credit Facility or Liquidity Facility, the Credit Facility Issuer or the Liquidity Facility Issuer shall, following receipt of purchase notices and transfer instructions from the Registrar in the name of the Credit Facility Issuer or the Liquidity Facility Issuer, as applicable, on the Purchase Date, purchase such tendered Bonds by delivering to (or at the direction of) the Registrar for such tendered Bonds the Purchase Price therefor in immediately available funds in an amount equal to such deficiency by 2:00 p.m., New York City time, on the Purchase Date or the Mandatory Purchase Date. If money is received by the Registrar as remarketing proceeds or (in the case of tendered Bonds payable pursuant such a direct pay Credit Facility or Liquidity Facility) from such Credit Facility Issuer or Liquidity Facility Issuer, any such amounts shall be deposited by the Registrar in the Purchase Account to be used solely for the payment of the Purchase Price of tendered Bonds and shall not be commingled with other funds held by the Registrar.

(3) Payments of the Purchase Price. Not later than the close of business on the Purchase Date and upon receipt by the Registrar of 100% of the aggregate Purchase Price of the tendered Bonds, the Purchase Price of such Bonds shall be paid to the Registered Owners thereof. Such

payments shall be made solely from the following sources in the following order of priority by wire transfer of immediately available funds: first from the proceeds of the remarketing of such Bonds, and second, from moneys received from the Credit Facility Issuer or Liquidity Facility Issuer, as the case may be, under such Credit Facility or Liquidity Facility. If the proceeds of Remarketing Bonds are not sufficient to pay the Purchase Price of Bonds and the Issuer of the Credit Facility or Liquidity Facility fails to honor the draw on the Credit Facility or Liquidity Facility to cover such deficiency, the Bonds shall not be purchased and ownership shall not transfer.

**Section 1.04. Credit Facility (Amended).**

Section 4.05 of the Original Resolution is hereby amended to read as set forth in this section. Additions and deletions from the Original Resolution are shown as marked text, with additions double underlined and deletions struck:

During any Mode (other than the Fixed Mode), while a direct-pay Credit Facility or Liquidity Facility is in effect with respect to the Bonds, on each Purchase Date or Mandatory Purchase Date, the Registrar, by telecopied demand given before 12:00~~12:30~~ p.m., New York time, shall draw funds to pay the interest (not including any interest owed to such Credit Facility Issuer or Liquidity Facility Issuer at the Bank Interest Rate) on and/or principal of and/or the Purchase Price of tendered Bonds (payable pursuant to such direct-pay Credit Facility or Liquidity Facility) in accordance with the terms of the Credit Facility or Liquidity Facility so as to receive funds thereunder by 2:00 p.m., New York City time, on such date an amount, in immediately available funds, sufficient (together with the proceeds of the remarketing of Bonds (received and available to the Registrar prior to the time of drawing or demand under the Credit Facility or Liquidity Facility, as the case may be) in connection with a purchase drawing if the Bonds are then

being remarketed) on such date, to pay the Purchase Price in connection therewith. The Registrar shall deposit amounts received from the Credit Facility Issuer or the Liquidity Facility Issuer to pay the Purchase Price of tendered Bonds (payable pursuant to such Credit Facility or Liquidity Facility) in the Bank Purchase Subaccount pursuant to Section 4.04 hereof.

During any Mode (other than the Fixed Mode), while a direct-pay Credit Facility is in effect, on the Business Day prior to any Interest Payment Date and/or the Business Day prior to any other date on which a payment of principal with respect to the Bonds is due, whether by maturity or redemption in advance of maturity, as the case may be, the Registrar, by telecopied demand given before 3:00 p.m., New York time, shall draw funds to pay interest on and/or principal of the Bonds that are secured by such Credit Facility in accordance with the terms of such Credit Facility so as to receive funds thereunder by 1:00 p.m., New York time, on such Interest Payment Date or date on which a payment of principal with respect to the Bonds is due an amount, in immediately available funds, sufficient to pay all of such interest (not including interest owed to the Credit Facility Issuer at the Bank Interest Rate) and/or principal. The Registrar shall hold such funds separate and apart in trust for the benefit of Registered Owners of such Bonds, and such funds shall not be commingled with any other funds for any other purpose and such funds shall not be reinvested. No such drawing on the Credit Facility may be made for Bank Bonds or for Bonds held by the Port.

**Section 1.05. Payment of Bonds (Amended).**

Section 5.01(a), (b) and (c) of the Original Resolution is hereby amended to read as set forth in this section. Additions and deletions from the Original Resolution are shown as marked text, with additions double underlined and deletions struck:

(a) Subordinate Lien Bond Fund. A special fund of the Port designated the “Port of

Seattle Subordinate Lien Revenue Bond Fund” (the “Subordinate Lien Bond Fund”) is hereby authorized to be created or maintained in the office of the Treasurer for the purpose of paying and securing the payment of Subordinate Lien Parity Bonds, including without limitation the Bonds and any Bank Bonds. The Subordinate Lien Bond Fund shall be held separate and apart from all other funds and accounts of the Port and shall be a trust fund for the owners of the Subordinate Lien Parity Bonds.

The Port hereby irrevocably obligates and binds itself for as long as any Subordinate Lien Parity Bonds remain Outstanding, or any amount is owed to any Credit Facility Issuer or any Liquidity Facility Issuer in connection with any Subordinate Lien Parity Bonds, to set aside and pay into the Subordinate Lien Bond Fund from Available Revenue or money in the Revenue Fund, on or prior to the respective dates the same become due (and if such payment is made on the due date, such payment shall be made in immediately available funds):

- (1) Such amounts as are required to pay the interest scheduled to become due on Subordinate Lien Parity Bonds Outstanding (including payment of and without duplication amounts required to be paid to Credit Facility Issuers and/or Liquidity Facility Issuers for the payment of interest on Subordinate Lien Parity Bonds Outstanding); and
- (2) Such amounts with respect to Subordinate Lien Parity Bonds Outstanding as are required (A) to pay maturing principal, (B) to make any required sinking fund payments, and (C) to redeem Subordinate Lien Parity Bonds Outstanding in accordance with any mandatory redemption provisions (including payment of and without duplication amounts required to be paid to Credit Facility Issuers and/or Liquidity Facility Issuers for the payment of the purchase price of or principal of

Subordinate Lien Parity Bonds Outstanding).

(b) Priority of Use of Gross Revenue. The Port's Gross Revenue shall be deposited in the Revenue Fund as collected. The Revenue Fund shall be held separate and apart from all other funds and accounts of the Port, and the Gross Revenue deposited therein shall be used only for the following purposes and in the following order of priority:

First, to pay Operating Expenses not paid from other sources;

Second, to make all payments, including sinking fund payments, required to be made into the debt service account(s) within any redemption fund maintained for First Lien Bonds to pay the principal of and interest and premium, if any, on any First Lien Bonds;

Third, to make all payments required to be made into any reserve account(s) maintained for First Lien Bonds to secure the payment of any First Lien Bonds;

Fourth, to make all payments required to be made into any other revenue bond redemption fund and debt service account or reserve account created therein to pay and secure the payment of the principal of, premium, if any, and interest on any revenue bonds or other revenue obligations of the Port having liens upon the Net Revenues or Gross Revenue and the money in the Revenue Fund junior and inferior to the lien thereon for the payment of the principal of, premium, if any, and interest on any First Lien Bonds, but prior to the lien thereon of Intermediate Lien Parity Bonds;

Fifth, to make payments necessary to be paid into any bond fund or debt service account created to pay principal of and interest on Intermediate Lien Parity Bonds, including to reimburse or pay any Credit Facility Issuer or Liquidity Facility Issuer for the payment of principal of and interest on or purchase price of Intermediate Lien Parity Bonds, and, without duplication, to make Port Payments due with respect any Derivative Product on a parity with the

lien of the Intermediate Lien Parity Bonds;

Sixth, to make all payments required to be made into any reserve account securing Intermediate Lien Parity Bonds;

Seventh, to make payments necessary to be paid into any bond fund or debt service account to pay the principal of and interest on Reserved Lien Revenue Bonds, including to reimburse or pay any Credit Facility Issuer or Liquidity Facility Issuer for the payment of principal of and interest on or purchase price of Reserved Lien Revenue Bonds, and, without duplication, to make Port Payments due with respect any Derivative Product on a parity with the lien of the Reserved Lien Revenue Bonds;

Eighth, to make all payments required to be made into any reserve account(s) securing Reserved Lien Revenue Bonds;

Ninth, to make payments necessary to be paid into any bond fund or debt service account created to pay the debt service on Subordinate Lien Parity Bonds, including, but not limited to the Subordinate Lien Bond Fund, if any, to pay the principal of and interest on Subordinate Lien Parity Bonds, including to reimburse or pay any Credit Facility Issuer or Liquidity Facility Issuer for the payment of principal of and interest on or purchase price of Subordinate Lien Parity Bonds, and, without duplication, to make Port Payments due with respect any Derivative Product on a parity with the lien of the Subordinate Lien Parity Bonds Outstanding;

Tenth, to make all payments required to be made into any reserve account(s) securing Subordinate Lien Parity Bonds;

Eleventh, to make all payments required to be made into the Repair and Renewal Fund under the terms of the First Lien Master Resolution to maintain any required balance therein;  
and

Twelfth, to retire by redemption or purchase any outstanding revenue bonds or other revenue obligations of the Port as authorized in the various resolutions of the Commission authorizing their issuance or to make necessary additions, betterments, improvements and repairs to or extension and replacements of the Facilities, or any other lawful Port purposes.

(c) *Lien on Gross Revenue Subject to Prior Priorities.* Subordinate Lien Parity Bonds issued pursuant to the Outstanding Subordinate Lien Resolutions and this resolution and the lien thereof created and established hereunder shall be obligations only of the Subordinate Lien Bond Fund, herein authorized to be created. The Subordinate Lien Parity Bonds shall be payable solely from Available Revenue and secured solely by the subordinate lien on Gross Revenue provided herein; *provided, however,* that any series of Subordinate Lien Parity Bonds also may be payable from and secured by a Credit Facility pledged specifically to or provided for that series of Subordinate Lien Parity Bonds.

So long thereafter as any Subordinate Lien Parity Bonds remain Outstanding or any amount is owed to any Credit Facility Issuer or any Liquidity Facility Issuer, the Port hereby irrevocably pledges and obligates and binds itself to set aside and pay into the Subordinate Lien Bond Fund out of Available Revenue, on or prior to the date on which the interest on, premium, if any, or principal of and interest on such Subordinate Lien Parity Bonds shall become due, the amount necessary to pay such interest, premium, or principal and interest coming due on such Subordinate Lien Parity Bonds (and reimbursement obligations to any Credit Facility Issuer or Liquidity Facility Issuer for the payment of principal of and interest on or purchase price on Subordinate Lien Parity Bonds).

Said amounts so pledged to be paid into the Subordinate Lien Bond Fund are hereby declared to be a prior lien and charge upon the Gross Revenue superior to all other charges of

any kind or nature whatsoever except for Operating Expenses and except for the lien on Gross Revenue of the Prior Lien Bonds and except that the amounts so pledged are of equal lien to the liens and charges on Gross Revenue of the Subordinate Lien Parity Bonds Outstanding and to the lien and charge which may hereafter be made to pay and secure the payment of the principal of and interest on any Future Subordinate Lien Parity Bonds.

Subordinate Lien Parity Bonds shall not in any manner or to any extent constitute general obligations of the Port or of the State of Washington, or of any political subdivision of the State of Washington, and no tax revenues of the Port may be used to pay the principal of and interest on the Subordinate Lien Parity Bonds.

~~(a) *Subordinate Lien Bond Fund.* A special fund of the Port designated the “Port of Seattle Subordinate Lien Revenue Bond Fund, Series 2008” (the “Subordinate Lien Bond Fund”) is hereby authorized to be created in the office of the Treasurer of the Port for the purpose of paying and securing the payment of the Bonds. The Subordinate Lien Bond Fund shall be held separate and apart from all other funds and accounts of the Port and shall be a trust fund for the owners of the Bonds.~~

~~The Port hereby irrevocably obligates and binds itself for as long as any Bonds remain Outstanding to set aside and pay into the Subordinate Lien Bond Fund from Available Revenue or money in the Revenue Fund, on or prior to the respective dates the same become due (and if such payment is made on the due date, such payment shall be made in immediately available funds):~~

~~————— (1) ——— Such amounts as are required to pay the interest scheduled to become due on Outstanding Bonds (including payment of and without duplication the Reimbursement Bond and all Bank Bonds); and~~

~~————— (2) ——— Such amounts with respect to Outstanding Bonds as are required (A) to pay maturing principal, (B) to make any required sinking fund payments, and (C) to redeem Outstanding Bonds in accordance with any mandatory redemption provisions (including payment of the Reimbursement Bond and all Bank Bonds).~~

~~(b) ——— *Priority of Use of Gross Revenue.* The Port's Gross Revenue shall be deposited in the Revenue Fund as collected. The Revenue Fund shall be held separate and apart from all other funds and accounts of the Port, and the Gross Revenue deposited therein shall be used only for the following purposes and in the following order of priority:~~

~~First, to pay Operating Expenses not paid from other sources;~~

~~Second, to make all payments, including sinking fund payments, required to be made into the debt service account(s) within any redemption fund maintained for First Lien Bonds to pay the principal of and interest and premium, if any, on any First Lien Bonds;~~

~~Third, to make all payments required to be made into any reserve account(s) maintained for First Lien Bonds to secure the payment of any First Lien Bonds;~~

~~Fourth, to make all payments required to be made into any other revenue bond redemption fund and debt service account and reserve account created therein to pay and secure the payment of the principal of, premium, if any, and interest on any revenue bonds or other revenue obligations of the Port, including without limitation the Intermediate Lien Parity Bonds, having liens upon the Net Revenues and the money in the Revenue Fund junior and inferior to the lien thereon for the payment of the principal of, premium, if any, and interest on any First Lien Bonds, but prior to the lien thereon of Subordinate Lien Parity Bonds;~~

~~Fifth, to make payments necessary to be paid into any bond fund or debt service account created to pay the debt service on Subordinate Lien Parity Bonds, including, but not limited to the~~

~~Subordinate Lien Bond Fund, if any, to pay the principal of and interest on Subordinate Lien Parity Bonds;~~

~~Sixth, to make all payments required to be made into the reserve account(s) securing Subordinate Lien Parity Bonds;~~

~~Seventh, to make all payments required to be made into the Repair and Renewal Fund under the terms of the First Lien Master Resolution to maintain any required balance therein; and~~

~~Eighth, to retire by redemption or purchase any outstanding revenue bonds or other revenue obligations of the Port as authorized in the various resolutions of the Commission authorizing their issuance or to make necessary additions, betterments, improvements and repairs to or extension and replacements of the Facilities, or any other lawful Port purposes.~~

~~(c) — *Lien on Available Revenue.* The Bonds and the lien thereof created and established hereunder shall be obligations only of the Subordinate Lien Bond Fund, herein authorized to be created. The Bonds shall be payable solely from and secured solely by Available Revenue, and by drawings under the Credit Facility; *provided, however,* that any series of Future Subordinate Lien Parity Bonds also may be payable from and secured by a Credit Facility pledged specifically to or provided for that series of Future Subordinate Lien Parity Bonds.~~

~~From and after the time of issuance and delivery of the Bonds and so long thereafter as any of the same remain Outstanding, the Port hereby irrevocably obligates and binds itself to set aside and pay into the Subordinate Lien Bond Fund out of Available Revenue, on or prior to the date on which the interest on, premium, if any, or principal of and interest on the Bonds shall become due, the amount necessary to pay such interest, premium, or principal and interest coming due on the Bonds.~~

~~Said amounts so pledged to be paid into the Subordinate Lien Bond Fund are hereby declared to be a prior lien and charge upon the Gross Revenue superior to all other charges of any kind or nature whatsoever except for Operating Expenses and except for the lien on Gross Revenue of the Permitted Prior Lien Bonds and except that the amounts so pledged are of equal lien to the liens and charges on Gross Revenue of the Outstanding Subordinate Lien Bonds and to the lien and charge which may hereafter be made to pay and secure the payment of the principal of and interest on any Future Subordinate Lien Parity Bonds.~~

~~The Bonds shall not in any manner or to any extent constitute general obligations of the Port or of the State of Washington, or of any political subdivision of the State of Washington, and no tax revenues of the Port may be used to pay the principal of and interest on the Bonds.~~

(d) *Reimbursement Bonds.* The obligations of the Port relating to the Bonds under the Reimbursement Agreement, if any, will be evidenced by a “Reimbursement Bond” to be delivered to the Credit Facility Issuer or Liquidity Issuer. The “Reimbursement Bond” is also secured by the Subordinate Lien Bond Fund (but not by moneys in the Purchase Account or by moneys drawn under a Credit Facility or Liquidity Facility), all in accordance with the Reimbursement Agreement.

**Section 1.06. Permitted Prior Lien Bonds and Future Subordinate Lien Parity Bonds (Amended).**

Section 5.04 of the Original Resolution is hereby amended to read as set forth in this section. Additions and deletions from the Original Resolution are shown as marked text, with additions double underlined and deletions struck:

(a) *Prior Lien Bonds and Intermediate Lien Parity Bonds.* As provided in the First Lien Master Resolution, the Port reserves the right to issue one or more series of First Lien Bonds 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 First Lien Master Resolution. In addition, the Port also reserves the right to issue obligations payable from Net Revenue as described in paragraphs Fourth through Eighth of Section 3(b) of this resolution, and having lien(s) on Gross Revenue or Net Revenues prior to the lien of the Subordinate Lien Parity Bonds, including without limitation Intermediate Lien Parity Bonds (which can be issued on the terms set forth in the Intermediate Lien Master Resolution) and Reserved Lien Revenue Bonds. Such obligations shall be subject to such terms, conditions and covenants set forth in their respective authorizing resolutions.

*(b) Future Subordinate Lien Parity Bonds - General Provisions.* The Port hereby further covenants and agrees with the Owners of each of the Subordinate Lien Parity Bonds for as long as any of the same remain Outstanding that it will not issue any Future Subordinate Lien Parity Bonds that constitute a charge and lien upon the Gross Revenue equal to the lien thereon of the Subordinate Lien Parity Bonds then Outstanding, unless the following conditions are satisfied.

- (1) Future Subordinate Lien Parity Bonds may be issued only if there is not then existing and continuing a Default under this resolution; provided, however, that Future Subordinate Lien Parity Bonds may be issued for refunding purposes under subsection (c) below if the Default will be cured as a result of the refunding.
- (2) Future Subordinate Lien Parity Bonds shall be issued pursuant to this resolution and authorized by a Series Resolution of the Commission.
- (3) Either of the following conditions (A) or (B) below shall be satisfied.

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

fulfillment of the Subordinate Lien Parity Test in each fiscal year during the Certificate Period. As to any Future Subordinate Lien Parity Bonds in the form of Commercial Paper or another Subordinate Lien Parity Bond that may be issued from time to time up to a not-to-exceed principal amount (or up to the available commitment), a certificate may, at the Port's discretion, be delivered based on (1) the not-to-exceed principal amount of the Commercial Paper or other Subordinate Lien Parity Bond authorized to be issued, (2) based on the not-to-exceed principal amount available to be issued (such as the available commitment in connection with a direct purchase Subordinate Lien Parity Bond or as Subordinate Lien Parity Bonds secured by a Credit Facility or Liquidity Facility), or (3) based on the principal amounts actually issued from time to time.

- i. The certificate may be delivered by the Port without a Consultant if the Net 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, is sufficient such that the Subordinate Lien Parity Test will be fulfilled in each fiscal year during the Certificate Period.
- ii. Alternatively, a Consultant may deliver the certificate. In making the computations of Net Revenue for the purpose of certifying compliance with the Subordinate Lien Parity Test, the Consultant

shall use as a basis the Net Revenue for the Base Period. In making such computations the Consultant shall make such adjustments as the Consultant deems reasonable.

(B) 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 have not materially changed.

(c) Future Subordinate Lien Parity Bonds for Refunding Purposes. The Port may issue Future Subordinate Lien Parity Bonds for refunding purposes, as follows:

- (1) Future Subordinate Lien Parity Bonds may be issued at any time for the purpose of refunding (including by purchase) Subordinate Lien Parity Bonds including amounts to pay principal thereof and redemption premium, if any, and

interest thereon to the date of redemption (or purchase), any deposits to a reserve account or to purchase a Qualified Letter of Credit or Qualified Insurance and the expenses of issuing the Future Subordinate Lien Parity Bonds to purchase or refund the same and of effecting such refunding upon delivery of a certificate as provided in subsection (b)(1)(3)(A) above. Such refunding Future Subordinate Lien Parity Bonds also may be issued without a certificate if Maximum Annual Debt Service after the issuance of such refunding Future Subordinate Lien Parity Bond will not exceed Maximum Annual Debt Service prior to the issuance of such refunding Future Subordinate Lien Parity Bonds.

(2) Future Subordinate Lien Parity Bonds may be issued at any time for the purpose of refunding (including by purchase) any Prior Lien Bonds or Subordinate Lien Parity Bonds including amounts to pay principal thereof and redemption premium, if any, and interest thereon to the date of redemption of such bonds (or purchase), any deposits to a reserve account or to purchase a Qualified Letter of Credit or Qualified Insurance and the expenses of issuing the Future Subordinate Lien Parity Bonds to purchase or refund the same and of effecting such refunding, provided that prior to the issuance of such Future Subordinate Lien Parity Bonds the Port must provide a certificate if required by this section.

(3) Future Subordinate Lien Parity Bonds may be issued for the purpose of refunding (including by purchase) at any time within one year prior to maturity any Prior Lien Bonds or Subordinate Lien Parity Bonds then Outstanding, provided that such bonds are Prior Lien Bonds or Subordinate Lien Parity Bonds, for the payment of which sufficient Net Revenue or other money are not available, without the

requirement of a certificate pursuant to this section.

(d) Liens Subordinate to Subordinate Lien Parity Bonds. Nothing herein contained shall prevent the Port from issuing revenue bonds or other obligations that are a charge upon the Gross Revenue junior or inferior to the payments required by this resolution to be made out of such Gross Revenue to pay and secure the payment of any Subordinate Lien Parity Bonds. Such junior or inferior obligations shall not be subject to acceleration. This prohibition against acceleration shall not be deemed to prohibit the term out of any reimbursement obligation, to prohibit any mandatory tender or other tender provisions or to prohibit the payment of a termination amount with respect to a derivative product.

~~(a) Permitted Prior Lien Bonds and Intermediate Lien Parity Bonds. As provided in the First Lien Master Resolution, the Port reserves the right to issue one or more series of First Lien Bonds by means of a Series Resolution (as such term is defined and required under the First Lien 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 First Lien 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 Subordinate Lien Parity Bonds, including without limitation Intermediate Lien Parity Bonds (which can be issued on the terms set forth in the Intermediate Lien Master Resolution). Such obligations shall be subject to such terms, conditions and covenants set forth in their respective authorizing resolutions.~~

~~(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 that constitute a charge and lien upon the Available Revenue equal to the lien thereon of the Bonds, unless the following conditions are satisfied.~~

~~(1) — Future Subordinate Lien Parity Bonds may be issued only if there is not then existing and continuing a Default under this resolution; provided, however, that Future Subordinate Lien Parity Bonds may be issued for refunding purposes under subsection (c) below if the Default will be cured as a result of the refunding.~~

~~(2) — Future Subordinate Lien Parity Bonds shall be authorized by a resolution of the Commission.~~

~~(3) — Each resolution authorizing Future Subordinate Lien Parity Bonds shall include the operating covenants set forth in Section 5.07 of this resolution.~~

~~—— (4) — either of the following conditions (A) or (B) below shall be satisfied.~~

~~—— (A) — Certificate Required. Unless the Port is able to meet the criteria set forth in (B) 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 (x) the Date of Commercial Operation of the Facilities to be financed with the proceeds of the Future Subordinate Lien Parity Bonds or (y) 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.~~

~~—— (B) — 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 have 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 (x) 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 (y) 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.~~

~~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 or she deems reasonable.

~~(c) — *Future Subordinate Lien Parity Bonds For Refunding Purposes.* The Port may issue Future Subordinate Lien Parity Bonds for refunding purposes, as follows:~~

~~—— (1) — Future Subordinate Lien Parity Bonds may be issued at any time for the purpose of refunding (including by purchase) Subordinate Lien Parity Bonds including amounts to pay principal thereof and redemption premium, if any, and interest thereon to the date of redemption (or purchase), any deposits to a reserve account or to purchase a Qualified Letter of Credit or Qualified Insurance and the expenses of issuing the Future Subordinate Lien Parity Bonds to purchase or refund the same and of effecting such refunding upon delivery of a certificate as provided in subsection (b)(1) above. Such refunding Future Subordinate Lien Parity Bonds also may be issued without a certificate if the Maximum Annual Debt Service on all Subordinate Lien Parity Bonds to be Outstanding after the issuance of the refunding Future Subordinate Lien Parity Bonds shall not be greater than the Maximum Annual Debt Service on the bonds to be refunded were such refunding not to occur.~~

~~—— (2) — Future Subordinate Lien Parity Bonds may be issued at any time for the purpose of refunding (including by purchase) any other bonds of the Port having a lien on Available Revenue on a parity with or prior to the lien of the Bonds, provided that such bonds are Permitted Prior Lien Indebtedness or Subordinate Lien Parity Bonds, including amounts to pay principal thereof and redemption premium, if any, and interest thereon to the date of redemption of such bonds (or purchase), any deposits to a reserve account or to purchase a Qualified Letter of Credit or Qualified Insurance and the expenses of issuing the Future Subordinate Lien Parity Bonds to purchase or refund the same and of effecting such refunding; provided, however, that~~

~~prior to the issuance of such Future Subordinate Lien Parity Bonds the Port must provide a certificate if required by this section.~~

~~(3) Future Subordinate Lien Parity Bonds may be issued for the purpose of refunding (including by purchase) at any time within one year prior to maturity any bonds of the Port having a lien on Available Revenue on a parity with or prior to the lien of the Bonds, provided that such bonds are Permitted Prior Lien Indebtedness or Subordinate Lien Parity Bonds, for the payment of which sufficient Available Revenue or other money are not available, without the requirement of a certificate pursuant to this section.~~

~~(d) *Liens Subordinate to Subordinate Lien Parity Bonds.* Nothing herein contained shall prevent the Port from issuing revenue bonds or other obligations which are a charge upon the Available Revenue junior or inferior to the payments required by this resolution to be made out of such Available Revenue to pay and secure the payment of any Subordinate Lien Parity Bonds. Such junior or inferior obligations shall not be subject to acceleration. This prohibition against acceleration shall not be deemed to prohibit mandatory tender or other tender provisions with respect to variable rate obligations.~~

**Section 1.07. Covenants (Amended).**

Section 5.07 of the Original Resolution is hereby amended to read as set forth in this section. Additions and deletions from the Original Resolution are shown as marked text, with additions double underlined and deletions struck:

The Port hereby makes the following covenants and agrees with the owners and holders of each of the Subordinate Lien Parity Bonds for as long as any of the same remain Outstanding.

(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 Subordinate Lien Parity Bonds are Outstanding or any Credit Facility or any Liquidity Facility is in effect that will produce Net Revenue in each fiscal year at least equal to the amounts required to meet the Subordinate Lien Rate Covenant. If the Net Revenue in any fiscal year is less than required to meet the Subordinate Lien Rate Covenant, then the Port will post a notice to EMMA within 60 days after completion of the financial statement audit for the fiscal year (1) showing the deficiency and (2) providing a timeframe for development by the Port of a written plan to address the deficiency.

The Port will prepare a written plan to revise schedules of rentals, tariffs, rates, fees and/or charges, reduce operating costs, modify the manner of operating one or more Facilities, or take other steps to meet the Subordinate Lien Rate Covenant in the next fiscal year, and may amend the Plan as necessary to effectuate implementation. If the Commission has taken the steps set forth in the written plan and the Net Revenue in the fiscal year in which adjustments under the plan are made nevertheless is not sufficient to meet the Subordinate Lien Rate Covenant, there shall be no default under this Section 5(a) during such fiscal year, unless the Port fails to meet the Subordinate Lien Rate Covenant for three consecutive fiscal years including the fiscal year that was the subject of the notice of deficiency.

