

SERIES RESOLUTION  
PORT OF SEATTLE

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RESOLUTION NO. 3430, as amended

A RESOLUTION of the Port Commission of the Port of Seattle authorizing the issuance and sale of Revenue and Refunding Bonds, Series 2000A, Series 2000B, Series 2000C and Series 2000D, in the aggregate principal amount of \$410,000,000, for the purposes of financing or refinancing airport capital improvements and refunding certain outstanding revenue bonds of the Port; fixing the date, forms, maximum interest rates and terms for the Series 2000 Bonds; authorizing the Executive Director of the Port to approve the interest rate, maturity dates, redemption rights and principal maturities for the Series 2000 Bonds under the terms and conditions set forth herein; providing for ongoing disclosure; and providing for a negotiated sale of the Series 2000 Bonds to Goldman, Sachs & Co., Lehman Brothers Inc., PaineWebber Incorporated and Siebert Brandford Shank & Co., LLC.

ADOPTED: July 11, 2000

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Seattle, Washington

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RESOLUTION NO. 3430, as amended

A RESOLUTION of the Port Commission of the Port of Seattle authorizing the issuance and sale of Revenue and Refunding Bonds, Series 2000A, Series 2000B, Series 2000C and Series 2000D, in the aggregate principal amount of not to exceed \$410,000,000, for the purposes of financing or refinancing airport capital improvements and refunding certain outstanding revenue bonds of the Port; fixing the date, forms, maximum interest rate and terms for the Series 2000 Bonds; authorizing the Executive Director of the Port to approve the interest rates, maturity dates, redemption rights and principal maturities for the Series 2000 Bonds under the terms and conditions set forth herein; providing for ongoing disclosure; and providing for a negotiated sale of the Series 2000 Bonds to Goldman, Sachs & Co., Lehman Brothers Inc., PaineWebber Incorporated and Siebert Brandford Shank & Co., LLC.

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

WHEREAS, the Airport facilities are in need of capital expansion and improvement; and

WHEREAS, the Port has issued and has outstanding, as of June 1, 2000, a series of revenue bonds designated as "Revenue Bonds, Series 1990B" under date of February 1, 1990 pursuant to Resolution No. 3060, as amended, maturing on December 1 of the following years in the following principal amounts:

Maturity Years	Principal Amounts	Interest Rates
2000	\$ 520,000	7.10%
2003	15,965,000	7.40
2009	11,365,000	7.60
2011	9,390,000	7.70
2014	16,675,000	6.00

(the "Series 1990B Bonds"); and

WHEREAS, Resolution No. 3060, as amended, authorizes the defeasance and redemption of the outstanding current interest Series 1990B Bonds maturing on December 1, 2003, December 1, 2009 and December 1, 2011 (the "1990B Refunded Bonds"), at a price of 102% of par on December 1, 2000; and

WHEREAS, the Port has issued and has outstanding, as of June 1, 2000, a series of revenue bonds designated as "Revenue Bonds, Series 1990C" under date of February 1, 1990 pursuant to Resolution No. 3060, as amended, maturing on December 1 of the following years in the following principal amounts:

Maturity Years	Principal Amounts	Interest Rates
2000	\$ 1,730,000	6.90%
2005	10,270,000	7.30

(the "Series 1990C Bonds"); and

WHEREAS, Resolution No. 3060, as amended, authorizes the defeasance and redemption of the outstanding Series 1990C Bonds maturing after on December 1, 2005 (the "1990C Refunded Bonds"), at a price of 102% of par on December 1, 2000; and

WHEREAS, the Port Commission has received and reviewed a plan to refund the 1990B Refunded Bonds and the 1990C Refunded Bonds in order to realize a savings; and

WHEREAS, the Port has authorized the issuance of revenue bonds in one or more series pursuant to Resolution No. 3059, adopted on February 2, 1990, as amended by Resolution No. 3214, adopted on April 8, 1996, and as most recently amended by Resolution No. 3436, adopted on July 11, 2000 (collectively, the "Master Resolution"), each series being payable from the Gross Revenue (as such term is defined in the Master Resolution) of the Port after payment of Operating Expenses; and

WHEREAS, in order to undertake the capital expansion and improvement projects at the Airport and refund the Refunded Bonds, the Port has determined to issue four series of revenue bonds (hereinafter collectively defined as the "Series 2000 Bonds"); and

WHEREAS, the Port has issued and currently has outstanding fifteen series of first lien revenue bonds pursuant to the Master Resolution, as follows:

Resolution Number	Date of Issue	Original Principal Amt.	Currently Outstanding (As of July 1, 2000)	Final Maturity Dates
3060	2/1/90	(A) \$66,240,492.05	\$ 3,200,492.05	12/1/03
3060	2/1/90	(B) 59,969,771.35	39,989,771.35	12/1/14
3060	2/1/90	(C) 24,805,000.00	12,000,000.00	12/1/05
3111	4/1/92	(A) 25,450,000.00	5,225,000.00	11/1/05
3111	4/1/92	(B) 115,440,000.00	78,795,000.00	11/1/17
3120	2/1/93	(B) 60,750,000.00	13,280,000.00	11/1/01
3155	2/1/94	(A) 27,135,000.00	25,390,000.00	12/1/11
3155	2/1/94	(B) 50,000,000.00	45,885,000.00	5/1/19
3155	2/1/94	(C) 51,755,000.00	31,850,000.00	7/1/09
3196	9/1/95	(A) 26,345,000.00	4,880,000.00	2/1/01
3215	4/1/96	(A) 31,820,000.00	31,820,000.00	9/1/21
3215	4/1/96	(B) 74,520,000.00	71,485,000.00	9/1/17
3242	5/1/97	(A) 120,375,000.00	120,375,000.00	10/1/22
3242	5/1/97	(B) 19,985,000.00	19,985,000.00	10/1/05
3275	5/1/98	(A) 73,180,000.00	72,150,000.00	6/1/17

