

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended October 31, 2002

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission File Number 001-15059

Nordstrom, Inc.

(Exact name of Registrant as specified in its charter)

Washington

91-0515058

(State or other jurisdiction of
incorporation or organization)

(IRS Employer
Identification No.)

1617 Sixth Avenue, Seattle, Washington 98101

(Address of principal executive offices) (Zip code)

Registrant's telephone number, including area code: (206) 628-2111

Indicate by check mark whether the Registrant (1) has filed all reports
required to be filed by Section 13 or 15(d) of the Securities Exchange Act of
1934 during the preceding 12 months (or for such shorter period that the
Registrant was required to file such reports), and (2) has been subject to
such filing requirements for the past 90 days.

YES X NO

Common stock outstanding as of November 30, 2002: 135,436,615 shares of
common stock.

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NORDSTROM, INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
 (dollars in thousands except per share amounts)
 (unaudited)

Three Months Nine Months Ended October 31, Ended October 31, - ----- ----- -----	----- 2002 2001 2002 2001 ----- ----- -----	
		----- Net
		sales
		\$1,323,201
		\$1,239,241
		\$4,224,490
		\$4,003,040
		Cost of sales
		and related
		buying and
		occupancy
		(873,847)
		(836,961)
		(2,802,409)
		(2,676,299)

		----- Gross
		profit
		449,354
		402,280
		1,422,081
		1,326,741
		Selling,
		general and
		administrative
		expenses
		(433,228)
		(399,568)
		(1,314,788)
		(1,253,715)

		----- Operating
		income 16,126
		2,712 107,293
		73,026
		Interest
		expense, net
		(20,832)
		(17,934)
		(60,486)
		(56,717)
		Minority
		interest
		purchase and
		reintegration
		costs
		(53,168)
		Service
		charge income
		and other,
		net 35,006

32,317
103,651
104,840

Earnings
before income
taxes and
cumulative
effect of
accounting
change ~~30,300~~
17,095 ~~97,290~~
121,140
Income tax
expense
~~(11,873)~~
~~(6,600)~~
~~(53,741)~~
(47,200)

Earnings
before
cumulative
effect of
accounting
change ~~18,427~~
10,495 ~~43,549~~
73,949
Cumulative
effect of
accounting
change (net
of tax) ~~—~~
(13,359)

— Net
earnings \$
~~18,427~~ \$
~~10,495~~ \$
~~30,190~~ \$
73,949

Basic
earnings per
share \$.14 \$
.08 \$.22 \$
.55

Diluted
earnings per
share \$.14 \$
.08 \$.22 \$
.55

Cash
dividends
paid per
share of
common stock
outstanding \$
~~.10~~ \$ ~~.09~~ \$
~~.28~~ \$ ~~.27~~

The accompanying Notes to the Condensed Consolidated Financial Statements are an integral part of these statements.

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NORDSTROM, INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED BALANCE SHEETS
 (dollars in thousands)
 (unaudited)

October 31,
 January 31,
 October 31,
 2002 2002
 2001 -----

- ASSETS
 Current
 Assets: Cash
 and cash
 equivalents
~~\$ 40,798~~ \$
~~331,327~~ \$
 20,365
 Accounts
 receivable,
 net ~~712,223~~
 698,475
 699,450
 Merchandise
 inventories
 1,278,932
 888,172
 1,161,178
 Prepaid
 expenses
 41,276
 34,375
~~38,302~~ Other
 current
 assets
 105,083
 102,249
~~102,408~~

 Total
 current
 assets
 2,178,312
 2,054,598
 2,021,703
 Land,
 buildings
 and
 equipment
 (net of
 accumulated

depreciation
of
~~\$1,825,759,~~
~~\$1,663,409,~~
and
~~\$1,648,745)~~
~~1,754,288~~
~~1,761,082~~
~~1,732,659~~
Intangible
assets, net
~~140,488~~
~~138,331~~
~~139,466~~
Other assets
~~123,550~~
~~94,768~~
~~81,323~~

— TOTAL
ASSETS
~~\$4,196,638~~
~~\$4,048,779~~
~~\$3,975,151~~

LIABILITIES
AND

SHAREHOLDERS'
EQUITY

Current
Liabilities:

Notes
payable \$
~~571~~ \$ ~~148~~ \$

~~167,663~~

Accounts

payable

~~685,515~~

~~490,988~~

~~637,694~~

Accrued

salaries,

wages and

related

benefits

~~226,840~~

~~236,373~~

~~223,549~~

Income taxes

and other

accruals

~~152,822~~

~~142,002~~

~~155,632~~

Current

portion of

long term

debt ~~4,386~~

~~78,227~~

~~78,966~~

— Total

current

liabilities

~~1,070,134~~

~~947,738~~

~~1,263,504~~

Long term

debt

~~1,343,423~~

~~1,351,044~~

~~1,045,441~~

Deferred

lease

credits

~~360,116~~

~~342,046~~

~~330,747~~
~~Other~~
~~liabilities~~
~~101,423~~
~~93,463~~
~~61,669~~
Shareholders'
Equity:
Common
stock, no
par:
500,000,000
shares
authorized;
~~135,427,913~~
~~134,468,608~~
and
~~134,338,694~~
shares
issued and
outstanding
~~357,567~~
~~341,316~~
~~338,589~~
Unearned
stock
compensation
~~(2,177)~~
~~(2,680)~~
~~(3,148)~~
Retained
earnings
~~967,614~~
~~975,203~~
~~936,560~~
Accumulated
other
comprehensive
earnings
(loss)
~~(1,462) 649~~
~~1,789~~

Total
shareholders'
equity
~~1,321,542~~
~~1,314,488~~
~~1,273,790~~

TOTAL
LIABILITIES
AND
SHAREHOLDERS'
EQUITY
\$4,196,638
\$4,048,779
\$3,975,151
=====

The
accompanying
Notes to the
Condensed
Consolidated
Financial
Statements
are an
integral
part of
these
statements.

NORDSTROM, INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
 (dollars in thousands)
 (unaudited)

Nine Months Ended October 31, -----	

2002 2001 -----	

OPERATING	
ACTIVITIES: Net	
earnings	
\$30,190	\$73,949
Adjustments to	
reconcile net	
earnings to net	
cash provided	
by operating	
activities:	
Depreciation	
and	
amortization	
169,851	155,679
Amortization of	
intangible	
assets—3,495	
Amortization of	
deferred lease	
credits and	
other, net	
(14,438)	
(4,974)	Stock-
based	
compensation	
expense—3,442	
2,237	Deferred
income taxes,	
net—8,097	
(3,368)	
Cumulative	
effect of	
accounting	
change (net of	
tax)—13,359—	
Write-off of IT	
investment	
15,570	
Minority	
interest	
purchase	
expense—40,389	
—Change in:	
Accounts	
receivable, net	
(11,812)	21,951
Merchandise	
inventories	
(372,605)	
(179,463)	
Prepaid	
expenses	
(2,824)	(5,780)
Other assets	
4,693	(5,818)
Accounts	
payable—180,311	
110,991	Accrued
salaries, wages	
and related	
benefits	
(12,268)	

~~(12,520) Income taxes and other accruals 10,312
2,133 Other liabilities
4,006 1,808~~

~~Net cash provided by operating activities
66,273 160,320~~

~~INVESTING ACTIVITIES:~~

~~Capital expenditures (263,855)
(296,382)
Additions to deferred lease credits 83,021
95,749 Minority interest purchase (70,000)
Other, net (5,044) (1,688)~~

~~Net cash used for investing activities
(255,878)
(202,321)~~

~~FINANCING ACTIVITIES:~~

~~Proceeds from notes payable 423 84,603
Proceeds from long term borrowings 432
Principal payments on long term debt (84,593)
(17,902)
Proceeds from sale of interest rate swap 4,931
Proceeds from issuance of common stock 15,662 7,885
Cash dividends paid (37,779)
(36,168)
Purchase and retirement of common stock (1,311)~~

~~Net cash (used)/provided by financing activities
(100,924)
37,107~~

~~Net decrease in cash and cash equivalents (290,529)
(4,894) Cash and cash equivalents at beginning of period 331,327~~

~~25,259~~

~~Cash
and cash
equivalents at
end of period
\$40,798 \$20,365~~

~~=====
The
accompanying
Notes to the
Condensed
Consolidated
Financial
Statements are
an integral
part of these
statements.~~

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NORDSTROM, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(dollars in thousands)
(unaudited)

Note 1 - Summary of Significant Accounting Policies

Basis of Presentation

The accompanying condensed consolidated financial statements should be read in conjunction with the Notes to Consolidated Financial Statements contained in our 2001 Annual Report. The same accounting policies are followed for preparing quarterly and annual financial data. All adjustments necessary for a fair presentation of the results of operations, financial position and cash flows have been included and are of a normal, recurring nature.

