RESOLUTION NO. 1208

A RESOLUTION OF THE COMMISSION OF THE PORT OF BELLINGHAM AMENDING THE 2005 OPERATING AND CAPITAL BUDGET FOR THE PORT DISTRICT AND APPROVING A MULTI-YEAR PAYMENT PLAN FOR THE PURCHASE OF INSURANCE ASSOCIATED WITH THE ACQUISITION OF GEORGIA-PACIFIC'S BELLINGHAM WATERFRONT PROPERTY.

WHEREAS, the Commission of the Port of Bellingham (the "Port") has previously approved Resolution Nos. 1202 and 1202A, approving the final budget of the Port for 2005; and,

WHEREAS, the Port Commission has, after hearing and duly considering all relevant evidence and testimony, approved Resolution No. 1206 regarding the purchase of Georgia-Pacific's Bellingham waterfront property; and,

WHEREAS, the Port Commission has approved Resolution No. 1207 authorizing the purchase of pre-funded environmental insurance; and,

NOW, **THEREFORE**, **BE IT RESOLVED** by the Commission of the Port of Bellingham that the 2005 Operating and Capital Budget be amended as described in Attachment A.

NOW, **THEREFORE**, **BE IT FURTHER RESOLVED** that the Commission of the Port of Bellingham hereby authorizes the payment of $8,038,400 on or about January 19, 2005, to the Port's environmental insurance carrier utilizing cash reserves of the Port accumulated through net operating income, tax proceeds, and other non-operating revenues.

NOW, **THEREFORE**, **BE IT FURTHER RESOLVED** that the Commission of the Port of Bellingham hereby authorize the future payments, according to the following schedule, for the funding of the balance of the insurance costs utilizing a combination of cash reserves from net operating income, tax proceeds, and other non-operating revenues. Year 2 payment $8,111,759 Year 3 payment $7,419,062.

ADOPTED in open session at a regular meeting of the Commission of the Port of Bellingham on the 18th day of January, 2005, and duly authenticated by the signatures of the Commissioners and the seal of the Commission affixed hereto.

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Commission President

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Commission Vice President

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Commission Secretary