(the "Outstanding Parity Bonds"); and

WHEREAS, each of the resolutions authorizing the issuance of the Outstanding Parity Bonds permits the Port to issue its revenue bonds having a lien on Net Revenues (as such term is defined in the Master Resolution) on a parity with the lien thereon of the Outstanding Parity Bonds upon compliance with certain conditions; and

WHEREAS, the Port has determined that such conditions will be met; and

WHEREAS, pursuant to 2000 Wash. Laws Ch. 181, codified at RCW 53.40.030, the Port Commission may delegate authority to the chief executive officer of the Port to approve the interest rates, maturity dates, redemption rights, interest payment dates, and principal maturities under such terms and conditions as are approved by resolution; and

WHEREAS, pursuant to Resolution No. 3436, the Commission has deemed it appropriate to amend the Master Resolution to allow for such delegation under a Series Resolution; and

WHEREAS, it is necessary that the date, form, maximum aggregate principal amount for all Series 2000 Bonds, maximum true interest and terms of the Series 2000 Bonds be fixed, that the determination of maturities, interest rates, redemption rights and principal amount of each maturity be provided for, and that the lien thereof on the Net Revenues of the Port be established as herein provided; and

WHEREAS, the Port Commission has held a public hearing on the issuance of the Series 2000B Bonds (hereinafter defined) as required by Section 147(f) of the Internal Revenue Code, as amended; and

WHEREAS, it is deemed necessary and desirable that the Series 2000 Bonds be sold pursuant to negotiated sale as herein provided;

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

Section 1.     Definitions. Unless otherwise defined herein, the terms used in this Series Resolution, including the preamble hereto, that are defined in the Master Resolution shall have the meanings set forth in the Master Resolution. In addition, the following terms shall have the following meanings in this Series Resolution:

*AMT Projects* means the projects listed in Exhibit A-2 hereto.

*Annual Disclosure Report* has the meaning given such term in Section 19(b) of this Series Resolution.

**Beneficial Owner** means any person that has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Series 2000 Bonds (including persons holding Series 2000 Bonds through nominees, depositories or other intermediaries).

**Bond Counsel** means a firm of lawyers nationally recognized and accepted as bond counsel and so employed by the Port for any purpose under this resolution applicable to the use of that term.

**Bond Insurance Commitment** means the commitment(s) of the Bond Insurer, if any, to insure one or more series, or certain principal maturities thereof, of the Series 2000 Bonds.

**Bond Insurance Policy** means the policy(ies) of municipal bond insurance, if any, delivered by the Bond Insurer at the time of issuance and delivery of Series 2000 Bonds to be insured pursuant to the Bond Insurance Commitment.

**Bond Insurer** means the municipal bond insurer(s), if any, that has committed to insure one or more series, or certain principal maturities thereof, of Series 2000 Bonds pursuant to the Bond Insurance Commitment.

**Bond Purchase Contract** means the purchase contract relating to the Series 2000 Bonds among the Port and the Underwriters as approved by the Designated Port Representative pursuant to Section 17.

**Bond Register** means the registration records for the Series 2000 Bonds maintained by the Registrar.

**Code** means the Internal Revenue Code of 1986, as amended, together with corresponding and applicable final, temporary or proposed regulations or revenue rulings issued or amended with respect thereto by the U.S. Treasury Department or the Internal Revenue Service, to the extent applicable to the Series 2000 Bonds.

**Commission** means the Commission of the Port, or any successor thereto as provided by law.

**Construction Fund—2000A** means the account by that name maintained in the office of the Treasurer for the purpose of holding funds, including a portion of the proceeds of the Series 2000A Bonds, to be used for the Non-AMT Projects.

**Construction Fund—2000B** means the account by that name maintained in the office of the Treasurer for the purpose of holding funds, including a portion of the proceeds of the Series 2000B Bonds, to be used for the AMT Projects.

**Default** has the meaning given such term in Section 16 of this series resolution.

**Designated Port Representative** means the Executive Director, the Chief Financial Officer, Director of Finance and Budget of the Port or such other person as may be directed from time to time by resolution of the Commission, and any designee of any such Designated Port Representative by such Designated Port Representative.

**DTC** means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, as depository for the Series 2000 Bonds pursuant to Section 6 hereof.

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

**Fitch/IBCA** means Fitch IBCA, Inc., organized and existing under the laws of the State of Delaware, its successors and their assigns, and, if such organization shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, Fitch shall be deemed to refer to any other nationally-recognized securities rating agency (other than S&P or Moody's) designated by the Designated Port Representative.

