

PORT OF SEATTLE

RESOLUTION NO. 3774

A RESOLUTION of the Port of Seattle Commission, authorizing the Port to establish one or more credit facilities in an aggregate outstanding principal amount not to exceed \$150,000,000; and delegating authority to the Executive Director and/or the Chief Financial Officer of the Port to approve final terms and conditions and such credit facilities.

ADOPTED: _____, 2020

Prepared by:

K&L GATES LLP

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

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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, current financial conditions have occasioned the need for the Port to establish one or more credit facilities in order to meet potential cash flow needs of the Port; and

WHEREAS, the Port is authorized to incur indebtedness for Port purposes pursuant to RCW 53.36.030; and

WHEREAS, this Commission has determined to delegate authority to the Port’s Executive Director and/or the Chief Financial Officer (each, the “Designated Port Representative”) to solicit proposals for credit facilities (herein documented and defined as the “Obligations”) and to select the purchasing entities or financial institutions, and to approve the number of facilities, the final principal amount of each Obligation, interest rates, payment dates, redemption provisions and maturity dates of the Obligations to be fixed under such terms and conditions to be fixed under such terms and conditions as are approved by this resolution;

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

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

Bank means each financial institution or purchasing entity that enters into an Obligation with the Port or purchases an Obligation from the Port.

Chief Financial Officer means the chief financial officer of the Port, or any successor to the functions of his/her office.

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

Debt Service Fund means the Port of Seattle Debt Service Fund, 2020, created in the office of the Treasurer pursuant to Section 4 of this resolution.

Designated Port Representative, for purposes of this resolution, means the 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.

Executive Director means the Executive Director of the Port, or any successor to the functions of his/her office.

Financial Advisor means Piper Sandler & Co., Seattle, Washington.

Obligations mean the credit instrument (s) entered into and delivered by the Port, by whatever name, authorized to be issued by Section 2 of this resolution.

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

Treasurer means the Chief Financial Officer and shall include any successor appointed pursuant to RCW 53.36.010.

Rules of Interpretation. In this resolution, unless the context otherwise requires:

(a) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this resolution, refer to this resolution as a whole and not to any particular

article, section, subdivision or clause hereof, and the term “hereafter” means after, and the term “heretofore” means before, the date of this resolution;

(b) Words of a specific gender mean and include correlative words of any other or neuter genders, and words importing the singular number mean and include the plural number and vice versa;

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

(d) Any headings preceding the text of the several articles and sections of this resolution, and any table of contents or marginal notes appended to copies hereof, are solely for convenience of reference and do not constitute a part of this resolution, nor shall they affect its meaning, construction or effect;

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

Section 2. Authorization and Purpose of Obligations. For the purpose of establishing credit facilities to meet cash flow needs for on-going expenses and operating costs, capital costs and/or debt service, the Port shall solicit proposals for and enter into one or more financial instruments evidencing lines of credit which may or may not be revolving or terms loans (each an “Obligation” and collectively, the “Obligations”) with one or more Banks. The aggregate principal amount and terms of each Obligation shall be determined by the Designated Port Representative, pursuant to the authority granted in Section 5. The aggregate principal amount of all outstanding Obligations issued or delivered under this resolution shall not exceed \$150,000,000.

Interest on Obligations shall accrue and be payable as provided in each respective Obligation.

Section 3. Payment and Prepayment. The Obligations shall be payable and may include provision for payment as set forth therein.

Section 4. Debt Service Fund; Security for the Obligations. A fund of the Port known as the “Port of Seattle Debt Service Fund, 2020” (the “Debt Service Fund”) is hereby authorized to be created in the office of the Treasurer. The Debt Service Fund shall be drawn upon for the sole purpose of paying the principal of and interest on the Obligations. The Port hereby further irrevocably covenants that, unless the principal of and interest on the Obligations are paid from other sources, it will make annual levies of taxes upon all of the property within the Port subject to taxation within and as a part of the tax levy permitted to the Port without a vote of the electors in amounts sufficient to pay such principal and interest as the same shall become due. The full faith, credit and resources of the Port are hereby irrevocably pledged for the annual levy and collection of such taxes and for the prompt payment of such principal and interest.

