

RESOLUTION NO. 2935

A RESOLUTION of the Port Commission of the Port of Seattle (the "Port") providing for the amendment and restatement of the Port's voluntary deferred compensation plan that was adopted and has been restated pursuant to Resolution Nos. 2592, 2839, and 2898.

WHEREAS, under the authority of Chapter 99, Laws of 1973 of the State of Washington (RCW 41.04.250), and Port Commission Resolution No. 2592 approved August 15, 1975, the Port adopted a voluntary deferred compensation plan for the benefit of its employees (the "1975 Plan") and related plan joinder agreement and initial administrative guidelines; and

WHEREAS, the 1975 Plan was amended and restated in 1981 to comply with proposed regulations published by the Treasury Department, and by Port Commission Resolution No. 2839, dated December 8, 1981, the amended and restated plan was adopted (the "1981 Plan") and its Administrative Committee was empowered to make revisions to it as reasonably necessary to comply with the Treasury Department's final regulations for section 457 of the Code when published; and

WHEREAS, the 1981 Plan was amended and restated in 1981 to comply with final regulations published by the Treasury Department, and by Port Commission Resolution No. 2898, dated June 14, 1983, the amended and restated plan was adopted (the "1983 Plan"), the Administrative Committee was authorized to submit the 1983 Plan to the Internal Revenue Service for a determination as to its qualification under section 457 of the Code, and the Administrative Committee was authorized and directed to make any amendment to the 1983 Plan as required by the Internal Revenue Service in order for it to rule that the 1983 Plan qualifies under section 457 and in order for the 1983 Plan to comply with additional regulations that may be published from time to time by the Treasury Department; and

WHEREAS, the 1983 Plan was submitted to the Internal Revenue Service on February 21, 1984 with a request for a

ruling that it is an eligible State deferred compensation plan as defined in section 457 of the Code; and

WHEREAS, the Internal Revenue Service has indicated in a response dated June 21, 1984, that certain changes in the 1983 Plan are required before it will consider the Port's request; and

WHEREAS, the Administrative Committee wishes to amend the 1983 Plan to provide for Plan to Plan Transfers if a participant separates from service in order to accept employment with another entity in the State of Washington sponsoring an eligible State deferred compensation plan; and

WHEREAS, the Administrative Committee and a representative of Bogle & Gates have determined that the change for Plan to Plan Transfers is beyond the Administrative Committee's power to approve as granted to it by Port Resolution Commission/No. 2898; and

WHEREAS, the Administrative Committee has prepared an amendment and restatement of the 1983 Plan to be effective September 1, 1984 (the "1984 Plan") to comply with the requirements of the Internal Revenue Service before it will consider ruling on the Port's request and to provide for Plan to Plan transfers;

BE IT RESOLVED by the Port Commission of the Port of Seattle as follows:

SECTION 1. The 1984 Plan attached hereto as Exhibit A is hereby adopted.

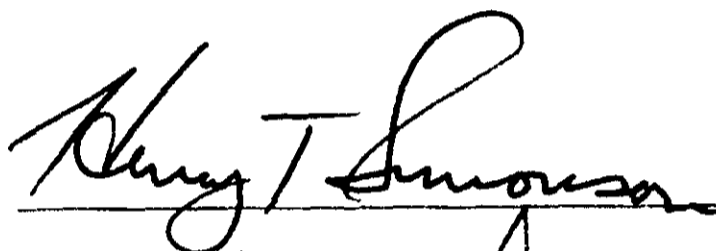
SECTION 2. The Administrative Committee is hereby authorized and directed to submit the 1984 Plan to the Internal Revenue Service for a determination as to its qualification under section 457 of the Code.