(b) *Performance of Covenants.* The Port will duly and punctually pay or cause to be paid out of the Subordinate Lien Bond Fund the principal of and interest on the Subordinate Lien Parity Bonds at the times and places as provided in this resolution and in said Subordinate Lien Parity Bonds provided and will at all times faithfully perform and observe any and all covenants, undertakings and provisions contained in this resolution and in the Subordinate Lien Parity Bonds.

(c) *Maintenance of Facilities.* The Port will at all times keep and maintain or cause to be kept or maintained all of the Facilities in good repair, working order and condition and will

at all times operate or cause to be operated the same and the business or businesses in connection therewith in an efficient manner and at a reasonable cost.

(d) *Sale or Condemnation of Projects.* In the event that any Project or portion thereof is sold by the Port or is condemned pursuant to the power of eminent domain, the Port will apply the net proceeds of such sale or condemnation to other Facilities or to the retirement of Prior Lien Bonds or Subordinate Lien Parity Bonds Outstanding.

(e) *Insurance of Facilities.* The Port will keep or arrange to keep all Facilities insured, if such insurance is obtainable at reasonable rates and upon reasonable conditions, against such risks, in such amounts, and with such deductibles as the Commission or the Designated Port Representative shall deem necessary.

(f) *Insurance against Port Liability.* The Port will at all times keep or arrange to keep in full force and effect policies of public liability and property damage insurance which will protect the Port against anyone claiming damages of any kind or nature, if such insurance is obtainable at reasonable rates and upon reasonable conditions, in such amounts and with such deductibles as the Commission or the Designated Port Representative shall deem necessary.

(g) *Maintenance of Books and Records.* The Port will keep and maintain proper books of account and accurate records of all of its revenue, including tax receipts, received from any source whatsoever, and of all costs of administration and maintenance and operation of all of its business that are in accordance with generally accepted accounting principles as in effect from time to time. On or before 120 days after each fiscal year the Port will prepare or cause to be prepared an operating statement of all of the business of the Port for such preceding fiscal year. Each such annual statement shall contain a statement in detail of the Gross Revenue, tax receipts, expenses of administration, expenses of normal operation, expenses of normal and extraordinary

maintenance and repair, and expenditures for capital purposes of the Port for such fiscal year and shall contain a statement as of the end of such year showing the status of all funds and accounts of the Port pertaining to the operation of its business and the status of all of the funds and accounts created by various resolutions of the Commission authorizing the issuance of outstanding bonds and other obligations payable from the Gross Revenue. Copies of such statements shall be placed on file in the main office of the Port and shall be open to inspection at any reasonable time by the owners of Subordinate Lien Parity Bonds.

~~The Port hereby makes the following covenants and agrees with the owners and holders of each of the Bonds for as long as any of the same remain Outstanding.~~

~~(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 to any fund established or maintained to pay any Port Payments due with respect to any Derivative Product and any other amounts due to the Credit Facility Issuer, if any, or Liquidity Facility Issuer, if any, and to the issuers of credit facilities or liquidity facilities for any Subordinate Lien Parity Bonds and, 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 payment.~~

~~If the Available Revenue in any fiscal year is less than required to fulfill the Subordinate Lien Rate Covenant, then the Port will retain a Consultant to make recommendations as to operations and the revision of schedules of rentals, tariffs, rates, fees and charges; and upon~~

~~receiving such recommendations or giving reasonable opportunity for such recommendations to be made, the Commission, on the basis of such recommendations and other available information, will establish rentals, tariffs, rates, fees and charges for services and operations which will be necessary to meet the Subordinate Lien Rate Covenant in the fiscal year during which such adjustments are made. If the Commission has taken the steps set forth in this paragraph and the Available Revenue in the fiscal year in which adjustments are made nevertheless is not sufficient to meet the Subordinate Lien Rate Covenant, there shall be no default under this Section 5.05(a) during such fiscal year, unless the Port fails to meet the Subordinate Lien Rate Covenant for two consecutive fiscal years.~~

~~(b) — *Performance of Covenants.* The Port will duly and punctually pay or cause to be paid out of the Subordinate Lien Bond Fund the principal of and interest on the Bonds at the times and places as provided in this resolution and in said Bonds provided and will at all times faithfully perform and observe any and all covenants, undertakings and provisions contained in this resolution and in the Bonds.~~

~~(c) — *Maintenance of Facilities.* The Port will at all times keep and maintain or cause to be kept or maintained all of the Facilities in good repair, working order and condition and will at all times operate or cause to be operated the same and the business or businesses in connection therewith in an efficient manner and at a reasonable cost.~~

~~(d) — *Sale or Condemnation of Projects.* In the event that any Project or portion thereof is sold by the Port or is condemned pursuant to the power of eminent domain, the Port will apply the net proceeds of such sale or condemnation to other Facilities or to the retirement of Permitted Prior Lien Bonds or Subordinate Lien Parity Bonds then Outstanding.~~

~~(e) — *Insurance of Facilities.* The Port will keep or arrange to keep all Facilities insured, if such insurance is obtainable at reasonable rates and upon reasonable conditions, against such risks, in such amounts, and with such deductibles as the Commission or the Designated Port Representative shall deem necessary.~~

~~(f) — *Insurance Against Port Liability.* The Port will at all times keep or arrange to keep in full force and effect policies of public liability and property damage insurance which will protect the Port against anyone claiming damages of any kind or nature, if such insurance is obtainable at reasonable rates and upon reasonable conditions, in such amounts and with such deductibles as the Commission or the Designated Port Representative shall deem necessary.~~

~~(g) — *Maintenance of Books and Records.* The Port will keep and maintain proper books of account and accurate records of all of its revenue, including tax receipts, received from any source whatsoever, and of all costs of administration and maintenance and operation of all of its business that are in accordance with generally accepted accounting principles as in effect from time to time. On or before 120 days after each fiscal year the Port will prepare or cause to be prepared an operating statement of all of the business of the Port for such preceding fiscal year. Each such annual statement shall contain a statement in detail of the Gross Revenue, tax receipts, expenses of administration, expenses of normal operation, expenses of normal and extraordinary maintenance and repair, and expenditures for capital purposes of the Port for such fiscal year and shall contain a statement as of the end of such year showing the status of all funds and accounts of the Port pertaining to the operation of its business and the status of all of the funds and accounts created by various resolutions of the Commission authorizing the issuance of outstanding bonds and other obligations payable from the Gross Revenue. Copies of such statements shall be placed~~

~~on file in the main office of the Port and shall be open to inspection at any reasonable time by the owners of Subordinate Lien Bonds.~~

**Section 1.08. Derivative Products (Amended).**

Section 5.08 of the Original Resolution is hereby amended to read as set forth in this section. Additions and deletions from the Original Resolution are shown as marked text, with additions double underlined and deletions struck:

The following shall be conditions precedent to the delivery of any Derivative Product on a parity with Subordinate Lien Parity Bonds:

(a) *General Parity Tests.* The Derivative Product must satisfy the requirements for Future Subordinate Lien Parity Bonds described in Section 4(b) of this resolution.

(b) *Opinion of Bond Counsel.* The Port shall obtain an opinion of its Bond Counsel on the due authorization and execution of such Derivative Product opining that the action proposed to be taken by the Port is authorized or permitted by this resolution and by Washington law or the applicable provisions of any resolution authorizing Future Subordinate Lien Parity Bonds and is not prohibited by the resolutions that authorized the issuance of the Subordinate Lien Parity Bonds then Outstanding, as amended or supplemented and will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on any Subordinate Lien Parity Bonds then Outstanding.

(c) *Payments.* Each Derivative Product shall set forth the manner in which the Port Payments and Reciprocal Payments are to be calculated and a schedule of Derivative Payment Dates.

(d) *Supplemental Agreements to Govern Derivative Products.* Prior to entering into a Derivative Product, the Commission shall adopt a resolution, which shall:

- (1) create and establish an account to be entitled the “Derivative Product Account” or provide for some other way to account for the use of a Derivative Product; establish general provisions for the retention of Available Revenues in amounts sufficient to make, when due, Port Payments;
- (2) establish general provisions for the rights of providers of Derivative Products or Derivative Facilities; and
- (3) set forth such other matters as the Port deems necessary or desirable in connection with the management of Derivative Products as are not clearly inconsistent with the provisions of this resolution.

Except as may be otherwise provided in the resolution establishing a Derivative Product Account, additional Subordinate Lien Parity Bonds may be delivered in connection with any Derivative Product. Any termination payments under Derivative Products shall be subordinate to Subordinate Lien Parity Bonds.

~~The following shall be conditions precedent to the use of any Derivative Product on a parity with Subordinate Lien Parity Bonds:~~

~~(a) — *General Parity Tests.* The Derivative Product must satisfy the requirements for Future Subordinate Lien Parity Bonds described in Section 5.04 of this resolution.~~

~~(b) — *Opinion of Bond Counsel.* The Port shall obtain an opinion of its Bond Counsel on the due authorization and execution of such Derivative Product opining that the action proposed to be taken by the Port is authorized or permitted by this resolution and by Washington law or the applicable provisions of any resolution authorizing Future Subordinate Lien Parity Bonds and is not prohibited by the resolutions that authorized the issuance of the Outstanding Subordinate Lien Bonds, as amended or supplemented and will not adversely affect the exclusion from gross income~~

~~for federal income tax purposes of the interest on any Subordinate Lien Parity Bonds then Outstanding.~~

~~(c) — *Payments.* Each Derivative Product shall set forth the manner in which the Port Payments and Reciprocal Payments are to be calculated and a schedule of Derivative Payment Dates.~~

~~(d) — *Supplemental Agreements to Govern Derivative Products.* Prior to entering into a Derivative Product, the Commission shall adopt a resolution, which shall:~~

~~(1) — create and establish an account to be entitled the “Derivative Product Account” or provide for some other way to account for the use of a Derivative Product; establish general provisions for the retention of Net Revenues in amounts sufficient to make, when due, Port Payments;~~

~~(2) — establish general provisions for the rights of providers of Derivative Products or Derivative Facilities; and~~

~~(3) — set forth such other matters as the Port deems necessary or desirable in connection with the management of Derivative Products as are not clearly inconsistent with the provisions of this resolution.~~

~~Except as may be otherwise provided in the resolution establishing a Derivative Product Account, additional Subordinate Lien Parity Bonds may be delivered in connection with any Derivative Product. This resolution may be amended in the future to reflect the lien position and priority of any payments made in connection with a Derivative Product; *provided, however,* that termination payments under Derivative Products shall be subordinate to Subordinate Lien Parity Bonds.~~

**Section 1.09. Defaults and Remedies (Amended).**

Section 5.10 of the Original Resolution is hereby amended to read as set forth in this section. Additions and deletions from the Original Resolution are shown as marked text, with additions double underlined and deletions struck:

The Port hereby finds and determines that the failure or refusal of the Port or any of its officers to perform the covenants and obligations of this resolution will endanger the operation of the Facilities and the application of Gross Revenue and such other money, funds and securities to the purposes herein set forth. Any one or more of the following shall constitute a Default under this resolution:

- (a) The Port shall fail to make payment of the principal of any Subordinate Lien Parity Bonds, including without limitation any Bank Bond, when the same shall become due and payable whether by maturity or scheduled redemption prior to maturity or other required repayment date;
- (b) The Port shall fail to make payments of any installment of interest on any Subordinate Lien Parity Bonds, including without limitation any Bank Bond, when the same shall become due and payable; or
- (c) The Port shall default in the observance or performance of any other covenants, conditions, or agreements on the part of the Port contained in this resolution, and such default shall have continued for a period of 90 days; however, if such default cannot be reasonably cured within such 90-day period, the Port shall have such additional time (not to exceed a total cure period of 180 days) as reasonably necessary to cure the default provided that the Port commences cure within 90 days and diligently pursues cure thereafter.

Upon the occurrence and continuation of a Default, a Credit Facility Issuer of a Credit Facility that supports the payment of principal of and interest on Subordinate Lien Parity Bonds shall be entitled to exercise, on behalf of such Subordinate Lien Parity Bondowners, any of the remedies provided under this section and, such Credit Facility Issuer shall be the only party entitled to exercise the remedies with respect to such Subordinate Lien Parity Bonds provided under this section. The rights granted to any such Credit Facility Issuer shall be disregarded and be of no effect if the Credit Facility Issuer has failed to honor a properly presented and conforming drawing on its Credit Facility. There shall be no waiver of a Default hereunder with respect to the Subordinate Lien Parity Bonds unless the Registrar shall have received from the Credit Facility Issuer a written rescission of its default notice and shall be assured that the Credit Facility or Liquidity Facility, as the case may be, has been fully reinstated.

There may not be any acceleration of the Subordinate Lien Parity Bonds. This prohibition against acceleration shall not be deemed to prohibit the term out of any Bank Bond or other reimbursement obligation to any Credit Facility Issuer or Liquidity Facility Issuer, to prohibit any mandatory tender or other tender provisions or to prohibit the payment of a termination amount with respect to a Derivative Product.

Upon the occurrence of a Default and so long as such Default shall not have been remedied and subject to the foregoing paragraph, a Bondowners' Trustee may be appointed for the Subordinate Lien Parity Bonds by the owners of 51% in principal amount of the Subordinate Lien Parity Bonds Outstanding by an instrument or concurrent instruments in writing signed and acknowledged by such Subordinate Lien Parity Bondowners or by their attorneys-in-fact duly authorized and delivered to such Bondowners' Trustee, notification thereof being given to the Port. Any Bondowners' Trustee appointed under the provisions of this Section shall be a bank

or trust company organized under the laws of a state or a national banking association. The fees and expenses of a Bondowners' Trustee shall be borne by the Bondowners and not by the Port. The bank or trust company acting as a Bondowners' Trustee may be removed at any time, and a successor Bondowners' Trustee may be appointed by the owners of 51% in principal amount of the Subordinate Lien Parity Bonds Outstanding, by an instrument or concurrent instruments in writing signed and acknowledged by such Subordinate Lien Parity Bondowners or by their attorneys-in-fact duly authorized.

The Bondowners' Trustee appointed in the manner herein provided, and each successor thereto, is hereby declared to be a trustee for the owners of all the Subordinate Lien Parity Bonds for which such appointment is made and is empowered to exercise all the rights and powers herein conferred on the Bondowners' Trustee, subject to the rights herein conferred on Credit Facility Issuers.

A Bondowners' Trustee may upon the happening of a Default and during the continuation thereof, take such steps and institute such suits, actions or other proceedings in its own name, or as trustee, all as it may deem appropriate for the protection and enforcement of the rights of Subordinate Lien Parity Bondowners to collect any amounts due and owing the Port, or to obtain other appropriate relief, and may enforce the specific performance of any covenant, agreement or condition contained in this resolution.

Any action, suit or other proceedings instituted by a Bondowners' Trustee hereunder shall be brought in its name as trustee for the Subordinate Lien Parity Bondowners and all such rights of action upon or under any of the Subordinate Lien Parity Bonds or the provisions of this resolution may be enforced by a Bondowners' Trustee without the possession of any of said Subordinate Lien Parity Bonds, and without the production of the same at any trial or proceedings

relating thereto except where otherwise required by law, and the respective owners of said Subordinate Lien Parity Bonds by taking and holding the same, shall be conclusively deemed irrevocably to appoint a Bondowners' Trustee the true and lawful trustee to the respective owners of said Subordinate Lien Parity Bonds, with authority to institute any such action, suit or proceeding; to receive as trustee and deposit in trust any sums that become distributable on account of said Subordinate Lien Parity Bonds; to execute any paper or documents for the receipt of such moneys, and to do all acts with respect thereto that the Subordinate Lien Parity Bondowner might have done in person. Nothing herein contained shall be deemed to authorize or empower any Bondowners' Trustee to consent to accept or adopt, on behalf of any owner of said Subordinate Lien Parity Bonds, any plan of reorganization or adjustment affecting the said Subordinate Lien Parity Bonds or any right of any owner thereof, or to authorize or empower the Bondowners' Trustee to vote the claims of the owners thereof in any receivership, insolvency, liquidation, bankruptcy, reorganization or other proceeding to which the Port shall be a party.

No owner of any one or more of the Subordinate Lien Parity Bonds shall have any right to institute any action, suit or proceedings at law or in equity for the enforcement of the same, unless Default shall have happened and be continuing, and unless no Bondowners' Trustee has been appointed as herein provided, but any remedy herein authorized to be exercised by a Bondowners' Trustee may be exercised individually by any Subordinate Lien Parity Bondowner, in the owner's own name and on the owner's own behalf or for the benefit of all Subordinate Lien Parity Bondowners, in the event no Bondowners' Trustee has been appointed, or with the consent of the Bondowners' Trustee if such Bondowners' Trustee has been appointed; provided however, that nothing in this resolution or in the Subordinate Lien Parity Bonds shall affect or impair the obligation of the Port which is absolute and unconditional, to pay from Available Revenue the

principal of and interest on said Subordinate Lien Parity Bonds to the respective owners thereof at the respective due dates therein specified, or affect or impair the right of action, which is absolute and unconditional, of such owners to enforce such payments.

The remedies herein conferred upon or reserved to the owners of the Subordinate Lien Parity Bonds and to a Bondowners' Trustee are not intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. The privileges herein granted shall be exercised from time to time and continued so long as and as often as the occasion therefor may arise and no waiver of any default hereunder, whether by a Bondowners' Trustee or by the owners of Bonds, shall extend to or shall affect any subsequent default or shall impair any rights or remedies consequent thereon. No delay or omission of the Subordinate Lien Parity Bondowners or of a Bondowners' Trustee to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein.

Upon any such waiver, such Default shall cease to exist, and any Default arising therefrom shall be deemed to have been cured, for every purpose of this resolution; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

The Registered Owner of each of the Subordinate Lien Parity Bonds or a trustee for the Registered Owners of any of the Subordinate Lien Parity Bonds may by mandamus or other appropriate proceeding require the transfer and payment of money as directed in this resolution.

~~The Port hereby finds and determines that the failure or refusal of the Port or any of its officers to perform the covenants and obligations of this resolution will endanger the operation of the Facilities and the application of Gross Revenue and such other money, funds and securities to~~

~~the purposes herein set forth. Any one or more of the following shall constitute a Default under this resolution:~~

~~(a) — The Port shall fail to make payment of the principal of any Bonds when the same shall become due and payable whether by maturity or scheduled redemption prior to maturity;~~

~~(b) — The Port shall fail to make payments of any installment of interest on any Bonds when the same shall become due and payable;~~

~~(c) — The Port shall default in the observance or performance of any other covenants, conditions, or agreements on the part of the Port contained in this resolution, and such default shall have continued for a period of 90 days.~~

~~— Upon the occurrence and continuation of a Default, for as long as the Credit Facility Issuer is not in default of its obligations under the Credit Facility, the Credit Facility Issuer shall be entitled to exercise, on behalf of the Bondowners, any of the remedies provided under this section and, the Credit Facility Issuer shall be the only party entitled to exercise the remedies provided under this section. There shall be no waiver of a Default hereunder with respect to the Bonds unless the Registrar shall have received from the Credit Facility Issuer a written rescission of its default notice and shall be assured that the Credit Facility or Liquidity Facility, as the case may be, has been fully reinstated.~~

~~There may not be any acceleration of the Bonds.~~

~~Upon the occurrence of a Default and so long as such Default shall not have been remedied and subject to the foregoing paragraph, a Bondowners' Trustee may be appointed for the Bonds by the owners of 51% in principal amount of the Outstanding Bonds by an instrument or concurrent instruments in writing signed and acknowledged by such Bondowners or by their attorneys in fact duly authorized and delivered to such Bondowners' Trustee, notification thereof being given to~~

~~the Port. Any Bondowners' Trustee appointed under the provisions of this Section shall be a bank or trust company organized under the laws of a state or a national banking association. The fees and expenses of a Bondowners' Trustee shall be borne by the Bondowners and not by the Port. The bank or trust company acting as a Bondowners' Trustee may be removed at any time, and a successor Bondowners' Trustee may be appointed by the owners of 51% in principal amount of the Bonds Outstanding, by an instrument or concurrent instruments in writing signed and acknowledged by such Bondowners or by their attorneys in fact duly authorized.~~

~~The Bondowners' Trustee appointed in the manner herein provided, and each successor thereto, is hereby declared to be a trustee for the owners of all the Bonds for which such appointment is made and is empowered to exercise all the rights and powers herein conferred on the Bondowners' Trustee.~~

~~A Bondowners' Trustee may upon the happening of a Default and during the continuation thereof, take such steps and institute such suits, actions or other proceedings in its own name, or as trustee, all as it may deem appropriate for the protection and enforcement of the rights of Bondowners to collect any amounts due and owing the Port, or to obtain other appropriate relief, and may enforce the specific performance of any covenant, agreement or condition contained in this resolution.~~

~~Any action, suit or other proceedings instituted by a Bondowners' Trustee hereunder shall be brought in its name as trustee for the Bondowners and all such rights of action upon or under any of the Bonds or the provisions of this resolution may be enforced by a Bondowners' Trustee without the possession of any of said Bonds, and without the production of the same at any trial or proceedings relating thereto except where otherwise required by law, and the respective owners of said Bonds by taking and holding the same, shall be conclusively deemed irrevocably to appoint a~~

~~Bondowners' Trustee the true and lawful trustee to the respective owners of said Bonds, with authority to institute any such action, suit or proceeding; to receive as trustee and deposit in trust any sums that become distributable on account of said Bonds; to execute any paper or documents for the receipt of such moneys, and to do all acts with respect thereto that the Bondowner himself might have done in person. Nothing herein contained shall be deemed to authorize or empower any Bondowners' Trustee to consent to accept or adopt, on behalf of any owner of said Bonds, any plan of reorganization or adjustment affecting the said Bonds or any right of any owner thereof, or to authorize or empower the Bondowners' Trustee to vote the claims of the owners thereof in any receivership, insolvency, liquidation, bankruptcy, reorganization or other proceeding to which the Port shall be a party.~~

~~No owner of any one or more of the Bonds shall have any right to institute any action, suit or proceedings at law or in equity for the enforcement of the same, unless Default shall have happened and be continuing, and unless no Bondowners' Trustee has been appointed as herein provided, but any remedy herein authorized to be exercised by a Bondowners' Trustee may be exercised individually by any Bondowner, in his own name and on his own behalf or for the benefit of all Bondowners, in the event no Bondowners' Trustee has been appointed, or with the consent of the Bondowners' Trustee if such Bondowners' Trustee has been appointed; provided however, that nothing in this resolution or in the Bonds shall affect or impair the obligation of the Port which is absolute and unconditional, to pay from Available Revenue the principal of and interest on said Bonds to the respective owners thereof at the respective due dates therein specified, or affect or impair the right of action, which is absolute and unconditional, of such owners to enforce such payments.~~

~~The remedies herein conferred upon or reserved to the owners of the Bonds and to a Bondowners' Trustee are not intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. The privileges herein granted shall be exercised from time to time and continued so long as and as often as the occasion therefor may arise and no waiver of any default hereunder, whether by a Bondowners' Trustee or by the owners of Bonds, shall extend to or shall affect any subsequent default or shall impair any rights or remedies consequent thereon. No delay or omission of the Bondowners or of a Bondowners' Trustee to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein.~~

~~Upon any such waiver, such Default shall cease to exist, and any Default arising therefrom shall be deemed to have been cured, for every purpose of this resolution; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.~~

**Section 1.10. Amendments Without Registered Owners Consent (Amended).**

Section 7.07 of the Original Resolution is hereby amended to read as set forth in this section. Additions and deletions from the Original Resolution are shown as marked text, with additions double underlined and deletions struck:

\_\_\_\_\_ This resolution may be amended or supplemented from time to time, without the consent of the Registered Owners by a Supplemental Resolution adopted by the Commission for one or more of the following purposes:

- (a) pursuant to a Series Resolution to provide for the issuance of a Series or multiple Series of Subordinate Lien Parity Bonds under the provisions of Section 4 hereof and to set forth the terms of such Subordinate Lien Parity Bonds and the special provisions which shall apply

to such Subordinate Lien Parity Bonds;

- (b) to cure any formal defect, omission, inconsistency or ambiguity in, or answer any questions arising under, this Resolution or any Series Resolution, provided such supplement or amendment is not materially adverse to the Subordinate Lien Parity Bondholders;
- (c) to add to the covenants and agreements of the Port in this Resolution or any Series Resolution other covenants and agreements, or to surrender any right or power reserved or conferred upon the Port, provided such supplement or amendment shall not adversely affect the interests of the Subordinate Lien Parity Bondholders;
- (d) to confirm, as further assurance, any interest of the Subordinate Lien Parity Bondholders in and to the pledge of Available Revenue or to otherwise add additional security for the Subordinate Lien Parity Bondholders;
- (e) to evidence any change made in the terms of any Series of Bonds if such changes are authorized by the Series Resolution at the time the Series of Bonds is issued and such change is made in accordance with the terms of such Series Resolution;
- (f) to comply with the requirements of the Trust Indenture Act of 1939, as amended from time to time;
- (g) to modify, alter, amend or supplement this Resolution or any Series Resolution in any other respect that is not materially adverse to the Subordinate Lien Parity Bondholders;
- (h) to provide for uncertificated Subordinate Lien Parity Bonds or for the issuance of coupons and bearer Subordinate Lien Parity Bonds or Subordinate Lien Parity Bonds registered only as to principal;
- (i) to make modifications or adjustments necessary, appropriate or desirable to accommodate the use of a Credit Facility or Liquidity Facility for specific Subordinate Lien Parity Bonds

or a specific Series of Subordinate Lien Parity Bonds;

- (j) to provide for the issuance of the Subordinate Lien Parity Bonds pursuant to a book-entry system or as uncertified registered public obligations;
- (k) to make such additions, deletions, or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on any tax-exempt Subordinate Lien Parity Bonds;
- (l) for any other purpose that does not materially and adversely affect the interests of the Owners of the Subordinate Lien Parity Bonds, including without limitation to qualify the Subordinate Lien Parity Bonds or a Series of Subordinate Lien Parity Bonds for a rating or ratings from a Rating Agency or to accommodate the technical, operational and structural features of Bonds that are issued or are proposed to be issued, including, but not limited to, changes needed to accommodate commercial paper, swaps, variable rate or adjustable rate bonds, discounted or compound interest bonds or other forms of indebtedness that the Port, from time to time deems appropriate to incur; and
- (m) for any purpose, if such amendment becomes effective only following a mandatory tender of all Bonds for purchase.

~~This resolution may be amended or supplemented from time to time, without the consent of the Registered Owners by a Supplemental Resolution adopted by the Commission for one or more of the following purposes:~~

~~(a) — to add additional covenants of the Commission or to surrender any right or power herein conferred upon the Port; or~~

~~(b) — to cure any ambiguity or to cure, correct or supplement any defective (whether because of any inconsistency with any other provision hereof or otherwise) provision of this~~

~~resolution in such manner as shall not be inconsistent with this resolution or to make any other provisions with respect to matters or questions arising under this resolution, provided such action shall not impair the security hereof or adversely affect the interests of the Registered Owners; or~~

~~(e) — to provide or modify procedures permitting Registered Owners to utilize a certificated system of registration for Bonds; or~~

~~(d) — to modify, alter, amend, supplement or restate this resolution in any and all respects necessary, desirable or appropriate in connection with the delivery of a letter of credit, liquidity facility, standby bond purchase agreement or other security or liquidity arrangement; or~~

~~(e) — to modify the provisions for optional or mandatory redemption at the commencement of a Long Term Mode or Fixed Mode; or~~

~~(f) — to modify, alter, amend, supplement or restate this resolution in any and all respects necessary, desirable or appropriate in order to satisfy the requirements of any Rating Agency which may from time to time provide a rating on the Bonds, or in order to obtain or retain such rating on the Bonds as is deemed necessary by the Port; or~~

~~(g) — for any purpose, if such amendment becomes effective only following a mandatory tender of all Bonds for purchase.~~

**Section 1.11. Amendments With Registered Owners Consent (Amended).**

Section 7.08 of the Original Resolution is hereby amended to read as set forth in this section. Additions and deletions from the Original Resolution are shown as marked text, with additions double underlined and deletions struck:

\_\_\_\_\_ This resolution may be amended from time to time by a Supplemental Resolution approved by the Registered Owners of 51% in aggregate principal amount of the Subordinate Lien Parity Bonds 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 Subordinate Lien Parity Bonds Outstanding without the consent of the Registered Owners of 51% in aggregate principal amount of the Subordinate Lien Parity Bonds so affected, and
- (b) except as expressly authorized hereunder, no amendment that alters the interest rates on any Subordinate Lien Parity Bonds, the maturity date, interest payment dates, purchase upon tender or redemption provisions of any Subordinate Lien Parity Bonds, this Section 9(b) without the consent of the Registered Owners of all Subordinate Lien Parity Bonds Outstanding affected thereby.