**Future Parity Bonds** means those revenue bonds or other revenue obligations that will be issued by the Port in the future as Parity Bonds.

**Government Obligations** has the meaning given to such term in RCW Chapter 39.53, as amended.

**Letter of Representations** means the blanket issuer letter of representations from the Port to DTC, dated August 28, 1995.

**Master Resolution** means Resolution No. 3059, as amended, of the Commission adopted on February 2, 1990, as amended by Resolution No. 3214, adopted on March 26, 1996, Resolution No. 3241, adopted on April 8, 1997, and Resolution No. 3436, adopted on July 11, 2000.

**Moody's** means Moody's Investors Service, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term Moody's shall be deemed to refer to any other nationally recognized securities rating agency (other than Fitch or S&P) selected by the Designated Port Representative.

**MSRB** means the Municipal Securities Rulemaking Board or any successor to its functions.

**Non-AMT Projects** means the projects listed in Exhibit A-1 hereto.

**NRMSIR** means a nationally-recognized municipal securities information repository for purposes of the Rule.

**1990B Bonds** means the outstanding series of first lien revenue bonds of the Port designated as Revenue Bonds, Series 1990B dated February 1, 1990, issued pursuant to Resolution No. 3060, as amended.

**1990B Refunded Bonds** means the current interest 1990B Bonds maturing on December 1, 2003, December 1, 2009, and December 1, 2011.

**1990C Bonds** means the outstanding series of first lien revenue bonds of the Port designated as Revenue Bonds, Series 1990C dated February 1, 1990 issued pursuant to Resolution No. 3060, as amended.

**1990C Refunded Bonds** means the 1990C Bonds maturing on December 1, 2005.

**Outstanding Parity Bonds** means, collectively, the Port's outstanding Revenue Bonds, Series 1990A, Revenue Bonds, Series 1990B and Revenue Bonds, Series 1990C, issued pursuant to Resolution No. 3060, as amended; Revenue Bonds, Series 1992A and Series 1992B, issued pursuant to Resolution No. 3111, as amended; Revenue Bonds, Series 1993B, issued pursuant to Resolution No. 3120; Revenue Bonds, Series 1994A, Revenue Bonds, Series 1994B and Revenue Bonds, Series 1994C issued pursuant to Resolution No. 3155, as amended, Revenue Bonds, Series 1995A issued pursuant to Resolution No. 3196, as amended, Revenue Bonds, Series 1996A and Series 1996B issued pursuant to Resolution No. 3215, as amended; Revenue Bonds, Series 1997A and Series 1997B issued pursuant to Resolution No. 3242, as amended; and Revenue Refunding Bonds, Series 1998 issued pursuant to Resolution No. 3275, as amended.

**Port** means the Port of Seattle, a municipal corporation of the State of Washington, as now or hereafter constituted, or the corporation, authority, board, body, commission, department or officer succeeding to the principal functions of the Port or to whom the powers vested in the Port shall be given by law.

**Projects** means, together, the AMT Projects and the Non-AMT Projects.

**Qualified Insurance** means any non-cancelable municipal bond insurance policy or surety bond issued by any insurance company licensed to conduct an insurance business in any



state of the United States (or by a service corporation acting on behalf of one or more such insurance companies) (i) which insurance company or companies, as of the time of issuance of such policy or surety bond, are rated in one of the two highest Rating Categories by one or more of the Rating Agencies for unsecured debt or insurance underwriting or claims paying ability or (ii) by issuing its policies causes obligations insured thereby to be rated in one of the two highest Rating Categories by one or more of the Rating Agencies.

**Qualified Letter of Credit** means any irrevocable letter of credit issued by a financial institution, which institution maintains an office, agency or branch in the United States and as of the time of issuance of such letter of credit, is rated in one of the two highest long-term Rating Categories by one or more of the Rating Agencies.

**Rating Agency** means Fitch, Moody's or S&P.

**Rating Category** means the generic rating categories of a Rating Agency, without regard to any refinement or gradation of such rating category by a numerical modifier or otherwise.

**Refunded Bonds** means the 1990B Refunded Bonds and the 1990C Refunded Bonds.

**Refunding Account** means, together, the special account designated as the Refunding Account, 2000C, and the special account designated as the Refunding Account, 2000D, created pursuant to Section 9(a) hereof.

**Registered Owner** means the person named as the registered owner of a Series 2000 Bond in the Bond Register.

**Registrar** means the fiscal agency of the State of Washington in Seattle, Washington, and New York, New York, appointed by the Treasurer for the purposes of registering and authenticating the Series 2000 Bonds, maintaining the Bond Register and effecting transfer of ownership of the Series 2000 Bonds. The term Registrar shall include any successor to the fiscal agency, if any, hereinafter appointed by the Treasurer.

**Rule** means Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as amended from time to time.

**S&P** means Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "S&P" shall be deemed to refer to any other nationally recognized securities rating agency (other than Moody's or Fitch) selected by the Designated Port Representative.

**SEC** means the Securities and Exchange Commission.

**Series 2000 Bond Fund** means the Port of Seattle Revenue and Refunding Bond Fund, Series 2000 created in the office of the Treasurer by Section 7 of this series resolution.

**Series 2000A Bonds** means the Port of Seattle Revenue Bonds, Series 2000A, authorized to be issued by Section 3(1) of this series resolution.