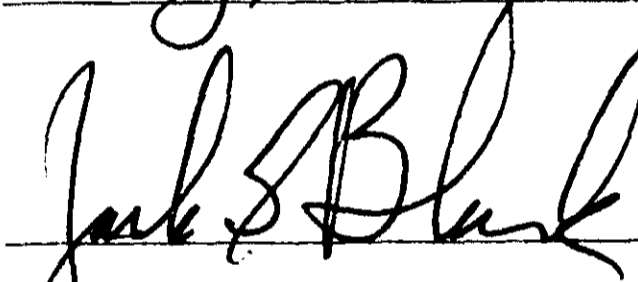
SECTION 3. The Administrative Committee is hereby authorized and directed to make any amendment to the 1984 Plan as further required by the Internal Revenue Service in order for it to rule that the 1984 Plan qualifies under section 457

of the Code and in order for the 1984 Plan to comply with additional regulations or rules that may be published from time to time by the Treasury Department for section 457 of the Code.

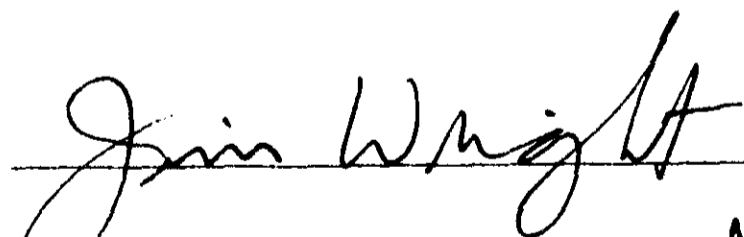
SECTION 4. The Administrative Committee is authorized and directed to do all acts not expressly provided for in this Resolution and Exhibit A hereto that are reasonably necessary and required to implement and administer the 1984 Plan, provided, however, that all such acts shall be in accordance with all the applicable provisions of federal and state law and regulations from time to time as interpreted by legal counsel.

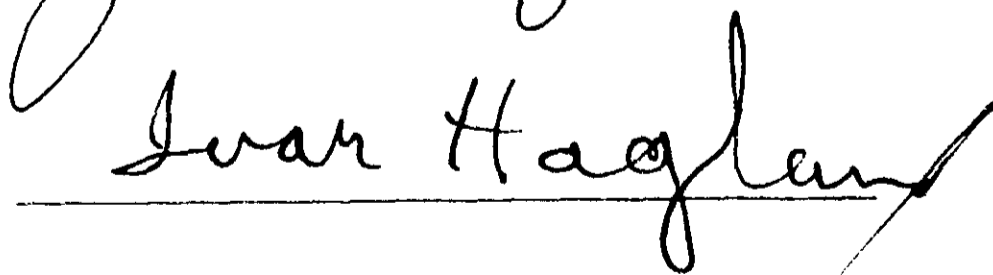
ADOPTED by the Port Commission of Seattle this 28th day of August, 1984 and duly authenticated in open session by the signatures of the Commissioners voting and the seal of the Commission duly affixed.











Port Commissioners

Exhibit A to
Resolution 2935

THE PORT OF SEATTLE
DEFERRED COMPENSATION PLAN

"The 1984 Plan"

Section 1. Introduction and Purpose of Plan

1.1 Establishment of Plan. This Plan shall be known as the Port of Seattle's Deferred Compensation Plan (the "Plan") and is established under the authority of the Port Commission's Resolution Number 2935 in accordance with section 457 of the Internal Revenue Code of 1954, as amended, and in accordance with the Treasury Department's final regulations. This Plan constitutes an amendment and restatement of the Port of Seattle's Deferred Compensation Plan, which was approved and adopted by the Port Commission's Resolution Number 2935 on _____.

1.2 Purpose of the Plan. The purpose of this Plan is to allow employees to designate a portion of their compensation to be withheld each month by the Port of Seattle and invested at the discretion of and in a manner approved by an administrative committee. Any compensation deferred by the employees may be invested by the administrative committee, but there is no requirement for the administrative committee or the Port of Seattle to do so. Participation in this Plan shall not be construed to establish or create an employment contract between the employee and the Port of Seattle.