We reclassified certain prior year amounts to conform to the current year presentation.

Due to the seasonal nature of the retail industry, quarterly results are not necessarily indicative of the results for the full fiscal year.

Beginning February 1, 2003, our fiscal year-end will change from January 31 to the Saturday closest to January 31. In the future, each fiscal year will consist of four 13 week quarters, with an extra week added onto the fourth quarter every 5-6 years.

Note 2 - Cumulative Effect of Accounting Change

Effective February 1, 2002, we adopted SFAS No. 142, "Goodwill and Other Intangible Assets," which establishes new accounting and reporting requirements for goodwill and other intangible assets. Under SFAS No. 142, we will no longer amortize goodwill and intangible assets having indefinite lives but will instead perform annual impairment tests.

In connection with the adoption of SFAS No. 142, we reviewed the classification and useful lives of our intangible assets. Our intangible assets were determined to be either goodwill or indefinite lived tradename.

As required by SFAS No. 142, we defined our reporting unit as the Faconnable Business Unit, one level below our reportable Retail Stores segment. We then tested our intangible assets for impairment in the first quarter by comparing the fair value of the reporting unit with its carrying value. Fair value was determined using a discounted cash flow methodology. SFAS No. 142 required us to perform these impairment tests at adoption and at least annually thereafter. On an ongoing basis we expect to perform our impairment test during the first quarter or when other circumstances indicate we need to do so.

Based on our initial test, we recognized a goodwill impairment charge of \$21,900 in the first quarter of 2002. The goodwill impairment resulted from a reduction in management's estimate of future growth for this reporting unit.

The impairment charge recognized in the first quarter is reflected as a cumulative effect of accounting change. We determined the Faconnable tradename not to be impaired.

NORDSTROM, INC. AND SUBSIDIARIES
 NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 (dollars in thousands)
 (unaudited)

Note 2 - Cumulative Effect of Accounting Change (Cont.)

The changes in the carrying amount of our intangible assets for the period ended October 31, 2002, are as follows:

Catalog/ Retail Stores Internet segment segment	
Total -----	

Goodwill Tradename	
Goodwill ---	

Balance as of February 1, 2002 \$	
38,198 \$	
100,133 \$	
\$ 138,331	
Goodwill impairment	
(21,900) ---	
(21,900)	
Goodwill acquired through exercise of Nordstrom.com Put Agreement (see Note 8)	
24,057	
24,057	

Balance as of October 31, 2002 \$	
16,298 \$	
100,133 \$	
24,057 \$	
140,488	
=====	
=====	
=====	
=====	

The following table shows the actual results of operations for the three and nine months ended October 31, 2002 and 2001 as well as pro-forma results

NORDSTROM, INC. AND SUBSIDIARIES
 NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 (dollars in thousands)
 (unaudited)

Note 3 - Earnings Per Share

Three
 Months Nine
 Months
 Ended
 October 31,
 Ended
 October 31,

----- 2002
 2001 2002
 2001 -----

 Net
 earnings
 \$18,427
 \$10,495
 \$30,190
 \$73,949

Basic
 shares
 135,207,627
 134,149,137
 134,995,245
 134,006,130

Basic
 earnings
 per share
 \$0.14 \$0.08
 \$0.22 \$0.55

Dilutive
 effect of
 stock
 options and
 restricted
 stock

558,141
 59,827
 724,165
 163,781

Diluted
 shares
 135,765,768
 134,208,964
 135,719,410
 134,169,911

Diluted
 earnings
 per share
 \$0.14 \$0.08
 \$0.22 \$0.55

Antidilutive
 stock
 options
 8,692,657
 10,486,554
 6,546,645
 8,888,040

Note 4 - Accounts Receivable

The components of accounts receivable are as follows:
 October 31,
 January 31,

October 31,
 2002 2002
 2001 -----

Unrestricted
 trade
 receivables
 \$19,673
 \$16,012
 \$646,278
 Restricted
 trade
 receivables
 693,914
 684,160
 53,399
 Other
 21,017
 21,325
 20,465
 Allowance
 for
 doubtful
 accounts
 (22,381)
 (23,022)
 (20,692) —

Accounts
 receivable,
 net
 \$712,223
 \$698,475
 \$699,450
 =====
 =====
 =====

The restricted trade receivables consist of Nordstrom Private Label Receivables and Visa Securitization Master Trust Certificates. The Private Label receivables back the \$300 million of Class A notes and the \$200 million variable funding note issued by us in November 2001.

Note 5 - Supplementary Cash Flow Information

We capitalize certain property, plant and equipment during the construction period of commercial buildings, which are subsequently derecognized and reclassified to prepaid rent or deferred lease credits. During the nine months ended October 31, 2002 and 2001, the noncash activities related to the reclassification of new stores were \$80,389 and \$60,645.

Additionally during the nine months ended October 31, 2002 and 2001, we had noncash activities related to the construction of our corporate office building of (\$4,539) and \$30,176.

NORDSTROM, INC. AND SUBSIDIARIES
 NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 (dollars in thousands)
 (unaudited)

Note 6 - Segment Reporting

The following tables set forth information for our reportable segments and a reconciliation to the consolidated totals:

Three
 months

~~43,549 Net earnings (loss)~~
~~154,204~~
~~10,199~~
~~(13,937)~~
~~(120,276)~~
~~30,190~~
 Assets
~~2,995,109~~
~~707,376~~
~~82,163~~
~~411,990~~
~~4,196,638~~

Nine months ended
 Retail Credit Catalog/
 Corporate
 October 31,
 2001
 Stores Operations
 Internet and Other
 Eliminations
 Total

Revenues from external customers
~~\$3,804,112~~
~~\$198,928~~

~~\$4,003,040~~
 Service charge income
~~\$101,595~~
~~101,595~~

Intersegment revenues
~~15,144~~
~~19,581~~
~~\$(34,725)~~
 Interest expense, net
~~794~~

~~18,110~~ (30)
~~\$37,843~~
 56,717 Net earnings (loss)
~~158,579~~
~~13,904~~
~~(8,318)~~
~~(90,216)~~
~~73,949~~
 Assets
~~2,812,324~~
~~683,716~~
~~83,265~~
~~395,846~~
~~3,975,151~~

Note 7 - Nordstrom.com

On May 31, 2002, we purchased the outstanding shares of Nordstrom.com, Inc. series C preferred stock for \$70,000. The excess of the purchase price over the fair market value of the preferred stock and professional fees resulted in a one-time charge of \$42,736. No tax benefit was recognized, as we do not

believe it is probable that this benefit will be realized.

In July 2002, \$10,432 of expense was recognized related to the purchase of the outstanding Nordstrom.com options and warrants. The purchase of these outstanding options and warrants was completed in September 2002.

The purchase of the minority interest of Nordstrom.com resulted in additional goodwill of \$24,057.

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NORDSTROM, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(dollars in thousands)
(unaudited)

Note 7 - Nordstrom.com (Cont.)

The following table presents the charges associated with the minority interest purchase and reintegration costs.

Nine Months Ended October 31, 2002 ----- -----
Excess of the purchase price over the fair market value of the preferred stock \$40,389 Nordstrom.com option/warrant buyback expense 10,432 Professional fees incurred 2,347
<u>-----</u> <u>-----</u> \$53,168 =====

Note 8 - Litigation

Cosmetics

We were originally named as a defendant along with other department store and specialty retailers in nine separate but virtually identical class action lawsuits filed in various Superior Courts of the State of California in May, June and July 1998 that have now been consolidated in Marin County state court. In May 2000, plaintiffs filed an amended complaint naming a number of manufacturers of cosmetics and fragrances and two other retailers as additional defendants. Plaintiffs' amended complaint alleges that the retail price of the "prestige" cosmetics sold in department and specialty stores was collusively controlled by the retailer and manufacturer defendants in violation of the Cartwright Act and the California Unfair Competition Act.