For the purpose of consenting to amendments under this Section 9 except for amendments that alter the interest rate on any Subordinate Lien Parity Bonds, the maturity date, interest payment dates, purchase upon tender or redemption of any Subordinate Lien Parity Bonds, the Credit Facility Issuer shall be deemed to be the sole Registered Owner of the Subordinate Lien Parity Bonds that are payable from such Credit Facility and that are then Outstanding.

~~This resolution may be amended from time to time by a Supplemental Resolution approved by the Registered Owners of 51% 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 51% in aggregate principal amount of the Bonds so affected, and (b) except as expressly authorized hereunder, no amendment that 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 rate on any Bonds, the maturity date, Interest Payment Dates, purchase upon tender or redemption of any Bonds, the Credit Facility Issuer shall be deemed to be the sole Registered Owner of the Bonds that are payable from such Credit Facility and that are then Outstanding.~~

## ARTICLE II. MISCELLANEOUS

### **Section 2.01. Contract; Severability.**

The covenants in this resolution shall constitute a contract for the benefit of the Registered Owners, and the Registered Owners shall be entitled to enforce the provisions hereof in accordance with its terms. 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 and final appeal (if any appeal be taken) 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 Bonds.

### **Section 2.02. Effect of Amendments.**

Exhibit A is incorporated as if set forth herein. Except as specifically amended herein and in Exhibit A, the Original Resolution shall continue in full force and effect in accordance with its original terms.

### **Section 2.03. Amendments With Credit Facility Issuer's Consent.**

Any amendment or supplement to this resolution shall require the prior written consent of the Credit Facility Issuer.

### **Section 2.04. Immediate Effect.**

This resolution shall take effect immediately upon its adoption.

ADOPTED by the Port Commission of the Port of Seattle at a meeting thereof, held this \_\_\_\_\_ day of \_\_\_\_\_, 2026, and duly authenticated in open session by the signatures of the commissioners voting in favor thereof.

PORT OF SEATTLE, WASHINGTON

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\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Commissioners

EXHIBIT A:  
AMENDED DEFINITIONS

As used in this resolution, the following words and phrases shall have the meanings hereinafter set forth unless the context clearly shall indicate that another meaning is intended:

***Accreted Value*** means (a) with respect to any Capital Appreciation Bonds, as of any date of calculation, the sum of the initial principal amount of such Capital Appreciation Bonds plus the interest accumulated, compounded and unpaid thereon as of the most recent compounding date, or (b) with respect to Original Issue Discount Bonds, as of the date of calculation, the amount representing the initial public offering price of such Original Issue Discount Bonds plus the amount of discounted principal which has accreted since the date of issue.

***Annual Debt Service*** means the total amount of Debt Service for all Prior Lien Bonds and Subordinate Lien Parity Bonds Outstanding, and, without duplication, with respect to any Derivative Product, in any fiscal year or Base Period.

***Available Revenue*** means the Gross Revenue of the Port after providing for the payments set forth in paragraphs First through Eighth of Section 3(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 Prior Lien Bonds.

***Balloon Maturity Bonds*** means any Prior Lien Bonds and Subordinate Lien Parity Bonds Outstanding that are so designated in their authorizing resolution or in a certificate of the

Designated Port Representative executed on or prior to their date of issuance. Commercial Paper shall be deemed to be a Balloon Maturity Bond.

**Bank Bond** means any Subordinate Lien Parity Bonds purchased with proceeds of a Credit Facility or Liquidity Facility or Subordinate Lien Parity Bonds evidencing the Port's obligation to reimburse a Credit Facility Issuer or Liquidity Facility Issuer for the payment of the purchase price of or principal of or interest on any Subordinate Lien Parity Bond.

**Base Period** means any consecutive 12-month period selected by the Designated Port Representative out of the 30-month period preceding the date of issuance of the series of Future Subordinate Lien Parity Bonds then proposed to be issued.

**Bond Counsel** means a firm of lawyers nationally recognized and accepted as bond counsel and so employed by the Port for any purpose under this resolution applicable to the use of that term.

**Capital Appreciation Bonds** mean any Prior Lien Bonds and Subordinate Lien Parity Bonds Outstanding all or a portion of the interest on which is compounded, accumulated and payable only upon redemption or on the maturity date of such Prior Lien Bonds or Subordinate Lien Parity Bonds. If so provided in their authorizing resolution or a certificate of the Designated Port Representative executed on or prior to their date of issuance, Prior Lien Bonds or Subordinate Lien Parity Bonds may be deemed to be Capital Appreciation Bonds for only a portion of their term. On the date on which Prior Lien Bonds or Subordinate Lien Parity Bonds no longer are Capital Appreciation Bonds, they shall be deemed Outstanding in a principal amount equal to their Accreted Value.

***Certificate Period*** means the period commencing with the fiscal year following the year in which the proposed series of Subordinate Lien Parity Bonds are to be issued and extending through the earlier of (a) the third fiscal year in 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 Future Subordinate Lien Parity Bonds and (b) the fifth fiscal year following the year in which the proposed series of Subordinate Lien Parity Bonds are to be issued.

***Commercial Paper*** means any Prior Lien Bond or Subordinate Lien Parity Bond with a maturity not more than 270 days from its date of issuance.

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

***Consultant*** means at any time an independent consultant nationally recognized in marine or aviation matters or an engineer or engineering firm or other expert appointed by the Port to perform the duties of the Consultant as required by this resolution. For the purposes of delivering any certificate required by Section 4(b)(3)(A)(ii) hereof, the term Consultant shall also include any independent national public accounting firm appointed by the Port to make such calculation or to provide such certificate or nationally-recognized municipal advisor appointed by the Port for purposes of making such calculation.

***Credit Facility*** means a policy of municipal bond insurance, a letter of credit, surety bond, line of credit, guarantee, reimbursement agreement, or other financial instrument or any combination of the foregoing, which obligates a third party to make payment or provide funds for the payment of the purchase price of or the scheduled principal of and interest on Prior Lien Bonds or Subordinate Lien Parity Bonds. There may be one or more Credit Facilities outstanding at any time.

***Credit Facility Issuer*** means the issuer of any Credit Facility.

***Customer Facility Charge*** or ***CFC*** means any customer facility charge authorized pursuant to state law, including pursuant to RCW 14.08.120, as may be amended from time to time, and imposed upon customers of rental car companies accessing the Facilities for the purpose of financing, designing, constructing, operating and maintaining consolidated rental car facilities and common use transportation equipment and facilities which are used to transport the customer between the consolidated car rental facilities and other Facilities, or any successor provision approving such a charge or a similar charge or fee, and any interest, profits or other income derived from the investment thereof.

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

- (a) with respect to any Outstanding Original Issue Discount Bonds or Capital Appreciation Bonds that are not designated as Balloon Maturity Bonds, the principal amount thereof equal to the Accreted Value thereof maturing or scheduled for redemption in such period, plus the interest, if any, payable during such period;
- (b) with respect to any Outstanding Fixed Rate Bonds, an amount equal to (1) the principal amount coming 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 such principal on the assumption that mandatory sinking fund installments will be applied to the redemption or retirement of such Prior Lien Bonds or Subordinate Lien Parity Bonds on the required redemption or retirement date, plus (3) all interest payable during such period on any such Prior Lien Bonds and Subordinate Lien Parity Bonds Outstanding;

- (c) with respect to all other series of Prior Lien Bonds and 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 Prior Lien 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 Prior Lien Bonds or Subordinate Lien Parity Bonds during such period computed on the assumption that the amount of such Prior Lien Bonds or Subordinate Lien Parity Bonds Outstanding as of the date of such computation would be amortized (1) in accordance with their scheduled maturities or required repayment dates, if any, and any mandatory redemption provisions (disregarding any put, mandatory tender or mandatory purchase provisions) set forth in or approved pursuant to their authorizing resolution, or if scheduled maturities, required repayment dates or mandatory redemption provisions (disregarding any put, mandatory tender or mandatory purchase provisions) are not provided, over a 30-year period commencing with the first fiscal year following the date of computation to provide for essentially level annual debt service of principal and interest over such period and (2) at an interest rate equal to the greater of (A) the average of the applicable Variable Rate Index over the 10-year period ending the week immediately preceding the date of calculation plus 0.50%, and (B) the applicable Variable Rate Index in the week immediately preceding the date of calculation; and
- (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 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.

Debt Service shall include reimbursement obligations (and interest accruing thereon) owing to any Credit Facility Issuer or Liquidity Facility Issuer; provided that a Prior Lien Bond or Subordinate Lien Parity Bond and an unreimbursed reimbursement obligation arising with respect to such Prior Lien Bond or Subordinate Lien Parity Bond shall not be deemed to be Outstanding at the same time. With respect to any Prior Lien Bonds or Subordinate Lien Parity Bonds payable in other than U.S. Dollars, Debt Service shall be calculated as provided in or pursuant to their authorizing resolution. Debt Service shall be net of (1) any principal or interest funded out of Prior Lien Bond or Subordinate Lien Parity Bond proceeds and (2) any Debt Service Offset.

***Debt Service Offset*** means receipts of the Port (such as PFCs or CFCs) that are not included in Gross Revenue and that are legally available and pledged by the Port to pay debt service on Prior Lien Parity Bonds and/or Subordinate Lien Parity Bonds for a period not less than the duration of the Certificate Period.

***Derivative Facility*** means a letter of credit, an insurance policy, a surety bond or other credit enhancement device, given, issued or posted as security for the Port's obligations under one or more Derivative Products.

***Derivative Payment Date*** means any date specified in the Derivative Product on which a Port Payment is due and payable under the Derivative Product.

***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;
- (b) under which Reciprocal Payments are to be made directly into a bond fund for Prior Lien Bonds or Subordinate Lien Parity Bonds Outstanding;
- (c) 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
- (d) 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.

***Derivative Product Account*** means the Derivative Product Account, if any, created and established under Section 6 hereof or under another authorizing resolution.

***Designated Port Representative*** means the Executive Director of the Port, the Deputy Executive Director of the Port 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.

***EMMA*** means the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system, located at [www.emma.msrb.org](http://www.emma.msrb.org), or any successor to its functions.

***Estimated Average Derivative Rate*** means:

- (a) as to the variable rate payments to be made by a party under any Derivative Product,
  - (1) 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;

(2) 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 Prior Lien Bonds or 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 Prior Lien Bonds or Subordinate Lien Parity Bonds; and

(c) if two or more Derivative Products 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 the 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)(1) and (a)(2) of this definition and, where applicable, with respect to the first of such Derivative Products to become effective.

**Facilities** mean all equipment and all property, real and personal, or any interest therein, whether improved or unimproved, now or hereafter (for as long as any Subordinate Lien Parity

Bonds of the Port shall be Outstanding) owned, operated, used, leased or managed by the Port and that contribute in some measure to its Gross Revenue.

**First Lien Bonds** mean the Outstanding First Lien Bonds and any bonds issued by the Port pursuant to Section 5 of the First Lien Master Resolution, which provides that such bonds shall be on a parity of lien with other series of First Lien Bonds.

**First Lien Master Resolution** has the meaning set forth in the recitals, as such resolution may be amended in the future in accordance with its terms.

**Fitch** means Fitch Ratings, Inc., organized and existing under the laws of the State of Delaware, its successors and their assigns, and, if such organization shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, Fitch shall be deemed to refer to any other nationally recognized securities rating agency (other than S&P, Moody's or Kroll) designated by the Designated Port Representative.

**Fixed Rate Bonds** means Bonds other than Capital Appreciation Bonds, Original Issue Discount Bonds or variable rate Balloon Maturity Bonds with a rate of interest on such Prior Lien Bonds or Subordinate Lien Parity Bonds that is fixed and determinable through their final maturity or for a specified period of time. If so provided in their authorizing resolution or a certificate of the Designated Port Representative executed on or prior to their date of issuance, Prior Lien Bonds or Subordinate Lien Parity Bonds may be deemed to be Fixed Rate Bonds for only a portion of their term.

**Future Subordinate Lien Parity Bonds** means revenue bonds or other revenue obligations issued by the Port in the future with a lien on Gross Revenue equal to the lien thereon of the Subordinate Lien Parity Bonds Outstanding, including without limitation any Bank Bond issued

by the Port in the future with a lien on Gross Revenue equal to the lien thereon of the Subordinate Lien Parity Bonds Outstanding.

**Gross Revenue** means all income and revenue derived by the Port from any source whatsoever except:

- (a) the proceeds of any borrowing by the Port and the earnings thereon (other than earnings on proceeds deposited in reserve funds);
- (b) income and revenue that may not legally be pledged for revenue bond debt service;
- (c) passenger facility charges (PFCs), head taxes, federal grants or substitutes therefor allocated to capital projects;
- (d) payments made under Credit Facilities or Liquidity Facilities issued to pay or secure the purchase of or payment of a particular series of Prior Lien Bonds or Subordinate Lien Parity Bonds;
- (e) proceeds of insurance or condemnation proceeds other than business interruption insurance;
- (f) income and revenue of the Port separately pledged and used by it to pay and secure the payment of the principal of and interest on any issue or series of Special Revenue Bonds of the Port issued to acquire, construct, equip, install or improve part or all of the particular facilities from which such income and revenue are derived, *provided that* nothing in this subparagraph (f) shall permit the withdrawal from Gross Revenue of any income or revenue derived or to be derived by the Port from any income producing facility that shall have been contributing to Gross Revenue prior to the issuance of such Special Revenue Bonds and that are not Released Revenues; and
- (g) income from investments irrevocably pledged to the payment of bonds to be refunded

under any refunding bond plan of the Port.

Notwithstanding the foregoing, the Port may elect to pledge other receipts at any time as additional security for any one or more series of obligations.

***Intermediate Lien Parity Bonds*** means the Outstanding Intermediate Lien Bonds and any future revenue bonds issued pursuant to the Intermediate Lien Master Resolution with a lien on Available Intermediate Lien Revenues (as defined in the Intermediate Lien Master Resolution) on a parity with the lien thereon of the then Outstanding Intermediate Lien Bonds.

***Intermediate Lien Master Resolution*** has the meaning set forth in the recitals, as such resolution may be amended in the future in accordance with its terms.

***Kroll*** means Kroll Bond Rating Agency, Inc. and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term Kroll shall be deemed to refer to any other nationally recognized securities rating agency (other than Moody's, Fitch or S&P) selected by the Designated Port Representative.

***Liquidity Facility*** means a line of credit, standby purchase agreement or other financial instrument or any combination of the foregoing, which obligates a third party to make payment or to provide funds for the payment of the purchase price of Prior Lien Bonds or Subordinate Lien Parity Bonds. There may be more than one Liquidity Facility providing funds for payment of the purchase price of Prior Lien Bonds or Subordinate Lien Parity Bonds if so provided in or pursuant to the Series Resolution or Series Resolutions.

***Liquidity Facility Issuer*** means the issuer of any Liquidity Facility.

***Maximum Annual Debt Service*** means the highest Annual Debt Service in any future fiscal year.

**Moody's** means Moody's Ratings, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term Moody's shall be deemed to refer to any other nationally recognized securities rating agency (other than Fitch or S&P or Kroll) selected by the Designated Port Representative.

**Net Revenues** means Gross Revenue less any part thereof that must be used to pay Operating Expenses.

**Operating Expenses** means the current expenses incurred for operation or maintenance of the Facilities (other than Special Facilities), as defined under generally accepted accounting principles, in effect from time to time, excluding any allowances for depreciation or amortization or interest on any obligations of the Port incurred in connection with and payable from Gross Revenue, and excluding Operating Expenses paid from sources other than Gross Revenue (e.g. from the Port's property tax levy). Operating Expenses may be further adjusted as may be necessary to reflect more fairly the Port's annual operating performance (e.g. to omit other non-cash items).

**Original Issue Discount Bonds** means Prior Lien Bonds or Subordinate Lien Parity Bonds that are sold at an initial public offering price of less than 95% of their face value and that are designated as Original Issue Discount Bonds in their authorizing resolution or a certificate of the Designated Port Representative on or prior to their date of issuance.

**Other Revenue Available and Applied to Debt Service** means income and revenue derived by the Port from any source whatsoever and not included in Gross Revenue (such as income or revenue generated by or attributable to PFCs, CFCs, or Special Facilities) that the Port receives in

a fiscal year and uses to pay debt service on outstanding Prior Lien Bonds or Subordinate Lien Parity Bonds Outstanding in such fiscal year.

**Outstanding**, when used as of a particular time with reference to Prior Lien Bonds or Subordinate Lien Parity Bonds, means all Prior Lien Bonds Subordinate Lien Parity Bonds delivered pursuant to their authorizing resolution except:

- (a) Prior Lien Bonds or Subordinate Lien Parity Bonds cancelled by the Registrar or surrendered to the Registrar for cancellation;
- (b) Prior Lien Bonds or Subordinate Lien Parity Bonds paid or deemed to have been paid within the meaning of their authorizing resolution; and
- (c) Prior Lien Bonds or Subordinate Lien Parity Bonds in lieu of or in substitution for which replacement Prior Lien Bonds or Subordinate Lien Parity Bonds, as applicable, have been executed by the Port and delivered by the Registrar.

Notwithstanding the foregoing, Bank Bonds and other Prior Lien Bonds or Subordinate Lien Parity Bonds evidencing the Port's obligation to reimburse any Credit Facility Issuer or Liquidity Facility Issuer for the payment of the purchase price of, or principal of or interest on, any Prior Lien Bonds or Subordinate Lien Parity Bonds, as applicable, shall remain Outstanding until the applicable Credit Facility Issuer or Liquidity Facility Issuer is paid all such amounts due.

**Outstanding First Lien Bonds** has the meaning set forth in the recitals hereto.

**Outstanding Intermediate Lien Bonds** has the meaning set forth in the recitals hereto.

**Outstanding Subordinate Lien Parity Bonds** has the meaning set forth in the recitals hereto.

**Passenger Facility Charge** or **PFC** means any charge collected pursuant to the authority granted by the Aviation Safety and Capacity Expansion Act of 1990 (49 U.S.C. § 40117), the

Aviation Investment Reform Act of 2000 and 14 C.F.R. Part 158, as amended from time to time, and interest earnings thereon, net of amounts that collecting air carriers are entitled to retain for collecting, handling and remitting such passenger facility charge revenues.

**Port** means the Port of Seattle, a municipal corporation of the State of Washington, as now or hereafter constituted, or the corporation, authority, board, body, commission, department or officer succeeding to the principal functions of the Port or to whom the powers vested in the Port shall be given by law.

**Port Payment** means any payment, other than a termination or other nonscheduled payment, required to be made by or on behalf of the Port under a Derivative Product and which is determined according to a formula set forth in a Derivative Product.

**Prior Lien Bonds** means the First Lien Bonds, the Intermediate Lien Parity Bonds, the Reserved Lien Revenue Bonds, and any other revenue bonds that may be issued in the future at the discretion of the Port payable from Net Revenues as described in paragraphs Second through Eighth of Section 3(b) of this resolution and with a lien on Gross Revenue or Net Revenues superior to the lien thereon of the Subordinate Lien Parity Bonds.

**Prior Lien Debt Service (Rate Covenant)** means, for any fiscal year, the sum of the amounts required to be deposited during such fiscal year from Net Revenues for the payment of the amounts described in paragraphs Second through Eighth of Section 3(b) of this resolution.

**Qualified Insurance** means any non-cancellable municipal bond insurance policy or surety bond issued by any insurance company licensed to conduct an insurance business in any state of the United States (or by a service corporation acting on behalf of one or more such insurance companies) which insurance company or companies, as of the time of issuance of such

policy or surety bond, are rated in one of the three highest Rating Categories by one or more of the Rating Agencies for unsecured debt or insurance underwriting or claims paying.

***Qualified Letter of Credit*** means any irrevocable letter of credit issued by a financial institution, which institution maintains an office, agency or branch in the United States and as of the time of issuance of such letter of credit, is rated in one of the three highest long-term Rating Categories by one or more of the Rating Agencies.

***Rating Agency*** means Moody's, S&P, Fitch, Kroll, and/or another nationally recognized rating agency, provided such rating agency is then maintaining a rating on the applicable Series of First Lien Bonds or Subordinate Lien Parity Bonds at the request of the Port.

***Rating Category*** means the generic rating categories of a Rating Agency, without regard to any refinement or gradation of such rating category by a numerical modifier or otherwise.

***Reciprocal Payment*** means any payment to be made to, or for the benefit of, the Port under a Derivative Product by the Reciprocal Payor.

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

***Registered Owner*** means the person named as the registered owner of a Subordinate Lien Parity Bond on the register for such Subordinate Lien Parity Bond. For so long as the Subordinate Lien Parity Bonds are held by a Securities Depository or its nominee, such Securities Depository shall be deemed to be the Registered Owner.

**Released Revenues** means income or revenue of the Port previously included in Gross Revenue in respect of which the following have been delivered by or to the Port:

- (a) a certificate of the Designated Port Representative identifying the income or revenue to be removed from the definition of Gross Revenue and certifying the Port is in compliance with all requirements of this resolution;
- (b) a certificate of the Port or an independent certified public accountant to the effect that Net Revenue, excluding the income or revenues proposed to become Released Revenues, for each of the two audited fiscal years prior to the date of such certificate were equal to at least 110% of Maximum Annual Debt Service; and
- (c) an opinion of Bond Counsel to the effect that the exclusion of such revenues from the definition of Gross Revenue and from the pledge, charge and lien of this resolution will not in and of itself cause the interest on any Subordinate Lien Parity Bond issued as tax-exempt securities to be included in gross income for purposes of federal income tax.

**Repair and Renewal Fund** means the special fund authorized to be created pursuant to Section 2(b) of the First Lien Master Resolution.

**Reserved Lien Revenue Bonds** means those revenue bonds and other revenue obligations issued or incurred by the Port payable from Gross Revenue and having liens on Gross Revenue or Net Revenues subordinate to that of the Intermediate Lien Parity Bonds and prior to the lien thereon of the Subordinate Lien Parity Bonds.

**Revenue Fund** means, collectively, the Port's general fund, airport development fund and any other fund established in the office of the Treasurer for the receipt of Gross Revenue.

***SIFMA Municipal Swap Index*** means the Securities Industry and Financial Markets Association Municipal Swap Index or such other weekly, high-grade index comprised of seven-day, tax-exempt variable rate demand notes produced by Bloomberg, or its successor, or as otherwise designated by the Securities Industry and Financial Markets Association; *provided*, however, that, if such index is no longer produced by Bloomberg or its successor, then SIFMA Municipal Swap Index shall mean such other reasonably comparable index selected by the Designated Port Representative.

***Series Resolution*** means a resolution adopted by the Commission authorizing the issuance of one or more series of Subordinate Lien Parity Bonds pursuant to the terms of this resolution.

***Special Facilities*** means particular facilities financed with the proceeds of Special Revenue Bonds.

***Special Revenue Bonds*** mean any issue or series of revenue bonds, revenue warrants or other revenue obligations of the Port issued to directly or indirectly acquire (by purchase, lease or otherwise), construct, equip, install or improve part or all of particular facilities (together with any revenue obligations issued to refund the foregoing), and which are payable from and secured by the income and revenue from such facilities.

***SOFI Index*** means the forward-looking one month term rate based on the secured overnight financing rate that is published by CME Group Benchmark Administration Ltd. (“CME”), or its successor, and displayed on CME’s Market Data Platform (or other commercially available source providing such quotations); *provided*, however, that, if such rate is no longer provided by CME or its successor, then the SOFI Index shall mean such other reasonably comparable index selected by the Designated Port Representative.

**S&P** means S&P Global Ratings, Inc., and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term S&P shall be deemed to refer to any other nationally recognized securities rating agency (other than Moody's or Fitch or Kroll) selected by the Designated Port Representative.

**Subordinate Lien Bond Fund** means the Port of Seattle Subordinate Lien Bond Fund created or maintained in the office of the Treasurer by authority granted in Section 3(a) of this resolution.

**Subordinate Lien Parity Bonds** mean the Outstanding Subordinate Lien Parity Bonds and any Future Subordinate Lien Parity Bonds, including without limitation any Bank Bonds issued in connection with the Outstanding Subordinate Lien Parity Bonds and any Bank Bonds issued in connection with Future Subordinate Lien Parity Bonds.

**Subordinate Lien Parity Test** means (1) if no Debt Service Offset is applied to Debt Service, Net Revenue equal to or greater than 1.05 times Annual Debt Service on all Prior Lien Bonds and Subordinate Lien Parity Bonds then Outstanding and the Future Subordinate Lien Parity Bonds then proposed to be issued, or (2) if any Debt Service Offset is applied to Debt Service, Net Revenue equal to or greater than 1.10 times Annual Debt Service on all Prior Lien Bonds and Subordinate Lien Parity Bonds then Outstanding and the Future Subordinate Lien Parity Bonds then proposed to be issued.

**Subordinate Lien Rate Covenant** means the covenant of the Port to establish, maintain and collect rentals, tariffs, rates, fees, and charges in the operation of all of its business for as long as any Subordinate Lien Parity Bonds are Outstanding that will produce Net Revenue in each fiscal

year at least equal to 100% of the amounts required to pay the following amounts coming due in such fiscal year:

(1) Prior Lien Debt Service (Rate Covenant), and

(2) without duplication and in connection with Subordinate Lien Parity Bonds:

(a) principal of and interest on any Subordinate Lien Parity Bond Outstanding that is not Commercial Paper and is not a Bank Bond,

(b) interest on any Commercial Paper that is Outstanding during such fiscal year,

(c) principal of and interest on any Bank Bond that is Outstanding during such fiscal year,

(d) any Port Payments due with respect to any Derivative Product and,

(e) to the extent not otherwise provided for in this definition, any amounts due to a Reciprocal Payor,

but excluding from each of the foregoing without duplication, payments made or to be made from Other Revenue Available and Applied to Debt Service, bond proceeds and other money irrevocably set aside for such payment.

***Subordinate Lien Resolution*** means any Outstanding Subordinate Lien Resolution or Series Resolution authorizing the issuance of one or more series of Subordinate Lien Parity Bonds pursuant to this resolution.

***Taxable Obligation*** means any Prior Lien Bond or Subordinate Lien Parity Bond the interest on which is taxable for federal income tax purposes.

***Tax-Exempt Obligation*** means any Prior Lien Bond or Subordinate Lien Parity Bond the interest on which is tax-exempt or tax-advantaged for federal income tax purposes.

***Treasurer*** means the Chief Financial Officer of the Port, or any other public officer as may hereafter be designated pursuant to law to have the custody of Port funds.

***Variable Rate Index*** means, for Tax-Exempt Obligations, the SIFMA Municipal Swap Index and, for Taxable Obligations, the SOFR Index.

CERTIFICATE

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

1. That the attached resolution numbered 3847 (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 14th day of April, 2026, 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 \_\_\_\_ day of \_\_\_\_\_, 2026.