Section 2. Definitions

2.1 Definitions. Whenever used in the Plan, the following terms shall have the meanings as set forth below unless otherwise expressly provided, and when the defined meaning is intended, the term is capitalized:

(a) "Beneficiary" means the person, persons, or legal entity, as designated by the Participant or provided for in accordance with section 5.4 of the Plan, that is entitled to receive a Participant's undistributed benefits under the Plan.

(b) "Code" means the Internal Revenue Code of 1954, as amended.

(c) "Committee" means an administrative committee comprised of the chief financial officer, director of human resources, director of labor relations, president of the Port of Seattle Employees Association, and, if any wage earning employee is participating in the Plan, a wage earning employee selected from time to time by the executive director of the Port of Seattle. Pursuant to the Port Commission's Resolution Number 2935, the Committee shall administer the Plan and shall have full power

and authority to adopt rules, regulations and ancillary forms which are necessary for the administration of the Plan, and to interpret, alter, amend or revoke any rules, regulations and ancillary forms so adopted; provided that, they are legally consistent with the provisions of the Plan, and apply the law and regulations as interpreted by Bogle and Gates.

(d) "Compensation" means salaries, wages and other forms of remuneration paid in a calendar year that is attributable to services performed by the Participant for the Employer that, notwithstanding this Plan, is includible in the Participant's taxable gross income.

(e) "Deferred Compensation" means that portion of the Participant's Compensation which the Participant and the Employer mutually agree to defer under the Plan.

(f) "Disability" means a physical or mental condition which permanently prevents a Participant from satisfactorily performing his or her usual duties for the Employer.

(g) "Employer" means the Port of Seattle.

(h) "Includible Compensation" means the portion of the Participant's compensation that is includible in the taxable year in his or her gross income. It does not, for instance, include compensation that is excludable from gross income under Code section 457(a) (relating to amounts deferred under this Plan), section 403(b) (relating to employer contributions for annuity contracts), section 105(d) (relating to certain disability payments), or section 911 (relating to foreign earned income). Compensation is taken into account at its fair market value if paid in other than money, and it is determined without regard to community property laws.

(i) "Normal Retirement Age" means any age selected by the Participant within the range of ages generally ending no later than 70-1/2 and beginning no earlier than the earliest age at which the Participant has the right to retire and receive unreduced retirement benefits under the Employer's basic pension plan covering that Participant. A Participant's Normal Retirement Age determines the following:

(1) the latest time when benefits may commence under this Plan (unless the Participant continues employment after Normal Retirement Age); and

(2) the period during which a Participant may utilize the catch-up limitation of section 3.4(b) hereunder.

If a Participant continues employment after attaining age 70-1/2, not having previously elected a Normal Retirement Age for purposes of utilizing the catch-up limitation of section 3.4(b) hereunder, the Participant may select an alternate Normal Retirement Age that is not later than the mandatory retirement age, if any, established by the Employer or the age at which the Participant incurs a Termination of Service if the Employer has no mandatory retirement age.

(j) "Participant" means any permanent employee of the Employer whose salary or wage is paid directly by the Employer and who fulfills the eligibility and enrollment requirements of section 3 of the Plan; provided that, in order for a wage earning employee to be a Participant, the collective bargaining agreement covering such employee must provide the option of participating in the Plan.

(k) "Pay Period" means a regular accounting period established by the Port of Seattle for measuring and paying Compensation earned by employees.

(l) "Plan" means the Port of Seattle's Deferred Compensation Plan as set forth herein and as it may be amended from time to time.

(m) "Termination of Service" means the severance of the Participant's employment with the Employer. A Participant shall be deemed to have severed his employment with the Employer for purposes of the Plan when, in accordance with established practices of the Employer, the employment relationship is considered to have actually terminated.

2.2 Gender and Number. Except when otherwise indicated by the context, any masculine terminology herein shall also include the feminine and neuter and vice-versa, and the definition of any terms herein in the singular may also include the plural.