**Series 2000B Bonds** means the Port of Seattle Revenue Bonds, Series 2000B, authorized to be issued by Section 3(2) of this series resolution.

**Series 2000C Bonds** means the Port of Seattle Revenue Refunding Bonds, Series 2000C, authorized to be issued by Section 3(3) of this series resolution.

**Series 2000D Bonds** means the Port of Seattle Revenue Refunding Bonds, Series 2000D, authorized to be issued by Section 3(4) of this series resolution.

**Series 2000 Bonds** means, collectively, the Series 2000A Bonds, the Series 2000B Bonds, the Series 2000C Bonds and the Series 2000D Bonds.

**Series 2000 Reserve Fund** means the fund of that name created by Section 7(b) of this series resolution.

**Series 2000 Reserve Fund Requirement** means \$25,000,000.

**SID** means any public or private repository or entity designated by the State of Washington as the state repository for the purposes of the Rule and recognized as such by the SEC. As of the date of adoption of this series resolution, there is no such state repository.

**Surety Bond** means one or more of the surety bond(s), if any, issued by the Surety Bond Issuer on the date of issuance of one or more series of the Series 2000 Bonds for the purpose of satisfying the Series 2000 Reserve Fund Requirement.

**Surety Bond Agreement** means any Agreement between the Port and the Surety Bond Issuer with respect to the Surety Bond.

**Surety Bond Issuer** means the surety bond issuer(s), if any, issuing a surety bond for the purpose of satisfying the Series 2000 Reserve Fund Requirement.

**Tax and Arbitrage Certificate** means the certificate of that name executed and delivered by the Designated Port Representative at the time of issuance and delivery of the Series 2000 Bonds.

**Term Bonds** means the Series 2000A Bonds and Series 2000B Bonds so designated in the Bond Purchase Contract.

*Treasurer* means the King County Finance Department, as *ex officio* treasurer of the Port, or any successor to the functions of the Treasurer.

*Underwriters* mean, collectively, Goldman, Sachs & Co., Lehman Brothers Inc., PaineWebber Incorporated and Siebert Brandford Shank & Co., LLC.

In this resolution, unless the context otherwise requires:

(a) The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms, as used in this series resolution, refer to this series resolution as a whole and not to any particular article, section, subdivision or clause hereof, and the term "hereafter" shall mean after, and the term "heretofore" shall mean before the date of this series resolution;

(b) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa;

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

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

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

(f) Whenever any consent or direction is required to be given by the Port, such consent or direction shall be deemed given when given by the Designated Port Representative.

Section 2. Plan of Finance. The Port intends to undertake improvements to its Airport terminal facilities at the locations described on Exhibit A-1 (the "Non-AMT Projects") and Exhibit A-2 (the "AMT Projects"), attached hereto and incorporated by this reference herein. The costs of the Non-AMT Projects are expected to be paid or reimbursed in part with the proceeds of the Series 2000A Bonds, and the costs of the AMT Projects are expected to be paid or reimbursed in part with the proceeds of the Series 2000B Bonds.

Section 3. Authorization of Series 2000 Bonds.

(a) *Series 2000A.* The Port shall issue the Series 2000A Bonds for the purpose of providing part of the funds necessary to (i) pay (or pay the principal amount of subordinate lien commercial paper notes issued to pay) or reimburse the Port for all or a portion of the costs of the Non-AMT Projects; (ii) capitalize interest on the Series 2000A Bonds for a portion of the construction period; (iii) make a deposit to the Series 2000 Reserve Fund or purchase a Surety Bond therefor; and (iv) pay all or a portion of the costs incidental to the foregoing and to the issuance of the Series 2000A Bonds, including all or a portion of the Bond Insurance Policy, if any.

(b) *Series 2000B.* The Port shall issue the Series 2000B Bonds for the purpose of providing part of the funds necessary to (i) pay (or pay the principal amount of subordinate lien commercial paper notes issued to pay) or reimburse the Port for all or a portion of the costs of the AMT Projects; (ii) capitalize interest on the Series 2000B Bonds for a portion of the construction period; (iii) make a deposit to the Series 2000 Reserve Fund or purchase a Surety Bond therefor; and (iv) pay all or a portion of the costs incidental to the foregoing and to the issuance of the Series 2000B Bonds, including all or a portion of the Bond Insurance Policy premium, if any.

(c) *Series 2000C.* The Port shall issue the Series 2000C Bonds for the purpose of refunding the 1990C Refunded Bonds, paying all or a portion of the costs incidental thereto and to the issuance of the Series 2000C Bonds, including all or a portion of the Bond Insurance Policy premium, if any, and making a deposit to the Series 2000 Reserve Fund or purchasing a Surety Bond therefor.

(d) *Series 2000D.* The Port shall issue the Series 2000D Bonds for the purpose of refunding the 1990B Refunded Bonds, paying all or a portion of the costs incidental thereto and to the issuance of the Series 2000D Bonds, including all or a portion of the Bond Insurance Policy premium, if any, and making a deposit to the Series 2000 Reserve Fund or purchasing a Surety Bond therefor.

(e) *Maximum Principal Amount.* The aggregate principal amount of Bonds to be issued for each Series shall be determined by the Executive Director, pursuant to the authority granted in Section 17. The principal amount of all Series 2000 Bonds to be issued under this series resolution shall not exceed \$410,000,000.