\_\_\_\_\_  
Secretary

# Subordinate Lien Revenue Debt Refresh

April 14, 2026



# Commission Actions

- Adoption of the Subordinate Lien Master Resolution No. 3845
    - Establishes key credit provisions that will apply to all Subordinate Lien Revenue Bonds
  - Amendment of the two Series Resolutions for currently outstanding Subordinate Lien bonds
    - Incorporates changes in the Master Resolution
- Note:** Actions today do not include any new bond issue authorization
- Likely Commission request for new bond(s) later this year

# Background

- Subordinate Lien was established in 1992
  - Debt service obligations on Subordinate Lien bonds are paid from the Port's net revenues *after* payment of First Lien and Intermediate Lien obligations
- Beginning in 1997, the Subordinate Lien has been used primarily for variable rate debt backed by bank credit
- Only ~4% of the Port's total debt portfolio is variable rate (all on the Subordinate Lien):
  - Commercial Paper Notes – total authorized, \$400 million (\$120 million outstanding)
  - 2008 Variable Rate Demand Bonds - \$110 million outstanding

# Purpose

- Staff is proposing updates that will make the subordinate lien more usable and easier to manage
  - Certain provisions are now out of date or inconsistent with other liens
- Refresh will help pave the way for *future* issuance of Subordinate Lien variable rate debt
  - The Port can improve its overall debt management by issuing more variable rate debt – see appendix for additional details on variable rate

# Key Updates

Topic	Current	New	Purpose
<b>Legal Structure</b>	Each series of bonds is governed by its own bond resolution	Similar to the First and Intermediate Liens, a Master Resolution will govern material provisions, and a series resolution will govern the mechanics of each series of bonds	Clear consistency of primary credit provisions
<b>Debt Service Coverage</b>	1.0x based on the subordinate lien alone (income after First and Intermediate Lien bonds are paid) divided by the subordinate lien debt service	1.0x based on aggregate coverage – net income of the Port divided by the debt service of all liens	Aggregate coverage provides a clearer and more meaningful calculation
<b>Debt Service Offsets</b>	PFCs and CFCs did not exist when lien was formed	The Port may use off sets such as PFCs and CFCs to reduce debt service in the coverage calculation	Flexibility to use off sets
<b>Additional Bonds Test</b>	1.5x coverage based on the subordinate Lien only	1.05x aggregate coverage or 1.10x if debt service off sets are pledged	More flexibility to issue new debt

# Process

Step	Status
Input from Port's investment banking team on recommended changes to the subordinate lien	Completed
Consent by Bank of America and Sumitomo – Letter of Credit providers on the Port's outstanding Subordinate Lien bonds and notes	In Progress
Commission Authorization	March/April
Confirmation from Rating Agencies	April
Extension of Letter of Credit on Series 2008 Bonds	April

# Commission Action

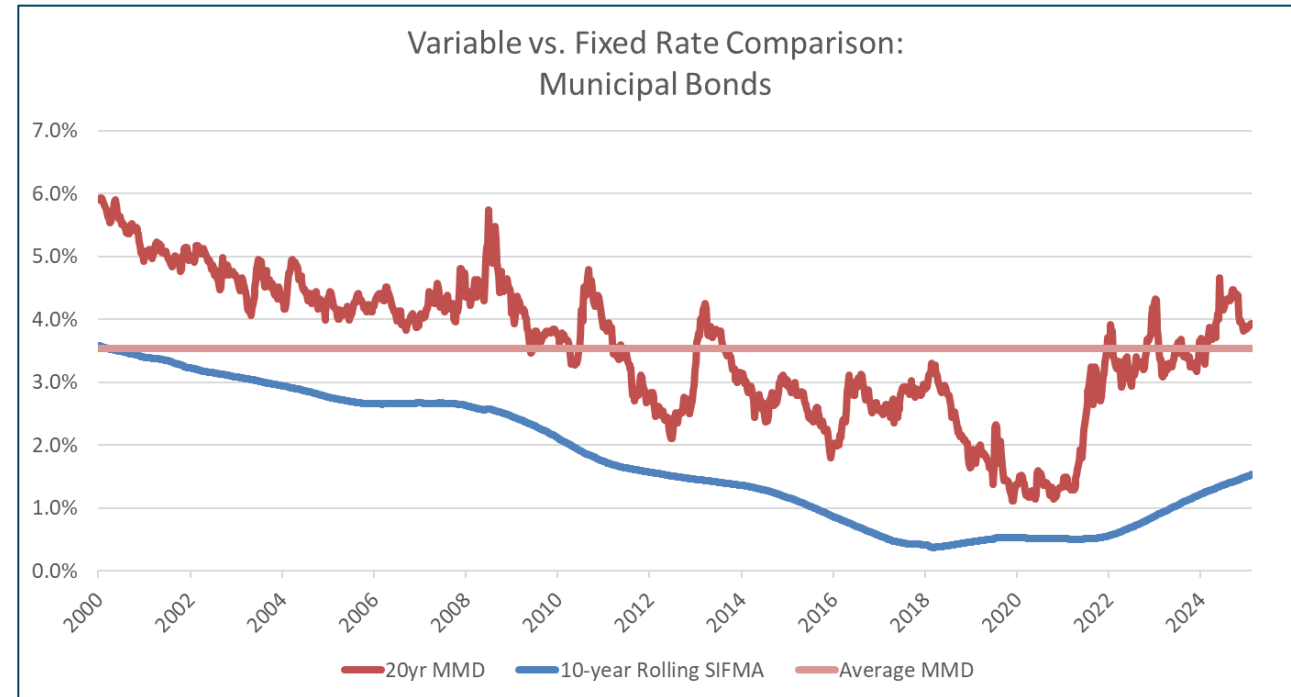
- Request Introduction on March 24, 2026
- Request Adoption on April 14, 2026
  1. Adopt new Subordinate Lien Master Resolution No. 3845
  2. Adopt Series Resolution No. 3846 - Commercial Paper Notes
    - Amends Subordinate Lien Series Resolution No. 3456 (as previously amended by Resolution No. 3777)
  3. Adopt Series Resolution No. 3847 - 2008 Variable Rate bonds
    - Amends Subordinate Lien Series Resolution No. 3598

# Appendix – Variable Rate Debt

# Variable Rate Debt Can Lower the Port's Cost of Capital

- Variable interest rates reset frequently, e.g. each week
- Short-term municipal rates on average are lower than long-term rates

Average Rates 2000-2025	
SIFMA	MMD
1.48%	3.54%

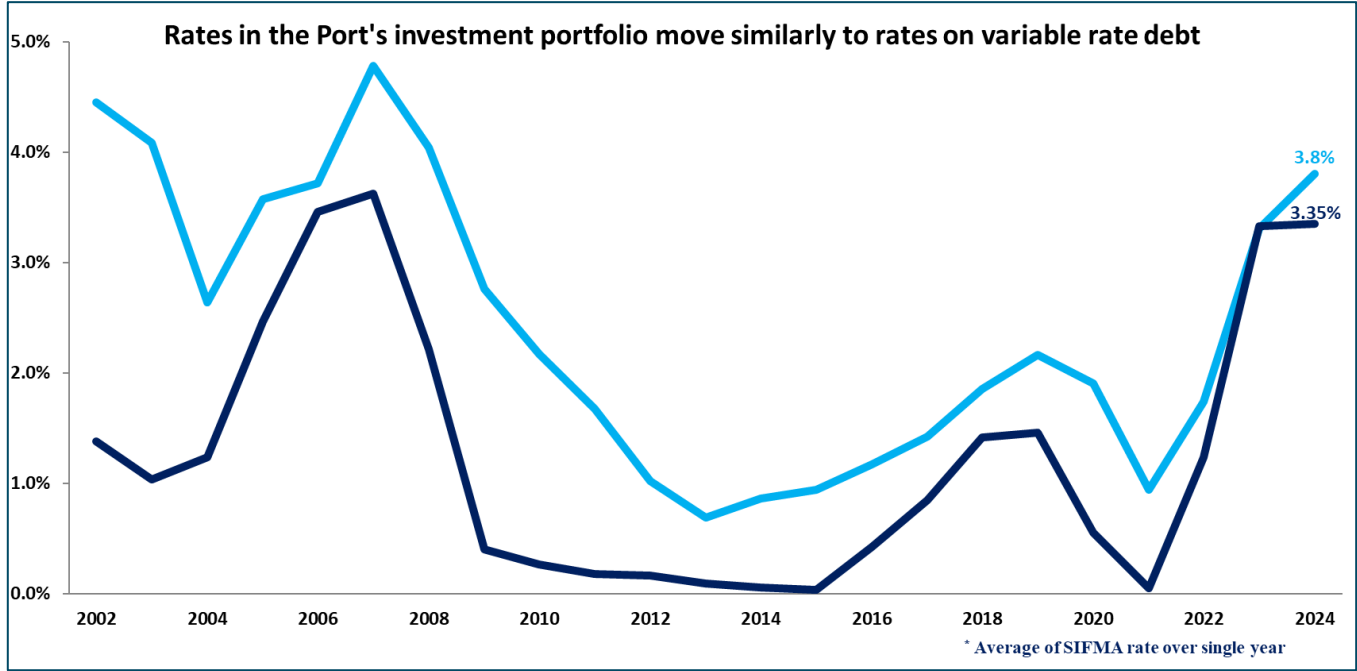


- SIFMA: Securities Industry and Financial Market Association Index of municipal short-term rates
- MMD: Municipal Market Data index of long-term rates

# Other Benefits

## Asset-Liability Management

- Reduce interest rate risk by hedging interest expense and interest earnings

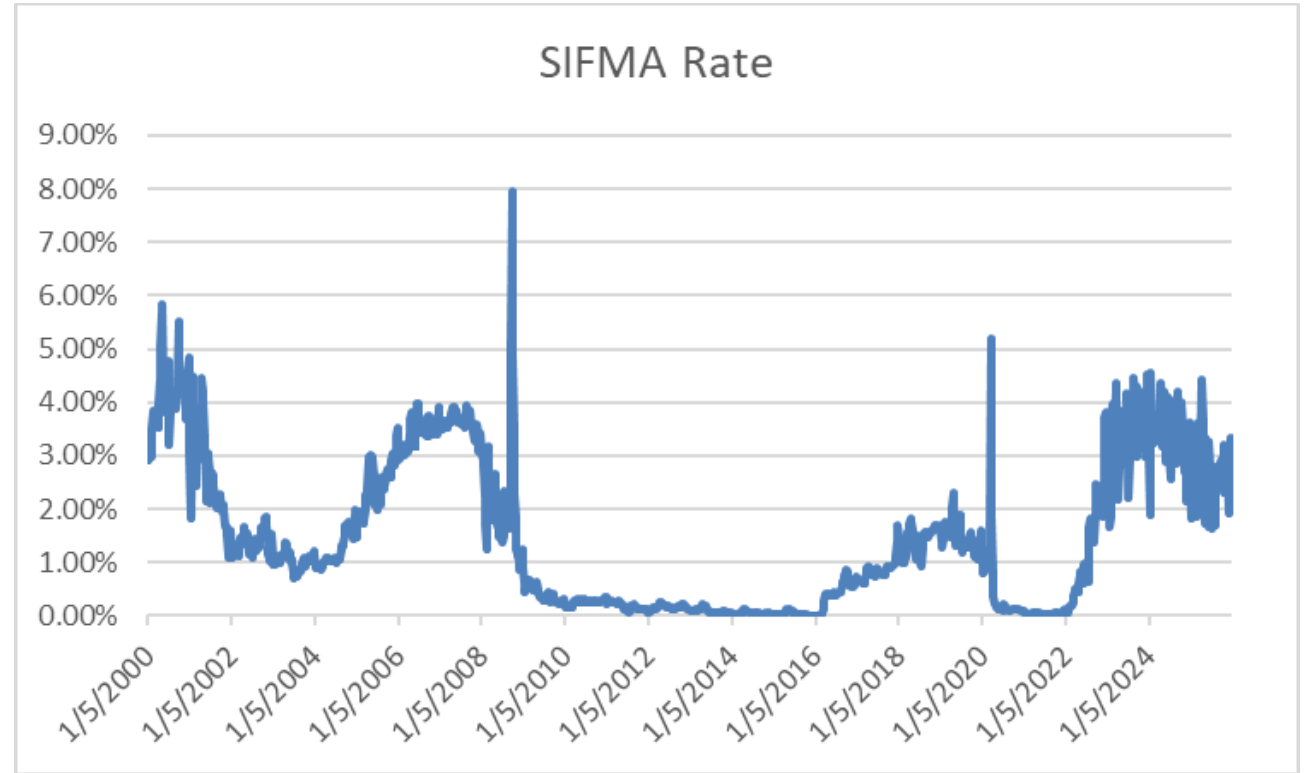


## Flexible Structure

- Some variable rate products provide for flexible principal payments

# Rate Volatility is a Risk

- The Port retains interest rate risk, but manages that by off-setting variable rates on its investment portfolio



# The Port Retains Credit and Liquidity Risk

## Risk

- The Port's variable rate is backed by a bank letter of credit
- Problems with the market or problems with the bank's credit can result in higher rates or in a lack of investors
  - The Port experienced this during the credit crisis in 2008

## Mitigation

- The Port negotiates agreements with the bank(s) to minimize the increase in rates and to provide time to cure the underlying problem
- Diversify bank exposure



**COMMISSION**  
**AGENDA MEMORANDUM**  
**ACTION ITEM**

<b>Item No.</b>	8d
<b>Date of Meeting</b>	April 14, 2026

**DATE:** March 27, 2026

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Sabrina Bolieu, Regional Government Relations Manager, External Relations  
 Dave Kaplan, Local Government Relations Manager, External Relations  
 Samantha St. John, East King County Community and Government Relations Manager, External Relations  
 Roxanne Murphy, Tribal Relations Manager, External Relations  
 Nate Caminos, Government Relations Director, External Relations

**SUBJECT: Adoption of 2026 Local, Regional and Community Engagement Policy Priorities**

**ACTION REQUESTED**

Request Commission adoption of the 2026 local and regional government policy priorities, for staff to engage with local and regional officials and other partners in support of these priorities.

Port of Seattle government relations staff worked with Commissioners, executive team members, internal subject matter experts, and external stakeholders to develop local, regional and community engagement policy priorities and partnerships to guide Port advocacy efforts to fulfill our mission to promote economic opportunities and quality of life in the region by advancing trade, travel, commerce and job creation in an equitable, accountable, and environmentally responsible manner.

Throughout 2025, staff worked to execute the 2025 regional and local policy priorities. Progress was made on many of the priorities, and current and future priorities will continue to be pursued over the next several years.

For 2026, the Local and Regional Policy Priorities are organized under the Century Agenda Goals and Objectives. The Century Agenda is the directional compass for the Port of Seattle that was introduced in 2012 and updated in 2017 and again in 2020.

These priorities are accomplished through the development of relationships with local jurisdictions and regional organizations, by both staff and elected officials, resulting in the partnerships necessary to successfully accomplish the Port’s goals. Regional engagement through the Puget Sound Regional Council, the Sound Cities Association, and others are a necessity to build these relationships.

Meeting Date: April 14, 2026

**2026 LOCAL AND REGIONAL POLICY PRIORITIES**

**Port of Seattle Century Agenda Goals**

**Goal 1: Position the Puget Sound as a premier international logistics hub**

Objective 1: Meet the Puget Sound region’s international trade and cargo needs in an efficient and sustainable manner.

- Support the T-5 Phase Agreements and the ongoing work to ensure vessels plug into shore power. Continue support of ongoing T-46 Tenancy discussions and the future WOSCA site
- Support freight improvements and the efficiency of the heavy haul network and monitor key projects like Holgate and Reconnect South Park
- Monitor the implementation of the Transportation Levy to ensure freight investments are effective and efficient
- Advocate for overnight truck parking and electrification in Seattle and across the region, including a full truck stop in North Bend to meet the current and growing demand, and to promote driver safety.

Objective 2: Support the continued success and competitiveness of the NWSA.

- Support alignment of goals with the Northwest Seaport Alliance
- Continue assurance of no net loss of Industrial Lands through the Seattle Comprehensive Plan Review process and close monitoring of the Mayor’s South of Downtown Visioning process.
- Finalize data analysis and communicate the regional economic impact of the NWSA/Port of Tacoma/Port of Seattle

**Goal 2: Advance this Region as a Leading Tourism Destination and Business Gateway**

Objective 3: Continuously improve the operational efficiency and customer experience at SEA.

Objective 4: Strengthen the competitiveness of SEA in the regional and global markets.

- Collaborate with tourism partners to promote responsible tourism/eco-tourism that promotes our natural assets while minimizing cultural and ecological impacts.
- Promote key initiatives that connect tourists to special events and offerings throughout the region (including Eastside initiatives like the Bellevue Bellhop program, Bellevue airport shuttle, Woodinville wine country tourism, and the waterfront shuttle).
- Work with local and regional partners to plan for service delivery in advance of and during the 2026 FIFA World Cup.

Objective 5: Meet the region’s air transportation needs by delivering vital facilities and infrastructure in a sustainable and cost-effective manner.

- Engage with the local communities, including continued robust outreach to BIPOC and under-represented communities, regarding the SAMP NTP’s draft State Environmental Policy Act Environmental Impact Statement (SEPA EIS) release, with completion anticipated by end of 2026.

Meeting Date: April 14, 2026

- Promote awareness of completed Upgrade SEA projects, and other improvements at SEA Airport.

**Goal 3: Responsibly Invest in the Economic Growth of the Region and all its Communities**

Objective 6: Increase job creation and business opportunities for local communities in all port-related industries.

- Amplify the Teal New Deal to stoke clean energy development in SODO with key blue and green industries like ship building
- Support equitable and inclusive programs to support small businesses like the Seattle Export Accelerator.
- Encourage port-adjacent employers, port tenants and other port employer partners to develop internships for near-port community members, (like Youth Maritime Career Launch) and targeted hiring strategies (like Priority Hire).
- Explore land acquisition to expand industrial lands and Port-related opportunities.
- Continue to promote the Port’s Economic Development Partnership City Fund Program and workforce development programs, helping to foster local business development and create equitable career paths and opportunities in Port-related occupations.
- Partner with City of Bellevue on Eastrail multi-modal corridor and the Grand Connection project.

Objective 7: Advance maritime industries through innovation, strategic investment and capable management of Port facilities.

- Explore the Port’s involvement and use of Port facilities for alternative fuels, including hydrogen and methanol production, storage and distribution.
- Promote development and support for the Maritime Innovation Center
- Develop Terminal 106 and Terminal 91 to support industrial warehousing and manufacturing.

Objective 8: Expand the economic, cultural and community benefits of Cruise Operations while preserving industrial lands.

- Support the continued development of a Green Corridor for cruise.
- Ensure the Elliot Bay Connections project and the Alaska Way Bike Lane improve and do not impede the cruise connection to the waterfront.
- Continue to explore expanding opportunities for local and diverse businesses in supplying goods and services to the cruise industry.

**Goal 4: Be the Greenest and Most Energy-Efficient Port in North America**

Objective 9: Meet all increased energy needs through conservation and renewable sources.

Objective 10: Meet or exceed agency requirements for stormwater leaving Port-owned or operated facilities.

Meeting Date: April 14, 2026

Objective 11: Reduce air pollutants and carbon emissions.

- Support the decarbonization of shipping including the development and uptake of low and zero emission maritime fuels.
- Continue to support tactical efforts to ensure cruise vessels utilize shore power at Pier 66.
- Foster the Clean Truck Collaborative Program led by the NWSA.
- Continue to further the development of Sustainable Aviation Fuels for use at SEA.
- Support the kelp research and restoration efforts with the Seattle Aquarium.
- Continue to apply the Port’s Environmental Land Stewardship strategies.

Objective 12: Restore, create, and enhance 40 additional acres of habitat in the Green/Duwamish habitat.

- Continue to steward Maritime Parks, especially those in the Duwamish to support port values and better serve near port communities.
- Meet our obligations for Duwamish Vision 2050, cleanup of the East Waterway.
- Facilitate engagement with local agencies on the Port’s next Wetland Mitigation Bank Project in Auburn.

**Goal 5: Become a Model for Equity, Diversity and Inclusion**

Objective 13: Increase utilization of WMBE and DBE firms and eliminate disparity of access to opportunities.

- Further WMBE and Diversity in Contracting.
- Help promote PortGen Business Accelerator.
- Support next steps pursued by Burien, SeaTac, or Tukwila to explore potential partnerships in support of a South King County International Public Market concept.

Objective 14: Ensure that all internal and external programs, structures and practices provide equitable opportunities for all.

- Meet regularly with Tribal leaders and affiliated organizations in the state and region to build, strengthen and sustain the government-to-government and community-to-community relationships with the Port of Seattle.
- Implementing the work plans as developed in the Muckleshoot and Suquamish Tribes MOAs.
- Further discussions and negotiations with Native American tribal governments or tribal governments’ supported entities, such as the Northwest Indian Fish Commission, in hopes of creating mutually beneficial agreements and partnerships between the port and those tribal governments.
- Continue to hold interjurisdictional meetings with the Beacon Hill, Georgetown, and South Park communities and the advancement of the South Seattle Roundtable series.
- The Office of Equity, Diversity, and Inclusion will lead internal efforts and provide technical support to Port divisions and departments to advance the Port’s Century Agenda via equity best practices and environmental justice principles.

Meeting Date: April 14, 2026

- Support and promote the Duwamish Valley Community Equity Program and the South King & Port Communities Program.
- Include anti-human trafficking efforts and promote access to services for human trafficking survivors.
- Continue our robust equitable community engagement as part of the SAMP NTP environmental review process.

Objective 15: Advance regional workforce development in port-related industries to provide equitable access to quality careers.

- Improve the Tribal Engagement Internship Program, encourage Tribal employment within the Port via advocacy and job fairs, offer Tribal youth tours of airport and maritime facilities, create connections with apprenticeship opportunities, and fulfill the requests from the Tribes to support Education and Tribal Workforce Development.
- Expand Green Jobs strategies in Port sectors, particularly in the Duwamish Valley and support regional coordination efforts (i.e., inter-governmental, public-private partnerships) for green jobs workforce development.
- Expand Aviation career opportunities through employment services for those seeking employment at SEA and educational programs such as literacy services for those with limited English proficiency and Aviation Maintenance Technology and Ground Service Equipment higher education programs.
- Support near-port communities to gain high-wage construction careers by investing in pre-apprenticeship training and leadership development.
- Support career connected learning programs and education institutions (Seattle Maritime Academy, Core Plus, Maritime High School, Career and Technical Education (CTE) programs).
- Advocate and explore opportunities to expand the provision of childcare, to the benefit of Port and airport employees.
- Continue to support equitable access for BIPOC communities and women into quality jobs in port sectors with investments in outreach training, retention, navigation.
- Support stronger collaboration with regional agencies such as the Southside Alliance and regional workforce development boards.
- Develop stronger industry relations to ensure effective placement of youth and adults into “in-demand” jobs.
- Lead conversations with public agencies and employers on developing best practices for respectful work sites to support retention of historically underrepresented workers in Port-related industries.

**Goal 6: Be a Highly Effective Public Agency**

Objective 16: Advance the Port's dedication to employee engagement, safety, innovation, and financial stewardship.

Meeting Date: April 14, 2026

Objective 17: Foster an environment of transparency, accountability, respect, leadership, and fairness to give Port staff the tools to be exceptional public servants.

- Finalize and pilot an institutional framework (maritime and aviation) to prioritize and invest in opportunities that have the greatest environmental justice impact and deliver positive outcomes for near-port communities. Implementation of the Environmental Justice Framework will also advance several objectives of goals 4 and 5 of the Century Agenda.

Objective 18: Partner and engage with external stakeholders to build healthy, safe and equitable communities.

- Engage with local and regional partners and identify opportunities for collaboration on how to replace infrastructure, in transitioning away from fossil fuels.
- Continue to support Port-tenant transition to PFAS-free fire-fighting foams.
- Consistent with Commission Order No. 2024-12, continue to engage with the City of SeaTac and the community regarding the protection of and future of North SeaTac Park, including support of SeaTac’s application for King County Conservation Futures Funds.
- Continue collaborating with internal and external stakeholders to further environmental justice and ensure meaningful community engagement for healthier communities.
- Continue collaborating with internal and external stakeholders to further anti-human trafficking efforts in preparation for the 2026 FIFA World Cup.

Objective 19: Set the standard for high-quality, cost-effective, and timely delivery of capital programs.

- Encourage the optimized use of SEA Pre-Conditioned Air Systems.
- Continue to explore partnerships with local jurisdictions for SEA Bike and Pedestrian Commuter Improvements.
- Continue sound insulation work within the current Noise Remedy Boundary that resulted from the 2014 Part 150 Noise and Land Use Compatibility Program and meet the 2026 goal for insulating homes, apartments, and places of worship, begin construction under the Port’s Sound Insulation Repair & Replacement Pilot Program (pre-1993 homes), and look to advance the new Part 150 Program.

**ATTACHMENTS TO THIS BRIEFING**

- (1) Presentation slides

Meeting Date: April 14, 2026

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

- March 24, 2026 – The Commission was briefed on 2026 Local and Regional Policy Priorities.
- March 11, 2025 - The Commission approved amended 2025 Local and Regional Policy Priorities.
- February 11, 2025 – The Commission was briefed on 2025 Local and Regional Policy Priorities
- February 13, 2024 – The Commission approved amended 2024 Local and Regional Policy Priorities.
- January 23, 2024 – The Commission was briefed on 2024 Local and Regional Policy Priorities
- January 10, 2023 – The Commission approved amended 2023 Local and Regional Policy Priorities.
- December 13, 2022 – The Commission was briefed on 2023 Local and Regional Policy Priorities
- March 8, 2022 – The Commission approved the 2022 Local and Regional Policy Priorities
- February 8, 2022 – The Commission was briefed on 2022 Local and Regional Policy Priorities
- January 26, 2021 – The Commission approved the 2021 Local and Regional Policy Priorities.
- January 12, 2021 – The Commission was briefed on 2021 Local and Regional Policy Priorities
- February 25, 2020 – The Commission approved the 2020 Local and Regional Policy Priorities
- February 11, 2020 – The Commission was briefed on 2020 Local and Regional Priorities.
- January 22, 2019 – The Commission approved 2019 Local and Regional Policy Priorities.
- January 8, 2019 – The Commission was briefed on 2019 Local and Regional Policy Priorities.
- February 27, 2018 – The Commission approved 2018 Local and Regional Policy Priorities.
- February 13, 2018 – The Commission was briefed on 2018 Local and Regional Priorities

# 2026 Local and Regional Policy Priorities Commission Adoption

Sabrina Bolieu, Regional Government Relations Manager, External Relations  
Dave Kaplan, Local Government Relations Manager, External Relations  
Roxanne Murphy, Tribal Relations Manager, External Relations  
Samantha St. John, East King County Government Relations, External Relations



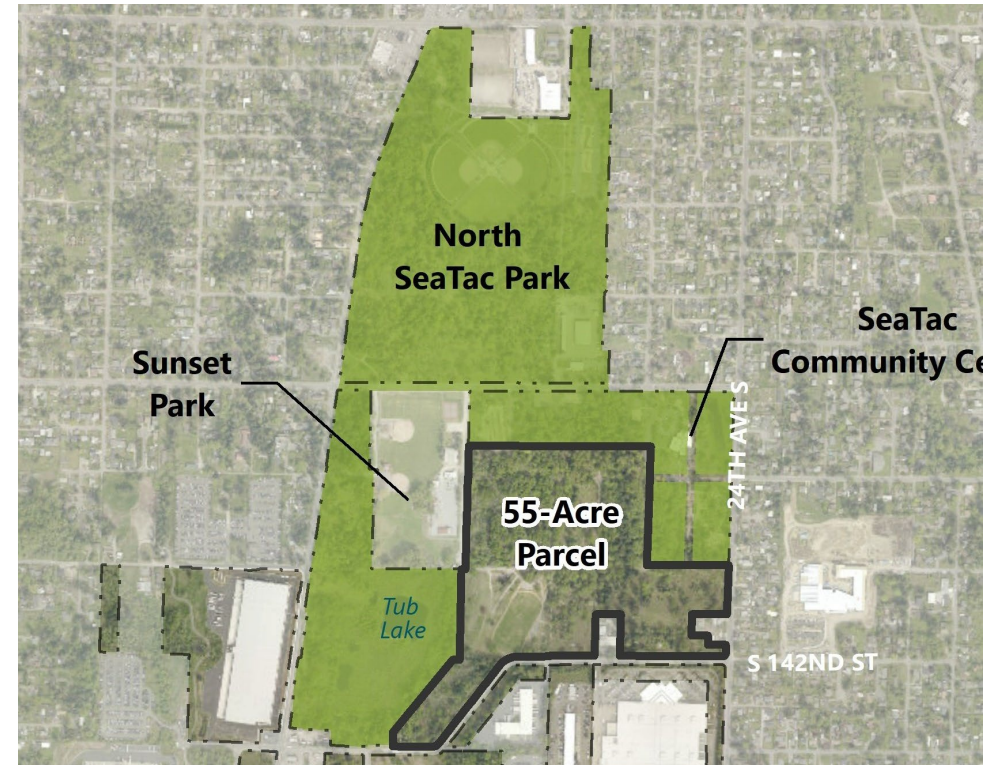
# Overview

- 2025 Priorities Advancement
  - Progress made on advancing Port priorities in 2025
- 2026 Priorities track with the Port's Century Agenda Goals and Objectives
  - Priorities aligned in furtherance of the six Century Agenda Goals, by area of engagement
- Next Steps
  - Share with the communities throughout King County



# 2025 Local & Regional Priorities Advancement

- Industrial lands repeal- GMHB Ruling
- Sound Industrial Alliance
- Tribal economic and workforce opportunities
- Tribal fishing season improvements



- Advancing Protection of North SeaTac Park
- Potential Development of NERA 1
- Deepening Relationship with Bellevue
- Eastside SEA Airport tours and SAMP

# 2026 Local & Regional Policy Priorities

## Regional Relations

- No net loss of the industrial lands
- Seattle Comprehensive Plan
- The future of the Manufacturing Industrial Centers
- Port of Seattle- Office of Economic Dev. MOU
- Terminal 46- Omni-terminal
- Holgate and Reconnect South Park
- Green Corridor for Cruise
- South Seattle Roundtable



# 2026 Local & Regional Policy Priorities

## South King County Relations

- SAMP NTP Draft SEPA EIS engagement
- Permanent protection of North SeaTac Park
- Future development of the NERA 1 property
- SEA bike and pedestrian improvements
- Childcare for SEA employees
- South King County International Public Market
- Anti-human trafficking efforts



# 2026 Local & Regional Policy Priorities

## East King County Relations

- Engage East King County cities and organizations in the next phase of the SAMP process.
- Advance connectivity to SEA via Eastside airport shuttle and new light rail cross-lake connection.
- Partner Bellevue on Eastrail corridor and the Grand Connection project.
- Coordinate with North Bend on truck parking and freight mobility needs in East King County.
- Strengthen regional collaboration on responsible tourism and economic development.