Section 3. Participation in the Plan

3.1 Eligibility. Any employee as described and limited in section 2(i) who has completed six consecutive months of employment with the Employer and who is regularly scheduled to work at least 21 hours per week or 90 hours per month for the Employer is eligible to participate.

3.2 Enrollment. An eligible employee as defined in section 3.1 may become a Participant by agreeing in writing, in a form to be provided by the Committee, to a deferral of his or her Compensation in accordance with section 3.3. The deferral will commence with the Pay Period of the first month following the receipt by the Employer of a properly completed enrollment form which is accepted by the Committee.

3.3 Maximum Deferral. The total amount of Deferred Compensation during any calendar year for each Participant shall not exceed the limits provided in subsections (a) or (b) below:

(a) \$7,500 or $33 \frac{1}{3}$ of Includible Compensation for the taxable year, reduced by any amount excludable from gross income for the taxable year under Code section 403(b) on account of contributions made by the Port to an annuity plan.

(b) For each of a Participant's last three (3) taxable years ending before his or her normal retirement age, the maximum amount deferred for each such year shall be the lesser of the following:

(1) \$15,000 reduced by an amount excludable from gross income for the taxable year under Code section 403(b) on account of contributions made by the Port to an annuity plan, or

(2) the sum of the limitation set forth in section 3.3(a) above, plus an additional amount equal to the amount of Compensation which could have been deferred under this Plan minus the amount which was actually deferred during that time. A prior taxable year shall be taken into account only if (i) it begins after December 31, 1978, (ii) the Participant was eligible to participate during all or any portion of the taxable year, and (iii) compensation deferred (if any) under the Plan during the taxable year was subject to a plan ceiling under 3.3(a)."

In no event, however, can the deferral under 3.3(b) exceed \$15,000 for any taxable year, or under either 3.3(a) or (b), exceed an employee's Compensation less deductions for FICA, any other taxes, pension contributions and other mandatory deductions. A Participant may utilize the higher limitations under section 3.3(b) only if he or she has not utilized it with respect to a different Normal Retirement Age under this or any other plan.

3.4 Modifications to Amount Deferred. The Employer shall adjust the Participant's Compensation, on a Pay Period basis, by the Deferred Compensation amount indicated on the Participant's election to defer. That amount, subject to the limits of section 3.3 may be increased or decreased only by proper application to the Committee. The change shall take effect the first Pay Period of the month following receipt and approval of the application by the Committee. Only one modification (other than a revocation of participation as provided in section 3.5) may be made each calendar quarter.

3.5 Revocation of Deferral. Any Participant may revoke his or her election to have Compensation deferred by so notifying the Committee in writing. The Participant's full Compensation on a nondeferred basis will then be restored as soon as possible but not later than the Pay Period occurring thirty (30) days after the receipt of the notice, and any other required forms, by the Committee; however, the Participant's benefits under the Plan shall be paid only as provided in section 6.2 herein.

3.6 Duration of Election to Defer Compensation. Once an election to have Compensation deferred has been made by the Participant, the election shall continue in effect until the Participant's Termination of Service, unless the Participant modifies the amount in accordance with section 3.4, or revokes the election in accordance with section 3.5. The deferral will automatically cease when a Participant's Compensation during a Pay Period is less than the amount to be deferred. Once the deferral is stopped, the earliest that the Participant may reinstate his or her deferral is the first Pay Period of the month which is six full months following the last month during which there was a deferral of such Participant's Compensation under this Plan; provided that, if the deferral ceased because of insufficient Compensation on account of an approved medical leave of absence, reinstatement will be allowed when employment is resumed by such Participant.

Section 4. Financial Hardship Withdrawal.

A distribution of all or a portion of the Participant's deferred amounts shall be permitted in the event the

Participant experiences emergency needs. Emergency needs involve only circumstances of sudden and unexpected illness or accident of the Participant or a dependent, loss of property due to casualty, or other similar extraordinary or unforeseeable circumstance arising as a result of events beyond the control of the Participant which would cause severe financial hardship to the Participant if withdrawal were not permitted.