Section 4.      Bond Details.

(a)      *Series 2000A.* The Series 2000A Bonds shall be designated as "Port of Seattle Revenue Bonds, Series 2000A," shall be registered as to both principal and interest, shall be issued in the aggregate principal amount set forth in the Bond Purchase Contract, and shall be numbered separately in the manner and with any additional designation as the Registrar deems necessary for purposes of identification, shall be dated their date of delivery to the Underwriters, shall be in the denomination of \$5,000 each or any integral multiple of \$5,000, shall bear interest at the per annum rates set forth in the Bond Purchase Contract and as approved by the Executive Director pursuant to Section 17. The Series 2000A Bonds shall bear interest from their date of delivery to the Underwriters until the Series 2000A Bonds bearing such interest have been paid or their payment duly provided for, payable semiannually on the first days of each February and August, beginning on February 1, 2001, and shall mature on February 1 of the years and in the principal amounts set forth in the Bond Purchase Contract and as approved by the Executive Director pursuant to Section 17.

The Series 2000A Bonds shall be obligations only of the Series 2000 Bond Fund and the Series 2000 Reserve Fund created hereunder and shall be payable and secured as provided herein. The Series 2000A Bonds do not constitute an indebtedness of the Port within the meaning of the constitutional provisions and limitations of the State of Washington.

(b)      *Series 2000B.* The Series 2000B Bonds shall be designated as "Port of Seattle Revenue Bonds, Series 2000B," shall be registered as to both principal and interest, shall be issued in the aggregate principal amount set forth in the Bond Purchase Contract, and shall be numbered separately in the manner and with any additional designation as the Registrar deems necessary for purposes of identification, shall be dated their date of delivery to the Underwriters, shall be in the denomination of \$5,000 each or any integral multiple of \$5,000 within a maturity, shall bear interest at the per annum rates set forth in the Bond Purchase Contract and as approved by the Executive Director pursuant to Section 17. The Series 2000B Bonds shall bear interest from their date of delivery to the Underwriters until the Series 2000B Bonds bearing such interest have been paid or their payment duly provided for, payable semiannually on the first days of each February and August, beginning on February 1, 2001, and shall mature on February 1 of the years and in the principal amounts set forth in the Bond Purchase Contract and as approved by the Executive Director pursuant to Section 17.

The Series 2000B Bonds shall be obligations only of the Series 2000 Bond Fund and the Series 2000 Reserve Fund created hereunder and shall be payable and secured as provided herein. The Series 2000B Bonds do not constitute an indebtedness of the Port within the meaning of the constitutional provisions and limitations of the State of Washington.

(c) *Series 2000C.* The Series 2000C Bonds shall be designated as "Port of Seattle Revenue Refunding Bonds, Series 2000C," shall be registered as to both principal and interest, shall be issued in the aggregate principal amount set forth in the Bond Purchase Contract, and shall be numbered separately in the manner and with any additional designation as the Registrar deems necessary for purposes of identification, shall be dated their date of delivery to the Underwriters, shall be in the denomination of \$5,000 each or any integral multiple of \$5,000 within a maturity, shall bear interest at the per annum rates set forth in the Bond Purchase Contract and as approved by the Executive Director pursuant to Section 17. The Series 2000C Bonds shall bear interest from their date of delivery to the Underwriters until the Series 2000C Bonds bearing such interest have been paid or their payment duly provided for, payable semiannually on the first days of each February and August, beginning on February 1, 2001, and shall mature on February 1 of the years and in the principal amounts set forth in the Bond Purchase Contract and as approved by the Executive Director pursuant to Section 17.

The Series 2000C Bonds shall be obligations only of the Series 2000 Bond Fund and the Series 2000 Reserve Fund created hereunder and shall be payable and secured as provided herein. The Series 2000C Bonds do not constitute an indebtedness of the Port within the meaning of the constitutional provisions and limitations of the State of Washington.

(d) *Series 2000D.* The Series 2000D Bonds shall be designated as "Port of Seattle Revenue Refunding Bonds, Series 2000D," shall be registered as to both principal and interest, shall be issued in the aggregate principal amount set forth in the Bond Purchase Contract, and shall be numbered separately in the manner and with any additional designation as the Registrar deems necessary for purposes of identification, shall be dated their date of delivery to the Underwriters, shall be in the denomination of \$5,000 each or any integral multiple of \$5,000, shall bear interest at the per annum rates set forth in the Bond Purchase Contract and as approved by the Executive Director pursuant to Section 17. The Series 2000D Bonds shall bear interest from their date of delivery to the Underwriters until the Series 2000D Bonds bearing such interest have been paid or their payment duly provided for, payable semiannually on the

first days of each February and August, beginning on February 1, 2001, and shall mature on February 1 of the years and in the principal amounts set forth in the Bond Purchase Contract and as approved by the Executive Director pursuant to Section 17.

The Series 2000D Bonds shall be obligations only of the Series 2000 Bond Fund and the Series 2000 Reserve Fund created hereunder and shall be payable and secured as provided herein. The Series 2000D Bonds do not constitute an indebtedness of the Port within the meaning of the constitutional provisions and limitations of the State of Washington.

Section 5. Redemption and Purchase.