# 2026 Local & Regional Policy Priorities

## Tribal Relations

- Tribal work plan development
- Vessel Coordination Five-Year Plan
- Workforce Development partnerships
- Tribal fishing support
- Economic Development support
- Sustainable aviation and maritime fuels partnerships
- Government to Government meetings
- Port of Seattle Tribal understanding



# Next Steps

- April 14<sup>th</sup> – Please adopt!
- Meetings with other jurisdictions and key stakeholders to share top priorities and the local and regional focus for the year

***QUESTIONS?***



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 8e

**ACTION ITEM**

**Date of Meeting** April 14, 2026

**DATE:** March 23, 2026

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Greg Gauthier, Senior Labor Relations Manager

**SUBJECT: Port of Seattle – Western Washington Cement Masons Local 528 Memorandum of Understanding to include Plasterers**

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to enter into an MOU with Western Washington Cement Masons & Plasterers Union Local 528, representing Cement Masons at Port Construction Services (PCS), amending the terms of the Collective Bargaining Agreement (CBA) to include Plasterers.

**EXECUTIVE SUMMARY**

The Port of Seattle and Western Washington Cement Masons Local 528 are parties to a CBA covering Cement Masons working at PCS executed on August 10, 2022, and expiring on July 31, 2027. The Western Washington Cement Masons Local 528s full title is the Western Washington Cement Masons & Plasterers Union Local 528. Though it has been historically a rare occurrence, there have been times in which PCS requires the skills of Plasterers. By amending the CBA to include Plasterers, the Port can compensate Plasterers based upon the wage and benefit rates associated specifically with their work.

**JUSTIFICATION**

RCW Chapter 41.56 requires the Port of Seattle to collectively bargain wages, hours and conditions of employment with the exclusive bargaining representative designated by the employees.

**DETAILS**

The Port can hire and compensate those employee classified as Plasterers represented by the Washington Cement Masons & Plasterers Union Local 528 and compensate them accordingly.

Meeting Date: April 14, 2026

**ATTACHMENTS TO THIS REQUEST**

- (1) Memorandum of Understanding

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

August 9, 2022, Item 8i: New collective bargaining agreement between the Port of Seattle and the Western Washington Cement Masons Local 528 representing Cement Masons at Port Construction Services (PCS)

MEMORANDUM OF UNDERSTANDING  
by and between  
PORT OF SEATTLE  
And  
WESTERN WASHINGTON CEMENT MASONS LOCAL 528

---

**Amending CBA to Include Plasterers**

WHEREAS, the Parties are signatory to a Collective Bargaining Agreement (CBA) covering Cement Masons at Port Construction Services, and

WHEREAS, the Union representing Cement Masons also represents Plasterers and is called the Western Washington Cement Masons & Plasterers Union 528, and

WHEREAS, Port Construction Services may, at times, as they have in years past, require the skills of qualified Plasterers, represented by the Union, and

WHEREAS, the wage and benefit rate sheet for Plasterers is different than Cement Masons, and

WHEREAS, the Port wants to ensure that the Collective Bargaining Agreement clearly supports that Plasterers are covered by the agreement, and compensated accordingly, now

Therefore, the Parties hereby agree to the following:

1. Effective on the first day of the first payroll period of the month following the execution of this memorandum of understanding, the parties recognize that all articles of the agreement cover both Cement Masons and Plasterers.
2. This Memorandum of Understanding shall expire on July 31, 2027, and will be considered the status quo, unless and/or until, a new agreement is reached, whereupon the parties agree to incorporate the Plasterer classification into the new agreement.

UNION

*Travis Metzger*

[Travis Metzger \(Mar 25, 2026 08:39:47 PDT\)](#)

Travis Metzger  
Local 528

03/25/2026

Date

FOR THE PORT OF SEATTLE:

Stephen P. Metruck  
Executive Director

Date



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 8f

**ACTION ITEM**

**Date of Meeting** April 14, 2026

**DATE :** April 6, 2026

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Sarah Cox, Director Aviation Environment and Sustainability  
Eileen Francisco, Director Aviation Project Management Group

**SUBJECT:** Sound Insulation for Places of Worship Construction Authorization (CIP #C200098)

**Amount of this request:** \$2,960,000  
**Total estimated project cost:** \$13,897,000

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to 1) increase the project authorization for the Places of Worship Sound Insulation project; and 2) advertise and execute a construction contract for one Place of Worship property.

The amount of this authorization request is \$2,960,000 for a total program authorization of \$13,897,000.

**EXECUTIVE SUMMARY**

The Sound Insulation Program exists to help reduce community noise impacts caused by aircraft utilizing the Airport. As part of its long-term commitment to communities surrounding the Airport, the Port offers sound insulation for eligible properties within the current Federal Aviation Administration (FAA) Airport Noise Compatibility (Part 150) noise remedy boundary. This voluntary program includes Single-Family Homes, Condominiums, Apartments and Places of Worship. This authorization request is specific to Places of Worship.

The Sound Insulation Program, previously authorized, remains on track to complete all work in compliance with Commission Motion 2020-04, which requires completion by the end of 2026. This consists of 327 apartment units in 10-properties, 27 condominium units in 1-complex and 37 single-family homes. This represents all properties that have agreed to proceed with the Sound Insulation Program. We will provide a briefing later in the year on the work completed.

Meeting Date: April 14, 2026

The Commission previously authorized construction for three participating places of worship properties, that are actively in construction. There is now one additional property, that declined to participate in 2023, requesting to participate in the program. This request will allow the Port to commence construction for one additional place of worship property for a total of four participating properties. Due to the timing of this additional place of worship property, the Port will be unable to finish construction of this property within that timeframe. We anticipate completing the work in 2027.

The Port has received \$6.25M in FAA Airport Improvement Program (AIP) grant funding to partially fund places of worship design and construction. The scope of construction work includes installation of new Sound Transmission Class (STC) rated windows, doors, and storm doors, as well as supplemental ventilation to meet the FAA standard of 45 decibel (dB) Day-Night Average Sound Level (DNL) interior noise that can be achievable with at least a 5 dB reduction.

**JUSTIFICATION**

Resolution No. 3683 was adopted by the Commission on October 22, 2013, and included all recommendations from the Part 150 Study, including sound insulation for eligible structures within the Noise Remedy Boundary. This authorization will help to meet the requirements of Resolution No. 3683 to conduct an ongoing Sound Insulation Program.

***Diversity in Contracting***

Federal DBE goal for this project is 7%.

**DETAILS**

This request is for construction authorization that includes one place of worship property that is eligible to participate in the program.

Under state law, (R.C.W. 53.54.030), any owner who participates in the program is required to provide the Port with an Avigation Easement in return for the Port paying the cost of the improvements. A Subordination Agreement or Consent is required to convey the Avigation Easement if there is a mortgage, deed of trust, or other lien on the property.

***Scope of Work***

Construction to include:

- (1) STC rated solid core doors.
- (2) STC rated windows.
- (3) Storm doors.
- (4) Positive exterior air ventilation.
- (5) Regulated materials abatement.
- (6) Other associated work as determined to be necessary by the architect to reduce noise or to meet code.

Meeting Date: April 14, 2026

**Schedule**

*Activity CIP #C200098 Places of Worship Program*

Commission design authorization	2021 Quarter 4
Design start	2026 Quarter 2
Construction start	2027 Quarter 1

**Cost Breakdown CIP #C200098**

	This Request	Total Project
Design	\$0	\$7,437,000
Construction	\$2,960,000	\$12,563,000
<b>Total</b>	<b>\$2,960,000</b>	<b>\$20,000,000</b>

**ALTERNATIVES AND IMPLICATIONS CONSIDERED**

**Alternative 1** – Authorize Places of Worship Sound Insulation Program to commence construction on one additional property (CIP #C200098).

Cost Implications: \$2,960,000

Pros:

- (1) Meets commitment to noise remediation in the community per Commission Resolution 3683.
- (2) Accelerates work to uphold the intent of Commission Motion 2020-04, reaffirming our commitment to complete the project as quickly as feasible.
- (3) Allows staff to begin construction on one additional place of worship property.
- (4) Provides a direct community benefit to reduce aircraft noise impacts.

Cons:

- (1) The Port assumes the financial risk for this work if FAA AIP grant funding cannot be secured.

***This is the recommended alternative.***

**FINANCIAL IMPLICATIONS**

**Cost Estimate/Authorization Summary**

	Capital	Expense	Total
<b>COST ESTIMATE</b>			
Original estimate	\$25,872,000	\$0	\$25,872,000
Previous changes – Savings taken 11/29/23	(\$5,872,000)	0	(\$5,872,000)
Revised estimate	\$20,000,000	0	\$20,000,000
<b>AUTHORIZATION</b>			
Previous authorizations	\$10,937,000	0	\$10,937,000

Meeting Date: April 14, 2026

Current request for authorization	\$2,960,000	0	\$2,960,000
Total authorizations, including this request	\$13,897,000	0	\$13,897,000
Remaining amount to be authorized	\$6,103,000	\$0	\$6,103,000

**Annual Budget Status and Source of Funds**

This project, CIP C200098, was included in the 2026-2030 capital budget and plan of finance with a budget of \$20,000,000. The funding sources would be AIP grants, ADF (Airport Development Fund), and revenue bonds.

The capital cost of the entire places of worship program is estimated at \$20,000,000. The AIP grants is estimated at \$6 million. Therefore, the airline’s Rate Base Cost is estimated at \$13.7 million with cost recovered through landing fee when each place of worship property construction is substantially completed and grants are received.

**Financial Analysis and Summary**

Project cost for analysis	\$20,000,000
Business Unit (BU)	Airfield Movement Area
Effect on business performance (NOI after depreciation)	NOI after depreciation will increase due to inclusion of capital (and operating) costs in airline rate base
IRR/NPV (if relevant)	N/A
CPE Impact	\$0.04 in 2028

**Future Revenues and Expenses (Total cost of ownership)**

Once the project is complete and the Avigation Easement is permanently recorded on the parcel(s), there will be no further expenses incurred.

**ATTACHMENTS TO THIS REQUEST**

- (1) Presentation slides

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

**October 10, 2023** – Commission authorized construction for three places of worship properties.

**July 25, 2023** – Commission briefing on sound insulation programs and construction authorization for Phase 2 Apartment Program.

**August 9, 2022** – Commission briefing on sound insulation programs and construction authorization for Phase 1 Apartment Program.

Meeting Date: April 14, 2026

**December 14, 2021** – Commission authorized design services for Places of Worship Sound Insulation Program.

**August 10, 2021** – Commission briefing on sound insulation programs and design authorization for the Apartment Program.

**December 15, 2020** – Commission briefing on sound insulation programs, acceleration and staff recommendations.

**December 15, 2020** – The Commission authorized consultant services IDIQ contract to provide sound insulation program development support for single-family homes, apartments, and places of worship.

**February 25, 2020** – Commission briefing on sound insulation programs, acceleration, and staff recommendations. Motion 2020-04 of the Port of Seattle Commission directing the acceleration of the sound insulation program at the Airport.

**July 10, 2018** – The Commission authorized contracting for Sound Insulation Architect and Project Oversight Consulting for Condominiums.

**October 11, 2016** – The Commission authorized contracting for Sound Insulation Architect and Project Oversight Consulting Services and Job Order Contracting (JOC) for Single-Family Homes.

**October 22, 2013** – Second Reading and Final Passage of Resolution No. 3683 concluding the Federal Aviation Regulation (FAR) Part 150 Noise and Land Use Compatibility Study Update for Seattle-Tacoma International Airport.

**October 8, 2013** – First Reading of Resolution No. 3683 concluding the Federal Aviation Regulation (FAR) Part 150 Noise and Land Use Compatibility Study Update for Seattle-Tacoma International Airport.

**April 23, 2013** – The Commission authorized contracting for Sound Insulation Consulting Services and Job Order Contracting (JOC) for Single-Family Homes.

Item No.	8f_supp
Date of Meeting	April 14, 2026

# Sound Insulation Places of Worship Authorization



# Sound Insulation Purpose/Scope

## Purpose:

- As part of the Port of Seattle's (Port) long-term commitment to communities surrounding the airport, the Port offers sound insulation for eligible properties within the current Federal Aviation Administration (FAA) approved noise remedy boundary.
- Commission adopted Motion 2020-04 to accelerate and complete by the end of 2026.

## Scope Items:

- Sound Transmission Class (STC) rated windows
- STC rated solid core doors
- Storm Doors
- Positive Air Ventilation
- Ancillary work necessary to reduce noise and/or meet code

# Program Status Update

- Commission adopted Motion 2020-04 to accelerate and complete by the end of 2026
- Work is on-going, with the following completed/in progress since the adoption to be completed by year end
  - Apartments: 10 properties with 327-residential units
  - Condominiums: 1 property with 27- residential units
  - Single-Family Homes: 37 residential home
  - Places of Worship: 3 properties
- This represents all properties that have agreed to participate

# Places of Worship Authorization

- Authorizes construction of 1 eligible place of worship property
  - Property previously declined to participate in the program in 2023
- Request \$2.96M authorization



# Places of Worship Milestones

- Complete Design: Q4 - 2026
- Construction Advertisement: Q1 - 2027
- Commence Construction: Q3 2027

# Sound Insulation Places of Worship Update

## Places of Worship Program

- 3 properties in active construction
  - Substantial completion Q4 2026
- 1 additional property ready for design (pending authorization)
  - Major works advertisement Q1 2027

# Questions?



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 8g

**ACTION ITEM**

**Date of Meeting** April 14, 2026

**DATE:** March 17, 2026

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Amy Kiessling, Capital Project Manager III, Waterfront Project Management  
Stephanie Jones Stebbins, Managing Director, Maritime

**SUBJECT: Terminal 5 Upland Projects Authorization for Environmental Remediation Liability Costs Related to CIP#s C800988 and C801340**

**Amount of this request:** \$6,318,000  
**Total estimated cost:** \$6,318,000

**ACTION REQUESTED**

Request Port of Seattle Commission authorization for the Executive Director or their delegate to authorize spending \$6,318,000 of Environmental Remediation Liability (ERL) costs for the disposal of legacy contaminated soil from the Terminal 5 Upland projects authorized under the Terminal 5 Berth Modernization Management Reserve (CIP 800988) and the Terminal 5 Modern 3<sup>rd</sup> Lease Amendment Capital Improvement Plans (CIP 801340).

**EXECUTIVE SUMMARY**

This authorization is requested to dispose of an estimated 86,000 tons of contaminated soil and slag from the following four authorized Northwest Seaport Alliance (NWSA) projects all located in the upland area of Terminal 5 (T5):

- T5 North Reefer Infrastructure Project (U00649): Project will add electrical capacity to power an additional 960 refrigerated containers, bringing the total grid-tied storage capability up to 1,554.
- T5 New Gate Complex Project (U00673): Project will construct a new truck gate complex to allow for greater on-terminal queueing capacity.
- T5 Phase II Uplands Paving Project (U00708): Project will rehabilitate the surface infrastructure in the southern half of the terminal.
- T5 Container Yard Expansion Project (U00712): Project will redevelop six acres to increase cargo container handling capacity.

The soil and slag are not suitable for disposal as clean construction and demolition debris and instead have been or will be disposed of as Subtitle D, Subtitle D Direct Haul, or Subtitle C Direct Haul material.

Meeting Date: April 14, 2026

**JUSTIFICATION**

Per GASB No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations, an obligatory event was triggered when a contractor’s notice to proceed was issued requiring export and disposal of soil to a Subtitle D facility. Per NWSA Charter at Section 3.2(b), where soil or other materials is re-disturbed or removed as part of a Port Development Authority (PDA) (i.e., NSWA) project, the relevant Homeport shall be responsible for the incremental cost of disposal of legacy contamination that pre-dated NWSA operations (i.e., the additional cost to dispose of contaminated materials above the cost to dispose of clean materials).

***Diversity in Contracting***

The Diversity in Contracting Department determined a DBE participation goal of 35%. DBE attainment to date is 24.61% and is expected to meet or exceed the goal.

**DETAILS**

Soil testing for each project determined that, due to the levels of contamination present, all soil removed from the Terminal 5 uplands projects must be disposed of at approved landfill facilities. Remnant slag was discovered in two areas. The soil and slag for all these projects contains legacy contamination that pre-dates NWSA formation and is therefore a Homeport responsibility.

***Schedule***

NWSA MM construction authorization	2023 Q3
Construction start ranges	2025 Q1 to 2026 Q2
In-use date ranges	2026 Q1 to 2026 Q4

***Cost Breakdown***

	Reefer (U00649)	Gate (U00673)	Paving (U00708)	Yard Exp (U00712)	Total
<b>NWSA COSTS</b>					
Design/Soft Costs	\$5,642,275	\$3,900,884	\$1,504,879	\$2,406,206	\$13,454,244
Construction*	\$29,776,855	\$10,651,058	\$15,809,968	\$15,868,913	\$72,106,794
Total Project	\$35,419,130	\$14,551,942	\$17,314,847	\$18,275,119	\$85,561,038
<b>Incremental Soil Disposal Cost Details</b>					
NWSA Soil Disposal Cost	\$545,730	\$213,210	\$1,100,240	\$709,500	\$2,568,680

Meeting Date: April 14, 2026

**Cost Breakdown, Cont.**

	Reefer (U00649)	Gate (U00673)	Paving (U00708)	Yard Exp (U00712)	Total
<b>PORT ERL Cost</b>	\$1,753,145	\$619,942	\$2,483,032	\$1,461,881	<b><u>\$6,318,000</u></b>
Total Contaminated Soil Disposal Costs	\$2,298,875	\$833,152	\$3,583,272	\$2,171,381	\$8,886,680
<i>*Port Environmental Remediation Liability (ERL) Costs are not included in the NWSA Construction Costs</i>					

The Port records an environmental remediation liability (ERL) when its obligation is sufficiently certain and the costs can be reasonably estimated. When the liability is booked, the Port also recognizes an expense in the current period. These liabilities and forecasts are developed in accordance with GASB 49.

**ALTERNATIVES AND IMPLICATIONS CONSIDERED**

The four projects are lease obligations between the NWSA and SSA Terminals. The reefer and gate projects are under construction and will reach substantial completion in Q1 and Q2 2026. The paving project and container expansion projects are in progress; both will be in construction in Q2 2026 and reach substantial completion between Q3 and Q4 of 2026. There is no alternative but to recognize the obligatory event under GASB 49 (AC-9) as an environmental remediation liability. Any change to the agreement in the NWSA Charter Agreement that each homeport is responsible for its own legacy contamination would require NWSA Managing Members’ authorization and is not recommended.

Use Port funds to dispose of the soil from the NWSA T5 uplands projects.

Cost Implications: Additional funding of \$6,318,000 from the Port of Seattle.

Pros:

- (1) Port compliance with GASB No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations (AC-9).
- (2) Port adherence to NWSA Charter Section 3.2(b) regarding homeport legacy soil disposal responsibilities.

Cons:

- (1) Additional funding of \$6,318,000 from the Port of Seattle.
- (2) \$2.4M of the request is an unplanned 2025 expense to the Fund.

***This is recommended.***

Meeting Date: April 14, 2026

**FINANCIAL IMPLICATIONS**

<i>Authorization Summary</i>	Capital	Expense	Total
<b>AUTHORIZATION</b>			
Previous authorizations	\$0	\$0	\$0
Current request for authorization	\$0	\$6,318,000	\$6,318,000
Total authorizations, including this request	\$0	\$6,318,000	\$6,318,000
Remaining amount to be authorized	\$0	\$6,318,000	\$6,318,000

***Annual Budget Status and Source of Funds***

\$3.9M of the \$6.3M total has been allocated to the Port’s ERL for 2026. The remaining \$2.4M was an unplanned expense that has been accrued to 2025. All funding will come from the Port’s Environmental Legacy Fund or Tax Levy.

**ATTACHMENTS TO THIS REQUEST**

- (1) Presentation Slides

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

- June 4, 2024 – The NWSA Managing Members approved use of “design-build” as an alternative to “design-bid-build: for the Terminal 5 Container Expansion Project, U00712.
- August 1, 2023 – The NWSA Managing Members authorized for the Chief Executive Officer or their delegate to enter into the Third Amendment to the Terminal 5 lease with SSA Terminals (Seattle Terminals), LLC eliminating the Phase 1 Plus premise and to certain improvements and the financial responsibility for such improvements and to commence Phase 2 operation on January 1, 2024, in substantially the same form as presented.
- August 2, 2022 – The NWSA Managing Members authorized for the Chief Executive Officer or their delegate to approve the Third Amendment to the Terminal 5 lease with SSA Terminals (Seattle Terminals), LLC to commit early to the Phase 2 of the Terminal 5 Lease eliminating Phase 1 Plus premises and to certain improvements and the financial responsibility for such improvements and to commence Phase 2 operation on January 1, 2024.
- May 2, 2022 – Briefing to NWSA Managing Members informing that NWSA’s Lease Obligations were in progress per the agreements with the Tenant. Work is ongoing to coordinate with the tenant to complete the North Reefer Infrastructure project as a Tenant Reimbursable project to better meet operations and schedule needs.
- July 7, 2021 – The NWSA Managing Members authorized construction for the T5 North Reefer Infrastructure Project.
- July 7, 2021 – The NWSA Managing Members authorized an increase to the Program authorization in the amount of \$50 million, for a total amount of \$390 million, for the Terminal 5 Berth Modernization Program, MID Nos C800132, C800726 and C800988.

Meeting Date: April 14, 2026

May 20, 2019 – The NWSA Managing Members authorized program authorization to complete work associated with the T5 Modernization Program, CIP No. C800132 and C800726, for T5 Modernization Program Authorization and Uplands Improvement Project & Design Permitting Authorizations.

April 2, 2019 - The NWSA/POS/POT approved funding for program authorization in the amount of \$314,150,000, for a total authorized amount of \$340,000,000 to complete work associated with the Terminal 5 Modernization Program, CIP No. C800132 and C800726.

# Terminal 5 upland projects authorization for ERL Funding

# Action Requested

- Request Port of Seattle Commission authorization for the Executive Director to authorize spending \$6,318,000 of Environmental Remediation Liability (ERL) costs for the disposal of legacy contaminated soil from the Terminal 5 Upland projects authorized under the Terminal 5 Berth Modernization Management Reserve (CIP 800988) and the Terminal 5 Modern 3<sup>rd</sup> Lease Amendment Capital Improvement Plans (CIP 801340).

# Project Location



# Background

An estimated 86,000 tons of contaminated soil and slag needs to be removed from the following four previously authorized NWSA projects located in the uplands of Terminal:

- T5 North Reefer Infrastructure Project (U00649)
  - In construction, reaches substantial completion Q2 2026
- T5 New Gate Complex Project (U00673)
  - In construction, reached substantial complete on April 1, 2026.
- T5 Phase II Uplands Paving Project (U00708)
  - Construction starts Q2 2026, substantial completion expected Q4 2026
- T5 Container Yard Expansion Project (U00712)
  - Construction starts Q2 2026, substantial completion expected Q3 2026

# Cost Breakdown

	Reefer U00649	Gate U00673	Paving U00708	Yard Exp (U00712)	Total
<b>NWSA COSTS</b>					
Design/Softcosts	\$5,642,275	\$3,900,884	\$1,504,879	\$2,406,206	\$13,454,244
Construction *	\$29,776,855	\$10,651,058	\$15,809,968	\$15,868,913	\$72,106,794
Project Total	\$35,419,130	\$14,551,942	\$17,314,847	\$18,275,119	\$85,561,038
<b>Incremental Soil Disposal Costs Details</b>					
NWSA Soil Disposal Cost	\$545,730	\$213,210	\$1,100,240	\$709,500	\$2,568,680
<b>Port ERL Cost</b>	\$1,753,145	\$619,942	\$2,483,032	\$1,461,881	<b>\$6,318,000</b>
Total Soil Disposal Costs	\$2,298,875	\$833,152	\$3,583,272	\$2,171,381	\$8,886,680
*Port ERL Costs are not included in the NWSA Construction Costs					

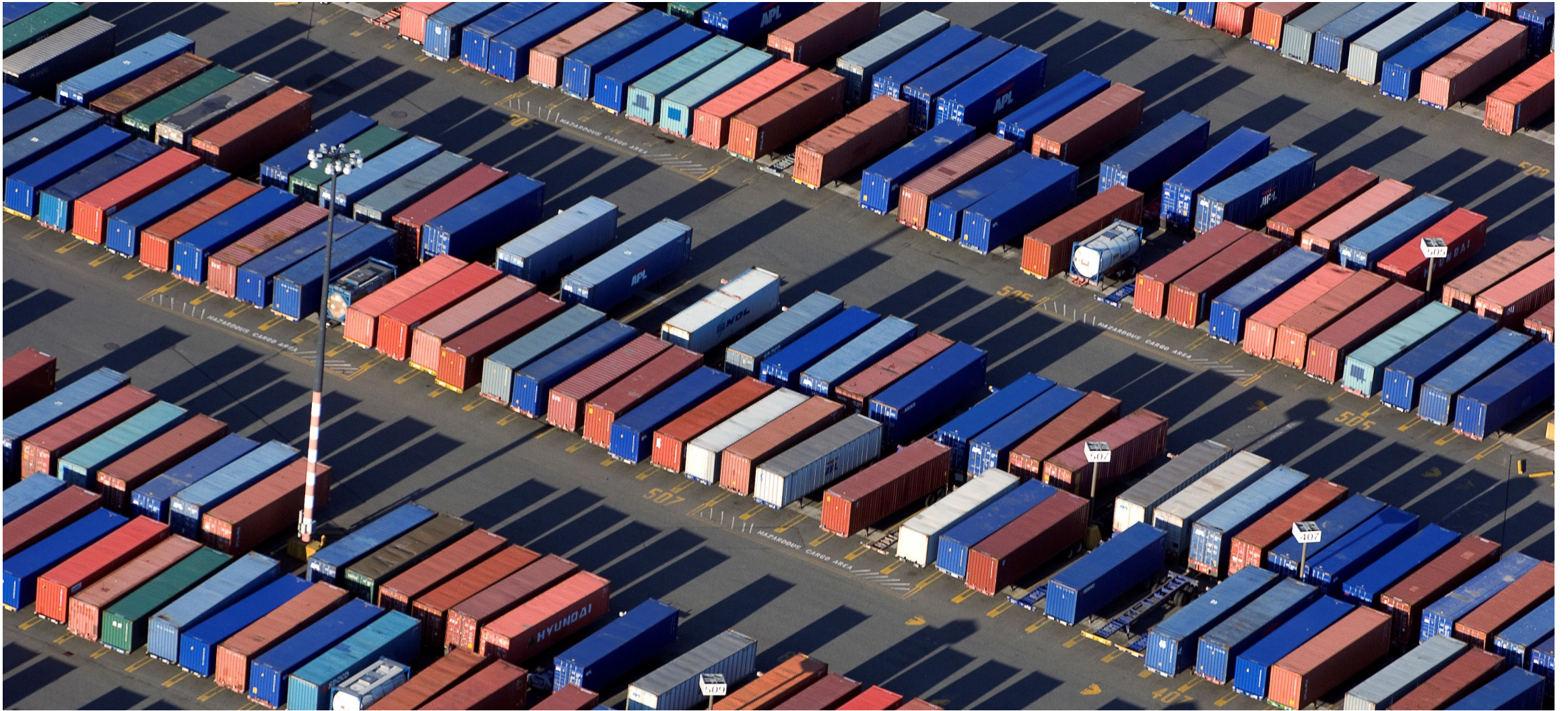
# Recommendation

- Use Port ERL funds to dispose of the soil from NWSA T5 uplands projects.
  - Recognizes the obligatory event under GASB 49 (AC-9) as an environmental remediation liability.
  - Adheres to NWSA Charter that the relevant homeport shall be responsible for the incremental cost of disposal for legacy contamination that pre-dates NWSA operations.