Plaintiffs seek treble damages and restitution of an unspecified amount, attorneys' fees and prejudgment interest, on behalf of a class of all California residents who purchased cosmetics and fragrances for personal use from any of the defendants during the period four years prior to the filing of the amended complaint. Defendants, including us, have answered the amended complaint denying the allegations. The retail defendants have produced documents and responded to plaintiffs' other discovery requests, including providing witnesses for depositions. Two retail defendants have filed motions for summary judgment, and plaintiffs have not yet moved for class certification. Pursuant to an order of the court, plaintiffs and defendants participated in formal mediation sessions in May and September 2001.

Washington Public Trust Advocates

By order dated August 9, 2002, the court granted our motion to dismiss us from Washington Public Trust Advocates, ex rel., et al. v. City of Spokane, et al., as previously described, and dismissed us from that lawsuit. Plaintiff has filed an appeal with the Washington State Supreme Court.

Other

We are also subject to other ordinary routine litigation. We do not expect

any material liability related to that litigation.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Dollars in Thousands

The following discussion should be read in conjunction with the Management's Discussion and Analysis section of the 2001 Annual Report.

RESULTS OF OPERATIONS:

Overview

Earnings for the quarter ended October 31, 2002 increased to \$18,427 from \$10,495 for the same period in 2001. Earnings for the nine months ended October 31, 2002 decreased to \$30,190 from \$73,949 for the same period in 2001. The decrease for the nine months was attributable to three one-time charges related to the write-off of an IT investment, minority interest purchase and reintegration costs of Nordstrom.com, Inc., and the adoption of a new accounting pronouncement. Excluding these one-time charges, earnings for the nine-month period increased to \$101,231 from \$73,949 for the same period last year. Diluted earnings per share were \$0.14 for the quarter compared to \$0.08 in the third quarter of last year. For the nine months ended October 31, 2002, diluted earnings per share before one-time charges were \$0.75 compared to \$0.55 for the same period last year.

Year-over-year net income before and after non-recurring items are as follows:

Nine Months Ended October 31, 2002 2001

Diluted Dollars EPS Diluted Dollars EPS

Table with 2 columns: 2002, 2001. Rows include Reported net income, Non-recurring items, Minority interest, Cumulative effect of accounting change, and Write-off of IT investment.

~~Net~~
~~income~~
~~before non-~~
~~recurring~~
~~items \$~~
~~101,231 \$~~
~~0.75 \$~~
~~73,949 \$~~
~~0.55~~
=====

Sales
- - - - -
Year-over-year changes in total company sales and comparable-store sales are as follows:

QTD %
Change YTD
% Change -

Calendar
4-5-4*
Calendar
4-5-4* ---

--- Total
Company
sales ~~6.8%~~
7.8% 5.5%
5.7%
Comparable
store
sales ~~2.6%~~
3.7% 1.2%
1.3%

* the 13 and 39 week periods ended November 2, 2002 and November 3, 2001.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONT.)

Total sales for the three and the nine-month periods increased primarily as a result of new store openings. Since November 1, 2001, we opened seven full-line stores and five Nordstrom Rack stores. Comparable store sales for the quarter and the nine-month period increased primarily as a result of moderate sales growth at full-line stores and strong sales growth at Nordstrom Rack stores.

Gross Profit
- - - - -

Gross profit as a percentage of sales increased to 33.9% for the three-month period ended October 31, 2002, compared to 32.5% for the same period last year. The increase for the quarter was partially due to the fact that we did not repeat a clearance event that occurred in the third quarter of 2001. In addition, we reduced our inventory shrinkage accrual based upon the results of our mid-year physical inventory. Gross profit as a percentage of sales increased to 33.7% for the nine-month period ended October 31, 2002, compared to 33.1% for the same period last year. The increase for the nine-month period benefited from the third quarter improvement. Also contributing to the nine-month increase were high markdowns taken in the second quarter of the prior year to reduce excess inventory. These margin improvements were partially offset by increased occupancy costs from store openings in the current year.

Selling, General and Administrative
- - - - -

Selling, general and administrative expenses increased as a percentage of sales for the three-month period ended October 31, 2002. This was a result of new store selling expenses and pre-opening costs, higher distribution costs

related to an increase in merchandise volumes and higher IT expenses related to the implementation of our perpetual inventory system. For the nine-month period ended October 31, 2002, selling, general and administrative expenses improved slightly as a percentage of sales before a one-time charge of \$15,570. The improvement was due to decreased payroll and benefits expenses, lower bad debt expense and lower catalog costs at Nordstrom Direct, partially offset by higher distribution costs and IT expenses related to the implementation of our perpetual inventory system. The one-time charge related to a write-off of an IT investment in a supply chain tool at our manufacturing division in the second quarter.

Interest Expense

Interest expense, net increased in the three and nine-month periods ended October 31, 2002 compared to the same periods in 2001. The increase was due to higher average long-term borrowings, partially offset by a decrease in average short-term borrowings and long-term interest rates.

Service Charge Income and Other

Service charge income and other, net increased for the three-month period ended October 31, 2002, but decreased slightly for the nine-month period ended October 31, 2002 compared to the same periods in 2001. The increase for the three-month period was due to higher securitization income. The decrease for the nine-month period resulted from lower service charge and late fee income due to lower service charge rates. This was partially offset by higher securitization income, which benefited from higher sales, increased balances on our Visa receivable portfolio, and lower projected write-offs.

Nordstrom.com

On May 31, 2002, we purchased the outstanding shares of Nordstrom.com, Inc. series C preferred stock for \$70,000. The excess of the purchase price over the fair market value of the preferred stock and professional fees resulted in a one-time charge of \$42,736. No tax benefit was recognized, as we do not believe it is probable that this benefit will be realized.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONT.)

In July 2002, \$10,432 of expense was recognized related to the purchase of the outstanding Nordstrom.com options and warrants. The purchase of these outstanding options and warrants was completed in September 2002.

The purchase of the minority interest of Nordstrom.com resulted in additional goodwill of \$24,057.

The following table presents the charges associated with the minority interest purchase and reintegration costs.

Nine Months	
Ended October	
31, 2002 -----	

Excess of the	
purchase price	
over the fair	
market value of	
the preferred	
stock \$40,389	
Nordstrom.com	
option/warrant	
buyback expense	
10,432	
Professional	
fees incurred	
2,347	

\$53,168	
=====	

Cumulative Effect of Accounting Change

During the first quarter, we completed the review required by SFAS No. 142 "Goodwill and Other Intangible Assets." As a result of our review, we recorded a cumulative effect of accounting change of \$13,359, net of tax, or \$0.10 per share on a diluted basis.

Seasonality

- - - - -
Our business, like that of other retailers, is subject to seasonal fluctuations. Our anniversary sale in July and the holidays in December result in higher sales in the second and fourth quarters of the fiscal year. Accordingly, results for any quarter are not necessarily indicative of the results that may be achieved for a full fiscal year.

LIQUIDITY AND CAPITAL RESOURCES:
- - - - -

We finance our working capital needs and capital expenditures with cash provided by operations and borrowings.

Cash Flow from Operations
- - - - -

Net cash provided by operating activities for the nine-month period ended October 31, 2002 decreased \$94,047 compared to the same period last year. This decrease was primarily a result of an increase in merchandise inventories due in part to new stores, partially offset by an increase in net earnings before noncash items and an increase in accounts payable.

Capital Expenditures
- - - - -

For the nine month period ended October 31, 2002, net cash used in investing activities increased \$53,557 compared to the same period in 2001, primarily due to the \$70,000 payment for the acquisition of the outstanding shares of Nordstrom.com, Inc. series C preferred stock. This was partially offset by a decrease in capital expenditures for new stores.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONT.)

During the third quarter of fiscal 2002, we opened four full-line stores in Dulles, VA; St. Louis, MO; Coral Gables, FL and Orlando, FL. We also opened one Nordstrom Rack store in Long Beach, CA and one Faconnable boutique in Coral Gables, FL. Year to date, we have opened a total of seven full-line stores, four Nordstrom Rack stores and one Faconnable boutique. Additionally, in November 2002, we opened a full-line store in Las Vegas, NV. No other stores are scheduled to open in 2002. Total square footage of our stores was 18,221,000 as of October 31, 2002, compared to 16,998,000 as of October 31, 2001.