The Obligations are a general obligation of the Port. The Port hereby irrevocably covenants and agrees for as long as the Obligations are outstanding it will provide for the payment when due of each installment of interest and the principal upon maturity of the Obligations.

Section 5. Authorization to Designated Port Representative. The Commission has determined that it would be in the best interest of the Port to delegate and hereby delegates to the Designated Port Representative, with the assistance of the Financial Advisor, the authority to negotiate terms of the Obligations and to approve the final terms therein, including but not limited to interest rates, payment terms, covenants and maturity dates (not to exceed five years)

consistent with this resolution and subject to the following additional parameters with respect to the initial interest rate on the Obligations: (a) for Obligations bearing variable rates of interest, (i) the basis for setting the interest rate on an Obligation shall be a common index (e.g., LIBOR); and (ii) the maximum initial interest rate spread to the index is 2.5% (i.e. index rate plus spread = interest rate for the applicable period) and (b) for Obligations bearing a fixed rate of interest, the initial interest rate shall not be greater than 3.5% per annum. Upon approval by the Designated Port Representative of the terms therein, the Designated Port Representative is hereby authorized to execute and deliver each Obligation to the respective Bank.

The authority granted to the Designated Port Representative by this section shall remain in effect until December 31, 2020. If the sale for an Obligations has not been completed by December 31, 2020, the authorization for the issuance of such Obligation shall be rescinded and no further Obligations shall be approved unless re-authorized by resolution of the Port.

Upon the adoption of this resolution, the proper officials of the Port including the Designated Port Representative, are authorized and directed to undertake all other actions necessary for the prompt execution and delivery of the Obligations and further to execute all closing certificates and documents required to effect the closing and delivery of the Obligations. In furtherance of the foregoing, the Designated Port Representative is authorized to approve and enter into agreements for the payment of costs of issuance, including the fees and expenses specified in the Obligation, including fees and expenses of the Bank and other retained services, including bond counsel, Financial Advisor, and other expenses customarily incurred in connection with the incurrence of limited tax general obligations.

Section 6. Procedures for Draws; Disposition of Proceeds. If the Obligation provides for periodic drawings thereunder, the terms and procedures for drawings shall be set forth in the

Obligation. The proceeds received under an Obligation shall be deposited in the fund or account by the Designated Port Representative and shall be used or applied by the Port in accordance with its customary disbursement procedures for on-going expenses and operating costs, capital costs and/or debt service on or the redemption of existing obligations.

Section 7. Tax Status. The Port has taken no action to cause the interest on the Obligations to be excluded from federal income taxation.

Section 8. Ongoing Disclosure; Financial Reporting. The Designated Port Representative is authorized upon the Designated Port Representative's determination that an Obligation is subject to Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, to enter into an undertaking regarding ongoing disclosure with respect to an Obligation.

As long as an Obligation is outstanding, the Port will provide to each Bank the financial information in accordance with the terms thereof.

Section 9. Resolution and Laws a Contract with the Obligation Owners. This resolution is adopted under the authority of and in full compliance with the Constitution and laws of the State of Washington. In consideration of the undertaking by each Bank in its respective Obligation, the provisions of this resolution and of said laws shall constitute a contract with the respective Bank, and the obligations of the Port and its Commission under said laws and under this resolution shall be enforceable by any court of competent jurisdiction.

Section 10. Severability. If any one or more of the covenants or agreements provided in this resolution to be performed on the part of the Port shall be declared by any court 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 Obligations.

Section 11. Effective Date. This resolution shall be effective immediately upon its adoption.

ADOPTED by the Port Commission of the Port of Seattle at duly noticed meeting thereof, held this ____ day of _____, 2020, and duly authenticated in open session by the signatures of the commissioners voting in favor thereof.

PORT OF SEATTLE

Commissioners

CERTIFICATE

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

1. That the attached resolution numbered 3774 (the “Resolution”), is a true and correct copy of a resolution of the Port, as finally adopted at a meeting of the Commission held on the ____ day of _____, 2020, 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 _____, 2020.

Secretary