# ERL Authorization Summary

	Authorization		
	Capital	Expense	Total
Previous authorizations	\$0	\$0	\$0
Current request for authorization	\$0	\$6,318,000	\$6,318,000
Total authorizations, including this request	\$0	\$6,318,000	\$6,318,000
Remaining amount to be authorized	\$0	\$6,318,000	\$6,318,000

# Discussion / Questions?





**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 8h

**ACTION ITEM**

**Date of Meeting** April 14, 2026

**DATE:** March 13, 2026

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Kelly Purnell, Capital Project Manager, Waterfront Project Management  
Kyra Lise, Director Real Estate Development

**SUBJECT: Fishermen’s Terminal Maritime Innovation Center (C801084) and Site Improvements (C801211) Close-out Funding**

**Amount of this request:** \$500,000

**Total estimated project cost:** \$37,358,000

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to authorize additional funding in the amount of \$500,000 for close-out costs for the Fishermen’s Terminal Maritime Innovation Center (MInC) (C801084) and Site Improvements (C801211) projects.

**EXECUTIVE SUMMARY**

In August 2023 Commission authorized construction funding for the renovation of the historic Seattle Ship Supply Building into a cutting-edge, Living Building Challenge (LBC) certified Maritime Innovation Center (MInC) and the associated set of public space site improvements including new wayfinding and monument signage, interpretative signage, and funding public. Additional art funding was approved in May 2024.

The project progressed to substantial completion on March 6, 2026. During construction a Level 1 delay claim was received by the construction management team in the amount of \$330,000 that was settled early with the contractor and accommodated within the construction contingency. However, many unforeseen subsurface circumstances were found during construction including significantly more contaminated soil and two underground storage tanks found in the primary ground disturbance area that required contamination remediation that exceeded the approved ERL funding by \$210,000. The unforeseen issues also caused four months of additional delays, increasing the anticipated soft costs and depleting the remaining contingency of the project. Additional funds are required to finalize the ERL costs and complete all close-out tasks. Some of these additional funds are expected to be offset by liquidated

Meeting Date: April 14, 2026

damages that will be resolved in the coming months during close-out. The final amount of those liquidated damages is under negotiation with the contractor.

### **JUSTIFICATION**

The Fishermen’s Terminal Redevelopment improves a historic property that supports the maritime industry by welcoming the public to parts of the terminal that enhances the understanding and support of the industrial working waterfront. The improvements will also facilitate keeping parts of the facility focused on the industrial needs of the North Pacific Fishing Fleet. The site improvements, including 1% for Art projects, enhance the overall property and serve to recognize Fishermen’s Terminal as a living community landmark. The project has also remediated almost \$1,000,000 in contaminated materials and soil, contributing to the improvement of the overall Fishermen’s Terminal property.

The MInC builds upon a successful partnership we have forged with Maritime Blue (MB). The Port and MB have built a successful maritime accelerator program and are now instituting a new incubator program at Fishermen’s Terminal. The Port also has a significant partnership with MB to advance maritime career exploration and development. These key initiatives will continue to unfold over the next few years, and they can further scale when MB expands operations into the MInC. At this time the building is ready for turnover to MB. Additional close-out costs will enable a smoother transition to the tenant improvement component of this overall project effort.

### ***Diversity in Contracting***

The MInC and Site Improvements project, including the public art component, has met the 20% of design contracts requirement required by the Living Building Challenge (LBC), and the Project Labor Agreement (PLA) for this project exceeded the LBC requirement for workforce development. In addition to meeting the LBC imperative, the Port Diversity in Contracting Department requirement of a 12% WMBE goal for the MInC and Public Site Improvements project was exceeded at nearly 13%.

### **DETAILS**

#### ***Scope of Work***

##### **Close-out:**

- Provide funding for additional contaminated soil remediation (ERL) that exceeded estimates by over \$200,000.
- Finalize all consultant contracts
- Finalize all punch list items including final minor change orders.
- Finalize LBC initiatives for Urban Agriculture.

##### **Completed:**

- Hazardous materials abatement for lead paint, asbestos, and silica that is so prolific in early twentieth century construction was completed by Port Construction Services in advance of the general contractor breaking ground.

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- Contaminated soil remediation (ERL)
- Demolition and renovation of the “core and shell” of the building, meaning all existing siding, roofing, utilities, and internal infrastructure was removed, while preserving the bulk of the original timber framing.
- The building was jacked and cribbed and temporarily relocated to the adjacent south parking lot to install a new driven-pile deep foundation with grade beams and pile caps.
- Renovated and new core and shell including preserving the rare and valuable original old-growth timber framing, reinforced with modern steel framing.
- Salvage of existing old-growth timber flooring and some of the existing beams that were not used for the framing, was restored and used for flooring, benches, and other building aesthetic components.

***Sustainability Details***

Below are just some of sustainable features completed for The Fishermen’s Terminal project.

To achieve net positive energy and reduce emissions:

- On-site photovoltaic energy production.
- No combustion, all-electric building operation to support greenhouse gas reduction (ground source heat pump).
- Battery backup system to add resiliency for facility operations.
- Electric vehicle charging stations, bike parking and shower facilities.

To demonstrate the commitment to restoring water quality and improving aquatic life on industrial property:

- On-site stormwater treatment and detention
- Rainwater catchment for irrigation, toilet flushing and potable water use
- On-site grey water and black water treatment

To improve the health and wellbeing of our community:

- Daylighting and natural ventilation to reduce energy demand and provide a healthier interior environment.
- No “red list” materials will be used – significant reduction in chemicals of concern.
- Biophilic design incorporates strategies to enhance the human/nature connection and reinforces the connection to place.
- Community education and outreach
- Urban agriculture

To reduce emissions and build toward the circular economy:

- Reclaimed and FSC-certified wood regional materials.
- Landfill waste diversion
- Equitable and diverse workforce

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**Public Site Improvements:**

The FT Site Improvements include:

- Provides clarity for vehicle, bike and pedestrian routes and access with improved wayfinding signage and branding
- Electrical lighting upgrades
- Low maintenance landscaping
- Interpretive signage
- Provisions for parking and loading to accommodate future needs

**Schedule**

*MInC and Site Improvements*

*Activity*

Commission initial design authorization	2016 Q4
Design start	2017 Q1
Commission additional design funding authorizations	2019 Q1, 2019 Q2, 2021 Q2, 2022 Q4
Commission authorization for conditional construction for execution of \$4.87M Dept. or Commerce grant	2020 Q4
Commission construction authorization	2023 Q3
Commission authorization for additional construction contingency funds	2023 Q4
Commission authorization for additional art funds	2024 Q2
Construction Start	2024 Q2
In-use date	March 6, 2026

**Cost Breakdown**

This Request    Total Project

Design Includes		
MInC	\$0	\$3,650,000
Public Site Improvements <sup>1</sup>	\$0	\$1,525,505
Environmental Remediation Liability		
Soil Remediation	\$210,000	\$810,000
Abatement		\$160,000
Construction MInC & Public Site Impr <sup>1</sup>	\$290,000	30,730,495
Public Art		\$482,000
<b>Total<sup>2</sup></b>	<b>\$500,000</b>	<b>\$37,358,000</b>

<sup>1</sup>MInC and Site Improvements were bid as a single package.

<sup>2</sup>Does not account for additional \$5M Dept. of Commerce state grant #19-92201-007.

Meeting Date: April 14, 2026

**ALTERNATIVES AND IMPLICATIONS CONSIDERED**

N/A

**FINANCIAL IMPLICATIONS**

<i>Cost Estimate/Authorization Summary</i>	Capital	Expense	Total
<b>COST ESTIMATE</b>			
Previous estimate (MInC and Site improvements bid as one package)	\$ 35,716,000		\$36,858,000
Public Art	\$482,000		
ERL: Soil Remediation		\$500,000	
ERL: Abatement		\$160,000	
Current Change			\$500,000
MInC Building & Site Improvements	\$290,000		
ERL: Soil Remediation		\$210,000	
Revised estimate			\$37,358,000
MInC Building & Site Improvements	\$ 35,906,000		
Public Art	\$482,000	\$810,000	
ERL: Soil Remediation		\$160,000	
ERL: Abatement			
<b>AUTHORIZATION</b>			
Previous authorizations			\$36,858,000
MInC Building & Site Improvements	\$35,614,774		
Public Art	\$482,726		
ERL: Soil Remediation		\$600,000	
ERL: Abatement		\$160,500	
Current request for authorization			\$500,000
MInC Building & Site	\$290,000		
ERL: Soil Remediation		\$210,000	
Total authorizations including this request:			\$37,358,000
MInC Building & Site Improvements	\$35,904,774		
Public Art	\$482,726		
ERL: Soil Remediation		\$810,000	
ERL: Abatement		\$160,500	
Remaining amount to be Authorized:			
MInC Building	\$0	\$0	\$0

Meeting Date: April 14, 2026

Site Improvements	\$0	\$0	\$0
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\*October 2025: \$100K transferred from MInC Building to Soil Remediation

**Annual Budget Status and Source of Funds**

FT Maritime Innovation Center (C801084) and FT Site Improvements (C801211) were included in the 2026 Capital Plan with a total cost of \$32,061,000 and \$4,136,000, respectively.

Both projects are funded by the Tax Levy. The MInC has received a \$5 million contribution towards construction from the State of Washington’s Department of Commerce.

**Financial Analysis and Summary**

Project cost for analysis	\$37,358,000 (Net: \$32.3 million with State Contribution)
Business Unit (BU)	Maritime Portfolio Management
Effect on business performance (NOI after depreciation)	Upon full occupancy, the building is expected to generate incremental revenue of approximately \$550k per year. A more accurate income forecast will be available upon execution of future lease/operating agreements. The development will increase annual depreciation by approximately \$677K
IRR/NPV (if relevant)	NPV: (\$25 + million)
CPE Impact	N/A

**ADDITIONAL BACKGROUND**

N/A

**ATTACHMENTS TO THIS REQUEST**

- (1) Presentation

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

- May 28, 2024 – Commission briefing on MInC and Site Improvement interpretive signage program – simultaneous presentation with Additional Art Funding request.
- November 21, 2023 – Commission authorized additional construction funding in the amount of \$4,017,495 to replenish project contingencies for a total project authorization of \$36,608,000.
- August 8, 2023 – Commission authorized \$27,415,000 construction funding for the construction of the Maritime Innovation Center (C801084, U00414) and Public Site Improvements (C801211, U00320).
- November 11, 2022 – Commission authorized an additional \$500,000 in design funding for the proposed Fishermen’s Terminal Maritime Innovation Center (C801084, U00414) to complete design and permitting due to a design error that required correction.

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- March 08, 2022 –Commission authorization for the Executive Director to invest at least \$5,718,840 into the Maritime Innovation Center (MInC) to provide required matching funds for a United States Economic Development Administration grant in the amount of \$5,000,000.
- May 11, 2021 – Commission authorized an additional \$1,000,000 in design funding for the proposed Fishermen’s Terminal Maritime Innovation Center (C801084, U00414) to complete design and permitting; and (2) to execute an amendment to the existing service agreement with Miller Hull Partnership, LLP for Fishermen’s Terminal Phased Design Services in the amount of \$2,500,000; for a new Not-To-Exceed (NTE) value of \$6,000,000.
- March 23, 2021 – Commission authorized Design and Permitting completion of the FT Site Improvements (U00320) Under the New CIP C801211, utilizing \$1,525,505 in formerly authorized funding for the Gateway Building.
- December 8, 2020 – Commission authorized Construction of the MInC as the condition for executing the Interagency Agreement with Washington State Department of Commerce to allow the acceptance of a \$5M grant towards its construction.
- May 14, 2019 – Commission authorized \$1,850,000 design funding and an amendment to the Fishermen’s Terminal Phased Design Services contract, with Miller Hull Partnership LLP, for \$1,000,000 for final planning, design, and permitting for the Maritime Innovation Center.
- January 22, 2019 – The Commission authorized an additional \$1,800,000 in design funding for FT Gateway Building improvements, and the execution of an amendment to the existing Architectural/Engineering Services contract for FT Redevelopment for \$1,000,000 to complete the final planning, design and permitting of the Gateway Building and FT Site Improvements.
- January 8, 2019 – Commission received a briefing regarding Maritime Blue Plan and the Maritime Innovation Center.
- September 26, 2017 – The Commission authorized \$1,325,000 construction funding for the demolition of the existing bank building and Net Sheds 7 and 8. This work has not yet been advertised for bids, per direction by the Commission, pending finalization of a Gateway Building tenant lease agreement.
- December 13, 2016 –Commission authorized an initial \$3,000,000 for the Fishermen’s Terminal Redevelopment program planning and design; the total preliminarily estimated design cost was \$7,000,000.
- May 17, 2016 - Commission received a briefing on the planning strategies comprising the Fishermen’s Terminal Long-Term Strategic Plan.
- October 27, 2015 - Commission received a briefing about the progress of the stakeholder outreach program for the Fishermen’s Terminal Long-Term Strategic Plan.
- August 11, 2015 - Commission received a briefing on the proposed scope and goals in advance of the launch of the planning process.

# Fishermen's Terminal Redevelopment Request for Additional Funding for Close-out



# Action Requested

Request Commission authorization for the Executive Director to additional funding in the amount of \$500,000 for close-out costs for the Fishermen's Terminal Maritime Innovation Center (MInC) (C801084) and Site Improvements (C801211) projects.

# Close-Out Cost Needs

- Significant unforeseen conditions found during construction
  - Contaminated soil and two underground storage tanks found in the primary ground disturbance area that required contamination remediation that exceeded the approved ERL funding by \$210,000
  - Unforeseen issues caused four months delay and a Level 1 delay claimed settled early between Port and contractor
  - Increased anticipated soft costs due to delays from unforeseen conditions depleted remaining contingency of the project.
- Additional funds are required to finalize the ERL costs and complete all close-out tasks.
- Some of these funds are expected to be offset by liquidated damages. The amount is still in negotiation.

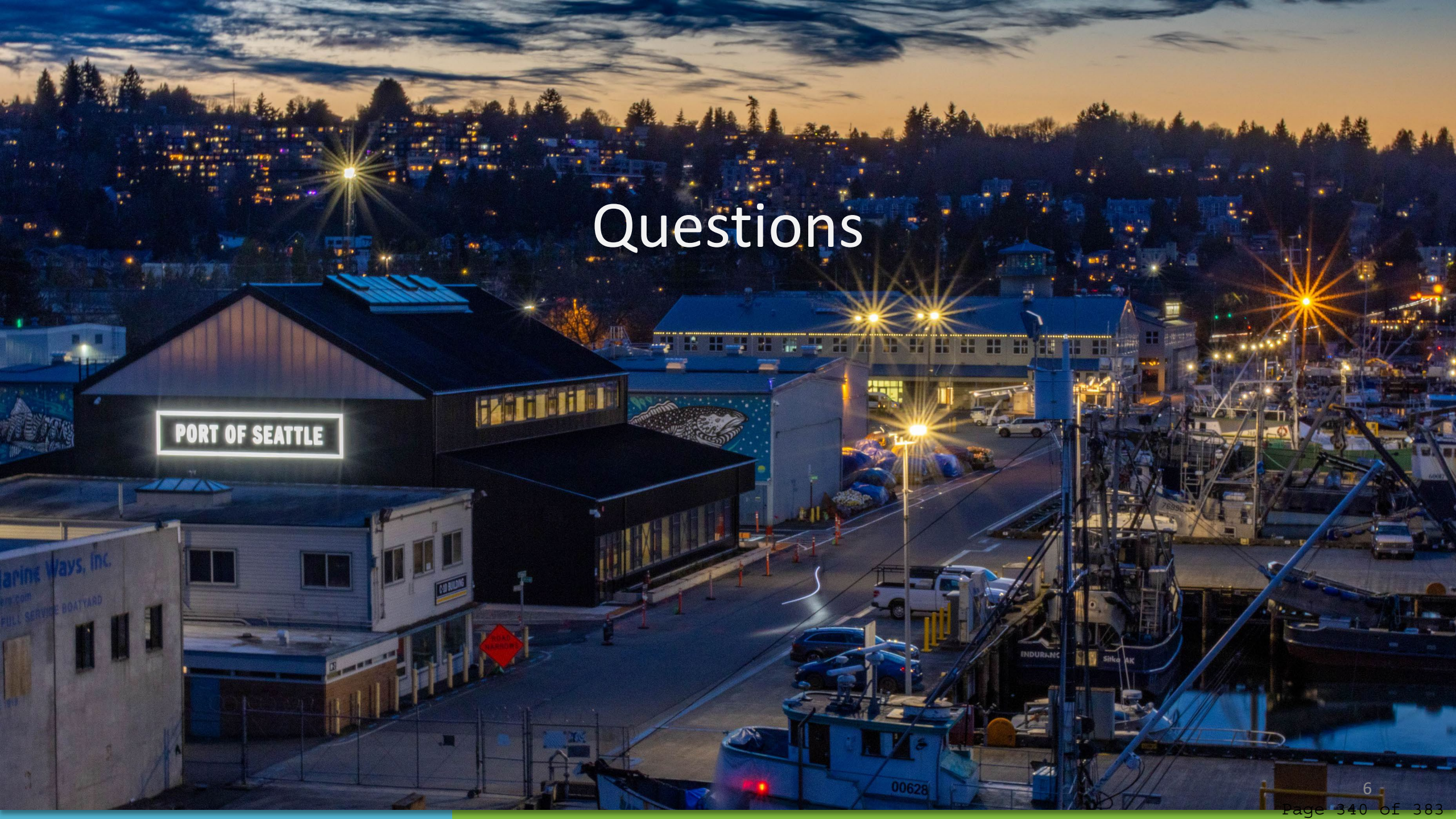
# Financial Summary

Cost Breakdown	This Request	Total Project
Design Includes		
MInC	\$0	\$3,650,000
Public Site	\$0	\$1,525,505
Improvements		
Environmental		
Remediation Liability	\$210,000	\$810,000
Soil Remediation		\$160,000
Abatement		
Construction MInC & Public	\$290,000	30,690,495
Site Impr <sup>1</sup>		
Public Art		\$482,000
Total	\$500,000	\$37,358,000

# Construction Schedule Milestones

Commission construction authorization	08/08/2023
Advertise for construction bids	08/28/2023
Construction contract execution (enabling start of verification period by Contractor)	November 2023
Construction Notice to Proceed issuance	May 2024
Construction Start	05/31/2024
Substantial construction completion	03/06/2026

# Questions





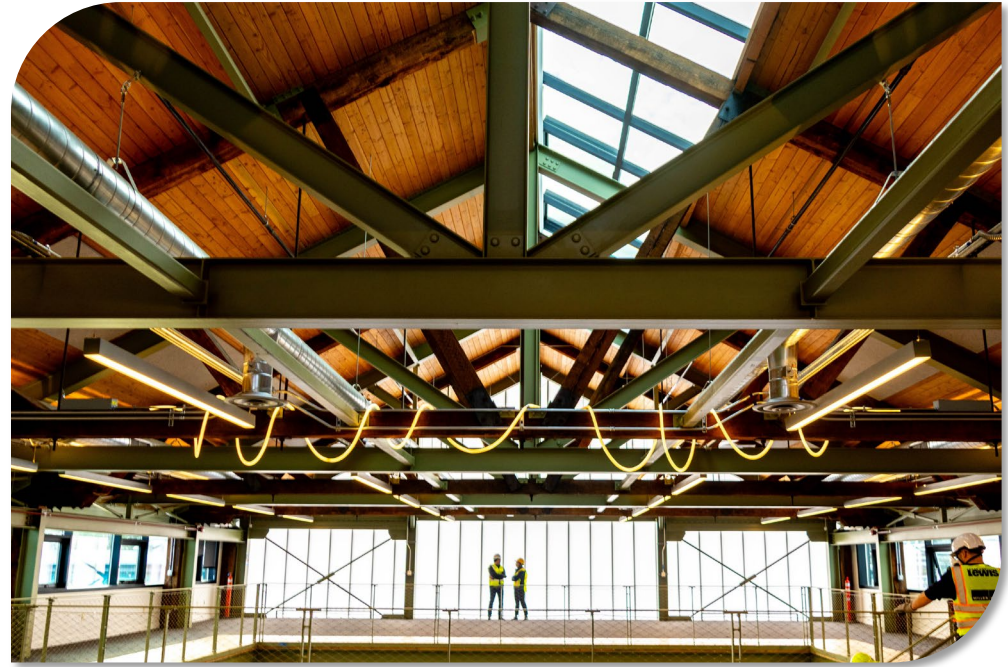
# Design Elements

- Used the existing building footprint from 1918
- Building completely renovated utilizing existing beams and replacing building skin with clad materials
- All-new exterior envelope including new glass exterior windows and doors to enhance transparency and fresh air and light
- Seismic upgrades including new steel supports along wood beams
- New building systems
- Living Building Challenge



# Building Improvements

- Abated regulated materials in existing structure
- Partial existing building demolition (timber structural framework preserved)
- Utility services removal and replaced
- New building perimeter and parking lot paving
- Artistic lighting
- Polycarbonate west wall, and north facing skylights



# Fishermen's Terminal Site Improvements

## LANDSCAPE

- Landscape Planting
- Parking Striping
- Crosswalk Improvements
- Site Furniture

## SIGNAGE

- Interpretative Signage
- Wayfinding Signage
- New Monument Sign

## ELECTRICAL

- Site Lighting

### A Fishing Way of Life

**A Diverse Community**

Fishermen's Terminal has always been a working waterfront, but also a diverse community of men—and eventually women—who supported the fishing industry in a variety of ways. The early fishermen were described by historian Dr. Theodor Kohler as "a melting pot in operation" as so many people of different nationalities, brought in by labor on their ships, met, and built lasting friendships. For their community spirit, Kohler wrote, "whenever labor and other tasks that were sometimes labor for the whole distribution. They were then followed by immigrants who brought with them their own technologies and practices from their home countries, including, for example, the use of nets and floats, which were used by British fishermen from England, Ireland, Canada, and other countries. These practices were then adopted by other fishermen, and the industry grew to make a significant contribution to the local economy."

Fishing has often been a family affair, and local fishermen generations kept the work alive over as changing technology and declining resources have pushed them to Fishermen's Terminal and further south. A few continue to make their home at Fishermen's Terminal, which has also expanded and changed to meet the demands of a fishing industry.

Modern fishing still is an integral part in contemporary fishing, including salmon, which is still the main focus. Some sources of revenue come from salmon, tuna, crab, and halibut, but also from the local fishing fleet, representing the diversity that the local community has at Fishermen's Terminal.

*Deep sea fishing is... a rather rough business. I was born into it. My father was a deep sea fisherman, as was his father before him and generations before him again.*

### Salmon is Us

**Life-Giving Resources**

For thousands of years, Native peoples have lived on the rich resources of this region—fishing in its waters, gathering roots, berries, and other plants along its shores, and hunting game on the island mountains and prairies.

The Sh'wakw (Shikano)—the People of Tuleed Away Islets—occupied the land along the waterway you see behind you, from Puget Sound to and beyond. They had their own name for the large river village they built on north side of Salmon Bay in what is now Ballard. Several major trails provided a trading link to other Native peoples in the region.

Salmon was the Shikano's main food and trade item, although they also found plentiful clams, oaks and other shellfish in local waters. The salmon also figured prominently in the spiritual life of many coastal peoples, who held yearly ceremonies to welcome the run of this life-giving resource.

**The Last of the Shikano on Salmon Bay**

Some time between 1850 and 1870, the last of the Shikano people lived on the north side of Salmon Bay. They were a small group of people, but they were a resilient and hardworking community. Although they were the last of their kind, they were not the last of their kind. They were a resilient and hardworking community. Although they were the last of their kind, they were not the last of their kind. They were a resilient and hardworking community.

*"We are born of these ancient shores, where the water touches the land, and where the gifts of opportunity are revealed with every changing tide."*

### The Blue Economy

The Port of Seattle is committed to fostering a Blue Economy—a sustainable maritime industry that cultivates healthy ecosystems, thriving communities, and long-term economic growth.

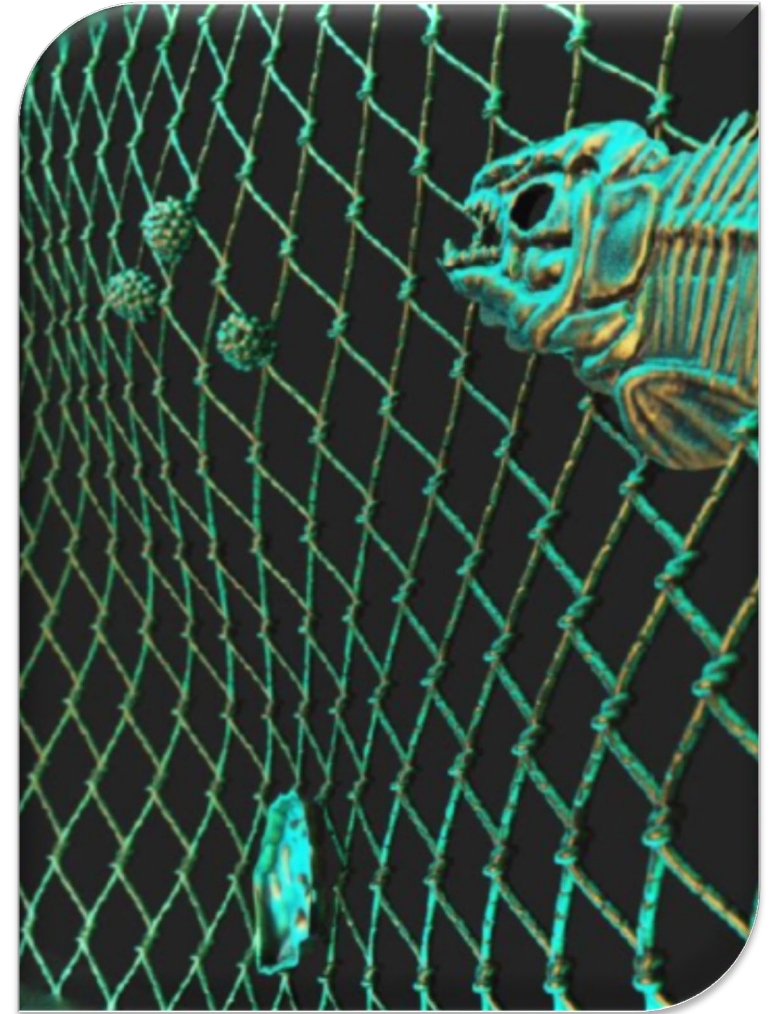
**What is the Blue Economy?**

The Blue Economy encompasses a wide range of activities, from traditional industries like fishing and shipping to emerging industries such as marine renewable energy and biotechnology. By investing in innovation and considering social equity, we can unlock the ocean's potential while safeguarding its resources for future generations.