(a) *Optional Redemption.* The Series 2000 Bonds are subject to optional redemption on the dates, at the prices and under the terms set forth in the Bond Purchase Contract and as approved by the Executive Director pursuant to Section 17.

(b) *Mandatory Redemption.* The Series 2000 Bonds are subject to mandatory redemption as set forth in the Bond Purchase Contract and as approved by the Executive Director pursuant to Section 17.

(c) *Purchase of Series 2000 Bonds for Retirement.* The Port reserves the right to use at any time any surplus Gross Revenue available after providing for the payments required by paragraph First through Fifth of Section 2(a) of the Master Resolution, including the payments required by paragraph First through Seventh of Section 5.01(b) of Resolution No. 3238, as amended, Section 4.01(b) of Resolution No. 3255, as amended, Section 7 of Resolution No. 3276, as amended, and Section 5.01(b) of Resolution No. 3354, as amended, to purchase for retirement any of the Series 2000 Bonds offered to the Port at any price deemed reasonable to the Designated Port Representative.

(d) *Selection of Series 2000 Bonds for Redemption.* If Series 2000 Bonds are called for optional redemption, the series and maturities of Series 2000 Bonds to be redeemed shall be selected by the Port. If any Series 2000 Bonds to be redeemed (optional or mandatory) then are held in book-entry-only form, the selection of Series 2000 Bonds to be redeemed within a maturity shall be made in accordance with the operational arrangements then in effect at DTC. If the Series 2000 Bonds to be redeemed are no longer held in book-entry-only form, the selection of such Series 2000 Bonds to be redeemed shall be made in the following manner. If the Port redeems at any one time fewer than all of the Series 2000 Bonds of a series having the same maturity date, the particular Series 2000 Bonds or portions of Series 2000 Bonds of such series

and maturity to be redeemed shall be selected by lot (or in such other reasonable manner determined by the Registrar) in increments of \$5,000. In the case of a Series 2000 Bond of a series of a denomination greater than \$5,000, the Port and Registrar shall treat each Series 2000 Bond of that series as representing such number of separate Series 2000 Bonds each of the denomination of \$5,000 as is obtained by dividing the actual principal amount of such Series 2000 Bond of that series by \$5,000. In the event that only a portion of the principal sum of a Series 2000 Bond is redeemed, upon surrender of such Series 2000 Bond at the principal office of the Registrar there shall be issued to the Registered Owner, without charge therefor, for the then unredeemed balance of the principal sum thereof or, at the option of the Registered Owner, a Series 2000 Bond of like series, maturity and interest rate in any of the denominations herein authorized.

(e) *Notice of Redemption.* Written notice of any redemption of Series 2000 Bonds prior to maturity shall be given by the Registrar on behalf of the Port by first class mail, postage prepaid, not less than 30 days nor more than 60 days before the redemption date to the Registered Owners of Series 2000 Bonds that are to be redeemed at their last addresses shown on the Bond Register. This requirement shall be deemed complied with when notice is mailed to the Registered Owners at their last addresses shown on the Bond Register, whether or not it is actually received by the Registered Owners.

So long as the Series 2000 Bonds are in book-entry only form, notice of redemption shall be given to beneficial owners of Series 2000 Bonds to be redeemed in accordance with the operational arrangements then in effect at DTC, and neither the Port nor the Registrar shall be obligated or responsible to confirm that any notice of redemption is, in fact, provided to beneficial owners.

Each notice of redemption prepared and given by the Registrar to Registered Owners of Series 2000 Bonds shall contain the following information: (1) the redemption date, (2) the redemption price, (3) if fewer than all outstanding Series 2000 Bonds of a series are to be redeemed, the identification by maturity and series (and, in the case of partial redemption, the principal amounts) of the Series 2000 Bonds to be redeemed, (4) that (unless the notice of redemption is a conditional notice, in which case the notice shall state that interest shall cease to accrue from the redemption date if and to the extent that funds have been provided to the Registrar for the redemption of Series 2000 Bonds) on the redemption date the redemption price



will become due and payable upon each Series 2000 Bond or portion called for redemption, and that interest shall cease to accrue from the redemption date, (5) that the Series 2000 Bonds are to be surrendered for payment at the principal office of the Registrar, (6) the CUSIP numbers of all Series 2000 Bonds being redeemed, (7) the dated date of the Series 2000 Bonds being redeemed, (8) the rate of interest for each Series 2000 Bond being redeemed, (9) the date of the notice, and (10) any other information deemed necessary by the Registrar to identify the Series 2000 Bonds being redeemed.

Upon the payment of the redemption price of Series 2000 Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Series 2000 Bonds being redeemed with the proceeds of such check or other transfer.

(f) *Effect of Redemption.* Unless the Port has revoked a notice of redemption (or unless the Port provided a conditional notice and the conditions for redemption set forth therein are not satisfied), the Port shall transfer to the Registrar amounts that, in addition to other money, if any, held by the Registrar, will be sufficient to redeem, on the redemption date, all the Series 2000 Bonds to be redeemed. If and to the extent that funds have been provided to the Registrar for the redemption of Series 2000 Bonds then from and after the redemption date for such Series 2000 Bond, interest on each such Series 2000 Bond shall cease to accrue.