Financing
- - - - -

For the nine month period ended October 31, 2002, cash used by financing activities increased \$138,031 primarily due to the scheduled retirement of \$76,750 in medium-term notes in the current year and proceeds from notes payable of \$84,603 in the prior year.

CRITICAL ACCOUNTING POLICIES:
- - - - -

The preparation of our financial statements requires that management make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and disclosure of contingent assets and liabilities. On an on-going basis, we evaluate our estimates including those related to doubtful accounts, inventory valuation including estimates of inventory shrinkage and obsolescence, intangible assets, income taxes, self-insurance liabilities, pensions, contingent liabilities and litigation. We base our estimates on historical experience and other assumptions that we believe to be reasonable under the circumstances. Actual results may differ from these estimates.

Inventory
- - - - -

The implementation of our new perpetual inventory system this year has improved the timeliness and completeness of recording price changes, including markdowns. Our mid-year physical inventory completed in the third quarter indicated that the higher than expected level of markdowns that we have experienced year to date had a favorable impact on our shrinkage results. Accordingly, we have adjusted our shrinkage accrual in the third quarter based on this information. Further adjustment may be needed based on our final year-end physical inventory. The improvement in recording markdowns may also impact the required level of our inventory obsolescence reserve. We are currently evaluating this impact and an adjustment to our obsolescence reserve

may be necessary in the fourth quarter.

Realization of Streamline Deferred Tax Asset

As of October 31, 2002, we have \$32,857 of capital loss carryforward related to the write off of our investment in Streamline.com, Inc. We can use these capital loss carryforwards only if we generate capital gains within the next four years. No valuation allowance has been provided because management believes it is probable that the full benefit of the carryforward will be realized.

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Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONT.)

FORWARD-LOOKING INFORMATION CAUTIONARY STATEMENT:

This document may include forward-looking statements regarding our performance, liquidity and adequacy of capital resources. These statements are based on our current assumptions and expectations and are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected. Forward-looking statements are qualified by the risks and challenges posed by increased competition, shifting consumer demand, changing consumer credit markets, changing capital markets and general economic conditions, hiring and retaining effective team members, sourcing merchandise from domestic and international vendors, investing in new business strategies, achieving our growth objectives, and other risks and uncertainties, including the uncertain economic and political environment arising from the terrorist acts of September 11, 2001 and subsequent terrorist activities. As a result, while we believe there is a reasonable basis for the forward-looking statements, you should not place undue reliance on those statements.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

In September 2002, we sold the interest rate swap that converted our \$300 million, 8.95% fixed-rate debt to variable rate. We received cash of \$4.9 million, which will be recognized as income evenly over the remaining life of the related debt.

In October 2002, we entered into a new interest rate swap agreement which will convert our \$250 million 5.625% fixed-rate debt to variable rate effective January 15, 2003. The variable rate is based on the 6-month LIBOR rate plus 1.31% (initial rate 3.25%). The \$1.9 million fair value of the swap has been recorded on our balance sheet in accordance with SFAS No. 133. The interest rate swap will reduce interest payments on our fixed-rate debt by taking advantage of the current low interest rates. A shift in future interest rates could adversely affect the amount of interest paid through this swap agreement.

Item 4. CONTROLS AND PROCEDURES

Within the last 90 days, our President and Chief Financial Officer evaluated our disclosure controls and procedures and believe that they are effective in the timely recording, processing, summarizing and reporting of material financial and non-financial information.

Additionally, during the quarter ended October 31, 2002, we did not make any significant changes in, or take any corrective actions regarding, our internal controls or other factors that could significantly affect these controls. We review our internal controls for effectiveness on an ongoing basis. We plan to continue our review process, including both internal and external audit examinations, as part of the evaluation of our disclosure controls and internal controls.

Item 1. Legal Proceedings

The information required under this item is included in the following section of Part I, Item 1 of this report:

Note 8 in Notes to Condensed Consolidated Financial Statements

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Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

3.1 By-laws, as amended and restated on November 22, 2002.

99.1 Certification of Chief Executive Officer regarding periodic report containing financial statements.

99.2 Certification of Chief Financial Officer regarding periodic report containing financial statements.

(b) Reports on Form 8-K

We filed a Form 8-K on September 12, 2002 to submit to the Securities and Exchange Commission the sworn statements required by the Securities and Exchange Commission's "Order Requiring the Filing of Sworn Statements Pursuant to Section 21(a)(1) of the Securities Exchange Act of 1934" (File No. 4-460, June 27, 2002).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

NORDSTROM, INC.
(Registrant)

/s/ Michael G. Koppel

Michael G. Koppel
Executive Vice President and Chief Financial Officer
(Principal Accounting and Financial Officer)

Date: December 6, 2002

Certification required by Section 302(a) of the Sarbanes-Oxley Act of 2002

I, Blake W. Nordstrom, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Nordstrom, Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
 - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
 - c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: December 6, 2002

/s/ Blake W. Nordstrom

 Blake W. Nordstrom
 President

Certification required by Section 302(a) of the Sarbanes-Oxley Act of 2002

I, Michael G. Koppel, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Nordstrom, Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material

respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

- a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
- b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
- c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

- a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
- b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: December 6, 2002

/s/ Michael G. Koppel

Michael G. Koppel
Executive Vice President and
Chief Financial Officer

NORDSTROM INC. AND SUBSIDIARIES

Exhibit Index

Exhibit -----	Method of Filing -----
3.1 By-laws, as amended and resated on November 22, 2002	Filed herewith electronically
99.1 Certification of Chief Executive Officer regarding periodic report containing financial statements	Filed herewith electronically
99.2 Certification of Chief Financial Officer regarding periodic report containing financial statements	Filed herewith electronically

BYLAWS
OF
NORDSTROM, INC.

(Amended and Restated as of November 22, 2002)

ARTICLE I
Offices

The principal office of the corporation in the state of Washington shall be located in the city of Seattle. The corporation may have such other offices, either within or without the state of Washington, as the Board of Directors may designate or as the business of the corporation may require from time to time.

The registered office of the corporation required by the Washington Business Corporation Act to be maintained in the state of Washington may be, but need not be, identical with the principal office in the state of Washington and the address of the registered office may be changed from time to time by the Board of Directors or by officers designated by the Board of Directors.

ARTICLE II
Shareholders

Section 1. Annual Meetings. The annual meeting of the shareholders shall be held on the third Tuesday in the month of May each year, at the hour of 11:00 a.m., unless the Board of Directors shall have designated a different hour and day in the month of May to hold said meeting. The meeting shall be for the purpose of electing directors and the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday in the state of Washington and if the Board of Directors has not designated some other day in the month of May for such meeting, such meeting shall be held at the same hour and place on the next succeeding business day not a holiday. The failure to hold an annual meeting at the time stated in these Bylaws does not affect the validity of any corporate action. If the election of directors shall not be held on the day designated herein or by the Board of Directors for any annual meeting of the shareholders, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the shareholders as soon thereafter as conveniently may be.

Section 2. Special Meetings. Special meetings of the shareholders may be called for any purpose or purposes, unless otherwise prescribed by statute, at any time by the Chairman (or any Co-Chairman) of the Board of Directors, by the President (or any Co-President) if there is not then a Chairman (or Co-Chairman) of the Board of Directors or by the Board of Directors and shall be called by the Chairman (or any Co-Chairman) of the Board of Directors or the President (or any Co-President) at the request of holders of not less than 15% of all outstanding shares of the corporation entitled to vote on any issue proposed to be considered at the meeting. Only

business within the purpose or purposes described in the meeting notice may be conducted at a special shareholder's meeting.

Section 3. Place of Meeting. The Board of Directors may designate any place, either within or without the state of Washington, as the place of meeting for any annual meeting or for any special meeting of the corporation. If no such designation is made, the place of meeting shall be the principal offices of the corporation in the state of Washington.

Section 4. Notice of Meetings. Written notice of annual or special meetings of shareholders stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given by the Secretary, or persons authorized to call the meeting, to each shareholder of record entitled to vote at the meeting, not less than ten (10) nor more than sixty (60) days prior to the date of the meeting, unless otherwise prescribed by statute.