Any Participant desiring a distribution by reason of emergency needs must apply to the Committee and demonstrate that the circumstances being experienced were not under the Participant's control and constitute a real emergency which is likely to cause the Participant great financial hardship. The Committee shall have the authority to require such medical or other evidence as it may need to determine the necessity for Participant's withdrawal request. Distributions will not be made to the extent that such hardship may be relieved through reimbursement or compensation by insurance or otherwise, by liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship, or by cessation of deferrals under the Plan.

If an application is approved, the distribution shall be limited to an amount sufficient only to meet the emergency.

Following a withdrawal of funds under this section, a Participant's Compensation will be thereupon restored to its full level and such Participant may not reinstate his or her deferral earlier than six months after the effective date of the withdrawal.

Section 5. Investment of Deferred Compensation

5.1 Individual Accounts. The Employer shall cause an individual account to be maintained with respect to each Participant that reflects the value of the respective investment or investments. Each Participant shall receive periodic reports showing the then-current value of his or her individual account. Deferred Compensation will be reduced by administrative, investment, or other reasonable fees, in such amounts and at such times as deemed necessary by the Employer for the maintenance of the Plan.

The benefits paid to a Participant or Beneficiary under the Plan shall be equal to the value of payments receivable by the Employer under the type of investment or investments reflected in the respective Participant's or Beneficiary's individual account. In no event shall the Employer's liability to pay benefits exceed the value of payments under the type of investment or investments reflected in the indivi-

dual account, and the Employer shall not be liable for losses arising from depreciation or shrinkage in the value of any investments acquired under the Plan.

5.2 Investment. For the purpose of measuring and satisfying its obligations to provide benefits under this Plan, the Employer may invest the amounts of Compensation deferred by each Participant in investment mediums as specified from time to time by the Participant from among the choices permitted by the Committee. The Participant or if deceased, the Beneficiary, may at any time within sixty (60) days prior to one of the distribution events referred to in 6.1(a) and 6.1(b) below request in writing that the Committee invest the then-current value of his or her individual account in an alternative investment medium. The written requests will be approved or denied by the Committee on a reasonably equivalent basis in the exercise of its sole and reasonable discretion.

Any such investments shall be the sole property of the Employer, and shall not be held in trust for Participants or as collateral security for the fulfillment of the Employer's obligation under the Plan. The Committee shall be the custodian of any investment contracts and shall take the steps necessary to provide a place of safekeeping for them. Any such investments shall be subject to the claims of all creditors of the Employer, and no Participant or Beneficiary shall have any vested interest or secured or preferred position with respect to such investments or have any claims against the Employer except as a general creditor. Nothing in this section shall require the Employer to invest Deferred Compensation in any particular form of investment, nor will it limit its selection of investment media.

5.3 No Rights Until Distribution. No Participant or Beneficiary shall have any right to commute, sell, assign, pledge, transfer, or otherwise convey or encumber the right to receive any payments hereunder, which payments and rights are expressly declared to be non-assignable and non-transferable; nor shall any unpaid benefits be subject to attachment, garnishment or execution, or be transferable by operation of law in event of bankruptcy or insolvency, except to the extent otherwise required by law.

Section 6. Distribution of Benefits.

6.1 Distributions Events. Benefits under the Plan will be distributed in accordance with section 6.2 at a date which is thirty (30) days from the day on which one of the following events occurs:

(a) Termination of Service,

(b) Determination of hardship by the Committee under section 4, or

(c) Delayed distribution date as elected by the Participant or Beneficiary. The election is irrevocable and must be made prior to the time any amounts become payable. The delayed distribution date may be a specific future date, the attainment of a specific age by the Participant, or the attainment of Normal Retirement Age, as selected by the Participant. The right to elect a delayed distribution date is subject to the limits immediately hereunder:

Notwithstanding anything to the contrary, payment of the Participant's benefits will commence not later than the latest of the following times:

(d) Sixty (60) days after the close of the Participant's or former Participant's calendar year in which the Participant or former Participant attains (or would have attained) Normal Retirement Age; or

(e) Sixty (60) days after the close of the calendar year in which the Participant has a Termination of Service.