**Lift each door to learn about the Blue Economy at Fishermen's Terminal.**



# 1% For Public Art



# Living Building Challenge Sustainability Commitment

## HIGH-PERFORMANCE ENVELOPE

Triple-glazed, low-e windows and highly-insulated walls and roofs minimize heat loss and gain through the envelope, reducing demands on heating and cooling systems.

## SALVAGED MATERIALS

Heavy timber structure is reused in place, reducing the embodied carbon footprint of the structure and saving valuable resources.

## NET POSITIVE ENERGY

Photovoltaic panels on roof generate more than enough electricity to offset entire building energy use and provide resiliency.

## DAYLIGHT AND VIEWS

Windows and skylights provide high-quality views to Salmon Bay and allow workspaces to be naturally daylight for most of the year, reducing use of electric lighting.

## REDUCED CARBON EMISSIONS

Efficient all-electric HVAC systems eliminate demand on fossil fuels and reduce energy use while electric vehicle charging stations and accommodations for bicycles promote alternative means of transportation.

## NATURAL VENTILATION

Operable windows, skylights, and large ceiling fans provide fresh airflow and natural cooling to improve occupant comfort in addition to efficient mechanical ventilation with 100% outside air (no recirculated air).

## RAINWATER CAPTURE

Rainwater falling on roof is captured in cisterns before being treated to potable standards for use inside the building.

## RED LIST FREE MATERIALS

All new building materials used in construction are free of harmful Red List chemicals.

## GROUND SOURCE HEAT EXCHANGE

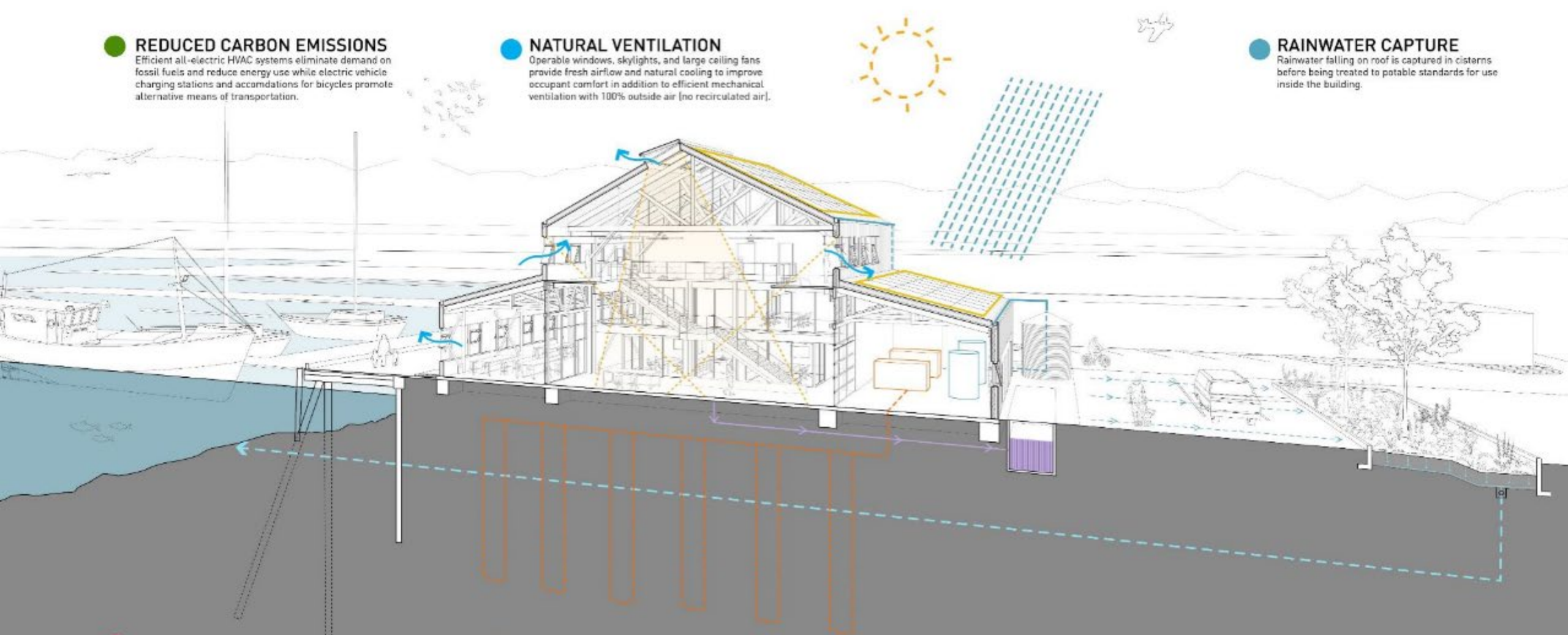
Deep geothermal wells utilize constant ground temperature as a heat sink and heat source to provide highly-efficient heating and cooling.

## WASTE WATER MANAGEMENT

All greywater from sinks is treated and recycled for irrigation use on site while blackwater from toilets is treated on site, reducing demand on municipal systems.

## STORMWATER TREATMENT

All stormwater runoff from impervious surfaces is directed to bioswale where it is treated before discharge into Salmon Bay, helping to protect the marine habitat Fishermen's Terminal.





**ORDER NO. 2026-06**  
**AN ORDER OF THE PORT OF SEATTLE COMMISSION**

... providing for a ‘Exceptional Performance ’ (3.5% plus a 1% lump sum) rating of the Executive Director based on performance in 2025 - thus increasing the current base salary of the Executive Director, Steve Metruck, effective March 1, 2026, by \$18,153 per year and a one-time lump sum payment of \$5,187; and providing for a 2.0% cost-of-living increase provided to Port Employees in 2026 regardless of performance increase and effective February 1, 2026, in the amount of \$10,170; for a total base salary increase of \$28,323.

**ADOPTED**  
**APRIL 14, 2026**

**TEXT OF THE ORDER**

The Port Commission hereby increases the current base salary of the Executive Director, Steve Metruck, for 2025 to reflect the 2.0% cost of living increase provided to Port employees in 2026, and per the ‘Exceptional’ rating for performance in 2025, as outlined above in the title of this Order.



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**MINUTES OF THE  
ANNUAL MEETING OF THE BOARD OF DIRECTORS  
OF THE INDUSTRIAL DEVELOPMENT CORPORATION  
OF THE PORT OF SEATTLE**

**April 22, 2025**

The annual meeting of the Board of Directors of the Industrial Development Corporation (IDC) of the Port of Seattle, Washington, was held on April 22, 2025, during a recess of the Port Commission regular meeting on the same date, which convened at 12:00 p.m. and was conducted at the Seattle-Tacoma International Airport Conference Center, located at 17801 International Blvd, Seattle WA, Mezzanine Level, and virtually on Microsoft Teams. The annual meeting of the Board of Directors of the IDC convened at 12:37 p.m., with Director Hasegawa presiding. Directors present included Ryan Calkins, Sam Cho, Fred Felleman, Toshiko Hasegawa, and Hamdi Mohamed.

**1. Approval of Minutes**

Minutes of the IDC meeting of March 26, 2024.

**Motion for approval of the IDC meeting minutes of March 26, 2024, carried by the following vote:**

**In Favor: Calkins, Cho, Felleman, Hasegawa, and Mohamed (5)**

**Opposed: (0)**

**2. Election of Board of Directors Officers**

**ACTION REQUESTED:** Request Board approval of the Industrial Development Corporation of the Port of Seattle Board of Directors and Officers for 2025.

Request documents: IDC agenda memorandum.

Pursuant to the IDC Bylaws, Article 5, Section A, the following is a list of proposed Board of Directors and Officers for 2025:

Toshiko Hasegawa, President  
Ryan Calkins, Vice-President  
Sam Cho, Secretary  
Fred Felleman, Director  
Hamdi Mohamed, Director

**Motion for approval of proposed slate of Directors/Officers carried by the following vote:**

**In Favor: Calkins, Cho, Felleman, Hasegawa, and Mohamed (5)**

**Opposed: (0)**

**3. Industrial Development Corporation Annual Report for 2024**

Presentation documents: IDC agenda memorandum.

Presenter(s): Ian Burke, Senior Financial Analyst Corporate, Finance and Budget.

Mr. Burke presented the 2024 Annual Report, noting the following relevant information in the annual meeting packet:

- The IDC was established in 1982 under Chapter 39.84 RCW as an incentive to industrial development in King County via access to tax-exempt financing.
- The Port's IDC is not the lender, but acts as a conduit. Debt issued through the IDC is the sole responsibility of the company issuing the debt and is non-recourse to the Port and the IDC.
- Narrow criteria to qualify for IDC financing means that only two projects have been funded through the IDC since 1982.
- Financial reports attached.
- The IDC had assets totaling \$324,748 at year-end 2024, which consists primarily of existing cash and cash equivalents.
- The IDC had total revenues of \$12,399, generated from interest earnings.
- Investment income for 2025 is projected to be approximately \$11,400.
- IDC expenses incurred in 2024 were \$221, which consisted of Port's staff administrative time.
- Status of IDC bonds – as of December 31, 2024, one company, Delta Air Lines, Inc, had an outstanding IDC debt totaling \$66,025,000.
- Minimum fund balance recommendation - \$324,748 to ensure adequate investment earnings to fund annual operating and future audit expenses.

4. **Adjournment**

There being no further business, the annual meeting of the Board of Directors of the Industrial Development Corporation of the Port of Seattle was adjourned at 12:41 p.m.

Prepared:

Attest:

Michelle M. Hart, MMC, Commission Clerk

Sam Cho, Industrial Development Corporation Secretary

Minutes approved \_\_\_\_\_, 2026.

ITEM NO.	<u>10b attach 1</u>
DATE OF MEETING	<u>April 14, 2026</u>

**THE INDUSTRIAL DEVELOPMENT CORPORATION  
OF THE PORT OF SEATTLE**

**NOTICE OF A SPECIAL MEETING**

A Special Meeting of the Industrial Development Corporation of the Port of Seattle will be held on Tuesday, April 14, 2026, in the Commission Chambers at Port of Seattle Headquarters Building, Pier 69, during a recess of the Port of Seattle Commission Regular Meeting, which convenes at 12:00 p.m. The Agenda includes:

1. Approval of the proposed minutes of the Industrial Development Corporation of the Port of Seattle Special Meeting of April 22, 2025.
2. Approval of the Industrial Development Corporation of the Port of Seattle Board of Directors and Officers for 2026.
3. Review, as needed, of the Annual Report for the Industrial Development Corporation for year ending December 31, 2025.
4. Attachment for reference: Overview of the Industrial Development Corporation and Frequently Asked Questions (FAQs).

Adjournment of the Annual Meeting of the Industrial Development Corporation of the Port of Seattle.

**INDUSTRIAL DEVELOPMENT CORPORATION AGENDA**

**Item No.** 1  
**Date of Meeting** April 14, 2026

**DATE:** March 20, 2026  
**TO:** Stephen P. Metruck, Executive Director  
**FROM:** Ian Burke, Senior Financial Analyst – Corporate Finance & Budget  
Scott Bertram, Manager – Corporate Finance & Budget  
**SUBJECT:** Approval of the Proposed Minutes of the Industrial Development Corporation of the Port of Seattle Meeting of April 22, 2025

**ACTION REQUESTED:**

Request Board approval of the proposed minutes of the Industrial Development Corporation of the Port of Seattle meeting of April 22, 2025. Draft minutes have been circulated to the Board of Directors and approved minutes will be posted to the Port’s website.

**INDUSTRIAL DEVELOPMENT CORPORATION AGENDA**

**Item No.** 2  
**Date of Meeting** April 14, 2026

**DATE:** March 20, 2026  
**TO:** Stephen P. Metruck, Executive Director  
**FROM:** Ian Burke, Senior Financial Analyst – Corporate Finance & Budget  
Scott Bertram, Manager – Corporate Finance & Budget  
**SUBJECT:** Election of Officers

**REQUESTED ACTION:**

Request Board approval of the Industrial Development Corporation of the Port of Seattle Board of Directors and Officers for 2026.

**BACKGROUND:**

In accordance with the Bylaws for the Industrial Development Corporation of the Port of Seattle, the following is a list of the Board of Directors and Officers for the Corporation:

Ryan Calkins, President  
Fred Felleman, Vice President  
Sam Cho, Secretary  
Hamdi Mohamed, Director  
Toshiko Grace Hasegawa, Director

IDC Bylaws – Article 5, Section A. Number and Qualifications. “The officers of the Corporation shall be the same as the officers of the Port Commission and such other officers as may be determined by the Board of Directors from time to time to perform such duties as may be designated by the Board of Directors.”

## INDUSTRIAL DEVELOPMENT CORPORATION AGENDA

<b>Item No.</b>	<u>3</u>
<b>Date of Meeting</b>	<u>April 14, 2026</u>

**DATE:** March 20, 2026

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Ian Burke, Senior Financial Analyst – Corporate Finance & Budget  
Scott Bertram, Manager – Corporate Finance & Budget

**SUBJECT:** Industrial Development Corporation Annual Report for 2025

### SYNOPSIS:

The Industrial Development Corporation (the “IDC”) of the Port of Seattle was established in 1982 pursuant to Revised Code of Washington (Chap. 39.84). The IDC is a special purpose government with limited powers and was established for the purpose of facilitating industrial expansion through tax-exempt financing by providing companies with access to the tax-exempt credit market through the facilities of the IDC. See Appendix A for a link to the complete IDC Revenue Bond RCW.

Any company with a project that qualifies for tax-exempt financing and qualifies under both RCW 39.84 and IDC policy may apply for IDC financing. Appendix B details IDC policy as outlined by Resolution No. 2. The Port is not the lender and cannot lend credit or give money to the IDC. Debt issued by a company through the IDC is the sole responsibility of the company and is always non-recourse to the Port and to the IDC. Bond proceeds go directly to the company borrowing through the IDC. The companies pay their debt service (principal and interest) to a trustee.

Any city, county or port in Washington State may establish an IDC, and a number of other jurisdictions have done so, including King and Pierce Counties; the cities of Seattle, Everett, Bellingham and Kent; and several other ports including the Ports of Bellingham and Anacortes. Appendix C. of Item No. 4, FAQs provides a more comprehensive list.

The majority of projects financed through the Port’s IDC occurred between 1982 and 1986. Activity has since declined, primarily due to the Tax Reform Act of 1986 (the “Act”), which made a number of changes to the tax-exempt financing code that ultimately limited the benefits of an IDC financing for both issuers and investors. For issuers, the Act reduced the number of qualifying projects by narrowing the definition of types of projects and eliminated certain depreciation tax advantages. The tax code change also reduced the pool of investors (e.g., banks, who were the majority investor) in this market segment by making their effective rate for holding tax-exempt private activity bonds closer to a taxable rate. Item No. 4, FAQs provides more details.

The IDC is governed by a board of directors comprised of the members of the Port Commission; accordingly, both the IDC Board and the Port Commission must approve any IDC bond issue. The IDC Board meets at a minimum once a year during a Commission meeting to elect new officers and review the IDC’s annual financial results.

**ANNUAL REPORT SUMMARY:**

Attached are the financial statements of the IDC. The IDC had assets totaling \$333,622 at year-end 2025, which consists primarily of existing cash & cash equivalents. The IDC had total revenues of \$12,097, generated from interest earnings.

**STATUS OF IDC BONDS:**

As of December 31, 2025, there was one company with outstanding IDC debt totaling \$66,025,000, as shown in the table below.

<b>Company</b>	<b>Outstanding Debt</b>	<b>Maturity</b>
Delta Air Lines, Inc. <sup>(1)</sup>	66,025,000	2030
<b>TOTAL</b>	<b>\$ 66,025,000</b>	

<sup>(1)</sup> Previously Northwest Airlines Corp. (NWA). NWA merged with Delta Air Lines, Inc. (Delta) in 2008. NWA bonds refunded with Delta bonds, October 2012.

**MANAGEMENT DISCUSSION:**

The IDC has collected customer fees based on a percentage of annual debt service. The fees can be paid annually or via a one-time lump-sum payment at the time the company issues bonds. Delta made a one-time lump-sum payment (calculated using the present value of debt service over the life of the bonds) in 2012 when they refunded the Northwest Airlines bonds. As such, the IDC will no longer collect customer fees going forward unless there is a new issuance.

IDC funds are invested in the Port’s investment pool and the allocated interest income to the IDC in 2025 was \$12,097. The investment income for 2026 is projected to be approximately \$10,800.

The IDC incurred expenses of \$4,613 in 2025 which consisted of Port’s staff administrative time and State Audit fees.

The IDC’s charter permits its funds to be transferred only to the Port. Under an amendment to RCW 39.84.130, IDC funds that are not otherwise encumbered for the payment of revenue bonds and are not anticipated to be necessary for administrative expenses of the IDC may be transferred to the Port to be used for growth management, planning or other economic development purposes. In order to transfer funds, the Board of Directors of the IDC needs to adopt a resolution authorizing the transfer. Any transfer of funds would reduce the assets of the IDC and the interest earnings on these assets. No such transfer was requested nor made in 2025. All IDC funds will be transferred to the Port on dissolution, which can occur upon final redemption of all outstanding IDC bonds, currently scheduled in 2030.

**MINIMUM FUND BALANCE RECOMMENDATION:**

Staff recommends that the IDC maintain the current balance of \$333,622. Investment earnings are expected to fund annual operating and future audit expenses but there are no additional sources of funds and the Port cannot contribute funds to the IDC. Drawing from the fund now provides a small amount of cash but takes on the risk that interest earnings will not cover annual expenses. The currently outstanding IDC debt matures in 2030 and a decision can be made on any excess funds with more certainty closer to that time. This will continue to be evaluated each year.

**INDUSTRIAL DEVELOPMENT CORPORATION  
OF THE PORT OF SEATTLE  
BALANCE SHEET  
For The Years Ended December 31 2025, 2024 & 2023**

	December 31, 2025	December 31, 2024	December 31, 2023
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 333,622	\$ 324,748	\$ 312,571
<b>TOTAL ASSETS</b>	<b>\$ 333,622</b>	<b>\$ 324,748</b>	<b>\$ 312,571</b>
<b>LIABILITIES AND EQUITY</b>			
Accounts Payable	\$ 1,390	\$ -	\$ -
Equity	332,232	324,748	312,571
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$ 333,622</b>	<b>\$ 324,748</b>	<b>\$ 312,571</b>

**INDUSTRIAL DEVELOPMENT CORPORATION  
OF THE PORT OF SEATTLE  
INCOME STATEMENT  
AND CHANGES IN EQUITY  
For The Years Ended December 31 2025, 2024 & 2023**

	December 31, 2025	December 31, 2024	December 31, 2023
<b>INCOME</b>			
Investment Income	\$ 12,097	\$ 12,399	\$ 10,519
<b>EXPENSE</b>			
Administrative Expense	\$ 3,223	\$ 221	\$ 3,221
Other Expense - State Audit	1,390	-	986
<b>NET INCOME</b>	<u>\$ 7,484</u>	<u>\$ 12,177</u>	<u>\$ 6,312</u>
 <b>BEG. EQUITY</b>	 <u>\$ 324,748</u>	 <u>\$ 312,571</u>	 <u>\$ 306,259</u>
<b>ENDING EQUITY</b>	<u>\$ 332,232</u>	<u>\$ 324,748</u>	<u>\$ 312,571</u>

**INDUSTRIAL DEVELOPMENT CORPORATION  
OF THE PORT OF SEATTLE  
STATEMENT OF CASH FLOWS  
For The Years Ended December 31 2025, 2024 & 2023**

	December 31, 2025	December 31, 2024	December 31, 2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash paid for expenses	\$ (3,223)	\$ (221)	\$ (4,207)
Net cash provided by operating activities	<u>\$ (3,223)</u>	<u>\$ (221)</u>	<u>\$ (4,207)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest on investments	\$ 12,097	\$ 12,399	\$ 10,519
Net cash provided by investing activities	<u>\$ 12,097</u>	<u>\$ 12,399</u>	<u>\$ 10,519</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>\$ 8,874</b>	<b>\$ 12,177</b>	<b>\$ 6,312</b>
<b>CASH AND CASH EQUIVALENTS</b>			
Beginning of year	<u>\$ 324,748</u>	<u>\$ 312,571</u>	<u>\$ 306,259</u>
End of year	<u>\$ 333,622</u>	<u>\$ 324,748</u>	<u>\$ 312,571</u>

## INDUSTRIAL DEVELOPMENT CORPORATION AGENDA

<b>Item No.</b>	<u>4</u>
<b>Date of Meeting</b>	<u>April 14, 2026</u>

**DATE:** March 20, 2026

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Ian Burke, Senior Financial Analyst – Corporate Finance & Budget  
Scott Bertram, Manager – Corporate Finance & Budget

**SUBJECT:** Overview of the Industrial Development Corporation Frequently Asked Questions (FAQs).

What is the purpose of an IDC?

- To facilitate industrial expansion through use of tax-exempt financing made available to companies for qualified projects.

What does the term “tax-exempt financing” mean?

- It means bondholders (investors) who purchase the bonds do not pay federal income tax on the interest received on such bonds, as they normally would do on interest-bearing bonds.

How does tax-exempt financing help the institution that is funding capital projects?

- Because investors pay no income taxes on interest income, they are generally willing to accept a lower interest rate than if the bonds were issued on a taxable basis. Thus, tax-exempt bonds provide the ability to finance many public infrastructure capital projects at a reduced cost.

What changed in the tax law to make tax exempt financing through the IDC less attractive now than it was when these projects were financed?

There are several factors that have adversely affected the use of tax exempt financing over the years.

- When our state initially authorized the use of nonrecourse tax-exempt financing, federal tax rules permitted the financing of a very broad spectrum of projects, including wholesale and retail facilities as well as warehouse facilities (of which there were many in Washington State due to the large agricultural base). There was almost no limit on the types of facilities that could be financed. As a result, tax-exempt financing was an option for many capital expansion projects. At that time, interest rates were also very high (substantially higher than the current interest rate environment), which made tax-exempt financing especially attractive.

The Tax Reform Act of 1986 made a number of changes in the tax-exempt financing code sections that adversely affected the use of tax-exempt bonds for business expansion. The tax rules imposed substantial limitations on the types of facilities that may be financed with tax-exempt bonds. These limitations eliminated at least 50-60% of the facilities that had been financed pre-1986.

The 1986 Tax Reform Act also removed the deductibility of interest earned on tax-exempt securities purchased by commercial banks subsequent to August 7, 1986. This effectively created a tax-on-tax-exempt

interest for such banks, which prior to 1986 were the largest investors in tax-exempt bonds. The net result was the demand by commercial banks for tax-exempt securities was almost entirely eliminated.

- Users of tax-exempt bond financing were also restricted in their depreciation methodology for tax-exempt bond financed property. Interest on private activity bonds also is subject to alternative minimum taxes. The US Treasury proposed the enactment of these rules in order to minimize the availability of this financing tool.

Who can establish an IDC?

- Any city, county or port in the State of Washington can establish an IDC.

When and how was the Port's IDC formed?

- The Port's IDC was established on February 9, 1982, pursuant to RCW 39.84.

What is the boundary of the Port's IDC?

- King County – as defined, it is the “Corporate boundaries of the Port”. The IDC may finance projects within King County.

What is the Port's IDC's structure?

- It is a special purpose government with limited powers.
- It is governed by a board of directors who are the same as the members of the Port Commission.
- The Port cannot lend credit or give money to IDC.
- Debt is always non-recourse to the Port and to the IDC.

**What law(s) and policies govern the IDC and what projects might be eligible for Port IDC funding?**

- Washington State law RCW 39.84, which is the statute that covers all IDC-related issues.
- Federal law (IRS tax code), which covers tax-exempt financing eligibility.
- A project must qualify under **both** Washington State and Federal law to be eligible for Port IDC financing.
  - In the current legal environment, the biggest limitation surrounding Port IDC stems from the 1986 Tax Reform Act, which as mentioned above significantly narrowed the type of projects that can be financed with tax-exempt bonds and the type of borrowers who can avail themselves of tax-exempt bonds.
  - Based on the current legal environment, legal counsel & staff have determined that only certain types of projects that **may** qualify for Port IDC financing:
    - Airport facilities and over water shipping/receiving facilities, including related facilities
    - Solid waste and/or sewage treatment and disposal
    - Processing and manufacturing (with a maximum bond size of \$10,000,000)
- Additionally, IDC uses are limited by Resolutions on policy adopted by the IDC board. The policy is subject to change with approval from the IDC board.

What does that resolution stipulate for eligibility of projects?

- The Commission has adopted a policy for judging eligibility of projects:
- The IDC will consider only projects or proposals which will further the purposes and objectives of the Port of Seattle within the confines of state and federal law.
- Tax exempt private activity bonds will be issued only for the financing of projects which broaden and strengthen the economic base of the Port District by enhancing trade and the movement of passengers and cargo by air or sea, including:
  - the development or improvement of marine terminals and airport facilities or components thereof;
  - the development and improvement of commercial and industrial land, manufacturing facilities, warehouses, terminal and transfer facilities, and related improvements which enhance trade via Port-owned or operated airport and marine facilities;
  - the development and improvement of facilities which will enhance or promote the Port's Comprehensive Scheme; and
  - the development and improvement of facilities which directly support and assist the movement of passengers and cargo by air or waterborne transportation, including, but not limited to, aircraft and ship construction and repair facilities, facilities necessary for the inspection, weighing, storage, and packaging of cargo; and connecting surface transportation facilities.

Who assists the Port in deciding which projects to finance?

- When bonds are issued, outside bond counsel is engaged to review and confirm legal compliance and eligibility of the project for tax-exempt financing. The bond counsel certifies that the issuer has the legal authority to issue the bonds and that the securities qualify for federal income exemption. Staff reviews projects based on Port policy. Ultimately, the IDC Board and Port Commission have to approve the use of the IDC for financing.

Who may apply for financing through the IDC?

- Any company with a project that qualifies for tax exempt financing and qualifies under RCW 39.84 (the RCW that covers all IDC issuances) and the IDC policy listed above may apply for IDC financing.

How much can be spent on financing the project?

- The amount of the bond issuance depends on the borrower's ability to repay as determined by investors; as non-recourse bonds, this is determined solely by the borrower's credit. Generally, all proceeds from the bond issuance are used for project spending with some exceptions. Under section 147(g) of the Federal Tax Code, any amount of bond proceeds that may be applied to finance the costs associated with the issuance of qualified private activity bonds (both before and after the issue date) is limited to 2% of the proceeds of the bond issue. As a general rule, qualified private activity bonds must satisfy a use test whereby 95% or more of the net proceeds of the bond issue must be used to finance the qualified purpose for which the bonds were issued.

How does the IDC get compensated?

- The IDC is compensated for administrative expenses related to the bonds by the borrower. The compensation is based on a percentage of the debt service. Payment is generally a lump-sum paid when bonds are issued; older bonds had the option of payments made annually through the life of the bond.