(g) *Amendment of Notice Provisions.* The foregoing notice provisions of this section, including but not limited to the information to be included in redemption notices and the persons designated to receive notices, may be amended by additions, deletions and changes to maintain compliance with duly promulgated regulations and recommendations regarding notices of redemption of municipal securities.

Section 6. Registration, Exchange and Payments.

(a) *Registrar/Bond Register.* The Port hereby requests that the Treasurer adopt the system of registration approved by the Washington State Finance Committee, which utilizes the fiscal agencies of the State of Washington in Seattle, Washington, and New York, New York, for the purposes of registering and authenticating the Series 2000 Bonds, maintaining the Bond Register and effecting transfer of ownership of the Series 2000 Bonds (collectively, the "Registrar"). The Registrar shall keep, or cause to be kept, at its principal corporate trust office, sufficient records for the registration and transfer of the Series 2000 Bonds (the "Bond

Register"), which shall be open to inspection by the Port. The Registrar is authorized, on behalf of the Port, to authenticate and deliver Series 2000 Bonds transferred or exchanged in accordance with the provisions of such Series 2000 Bonds and this resolution and to carry out all of the Registrar's powers and duties under this resolution. The Registrar shall be responsible for its representations contained in the Certificate of Authentication on the Series 2000 Bonds.

(b) *Registered Ownership.* The Port and the Registrar may deem and treat the Registered Owner of each Series 2000 Bond as the absolute owner for all purposes, and neither the Port nor the Registrar shall be affected by any notice to the contrary. Payment of any such Series 2000 Bond shall be made only as described in subsection (h) hereof, but the transfer of such Series 2000 Bond may be registered as herein provided. All such payments made as described in Section (h) shall be valid and shall satisfy the liability of the Port upon such Series 2000 Bond to the extent of the amount or amounts so paid.

(c) *DTC Acceptance/Letter of Representations.* The Series 2000 Bonds shall initially be held in fully immobilized form by DTC acting as depository. To induce DTC to accept the Series 2000 Bonds as eligible for deposit at DTC, the Port has heretofore executed and delivered to DTC a Blanket Issuer Letter of Representations (the "Letter of Representations").

Neither the Port nor the Registrar will have any responsibility or obligation to DTC participants or the persons for whom they act as nominees with respect to the Series 2000 Bonds for the accuracy of any records maintained by DTC or any DTC participant, the payment by DTC or any DTC participant of any amount in respect of the principal of or interest on Series 2000 Bonds, any notice that is permitted or required to be given to Registered Owners under this resolution (except such notices as shall be required to be given by the Port to the Registrar or to DTC), the selection by DTC or any DTC participant of any person to receive payment in the event of a partial redemption of the Series 2000 Bonds, or any consent given or other action taken by DTC as the Registered Owner. Except as provided in the Bond Insurance Commitment, if any, for so long as any Series 2000 Bonds are held in fully immobilized form hereunder, DTC or its successor depository shall be deemed to be the Registered Owner for all purposes, and all references in this resolution to the Registered Owners shall mean DTC or its nominee and shall not mean the owners of any beneficial interest in any Series 2000 Bonds.

(d) *Use of Depository.*

(1) The Series 2000 Bonds shall be registered initially in the name of CEDE & Co., as nominee of DTC, with a single Series 2000 Bond for each series and maturity in a denomination equal to the total principal amount of such series and maturity. Registered ownership of such immobilized Series 2000 Bonds, or any portions thereof, may not thereafter be transferred except (A) to any successor of DTC or its nominee, provided that any such successor shall be qualified under any applicable laws to provide the service proposed to be provided by it; (B) to any substitute depository appointed by the Port pursuant to subsection (2) below or such substitute depository's successor; or (C) to any person as provided in subsection (4) below.

(2) Upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository or a determination by the Port to discontinue the system of book entry transfers through DTC or its successor (or any substitute depository or its successor), the Port may appoint a substitute depository. Any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it.

(3) In the case of any transfer pursuant to clause (A) or (B) of subsection (1) above, the Registrar shall, upon receipt of all outstanding Series 2000 Bonds, together with a written request on behalf of the Port, issue a single new Series 2000 Bond for each series and maturity then outstanding, registered in the name of such successor or substitute depository, or its nominee, all as specified in such written request of the Port.

(4) In the event that (A) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained, or (B) the Port determines that it is in the best interest of the beneficial owners of the Series 2000 Bonds of any series that the Series 2000 Bonds of that series be provided in certificated form, the ownership of such Series 2000 Bonds may then be transferred to any person or entity as herein provided, and shall no longer be held in fully immobilized form. The Port shall deliver a written request to the Registrar, together with a supply of definitive Series 2000 Bonds (of the appropriate series) in certificated form, to issue Series 2000 Bonds in any authorized denomination. Upon receipt by the Registrar of all then outstanding Series 2000 Bonds (of the appropriate series), together with a written request on behalf of the Port to the Registrar, new

Series 2000 Bonds of such series shall be issued in the appropriate denominations and registered in the names of such persons as are provided in such written request.