Section 5. Waiver of Notice. Notice of the time, place and purpose of any meeting may be waived in writing (either before or after such meeting) and will be waived by any shareholder by attendance of the shareholder in person or by proxy, unless the shareholder at the beginning of the meeting objects to holding the meeting or transacting business at the meeting. Any shareholder

waiving notice of a meeting shall be bound by the proceedings of the meeting in all respects as if due notice thereof had been given.

Section 6. Record Date. For the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders, or any adjournment thereof, or shareholders entitled to receive payment of any dividend, or to make a determination of shareholders for any other proper purpose, the Board of Directors may fix in advance a record date for any such determination of shareholders, such date to be not more than seventy (70) days and, in the case of a meeting of shareholders, not less than ten (10) days, prior to the date on which the particular action requiring such determination of shareholders is to be taken. If no record date is fixed for the determination of shareholders entitled to notice of or to vote at a meeting of shareholders, or shareholders entitled to receive payment of a dividend, the day before the date on which notice of the meeting is mailed or the date on which the resolution of the Board of Directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of shareholders. When a determination of shareholders entitled to vote at any meeting of shareholders has been made as provided in this Section, the determination shall apply to any adjournment thereof, unless the Board of Directors fixes a new record date, which it must do if the meeting is adjourned more than one hundred twenty (120) days after the date fixed for the original meeting.

Section 7. Voting Lists. After fixing a record date for a shareholders' meeting, the corporation shall prepare an alphabetical list of the names of all shareholders on the record date who are entitled to notice of the shareholders' meeting. The list shall show the address of and number of shares held by each shareholder. A shareholder, shareholder's agent, or a shareholder's attorney may inspect the shareholder list, at the shareholder's expense, beginning ten days prior to the shareholders' meeting and continuing through the meeting, at the corporation's principal office or at a place identified in the meeting notice in the city where the

meeting will be held during regular business hours. The shareholder list shall be kept open for inspection at the time and place of such meeting or any adjournment.

Section 8. Quorum and Adjourned Meetings. Unless the Articles of Incorporation or applicable law provide otherwise, a majority of the outstanding shares of the corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders. Once a share is represented at a meeting, other than to object to holding the meeting or transacting business, it is deemed to be present for the remainder of the meeting and any adjournment thereof unless a new record date is set or is required to be set for the adjourned meeting. A majority of the shares represented at a meeting, even if less than a quorum, may adjourn the meeting from time to time without further notice. At a reconvened meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the original meeting. Business may continue to be conducted at a duly organized meeting and at any adjournment of such meeting (unless a new record date is or must be set for the adjourned meeting), notwithstanding the withdrawal of enough shares from either meeting to leave less than a quorum.

Section 9. Proxies. At all meetings of shareholders, a shareholder may vote by proxy executed in writing by the shareholder or by the shareholder's duly authorized attorney in fact. Such proxy shall be filed with the Secretary of the corporation before or at the time of the meeting. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

Section 10. Voting of Shares. Every shareholder of record shall have the right at every shareholders' meeting to one vote for every share standing in the shareholder's name on the books of the corporation. If a quorum exists, action on a matter, other than election of directors, is approved by the shareholders if the votes cast favoring the action exceed the votes cast opposing the action, unless the Articles of Incorporation or applicable law require a greater number of affirmative votes. Notwithstanding the foregoing, shares of the corporation may not be voted if they are owned, directly or indirectly, by another corporation and the corporation owns, directly or indirectly, a majority of shares of the other corporation entitled to vote for directors of the other corporation.

Section 11. Acceptance of Votes. If the name signed on a vote, consent, waiver or proxy appointment does not correspond to the name of a shareholder of the corporation, the corporation may accept the vote, consent, waiver or proxy appointment and give effect to it as the act of the shareholder if: (i) the shareholder is an entity and the name signed purports to be that of an officer, partner or agent of the entity; (ii) the name signed

purports to be that of an administrator, executor, guardian or conservator representing the shareholder; (iii) the name signed purports to be that of a receiver or trustee in bankruptcy of the shareholder; (iv) the name signed purports to be that of a pledgee, beneficial owner or attorney-in-fact of the shareholder; or (v) two or more persons are the shareholder as co-tenants or fiduciaries and the name signed purports to be the name of at least one of the co-owners and the person signing appears to be acting on behalf of all co-owners.

Section 12. Nomination of Directors. Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the corporation. Nominations of persons for election to the Board of Directors may be made at any annual meeting of shareholders (a) by or at the direction of the Board of Directors (or any duly authorized committee thereof) or (b) by any shareholder of the corporation (i) who is a shareholder of record on the date of the giving of the notice provided for in this Section 10 and on the record date for the determination of shareholders entitled to vote at the annual meeting and (ii) who timely complies with the notice procedures and form of notice set forth in this Section 12.

To be timely, a shareholder's notice must be given to the Secretary of this corporation and must be delivered to or mailed and received at the principal executive offices of the corporation not less than ninety (90) days nor more than one hundred twenty (120) days prior to the anniversary of the immediately preceding annual meeting of shareholders; provided, however, that in the event that the annual meeting is called for a date that is not within thirty (30) days before or after the anniversary date, or no annual meeting was held in the immediately preceding year, notice by the shareholder in order to be timely must be so received no later than the close of business on the tenth (10th) days following the day on which the notice of the annual meeting date was mailed to shareholders.

To be in the proper form, a shareholder's notice must be in written form and must set forth (a) as to each person whom the shareholder proposes to nominate for election as a director (i) the name, age, business address and residence address of the person, (ii) the principal occupation or employment of the person, (iii) the class or series and number of shares of capital stock of the corporation which are owned beneficially or of record by the person and (iv) any other information relating to the person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations proxies for election of director pursuant to Section 14 of the Securities Exchange Act of 1934, as amended (the "Act") and the rules and regulations promulgated thereunder and (b) as to the shareholder giving the notice (i) the name and record address of the shareholder, (ii) the class or series and number of shares of capital stock of the corporation which are owned beneficially or by record by the shareholder, (iii) a description of all arrangements or understandings between the shareholder and each proposed nominee and any other person or persons (including their names) pursuant to which the nomination(s) are to be made by the shareholder, (iv) a representation that the shareholder intends to appear in person or by proxy at the meeting to nominate the person named in its notice, and (v) any other information relating to the shareholder that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder. The notice must be accompanied by a written consent of each proposed nominee to be named as a nominee and to serve as a director if elected.

No person shall be eligible for election as a director of the corporation unless nominated in accordance with the procedures set forth in this Section 12. If the chairman of the annual meeting determines that a nomination was not made in accordance with the foregoing procedures, the chairman shall declare to the meeting that the nomination was defective and the defective nomination shall be disregarded.

Section 13. Business at Annual Meetings. No business may be transacted at an annual meeting of shareholders, other than business that is either (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors (or any duly authorized committee thereof), (b) otherwise properly brought before the annual meeting by or at the direction of the Board of Directors (or any duly authorized committee thereof), or (c) otherwise properly brought before the annual meeting by any shareholder of the corporation (i) who is a shareholder of record on the date of the giving of the notice provided for in this Section 13 and on the record date for the determination of shareholders of record on the date for the determination of shareholders entitled to vote at the annual meeting and (ii) who timely complies with the notice procedures and form of notice set forth in this Section 13.

To be timely, a shareholder's notice must be given to the Secretary of the corporation and must be delivered to or mailed and received at the principal executive offices of the corporation not less than ninety (90) days nor more than one hundred twenty (120) days prior to the anniversary date of the immediately preceding annual meeting of shareholders; provided, however, that in the event that the annual meeting is called for a date that is not within thirty (30) days before or after the anniversary date, notice by the shareholder in order to be timely must be so received no later than the close of business on the tenth (10th) day following the day on which the notice of the annual meeting date was mailed to shareholders.

To be in proper form, a shareholder's notice must be in written form and must set forth as to each matter the shareholder proposes to bring before the annual meeting (i) a brief description of the business desired to be brought before the annual meeting and the reasons for documenting the business at the annual meeting, (ii) the name and record address of the shareholder, (iii) the number of shares of capital stock of the corporation which are owned beneficially or of record by each shareholder, (iv) a description of all arrangements or understandings between the shareholder and any other person or persons (including their names) in connection with the proposal of the business and (v) a representation that the shareholder intends to appear in person or by proxy at the annual meeting to bring such business before the meeting.

