

PORT OF SEATTLE

RESOLUTION NO. 3777

A RESOLUTION of the Port Commission of the Port of Seattle, amending Resolution No. 3456, as amended, regarding term, size and certain delegated authority with respect to the Port's Subordinate Lien Revenue Notes (Commercial Paper).

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.

RESOLUTION NO. 3777

A RESOLUTION of the Port Commission of the Port of Seattle, amending Resolution No. 3456, as amended, regarding term, size and certain delegated authority with respect to the Port's Subordinate Lien Revenue Notes (Commercial Paper).

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

WHEREAS, under authority of Resolution No. 3456, as amended, adopted by the Port Commission (the "Commission") on June 26, 2001 ("Original Resolution"), the Port established a commercial paper program (the "Program") through the issuance of subordinate lien notes (the "Notes") in order to provide for the funding and refunding of Port projects and purposes; and

WHEREAS, under the terms of the Original Resolution, no Notes may be issued under the Program having a maturity later than June 1, 2021; and

WHEREAS, this Commission has determined to expand and to extend the term of the Program; and

WHEREAS, Sumitomo Mitsui Banking Corporation, acting through its New York Branch and Bank of America, N.A. (the "Banks") have issued letters of credit in the stated amounts of \$125,000,000 and \$130,000,000, respectively, in support of the Program; and

WHEREAS, the Banks have agreed to consent to this amendment to the Original Resolution;

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

Section 1. Amendment to Section 2.02. Section 2.02 of the Original Resolution is hereby amended to read as follows (additions are double underscored, and deletions are shown as stricken text):

Section 2.02. Authorization of Notes; Terms.

(a) *Authorization.* For the purpose of providing all or a part of the funds necessary to pay or reimburse the Port for the Costs of Construction of the Projects, to provide funds for Working Capital, to pay other expenditures, to refund maturing subordinate lien revenue obligations issued under the 1997 Program, to refund maturing Notes and to pay all costs incidental thereto and to pay costs of issuance, including fees, the Port is hereby authorized to borrow and reborrow from time to time, and to issue subordinate lien revenue obligations (herein collectively referred to as the “Notes”) in one or more Series to evidence such borrowing or reborrowing. This resolution constitutes the master legal document pursuant to which the Notes may be issued, and from and after the Issue Date no further subordinate lien revenue notes may be issued under the 1997 Program. The aggregate principal amount of Notes Outstanding under this resolution (and under the 1997 Program for so long as any subordinate lien revenue obligations remain outstanding thereunder) at any time or from time to time will not exceed \$400,000,000~~[\$250,000,000]~~ (subject to the further limitations of Section 3.04). The Notes shall be designated “Port of Seattle, Subordinate Lien Revenue Notes (Tax-Exempt Commercial Paper) followed by a Series and other applicable designation. The Series designations are as follows: Series A, Series B, or Series C” for tax-exempt obligations, and or “Port of Seattle, Subordinate Lien Revenue Notes (Taxable Commercial Paper), Series D” for taxable obligations, it being the intention that each Note issued for the purpose of financing or refinancing a Series A Project shall be designated “A,” and shall include additional designations to distinguish among Dealers and Credit Facilities and any additional designations as shall be approved or requested by the applicable Dealer and the Registrar from time to time (e.g., numerical designations identifying Notes payable from drawings under a particular Credit Facility); and each Note issued for the purpose of financing or refinancing a Series B Project shall be designated “B,” and shall include additional designations to distinguish among Credit Facilities and Dealers and any additional designations as shall be approved by the applicable Dealer and the Registrar from time to time (e.g., numerical designations identifying Notes payable from drawings under a particular Credit Facility); and each Note issued for the purpose of financing or refinancing a Series C Project shall be designated “C,” and shall include additional designations among Credit Facilities and Dealers and any additional designations as shall be approved by the applicable Dealer and the Registrar from time to time (e.g., numerical designations identifying Notes payable from drawings under a particular Credit Facility); and each Note whose interest is not excludable from gross income for federal income tax purposes shall be designated “D,” and shall include additional designations to distinguish among Credit Facilities and Dealers and any additional designations as shall be approved

by the applicable Dealer and the Registrar from time to time (e.g., numerical designations identifying Notes payable from drawings under a particular Credit Facility). No Note may be issued under this resolution having a maturity later than June 1, ~~2024~~2051. No Note shall be issued hereunder unless or until the Port demonstrates compliance with the conditions for the issuance of Future Subordinate Lien Parity Bonds set forth in Section 4.04 of this resolution on or prior to the Issue Date.

(b) *Issuance; Interest; Dating.* The Notes of each Series shall be issued in fully registered form, shall be issued in Authorized Denominations within a Series, shall be numbered separately in the manner and with any additional designation as the Registrar deems necessary for purposes of identification, shall be dated the date of their issuance and shall bear interest payable at maturity, determined from time to time as provided herein.

The Notes shall be issued at such times, be sold to such purchasers at such prices, bear interest (calculated on the basis of a year of 365/366 days, as appropriate), mature on such Business Days and otherwise have such terms and conditions as shall be determined by the Designated Port Representative in concert with the applicable Dealer and the Registrar in accordance with the Dealer Agreements; provided, however, that no Note shall be issued with a maturity date later than 270 days from its date of issuance. If a Note is payable from drawings under a direct pay or standby letter of credit, such Note must have a maturity date at least five days prior to the stated expiration date of the Credit Facility then in effect and securing payment of such Note, and prior to June 1, ~~2024~~2051. No Note shall be sold at a price other than par. No Series C Note other than a Series C Note issued to refund a maturing Series C Note if such new Series C Note will mature prior to the date set forth in such Favorable Opinion as the required maturity date may be delivered or offered by the Dealer and designated as “tax-exempt” unless contemporaneously therewith the Dealer and Registrar receive an approving opinion of Bond Counsel to the effect that the interest thereon is exempt from regular federal income taxation.