How does the bond counsel get compensated?

- Bond counsel is paid a fee that is negotiated with the borrower. The fee may be fixed or hourly. A flat fee is generally based on the type and size of the bond issue. Fees are paid at the time of issuance, generally out of bond proceeds.

Who are the current outstanding borrowers of IDC funds?

- Delta Air: In 2001, the IDC issued bonds on behalf of Northwest Airlines for the construction of a two-bay maintenance hangar and a cargo handling facility at SeaTac Airport. In September of 2012, the Commission gave approval for the bonds to be refinanced by Delta Airlines, which has acquired Northwest Airlines, so Delta Airlines is now the borrower. The facility is still in operation.

This project is completed, but the bonds are still outstanding.

**Appendix A**

Chapter 39.84 RCW  
INDUSTRIAL DEVELOPMENT REVENUE BONDS

Chapter 39.84 RCW Industrial Development Revenue Bonds can be found in the Washington State Legislature web site, via the following hyperlink: <http://apps.leg.wa.gov/rcw/default.aspx?cite=39.84>.

## Appendix B

### RESOLUTION NO. 2

A RESOLUTION of the Industrial Development Corporation of the Port of Seattle adopting a master policy for the purpose of determining the eligibility of projects or proposals for financing.

WHEREAS, the Industrial Development Corporation of the Port of Seattle (the "Corporation") is a public corporation created pursuant to Chapter 300, Laws of Washington 1981 (Reg. Sess.) codified as Chapter 39.84 of the Revised Code of Washington and Resolution No. 2845 adopted by the Port of Seattle Commission on February 9, 1982; and

WHEREAS, the Corporation is now desirous of adopting a master policy to determine the eligibility of projects or proposals coming before the Corporation; and

WHEREAS, the Corporation wishes to establish and empower a Chief Staff Officer for the Corporation with the authority to amend, update and revise, when necessary, the initial procedures to carry out the adopted policies herein; and

WHEREAS, the initial procedures have been submitted to the Board of Directors of the Corporation and by adoption of this Resolution represents Board concurrence in the general context and form.

NOW, THEREFORE, BE IT RESOLVED BY THE INDUSTRIAL DEVELOPMENT CORPORATION OF THE PORT OF SEATTLE, WASHINGTON, as follows:

Section 1. It is the basic policy of the Corporation to comply with the applicable Federal and State of Washington laws and amendments thereto in determining the eligibility of any project or proposal coming before the Corporation for consideration and/or approval for financing.

Section 2. The Corporation hereby adopts the following additional policy to determine the eligibility of projects or proposals for financing by the Corporation:

- A. The Corporation will consider only projects or proposals which will further the purposes and objectives of the Port of Seattle as adopted by the Port Commission December 9, 1980 or as further amended from time to time.
- B. Tax exempt industrial revenue bonds will be issued only for the financing of projects which broaden and strengthen the economic base of the Port District by enhancing trade and the movement of passengers and cargo by air or sea, including:
  - (1) the development or improvement of marine terminals and airport facilities or components thereof;
  - (2) the development and improvement of commercial and industrial land, manufacturing facilities, warehouses, terminal and transfer facilities, and related improvements which enhance trade via Port-owned or operated airport and marine facilities;
  - (3) the development and improvement of facilities which will enhance or promote the Port's Comprehensive Scheme; and
  - (4) the development and improvement of facilities which directly support and assist the movement of passengers and cargo by air or waterborne transportation, including, but not limited to, aircraft and ship construction and repair facilities, facilities necessary for the inspection, weighing, storage, and packaging of cargo; and connecting surface transportation facilities.
- A. The Corporation will not consider projects or proposals that:
  - (1) unnecessarily or unjustifiably subsidize users, i.e., proponents must demonstrate reasonable need for this form of financing;

- (2) create unfair competition or dislocate the balance of competition within the Port District;
- (3) duplicate existing facilities which already adequately meet current needs;
- (4) are proposed by others than the directly interested party, or by any proponent unable to demonstrate a sound operating and financial history; and
- (5) are not otherwise authorized by the 1981 Local Economic Development Act or other applicable laws.

Section 3. The Chief Staff Officer of the Corporation shall be the Executive Director of the Port of Seattle. The chief staff officer is hereby authorized to carry out the purposes of the policies hereby and henceforth adopted by the Corporation and may amend, update and revise the procedures of this Resolution as it is from time to time necessary due to changes in law and/or operations of the Port without prior Commission approval, except as to fees and assessments to be charged.

The initial procedures have been submitted to the Board of Directors of the Corporation and by this Resolution they concur in the general context and form.

ADOPTED by the Board of Directors of the Industrial Development Corporation of the Port of Seattle, Washington this 27th day of April 1982.

JACK BLOCK  
PRESIDENT

ATTEST:  
HENRY L KOTKINS

SECRETARY  
(SEAL)

**Appendix C**

**Examples of IDC/EDC's located in Washington State\***

**Counties**

Adams County  
Chelan County  
King County  
Kitsap County  
Okanogan County  
Pierce County  
Spokane County  
Snohomish County  
Kittitas County  
Klickitat County  
Clark County  
Yakima County

**Cities**

Algona  
Anacortes  
Bellingham  
Enumclaw  
Everett  
Kent  
Seattle  
Snoqualmie  
Sunnyside  
Union Gap  
Vancouver

**Port Districts**

Port of Anacortes  
Port of Bellingham  
Port of Benton  
Port of Camas-Washougal  
Port of Centralia  
Port of Chehalis  
Port of Douglas County  
Port of Edmonds  
Port of Ephrata  
Port of Everett  
Port of Kalama  
Port of Longview  
Port of Moses Lake  
Port of Olympia  
Port of Pasco  
Port of Port Angeles

Port of Port Townsend  
Port of Quincy  
Port of Seattle  
Port of Skagit  
Port of Skamania  
Port of Sunnyside  
Port of Walla Walla  
Port of Warden

\* This list may **not** represent all issuers; some have been inactive for many years.



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 11a

**BRIEFING ITEM**

**Date of Meeting** April 14, 2026

**DATE:** April 1, 2026

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Nate Caminos, Director Government Relations  
Chris Wimsatt, Chief Financial Officer

**SUBJECT: City of Bellevue Grand Connection Tax Increment Area Briefing**

**EXECUTIVE SUMMARY**

During the April 14 Commission meeting, Port staff and representatives from the city of Bellevue will brief Commission regarding the ‘Bellevue Grand Connection I-405 Crossing’ project. As a reminder, the project consists of multiple builds and initiatives designed to improve the pedestrian experience through downtown Bellevue and to connect the downtown area to the Eastrail. However, this specific project is the largest and highest profile development.

To generate adequate capital resources for the project, the city is seeking to create a ‘tax increment area’ (TIA) encompassing major portions of downtown Bellevue. As described in more detail below, the process to enact and draw funding from a TIA will impact the Port’s tax base and in this specific instance requires that the Commission ‘opt in’ to participate in the TIA.

**FINANCIAL IMPLICATIONS**

The City of Bellevue project analysis considered three scenarios ranging from limited buildout to full build out and estimated that the portion of the Port’s tax revenue allocated to the projects would total \$1.41 to \$2.15 million over 25 years. The analysis relied on certain assumptions including the increase in assessed value within the increment area and the Port’s tax levy rate. Port staff reviewed the analysis and concluded that the assumptions used are not unreasonable, however the actual increment value and levy rate could vary significantly from this analysis.

Port Finance Staff concern for financial impacts has been mitigated by the acknowledgement that potential for investments catalyzed by the TIA will not necessarily be confined to the borders of the TIA, and growth in value outside the borders can be expected to be accretive to Port Tax Levy revenues. The Port retains significant flexibility in the management of the Tax Levy to ensure its continued utility as a resource for the funding of capital needs, community programs, and environmental liabilities.

**ADDITIONAL BACKGROUND****State law:**

- Prior to 2021, the State of Washington did not formally allow use of ‘tax increment financing’ tools by local governments. This was partially due to a longstanding interpretation of the State’s constitutional prohibition against use of public funds for private-sector benefit. Legislation passed in 2021 (codified under [RCW 39.114](#)) formally authorized local governments to establish ‘tax increment areas’ (TIAs) to fund certain public improvements. Additional legislation was passed in 2023 and 2024 providing technical revisions, a minor portion of the transportation revenue package passed in 2025 amended allowable thresholds, and comprehensive ‘TIF reform’ legislation was passed and signed into law this year. Relevant details from each piece of legislation are included below.
- TIAs are areas where regular property taxes are apportioned to pay for public improvement costs to the area. Any local government (including cities, towns, counties, ports, or any combination thereof) may designate up to two TIAs and use the resulting tax revenues to pay for public improvement costs. To do so, local governments must adopt an ordinance designating a specific increment area within its boundaries and specify the public improvements that are going to be financed with the use of related revenues.
- Prior to adoption, the sponsoring jurisdiction must complete a project analysis. State law includes various requirements regarding information that must be included in that analysis, including:
  - Description of anticipated development with the area, and comparisons of growth with TIF-funded improvements and without;
  - Description of public improvements, estimated costs, estimated amount of bonds/other obligations to be issued to fund the public improvements and repaid with tax revenues;
  - County assessor certified value of real property within the increment area, as well as an estimate of the increment value and tax revenues to be generated from the growth;
  - Estimate of job creation, resulting from the public improvements and private development.
  - Assessment of impacts to (amongst other things) other taxing jurisdictions.
- Sponsoring local governments must make the finding that the TIA is necessary to achieve anticipated development in the area. This is often referred to as the ‘but/for analysis’.
- Various restrictions and requirements apply to TIAs. The following are relevant to the city of Bellevue’s project:
  - An increment area may not cover the entirety of the local government’s boundaries.
  - Generally, at the time an ordinance creating a TIA is passed the assessed value of property within that area cannot exceed \$200 million, or more than 20% of the local government’s total assessed valued, whichever is less. However, this project has unique authorization under state law to exceed that \$200 million threshold up to \$500 million.

Meeting Date: April 14, 2026

- This ordinance enacting this project’s TIA must be adopted by June 30, 2026.
- The governing body of each taxing district located within this project’s TIA must approve, by majority vote, full or partial participation in the project. If not approved, the taxing district’s portion of regular property taxes will not be apportioned to the city.
- A local government may not have more than two active increment areas and those areas cannot overlap.
- The ordinance must set an expiration date for the TIA, and the area may exist for a maximum of 25 years following the first year that taxes are apportioned from the area.
- Increment areas must take effect on June 1 following the adoption of the ordinance.
- Additional public improvements cannot be added to the project after adoption of the ordinance, but the sponsor jurisdiction may expand, alter, or add to the existing public improvements if doing so is necessary to complete the originally approved improvements.
- The enacting ordinance must set a deadline for when construction begins, which must be at least five years in the future, and may be extended for cause.
- Prior to adopting an ordinance authorizing a TIA, the city must follow a lengthy process involving multiple public briefings, provide the project analysis to impacted taxing districts at least 90 days prior to adoption, submit information to the State Treasurer’s office, and publish notice in several places.
- The creation of an increment area will have an impact on county assessor’s levy calculations. The levy limit will be increased based on the increase in assessed value within the increment area, similar to how an increase in state assessed utility value is added to a district’s levy limit. However, the revenue increase based on the increase in assessed value within the increment area is not carried forward as part of the district’s highest lawful levy.
  - For this project, levy limitations will not be impacted for taxing districts that do not approve its full or partial participation in an increment area.
- Property taxes to be apportioned as part of a TIA include most property tax levies subject to the Constitutional 1% and \$5.90 aggregate limits. Taxes levied by port districts or public utility districts specifically for the purpose of making payment on bonds (interest and principal on general obligation debt) are excluded from apportionment.
- Each taxing district will receive the portion of its regular property taxes produced by the rate of tax levied by the taxing district based on the tax allocation base value of real property located in the increment area for taxes imposed in the year that the area was first designated.
- Relevant sections HB 2451 (2026)
  - Ensures that active TIAs created by different taxing authorities do not overlap.
  - Clarifies further that a TIA may only exist for a maximum of 25 years, and that it may cease earlier if public improvements are paid off.
  - Ensures that construction on improvements must begin within 5 years of an ordinance passing.
  - Strengthens the ‘but/for’ analysis.
  - Analysis must include possible funding sources.
  - Assessment of impacts must be done in consultation with each taxing district and include estimate of revenue impacts, tax allocation, levy rate adjustments, etc.

Meeting Date: April 14, 2026

- Requires Treasurer’s office to take comments from impacted taxing jurisdictions when filed and provide comment.
- Requires sponsoring jurisdictions to provide annual reports.
- Clarifies that apportionment shall never interfere with the calculation and implementation of a taxing district’s highest allowable levy.

**Local Government Relations:**

- Port staff became aware of Bellevue’s desire to pursue an expanded TIF capability during the middle of the 2025 legislative session.
- Over the past year, Port staff and City of Bellevue staff have been working closely to understand the details of the project and impacts of the TIF district.
- Several members of the Bellevue City Council have engaged with both Port staff and Commissioners requesting support for the project.
- It is recognized that the Port of Seattle has made a significant investment in Eastrail and this project is an important piece of connecting the downtown Bellevue core to the multimodal trail.
- The Grand Connection creates a connection to a currently underutilized area (Wilburton), allowing for upzoning to create much needed housing and new commercial space.
- Consensus among the Government Relations team is to recommend supporting the TIF, noting that the financial impacts to the Port are low, and it is a positive way to support a key city in East King County that brings significant economic impact to our region.
- The feedback from other TIF area jurisdictions has so far been positive and we anticipate other affected entities to be supportive.

**ATTACHMENTS TO THIS REQUEST**

- (1) External (City of Bellevue) Presentation

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

None

# Tax Increment Financing: Grand Connection Crossing

Port of Seattle Commission Meeting  
April 14, 2026



# Agenda

- Grand Connection Overview
- Port Participation in TIF
- Next Steps



# Grand Connection Crossing will promote connectivity and livability



- This bike-ped crossing over I-405, roughly a half-mile in length, will connect downtown Bellevue to the redeveloping Wilburton neighborhood.
- People both walking and biking will be able to travel east-west with ease and safety thanks to separated facilities.
- It will catalyze Wilburton's transformation into a mixed-use, transit-oriented neighborhood with housing choices for people of all incomes.

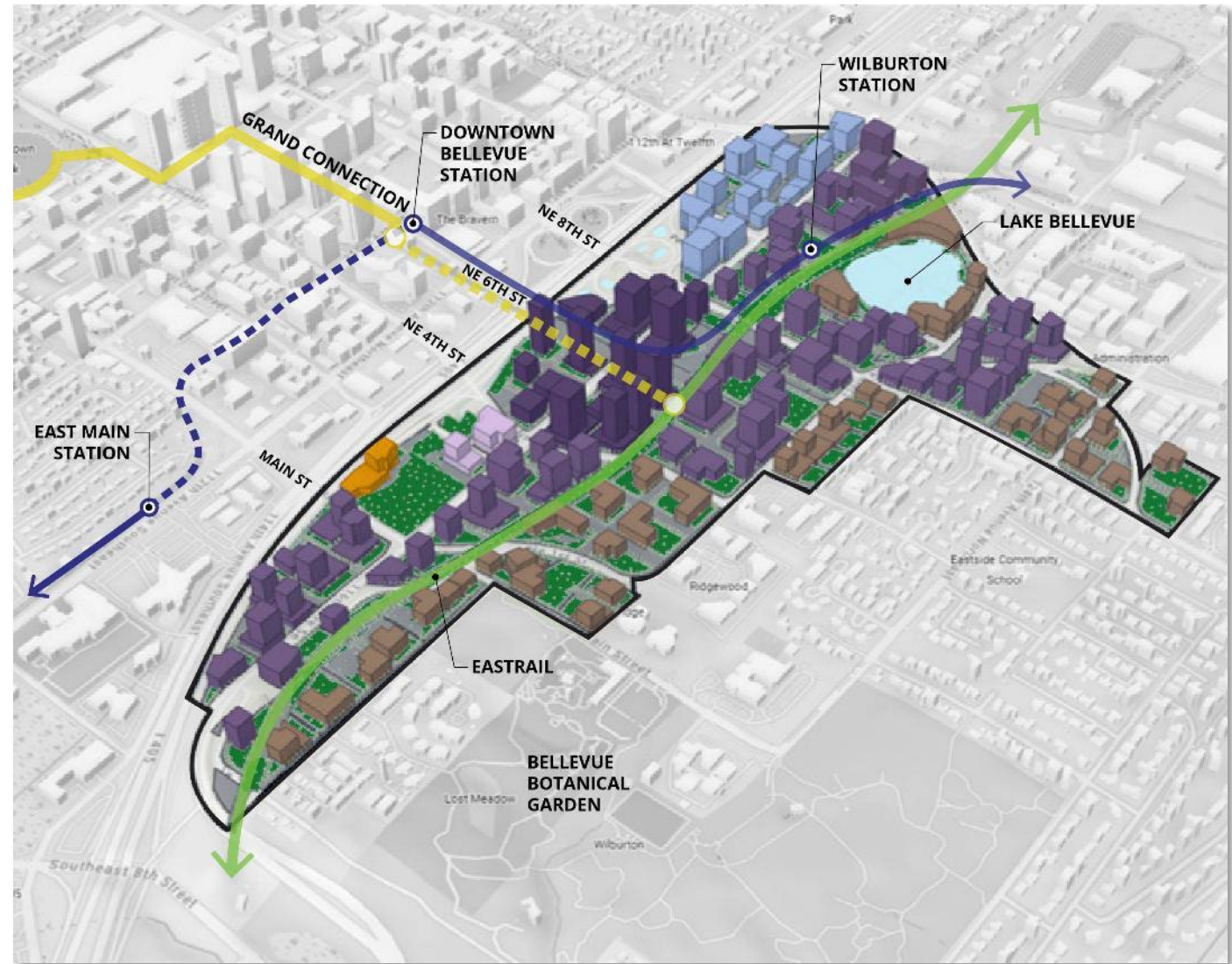
# Grand Connection will connect key regional growth centers, drive up tourism

- Accessible by light rail from SEA and Seattle, including downtown cruise ship terminals
- Investment in active transportation and open spaces projected boost retail and tourism
- Based on a 2025 HR&A analysis of similar projects, we expect to see:
  - Increased leisure visits and an increase in employment in the tourism industry
  - Shoppers who will spend up to 9-12% more when buying goods in areas with greater open space
  - Up to 3 times the amount of people staying in enhanced open spaces, such as at cafes or on park benches.



# Facilitating both transit-oriented and trail-oriented development

- Bellevue's June 2025 upzone will enable transit-oriented development of up to 450' along the north-south spine of Wilburton.
- Robust ped and bike connections, including the 42-mile regional Eastrail corridor
- Magnet for major employers, including T-Mobile, TikTok, OpenAI, Amazon, Snowflake, and more





# Tax Increment Financing (TIF) Overview

What opting-in means for Port of Seattle

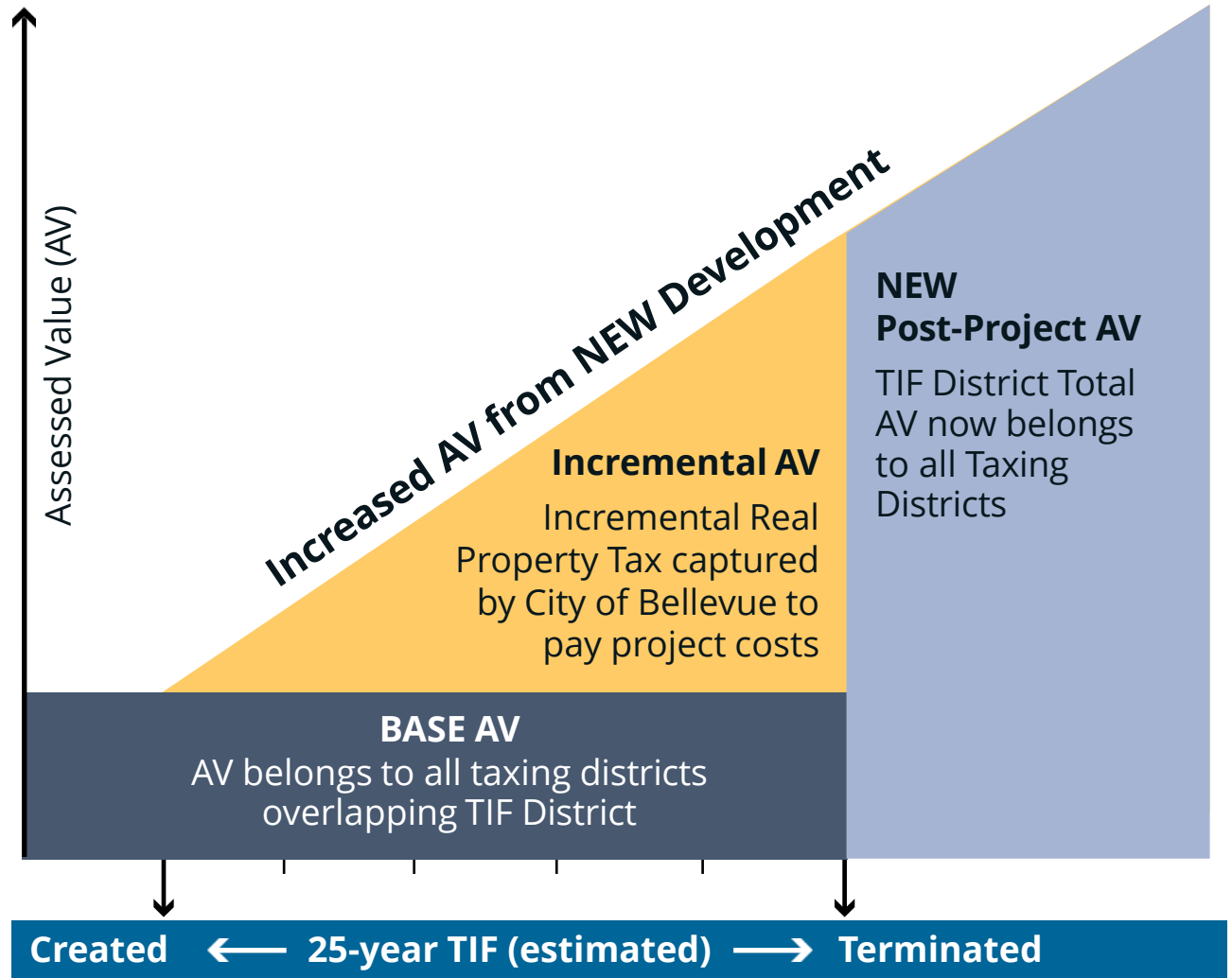
# Funding commitments

- Total project cost estimated at \$200-230 million
- Funding committed to date:
  - **\$2.5 million:** Friends of the Grand Connection
  - **\$46.7 million:** Bellevue's 2025-3031 Capital Investment Program
- TIF is expected to cover **20-30% of debt service**



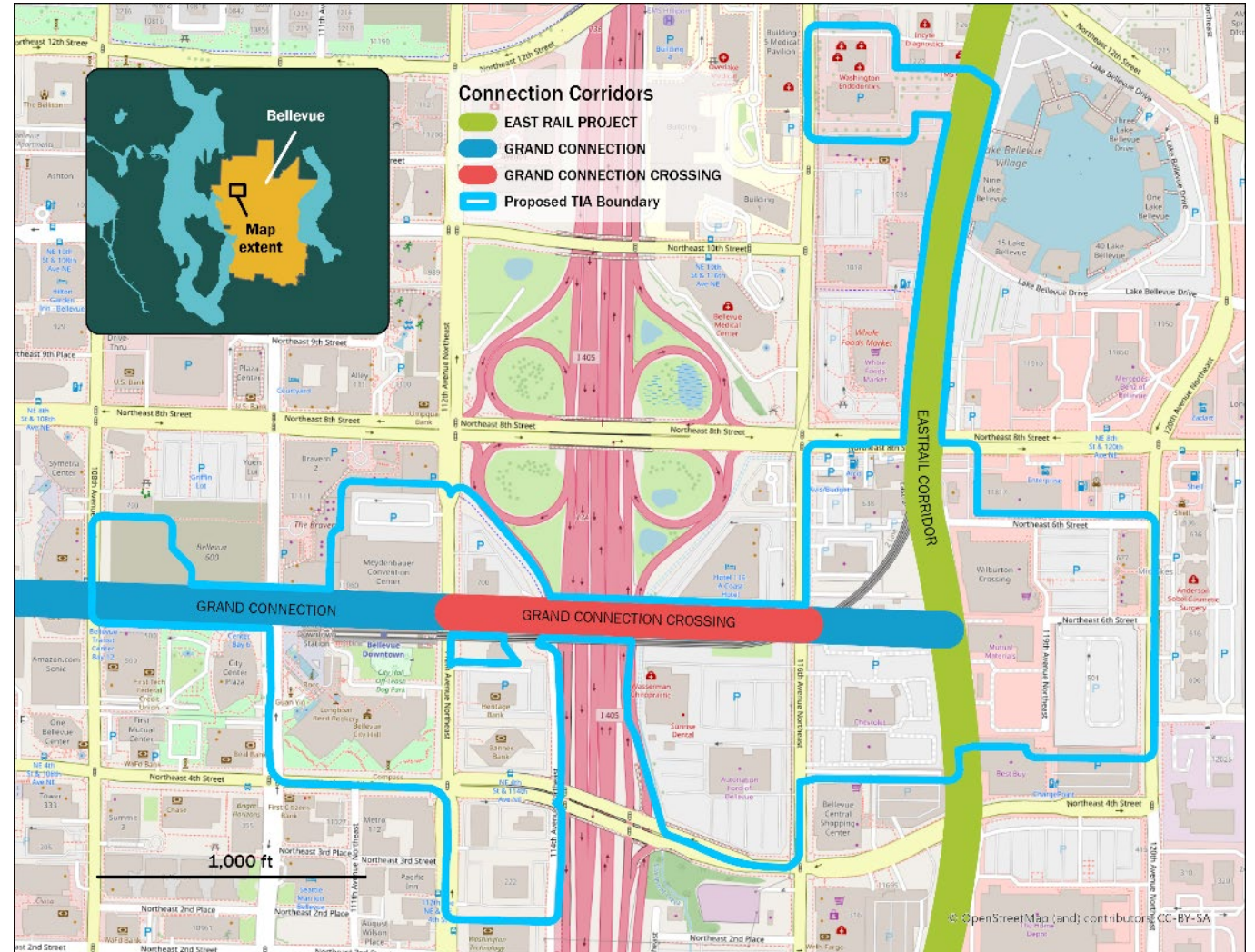
# TIF Model

- TIF captures property taxes generated from increased assessed value (AV) on the sites that redevelop within the TIF boundary
- Only revenues from regular property taxes assessed against the **increment value** are captured:
  - To pay public improvement costs
  - To repay bonds issued for public improvements



# Proposed Tax Increment Area (TIA)

- Delivered to State Treasurer January 14, 2026
- Shared with taxing jurisdictions on January 16, 2026
- \$500M assessed value maximum (0.06% of King County AV)
- Analysis models three development scenarios that could result over the life of the TIF because of the Crossing project:
  - Full, Phased, and Market-Responsive Limited Buildout



# Financial Impacts for the Port

- Taxing districts give up direct access to some revenue in the near term but benefit from long-term growth in assessed value.
- If a taxing district has not reached its statutory levy limit, it is permitted to increase its tax rate slightly to recover the revenue that is allocated to the TIA.
  - This is provided by state law in an effort to cause “no harm” to taxing districts in TIF areas

----- 25-year TIF (2027-20252) -----

Development Scenario	Taxes Allocated to TIF	Total Taxes to Port
Limited	\$1,407,000	\$1,476,000

Total taxes apportioned from the Port to the city \$1.41 million, slightly below the district levy growth of \$1.48 million, which includes \$66,000 from new construction and \$1.41 million from the increment.



# Next Steps

- Request Commission action on TIF by early May
- Bellevue City Council will consider taking action in May to establish the Tax Increment Area
- Funding decisions for TIF are part of the city budget process later this fall