No business shall be conducted at the annual meeting of shareholders except business brought before the annual meeting in accordance with the procedures set forth in this Section 13; provided, however, that, once the business has been properly brought before the annual meeting in accordance with such procedures, nothing in this Section 13 shall be deemed to preclude discussion by any shareholder of any such business. If the chairman of the annual meeting determines that business was not properly brought before the annual meeting in accordance with the foregoing procedures, the chairman shall declare to the meeting that the business was not properly brought before the meeting and the business shall not be transacted.

ARTICLE III
Board of Directors

Section 1. General Powers. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the corporation shall be managed under the direction

of, its Board of Directors, except as may be otherwise provided in these Bylaws, the Amended and Restated Articles of Incorporation or the Washington Business Corporation Act.

Section 2. Number, Tenure and Qualifications. The number of directors of the corporation shall be ten (10). Each director shall hold office until the next annual meeting of shareholders and until his successors shall have been elected and qualified. Directors need not be residents of the state of Washington or shareholders of the corporation.

Section 3. Regular Meeting. A regular meeting of the Board of Directors shall be held without other notice than this Bylaw immediately after and at the same place as, the annual meeting of shareholders. Regular meetings of the Board of Directors shall be held at such place and on such day and hour as shall from time to time be fixed by the Chairman (or any Co-Chairman) of the Board of Directors, the President (or any Co-President) or the Board of Directors. No other notice of regular meeting of the Board of Directors shall be necessary.

Section 4. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the Chairman (or any Co-Chairman) of the Board of Directors, the President (or any Co-President) or any two directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place, either within or without the state of Washington, as the place for holding any special meeting of the Board of Directors called by them.

Section 5. Notice. Notice of any special meeting shall be given at least two days previously thereto by either oral or written notice. Any director may waive notice of any meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Section 6. Quorum. A majority of the number of directors fixed by Section 2 of this Article III shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but if less than such majority is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 7. Manner of Acting. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 8. Vacancies. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the Board of Directors. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. A vacancy on the Board of Directors created by reason of an increase in the number of directors may be filled by election by the Board of Directors for a term of the office continuing only until the next election of directors by the shareholders.

Section 9. Compensation. By resolution of the Board of Directors, each director may be paid his expenses, if any, of attendance at each meeting of the Board of Directors and at each meeting of a committee of the Board of Directors and may be paid a stated salary as director, a fixed sum for attendance at each such meeting, or both. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

Section 10. Presumption of Assent. A director of the corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting, or unless he shall file his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof, or shall forward such dissent by registered mail to the Secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

Section 11. Committees. The Board of Directors, by resolution adopted by the greater of a majority of the Board of Directors then in office and the number of directors required to take action in accordance these Bylaws, may create standing or temporary committees, including an Executive Committee, and appoint members form its own number and invest such committees with such powers as it may see fit, subject to such conditions as may be prescribed by the Board of Directors, the Articles of Incorporation, these Bylaws and applicable law. Each committee must have two or more members, who shall serve at the pleasure of the Board of Directors.

Section 11.1. Authority of Committees. Except for the executive committee which, when the Board of Directors is not in session, shall have and may exercise all of the authority of the Board of Directors except to the extent, if any, that such authority shall be limited by the resolutions appointing the executive committee, each committee shall have and may exercise all of the authority of the Board of Directors to the extent provided in the resolution of the Board of Directors creating the committee and any subsequent resolutions adopted in like manner, except that no such committee shall have the authority to: (1) authorize or approve a distribution except according to a general formula or method prescribed by the Board of Directors, (2) approve or propose to shareholders sections or proposal required by the Washington Business Corporation Act to be approved by shareholders, (3) fill vacancies on the Board or any committee thereof, (4) amend the Articles of Incorporation pursuant to RCW 23B.10.020, (5) adopt, amend or repeal Bylaws, (6) approve a plan of merger not requiring shareholder approval, or (7) authorize or approve the issuance or sale or contact for sale of shares, or determine the designation and relative rights, preferences and limitations of a class or series of shares except that the Board may authorize a committee or a senior executive officer of the corporation to do so within limits specifically prescribed by the Board.

Section 11.2. Removal. The Board of Directors may remove any member of any committee elected or appointed by it but only by the affirmative vote of the greater of a majority of the directors then in office and the number of directors required to take action in accordance with these Bylaws.

Section 11.3. Minutes of Meetings. All committees shall keep regular minutes of their meetings and shall cause them to be recorded in books kept for that purpose.

ARTICLE IV
Special Measures Applying to Both
Shareholder and Director Meetings

Section 1. Actions by Written Consent. Any corporate action required or permitted by the Articles of Incorporation, Bylaws, or the laws under which the corporation is formed, to be voted upon or approved at a duly called meeting of the directors, committee of directors, or shareholders may be accomplished without a meeting if one or more unanimous written consents of the respective directors or shareholders, setting forth the actions so taken, shall be signed, either before or after the action taken, by all the directors, committee members or shareholders, as the case may be. Action taken by unanimous written consent of the directors or a committee of the Board of Directors is effective when the last director or committee member signs the consent, unless the consent specifies a later effective date. Action taken by unanimous written consent of the shareholders is effective when all consents have been delivered to the corporation, unless the consent specifies a later effective date.

Section 2. Meetings by Conference Telephone. Members of the Board of Directors, members of a committee of directors, or shareholders may participate in their respective meetings by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time; participation in a meeting by such means shall constitute presence in person at such meeting.

Section 3. Written or Oral Notice. Oral notice may be communicated in person, or by telephone, wire or wireless equipment, which does not transmit a facsimile of the notice. Oral notice is effective when communicated. Written notice may be transmitted by mail, private carrier, or personal delivery; telegraph or teletype; or telephone, wire or wireless equipment which transmits a facsimile of the notice. Written notice to a shareholder is effective when mailed, if mailed with first class postage prepaid and correctly addressed to the shareholder's address shown in the corporation's current record of shareholders. In all other instances, written notice is effective on the earliest of the following: (a) when dispatched to the person's address, telephone number, or other number appearing on the records of the corporation by telegraph, teletype or facsimile equipment; (b) when received; (c) five days after deposit in the United States mail, as evidenced by the postmark, if mailed with first class postage, prepaid and correctly addressed; or (d) on the date shown on the return receipt, if sent by registered or certified mail, return receipt requested and the receipt is signed by or on behalf of the addressee. In addition, notice may be given in any manner not inconsistent with the foregoing provisions and applicable law.

ARTICLE V
Officers

Section 1. Number. The offices and officers of the corporation shall be as designated from time to time by the Board of Directors. Such offices may include a Chairman or two or

more Co-Chairmen of the Board of Directors, a President or two or more Co-Presidents, one or more Vice Presidents, a Secretary and a Treasurer. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors. Any two or more offices may be held by the same persons.

Section 2. Election and Term of Office. The officers of the corporation shall be elected annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of shareholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until a successor shall have been duly elected and qualified, or until the officer's death or resignation, or the officer has been removed in the manner hereinafter provided.

Section 3. Removal. Any officer or agent may be removed by the Board of Directors whenever in its judgment, the best interests of the corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

Section 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

Section 5. Chairman of the Board of Directors. The Chairman or Co-Chairmen of the Board of Directors, subject to the authority of the Board of Directors, shall preside at meetings of shareholders and directors and, together with the President and Co-Presidents, shall have general supervision and control over the business and affairs of the corporation. The Chairman or a Co-Chairman of the Board of Directors may sign any and all documents, deeds, mortgages, bonds, contracts, leases, or other instruments in the ordinary course of business with or without the signature of a second corporate officer, may sign certificates for shares of the corporation with the Secretary or Assistant Secretary of the corporation and may sign any documents which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed; and in general may perform all duties which are normally incident to the office of Chairman of the Board of Directors or President and such other duties, authority and responsibilities as may be prescribed by the Board of Directors from time to time.

Section 6. President. The President or Co-Presidents, together with the Chairman or Co-Chairmen of the Board of Directors, shall have general supervision and control over the business and affairs of the corporation subject to the authority of the Chairman or Co-Chairmen of the Board of Directors and the Board of Directors. The President or a Co-President may sign any and all documents, mortgages, bonds, contracts, leases, or other instruments in the ordinary course of business with or without the signature of a second corporate officer, may sign certificates for shares of the corporation with the Secretary or Assistant Secretary of the corporation and may sign any documents which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the corporation, or

shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of President and such other duties, authority and responsibilities as may be prescribed by the Chairman or Co-Chairmen of the Board of Directors or the Board of Directors from time to time.