The principal amount of any Outstanding Notes (and obligations issued under the 1997 Program) that are paid on their maturity date from the proceeds of other Notes issued on such date shall not be considered Outstanding.

Section 2. Amendment to Section 2.08(a). Section 2.08(a) of the Original Resolution is hereby amended to read as follows (additions are double underscored, and deletions are shown as stricken text):

Section 2.08. Determination of Interest Rates.

(a) *Determination by Dealer.* In accordance with each Dealer Agreement, the Dealer shall determine an Interest Rate and a maturity date (which shall be a Business Day no later than the earliest to occur of the following: (i) June 1, ~~2024~~2051, (ii) if the Note is payable from drawings under a Credit Facility that is an irrevocable direct pay letter of credit, five days prior to the stated

expiration date of such Credit Facility, and (iii) 270 days after the date of issuance of the Instruction) at such rate and for such term as it deems advisable in order to minimize the net interest cost on the Notes, taking into account prevailing market conditions; *provided, however*, that the foregoing shall not prohibit the Dealer from establishing longer Interest Periods (and at higher Interest Rates) than are otherwise available at the time if the Dealer determines that, taking into account prevailing market conditions, a lower net interest cost on the Notes can be achieved over the longer Interest Period. Notwithstanding the foregoing, the Dealer shall not establish any Interest Period with respect to any Note payable from drawings under any Credit Facility that is an irrevocable direct pay letter of credit if, as a result of the selection of such Interest Period, the Aggregate Interest Coverage with respect to all Notes payable from drawings under that Credit Facility would be greater than the Interest Portion attributable to that Credit Facility. Each Dealer Agreement shall include a covenant by the Dealer to comply with the limitations established by this resolution.

Section 3. Amendment to Section 3.04. Section 3.04 of the Original Resolution is hereby amended to read as follows (additions are double underscored, and deletions are shown as stricken text):

Section 3.04. Limitation on Issuance.

The Registrar shall not be instructed to deliver any certificated Note that:

(a) is not in an Authorized Denomination, or
(b) has a maturity date that is not a Business Day or is later than the earliest to occur of the following: (i) 270 days from the date of issuance of the Instruction, (ii) if the Note is payable from drawings under a Credit Facility that is an irrevocable direct pay letter of credit, five days prior to the stated expiration date of such Credit Facility then in effect, or (iii) June 1, ~~2021~~2051;

(c) The Port will not instruct the Registrar to deliver any Instruction with respect to Notes payable from drawings under any Credit Facility that is an irrevocable direct pay letter of credit if, as a result of the delivery of such Notes, the Aggregate Interest Coverage with respect to all Outstanding Notes payable from a particular letter of credit would be greater than the Interest Portion with respect to such letter of credit or the Sum with respect to all Outstanding Notes payable from a particular letter of credit would be greater than the Limit with respect to such letter of credit.

In addition, the Port shall not instruct the Dealer to market or the Registrar to issue any Notes (other than Notes to refund maturing Notes) if the issuance of such Notes would result in (if the Note is payable from drawings under a Credit Facility that is an irrevocable direct pay letter of credit) the Sum exceeding the Limit. Prior to each issuance of any Notes payable from drawings under a Credit Facility that is an irrevocable direct pay letter of credit, the Port shall confirm that (taking into account such issuance and the refunding of maturing Notes) the Aggregate Interest Coverage, after giving effect to such issuance, will be less than or equal to the Interest Portion.

The Registrar shall not issue any Notes payable from drawings on the Letter of Credit – Bayerische after the Registrar has received a No-Issuance Notice, in the form of Schedule I to the Letter of Credit – Bayerische. The Registrar shall not issue any Notes payable from drawings on the Letter of Credit – Bayerische in a principal amount in excess of the principal amount of Notes maturing on such date after the Registrar has received a Restricted Issuance Notice, in the form of Schedule II to the Letter of Credit – Bayerische. The Registrar shall not issue any Notes payable from drawings on the Letter of Credit – Bank of America after the Registrar has received a Notice of Expiration of the Letter of Credit – Bank of America in the form of Annex C thereto.

Section 4. Amendment to Section 5.03(c). Section 5.03(c) of the Original Resolution is hereby amended to read as follows (additions are double underscored, and deletions are shown as stricken text):

Section 5.03. Reimbursement Agreement.

(c) The Designated Port Representative is hereby authorized to designate Credit Facility Issuers, to replace Credit Facility Issuers and negotiate the terms of any agreement authorizing a Credit Facility ~~shall be subject to the prior approval of the Commission~~, and such approval shall not constitute an amendment of this resolution.

Section 5. Deletion. Section 5.05 is deleted in its entirety.

~~[Section 5.05. Specific Authorizations. The Designated Port Representative may, in his or her discretion, without further action by the Commission, negotiate extensions of the stated expiration date of any Credit Facility, and execute documents necessary to effect such changes.]~~

Section 6. Affirmation. As amended by this amendatory resolution, the Original Resolution is hereby ratified approved and confirmed in its entirety.

Section 7. Effective Date. This resolution shall take effect immediately upon the later to occur: (a) its adoption and (b) the receipt by the Port of the executed consents of the Banks.

ADOPTED by the Port Commission of the Port of Seattle at a 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, Washington (the “Port”), DO HEREBY CERTIFY:

1. That the attached resolution numbered 3777 (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