6.2 Election of Method of Distribution. At a time during the "election period" which is the period beginning 90 days prior to the date distributions are to commence and ending 30 days prior to such date (except for hardship distributions, which shall be made in the method directed by the Committee, as provided in section 4) a Participant may elect one or more of the following methods by which his or her benefits shall be distributed:

(a) A lump sum cash payment of all or a portion of the balance.

(b) In a series of payments on an annuity basis as if an annuity contract was purchased which is based upon the life expectancy of the Participant, or, if married, the life expectancy of the Participant and his or her spouse.

(c) In a series of installments based upon a fixed period which is not longer than the life expectancy of the Participant, or, if married, the life expectancy of the Participant and his or her spouse.

(d) The Participant or, if deceased, the Beneficiary has a right to request alternate methods of benefit payments by asking the Committee in writing for their approval. Any such deferment must be to a fixed or determinable future time. Written requests will be approved or denied by the Committee in the exercise of its sole and reasonable discretion on a consistent basis among the Participants.

At any time during the election period the Participant may elect in writing that the Committee change his or her initial election. The requests for changes will be approved or denied by the Committee in the exercise of its sole and reasonable discretion on a consistent basis among the Participants. Life expectancies are to be determined at the time distributions are to commence according to any applicable Internal Revenue Service Table.

Notwithstanding anything to the contrary, a Participant's benefits will be distributed in a lump sum within ninety days following a Termination of Service if any of the following occur: the Participant's benefits are less than \$2000, the Participant's benefits are insufficient to provide payments of \$100 per month, or the Participant does not make a distribution method election.

6.3 Designation of Beneficiary. A Participant may designate a Beneficiary or Beneficiaries who will receive the balance of the Participant's benefits in the event of his or her death in accordance with the following:

(a) A designation of a Beneficiary shall be effective when received by the Committee and made on a form approved by the Committee for that purpose which has been signed by the Participant.

(b) No Beneficiary shall have any rights under this Plan until the death of the Participant. A Participant may, at any time, change his or her Beneficiary(ies) in accordance with section 6.3(a).

(c) Participants may designate a contingent beneficiary if, for instance, the primary Beneficiary does not survive the Participant. No designation may be made for a contingent Beneficiary as a successor beneficiary where the primary Beneficiary dies after having commenced to receive distributions.

(d) If more than one Beneficiary is named in either category, benefits will be paid according to the following rules:

(1) Beneficiaries can be designated to share equally or to receive specific percentages.

(2) If a Beneficiary dies before the Participant, only the surviving Beneficiaries will be eligible to receive any benefits in the event of death of the Participant. If more than two Beneficiaries are originally named to receive different percentages of the benefits, surviving Beneficiaries will share in the same proportion to each other as indicated in the original designation.

(e) A person, trust, estate, or other legal entity may be designated as a Beneficiary.

(f) If a Beneficiary has not been designated, or a designation is ineffective due to the death of any and all Beneficiaries prior to the death of the Participant, or the designation is ineffective for any reason, the estate of the Participant shall be the Beneficiary.

(g) Upon the death of the Participant, any Beneficiary entitled under the provisions of this section to the deceased Participant's benefits shall become a "Vested Beneficiary" and have all the rights of the Participant with the exception of making any deferrals.

(h) In the event of a conflict between the provisions of this section and the terms of an annuity distribution which has commenced under section 6.2(b), the latter shall prevail.

6.4 Distributions to Beneficiaries. If a Participant dies before the entire amount deferred is paid to the Participant, the entire amount deferred (or the remaining part of such deferral if payment has commenced), must be paid to a beneficiary over-

(i) the life of the beneficiary (or any shorter period), if the beneficiary is the Participant's spouse, or

(ii) a period not in excess of 15 years, if the beneficiary is not the Participant's surviving spouse.