Section 7. The Vice President. In the absence of the President and all Co-Presidents, or in the event of their death, inability or refusal to act, the Executive Vice President, if one is designated and otherwise the Vice Presidents in the order designated at the time of their election or in the absence of any designation, then in the order of their election, shall perform the duties of the President and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President may sign, with the Secretary or an Assistant Secretary, certificates for shares of the corporation; and shall perform such other duties as from time to time may be assigned to the Vice President by the Chairman or Co-Chairmen of the Board of Directors, President or any Co-President, or by the Board of Directors.

Section 8. The Secretary. The Secretary shall: (a) keep the minutes of the proceedings of the shareholders and of the Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records and of the seal of the corporation and see that the seal of the corporation is affixed to all documents and the execution of which on behalf of the corporation under its seal is duly authorized; (d) keep a register of the post office address of each shareholder which shall be furnished to the Secretary by such shareholders; (e) sign with the Chairman or Co-Chairmen of the Board of Directors, President or a Co-President, or with a Vice President, certificates for shares of the corporation, or contracts, deeds or mortgages the issuance or execution of which shall have been authorized by resolution of the Board of Directors; (f) have general charge of the stock transfer books of the corporation subject to the authority delegated to a transfer agent or registrar if appointed; and (g) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to the Secretary by the Chairman or Co-Chairmen of the Board of Directors, President or any Co-President, or by the Board of Directors.

Section 9. The Treasurer. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the corporation; (b) receive and give receipts for monies due and payable to the corporation from any source whatsoever and deposit all such monies in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article VII of these Bylaws; and (c) in general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to the Treasurer by

the Chairman or Co-Chairmen of the Board of Directors, President or any Co-President, or by the Board of Directors. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine.

Section 10. Assistant Secretaries and Assistant Treasurers. The Assistant Secretaries, when authorized by the Board of Directors, may sign with the Chairman or Co-Chairmen of the Board of Directors, President or a Co-President, or with a Vice President, certificates for shares of the corporation or contracts, deeds or mortgages, the issuance or execution of which shall have

been authorized by a resolution of the Board of Directors. The Assistant Treasurers shall respectively, if required by the Board of Directors, give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine. The Assistant Secretaries and Assistant Treasurers, in general, shall perform such duties as shall be assigned to them by the Secretary or the Treasurer, respectively, or by the Chairman or Co-Chairmen of the Board of Directors, President or any Co-President, or by the Board of Directors.

ARTICLE VI
Contracts, Loans, Checks and Deposits

Section 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation and such authority may be general or confined to specific instances.

Section 2. Loans. No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name unless authorized by the Board of Directors. Such authority may be general or confined to specific instances.

Section 3. Checks. Drafts. etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation, shall be signed by such officers, agent or agents of the corporation and in such manner as shall from time to time be determined by the Board of Directors.

Section 4. Deposits. All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the Board of Directors may select.

ARTICLE VII
Certificates for Shares and Their Transfer

Section 1. Certificates for Shares. Certificates representing shares of the corporation shall be in such form as shall be determined by the Board of Directors. Such certificates shall be signed by the Chairman (or any Co-Chairman) of the Board of Directors, the President (or any Co-President) or a Vice President and by the Secretary or an Assistant Secretary and sealed with the corporate seal or a facsimile thereof. The signatures of such officers upon a certificate may be facsimiles if the certificate is countersigned by a transfer agent, or registered by a registrar, other than the corporation itself or one of its employees. If any officer who signed a certificate, either manually or in facsimile, no longer holds such office when the certificate is issued, the certificate is nevertheless valid. All certificates for shares shall be consecutively numbered or otherwise identified. The name and address of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the stock transfer books of the corporation. All certificates surrendered to the corporation for transfer shall be canceled and no new certificate shall be issued until the former certificate for a like number of shares shall have been surrendered and canceled, except that in case of a lost, destroyed or

mutilated certificate a new one may be issued therefor upon such terms and indemnity to the corporation as the Board of Directors may prescribe.

Section 2. Transfer of Shares. Transfer of shares of the corporation shall be made only on the stock transfer books of the corporation by the holder of record thereof or by his legal representative, who shall furnish

proper evidence of authority to transfer or by his attorney thereunto authorized by power of attorney duly executed and filed with the Secretary of the corporation, or with its transfer agent, if any, and on surrender for cancellation of the certificate for such shares. The person in whose name shares stand on the books of the corporation shall be deemed by the corporation to be the owner thereof for all purposes.

ARTICLE VIII
Fiscal Year

The fiscal year of the corporation shall begin on the first day of February and end on the thirty-first day of January in each year.

ARTICLE IX
Dividends

The Board of Directors may, from time to time, declare and the corporation may pay dividends on its outstanding shares in the manner and upon the terms and conditions provided by law and its articles of incorporation.

ARTICLE X
Corporate Seal

The Board of Directors shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the corporation and the state of incorporation and the words, "Corporate Seal."

ARTICLE XI
Indemnification of Directors, Officers and Others

Section 1. Right to Indemnification. Each person (including a person's personal representative) who was or is made a party or is threatened to be made a party to or is otherwise involved (including, without limitation, as a witness) in any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative, investigative or by or in the right of the corporation, or otherwise (hereinafter a "proceeding") by reason of the fact that he or she (or a person of whom he or she is a personal representative) is or was a director or officer of the corporation or an officer of a division of the corporation, or is or was acting at the request of the corporation as a director, officer, partner, trustee, employee, agent or in any other relationship

or capacity whatsoever, of any other foreign or domestic corporation, partnership, joint venture, employee benefit plan or trust or other trust, enterprise or other private or governmental entity, agency, board, commission, body or other unit whatsoever (hereinafter an "indemnitee"), whether the basis of such proceeding is alleged action or inaction in an official capacity as a director, officer, partner, trustee, employee, agent or in any other relationship or capacity whatsoever, shall be indemnified and held harmless by the corporation to the fullest extent not prohibited by the Washington Business Corporation Act, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment does not prohibit the corporation from providing broader indemnification rights than prior to the amendment), against all expenses, liabilities and losses (including but not limited to attorneys' fees, judgments, claims, fines, ERISA and other excise and other taxes and penalties and other adverse effects and amounts paid in settlement), reasonably incurred or suffered by the indemnitee; provided, however, that no such indemnity shall indemnify any person from or on account of acts or omissions of such person finally adjudged to be intentional misconduct or a knowing violation of law, or from or on account of conduct of a director finally adjudged to be in violation of RCW 23B.08.310, or from or on account of any transaction with respect to which it was finally adjudged that such person personally received a benefit in money, property, or services to which the person was not legally entitled; and further provided, however, that except as provided in Section 2 of this Article with respect to suits relating to rights to indemnification, the corporation shall indemnify any indemnitee in connection with a proceeding (or part thereof) initiated by the indemnitee only if such proceeding (or part thereof) was authorized by the Board of Directors of the corporation.

The right to indemnification granted in this Article is a contract right and includes the right to payment by, and the right to receive reimbursement

from, the corporation of all expenses as they are incurred in connection with any proceeding in advance of its final disposition (hereinafter an "advance of expenses"); provided, however, that an advance of expenses received by an indemnitee in his or her capacity as a director or officer of the corporation, as an officer of a division of the corporation, or, acting at the request of the corporation, as director or officer of any other foreign or domestic corporation, partnership, joint venture, employee benefit plan or trust or other trust, enterprise or other private or governmental entity, agency, board, commission, body or other unit whatsoever (and not in any other capacity in which service was or is rendered by such indemnitee unless such service was authorized by the Board of Directors) shall be made only upon (i) receipt by the corporation of a written undertaking (hereinafter an "undertaking") by or on behalf of such indemnitee, to repay advances of expenses if and to the extent it shall ultimately be determined by order of a court having jurisdiction (which determination shall become final upon expiration of all rights to appeal), hereinafter a "final adjudication", that the indemnitee is not entitled to be indemnified for such expenses under this Article, (ii) receipt by the corporation of written affirmation by the indemnitee of his or her good faith belief that he or she has met the standard of conduct applicable (if any) under the Washington Business Corporation Act necessary for indemnification by the corporation under this Article, and (iii) a determination of the Board of Directors, in its good faith belief, that the indemnitee has met the standard of conduct applicable (if any) under the Washington Business Corporation Act necessary for indemnification by the corporation under this Article.