Any remaining unpaid balance at the death of a spouse must be paid over to the spouse's estate.

6.5 Plan to Plan Transfers. If a Participant separates from service in order to accept employment with another entity within the State of Washington that sponsors an eligible State deferred compensation plan, all amounts previously deferred will automatically be transferred to the other plan if the plan receiving the amounts provides for the acceptance of such amounts. Any amounts so transferred will be subject to any administrative, transfer, or other fees charged on account of such transfer, and the Port shall not be liable for any such fees.

6.6 Acceptance of Plan to Plan Transfer. If another eligible State deferred compensation plan provides for plan to plan transfers similar to a transfer described in section 6.5, this Plan will accept all amounts subject to such transfer. All amounts so transferred shall thereafter be subject to the provisions of this Plan. The Port shall not be liable in any manner for any administrative, transfer, or other fees that may be charged on account of such transfer.

Section 7. Miscellaneous

7.1 Payments to Minors and Incompetents. If the Committee shall receive evidence satisfactory to it that a Participant or Beneficiary entitled to receive any benefit under the Plan is, at the time when such benefit becomes payable, a minor, or, as adjudicated by a Court of Law, is mentally incompetent to receive such benefit and to give a valid release therefore and that another person or an institution is then maintaining or has custody of such Participant or Beneficiary, and that no guardian of the person or other representative of the estate of such Participant or Beneficiary shall have been duly appointed, the Committee may authorize payment of such benefit to such other person or institution, including a custodian under any State Gifts to Minors Act (who shall be an adult, a guardian of the minor or a trust company), or to a Court of Law for distribution pursuant to that Court's order, and the release of such other person or institution shall be a valid and complete discharge for the payment of such benefit.

7.2 Missing Persons. If the Committee is unable, after any benefit becomes due under the Plan to any person, to authorize payment because the identity or whereabouts of such

person cannot be ascertained, and after notice by certified mail has been sent to the last known address of such person, the Committee may direct that such benefit and all other benefits with respect to such person be paid to a Court of Law for distribution pursuant to that Court's order.

7.3 Headings and Subheadings. The headings and subheadings in the Plan are inserted for the convenience of reference only and are to be ignored in any construction of the provisions hereof.

7.4 Severability. If any provision of the Plan shall be for any reason invalid or unenforceable, the remaining provisions shall, nevertheless, continue in effect and shall not be invalidated thereby.

7.5 Days and Dates. Whenever a time limit is expressed in terms of a number of days, they shall be consecutive calendar days, including weekends and holidays, provided however, that if the last day of a period of days would occur on a weekend or a holiday recognized by the State of Washington, the last day of the period shall be the next business day following.

7.6 Amendment of Plan. The Employer shall have the right to amend this Plan, at any time and from time to time, in whole or in part; provided that, the amounts credited to the individual account of each Participant or Beneficiary shall not be reduced by the amendment.

7.7 Termination of Plan. Although the Employer has established this Plan with a bona fide intention and expectation that it will maintain the Plan indefinitely, nevertheless the Employer is not and shall not be under any obligation or liability whatsoever to maintain the Plan. The Employer may terminate or discontinue the Plan in whole or in part at any time without any liability whatsoever for such termination or discontinuance. Deferred Compensation shall thereupon cease. After Plan termination, the individual account of each Participant or Beneficiary shall be distributed in accordance with the provisions in section 6 above.

7.8 Applicable Law. This Plan shall be construed, administered and governed in all respects under and by the laws of the State of Washington and the Code.

IN WITNESS WHEREOF, the Employer has caused this Agreement to be signed by the members of the Plan Committee on the _____ day of _____, 1984.

PLAN COMMITTEE MEMBERS:

Clifford C. Muller
Committee Chairperson

Charles Blood

Robert A. Wells

L. R. Wheeler

Under authority of the Port
Commission's Resolution Number 2935