Section 2. Right of Indemnitee to Bring Suit. If any claim for indemnification under Section 1 of this Article is not paid in full by the corporation within sixty days after a written claim has been received by the corporation, except in the case of a claim for an advance of expenses, in which case the applicable period shall be twenty days, the indemnitee may at any time thereafter bring suit against the corporation to recover the unpaid amount of the claim. If the indemnitee is successful in whole or in part in any such suit, or in any suit in which the corporation seeks to recover an advance of expenses, the corporation shall also pay to the indemnitee all the indemnitee's expenses in connection with such suit. The indemnitee shall be presumed to be entitled to indemnification under this Article upon the corporation's receipt of indemnitee's written claim (and in any suits relating to rights to indemnification where the required undertaking and affirmation have been received by the corporation) and thereafter the corporation shall have the burden of proof to overcome that presumption. Neither the failure of the corporation (including its Board of Directors, independent legal counsel, or shareholders) to have made a determination prior to other commencement of such suit that the indemnitee is entitled to indemnification, nor an actual determination by the corporation (including its Board of Directors, independent legal counsel or shareholders) that the indemnitee is not entitled to indemnification, shall be a defense to the suit or create a presumption that the indemnitee is not so entitled. It shall be a defense to a claim for an amount of indemnification under this Article (other than a claim for advances of expenses prior to final disposition of a proceeding where the required undertaking and affirmation have been received by the corporation) that the claimant has not met the standards of conduct applicable (if any) under the Washington Business Corporation Act to entitle the claimant to the amount claimed, but the corporation shall have the burden of proving such defense. If requested by the indemnitee, determination of the right to indemnity and amount of indemnity shall be made by final adjudication (as defined above) and such final adjudication shall supersede any determination made in accordance with RCW 23B.08.550.

Section 3. Non-Exclusivity of Rights. The rights to indemnification (including, but not limited to, payment, reimbursement and advances of expenses) granted in this Article shall not be exclusive of any other powers or obligations of the corporation or of any other rights which any person may have or hereafter acquire under any statute, the common law, the corporation's Articles of Incorporation or Bylaws, agreement, vote of shareholders or disinterested directors, or otherwise. Notwithstanding any amendment to or repeal of this Article, any indemnitee shall be entitled to indemnification in accordance with the provisions hereof with respect to any acts or omissions of such indemnitee occurring prior to such amendment or repeal.

Section 4. Insurance, Contracts and Funding. The corporation may purchase and maintain insurance, at its expense, to protect itself and any person (including a person's personal representative) who is or was a director, officer, employee or agent of the corporation or who is or was a director, officer, partner, trustee, employee, agent, or in any other relationship or capacity whatsoever, of any other foreign or domestic corporation, partnership, joint venture, employee benefit plan or trust or other trust, enterprise or other private or governmental entity, agency, board, commission, body or other unit whatsoever, against any expense, liability or loss, whether or not the power to indemnify such person against

such expense, liability or loss is now or hereafter granted to the corporation under the Washington Business Corporation Act. The corporation may enter into contracts granting indemnity, to any such person whether or not in furtherance of the provisions of this Article and may create trust funds, grant security interests

and use other means (including, without limitation, letters of credit) to secure and ensure the payment of indemnification amounts.

Section 5. Indemnification of Employees and Agents. The corporation may, by action of the Board of Directors, provide indemnification and pay expenses in advance of the final disposition of a proceeding to employees and agent of the corporation with the same scope and effect as the provisions of this Article with respect to the indemnification and advancement of expenses of directors and officers of the corporation or pursuant to rights granted under, or provided by, the Washington Business Corporation Act or otherwise.

Section 6. Separability of Provisions. If any provision or provisions of this Article shall be held to be invalid, illegal or unenforceable for any reason whatsoever (i) the validity, legality and enforceability of the remaining provisions of this Article (including without limitation, all portions of any sections of this Article containing any such provision held to be invalid, illegal or unenforceable, that are not themselves invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby, and (ii) to the fullest extent possible, the provisions of this Article (including, without limitation, all portions of any paragraph of this Article containing any such provision held to be invalid, illegal or unenforceable, that are not themselves invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

Section 7. Partial Indemnification. If an indemnitee is entitled to indemnification by the corporation for some or a portion of expenses, liabilities or losses, but not for the total amount thereof, the corporation shall nevertheless indemnify the indemnitee for the portion of such expenses, liabilities and losses to which the indemnitee is entitled.

Section 8. Successors and Assigns. All obligations of the corporation to indemnify any indemnitee: (i) shall be binding upon all successors and assigns of the corporation (including any transferee of all or substantially all of its assets and any successor by merger or otherwise by operation of law), (ii) shall be binding on and inure to the benefit of the spouse, heirs, personal representatives and estate of the indemnitee, and (iii) shall continue as to any indemnitee who has ceased to be a director, officer, partner, trustee, employee or agent (or other relationship or capacity).

ARTICLE XII
Books and Records

Section 1. Books of Accounts, Minutes and Share Register. The corporation shall keep as permanent records minutes of all meetings of its shareholders and Board of Directors, a record of all actions taken by the shareholders or Board of Directors without a meeting and a record of all actions taken by a committee of the Board of Directors exercising the authority of the Board of Directors on behalf of the corporation. The corporation shall maintain appropriate accounting records. The corporation or its agent shall maintain a record of its shareholders, in a form that permits preparation of a list of the names and addresses of all shareholders, in alphabetical order showing the number and class of shares held by each. The corporation shall keep a copy of the

following records at its principal office: the Articles or Restated Articles of Incorporation and all amendments currently in effect; the Bylaws or Restated Bylaws and all amendments currently in effect; the minutes of all shareholders' meetings and records of all actions taken by shareholders without a meeting, for the past three years; its financial statements for the past three years, including balance sheets showing in reasonable detail the financial condition of the corporation as of the close of each fiscal year and an income statement showing the results of its operations during each fiscal year prepared on the basis of generally accepted accounting principles or, if not, prepared on a basis explained therein; all written communications to shareholders generally within the past three years; a list of the names and business addresses of its current directors and officers; and its most recent annual report delivered to the Secretary of State of the State of Washington.

Section 2. Copies of Resolutions. Any person dealing with the corporation may rely upon a copy of any of the records of the proceedings,

resolutions, or votes of the Board of Directors or shareholders, when certified by the Chairman (or any Co-Chairman) of the Board of Directors, President (or any Co-President) or Secretary.

ARTICLE XIII
Amendment of Bylaws

These Bylaws may be amended, altered, or repealed by the affirmative vote of a majority of the full Board of Directors at any regular or special meeting of the Board of Directors.

NORDSTROM, INC.

1617 SIXTH AVENUE

SEATTLE, WASHINGTON 98101

CERTIFICATION OF CHIEF EXECUTIVE
OFFICER REGARDING PERIODIC REPORT CONTAINING
FINANCIAL STATEMENTS

I, Blake W. Nordstrom, the President of Nordstrom, Inc. (the "Company") in compliance with 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, hereby certify that the Company's Quarterly Report on Form 10-Q for the period ended October 31, 2002 (the "Report") filed with the Securities and Exchange Commission:

- fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Blake W. Nordstrom

Blake W. Nordstrom
President
December 6, 2002

NORDSTROM, INC.

1617 SIXTH AVENUE

SEATTLE, WASHINGTON 98101

CERTIFICATION OF CHIEF FINANCIAL
OFFICER REGARDING PERIODIC REPORT CONTAINING
FINANCIAL STATEMENTS

I, Michael G. Koppel, the Executive Vice President and Chief Financial Officer of Nordstrom, Inc. (the "Company") in compliance with 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, hereby certify that the Company's Quarterly Report on Form 10-Q for the period ended October 31, 2002 (the "Report") filed with the Securities and Exchange Commission:

- fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Michael G. Koppel

Michael G. Koppel
Executive Vice President and
Chief Financial Officer
December 6, 2002