(e) *Registration of the Transfer of Ownership or the Exchange of Series 2000 Bonds; Change in Denominations.* The transfer of any Series 2000 Bond may be registered and any Series 2000 Bond may be exchanged, but no transfer of any Series 2000 Bond shall be valid unless the Series 2000 Bond is surrendered to the Registrar with the assignment form appearing on such Series 2000 Bond duly executed by the Registered Owner or such Registered Owner's duly authorized agent in a manner satisfactory to the Registrar. Upon such surrender, the Registrar shall cancel the surrendered Series 2000 Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee, a new Series 2000 Bond (or Series 2000 Bonds at the option of the Registered Owner) of the same date, series, maturity and interest rate and for the same aggregate principal amount in any authorized denomination, naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered Series 2000 Bond, in exchange for such surrendered and canceled Series 2000 Bond. Any Series 2000 Bond may be surrendered to the Registrar, together with the assignment form appearing on such Series 2000 Bond duly executed, and exchanged, without charge, for an equal aggregate principal amount of Series 2000 Bonds of the same date, series, maturity and interest rate, in any authorized denomination. The Registrar shall not be obligated to register the transfer or exchange of any Series 2000 Bond during a period beginning at the opening of business on the 15th day of the month next preceding any interest payment date and ending at the close of business on such interest payment date, or, in the case of any proposed redemption of the Series 2000 Bonds, after the mailing of notice of the call of such Series 2000 Bonds for redemption.

(f) *Registrar's Ownership of Series 2000 Bonds.* The Registrar may become the Registered Owner of any Series 2000 Bond with the same rights it would have if it were not the Registrar, and to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as member of, or in any other capacity with respect to, any committee formed to protect the rights of the Registered Owners of the Series 2000 Bonds.

(g) *Registration Covenant.* The Port covenants that, until all Series 2000 Bonds have been surrendered and canceled, it will maintain a system for recording the ownership of each Series 2000 Bond that complies with the provisions of Section 149 of the Code.

(h) *Place and Medium of Payment.* The principal of, premium, if any, and interest on the Series 2000 Bonds shall be payable in lawful money of the United States of America. For so long as all Series 2000 Bonds are in fully immobilized form, payments of principal, premium, if any, and interest shall be made as provided in accordance with the operational arrangements of DTC described in the Letter of Representations. In the event that the Series 2000 Bonds are no longer in fully immobilized form, interest on the Series 2000 Bonds shall be paid by check mailed to the Registered Owners at the addresses for such Registered Owners appearing on the Bond Register on the 15th day of the month preceding the interest payment date, and principal and premium, if any, of the Series 2000 Bonds shall be payable by check upon presentation and surrender of such Series 2000 Bonds by the Registered Owners at the principal office of the Registrar; provided, however, that if so requested in writing prior to the beginning at the opening of business on the 15th day of the month preceding any interest payment date by the Registered Owner of at least \$1,000,000 aggregate principal amount of Series 2000 Bonds, interest will be paid thereafter by wire transfer on the date due to an account with a bank located within the United States.

Section 7. Series 2000 Bond Fund and Series 2000 Reserve Fund.

(a) *Series 2000 Bond Fund.* A special fund of the Port designated the "Port of Seattle Revenue and Refunding Bond Fund, Series 2000" (the "Series 2000 Bond Fund") is hereby authorized to be created in the office of the Treasurer for the purpose of paying and securing the payment of the Series 2000 Bonds. The Series 2000 Bond Fund shall be held separate and apart from all other funds and accounts of the Port and shall be a trust fund for the owners of the Series 2000 Bonds.

The Series 2000 Bonds shall be obligations only of the Series 2000 Bond Fund and the Series 2000 Reserve Fund hereinafter created hereunder and shall be payable and secured as provided herein. The Series 2000 Bonds do not constitute an indebtedness of the Port within the meaning of the constitutional and statutory provisions and limitations of the laws of the State of Washington.

The Port hereby irrevocably obligates and binds itself for so long as any Series 2000 Bonds remain Outstanding to set aside and pay into the Series 2000 Bond Fund from Net Revenues or money in the Revenue Fund, on or prior to the respective dates on which the same become due:

(1) such amounts as are required to pay the interest scheduled to become due and redemption premium, if any, on Outstanding Series 2000 Bonds; and

(2) such amounts as are required to pay maturing principal or principal being redeemed of Outstanding Series 2000 Bonds.

(b) **Series 2000 Reserve Fund.** A Series 2000 Reserve Fund (the "Series 2000 Reserve Fund") is hereby authorized to be created for the purpose of securing the payment of the principal of, premium, if any, and interest on the Series 2000 Bonds,

The Designated Port Representative may decide to utilize a Surety Bond to satisfy the Series 2000 Reserve Requirement. Upon such election, the Designated Port Representative is hereby authorized to execute and deliver a Surety Bond Agreement with the Surety Bond Issuer to effect the delivery of the Surety Bond.

The Series 2000 Reserve Fund Requirement shall be maintained by deposits of cash and/or qualified investments, a Qualified Letter of Credit or Qualified Insurance, or a combination of the foregoing. To the extent that the Port obtains a Qualified Letter of Credit or Qualified Insurance in substitution for cash or securities in the Series 2000 Reserve Fund, all or a portion of the money on hand in the Series 2000 Reserve Fund shall be transferred to the fund or account, specified by the Designated Port Representative within the limitations permitted by the Tax and Arbitrage Certificate. In computing the amount on hand in the Series 2000 Reserve Fund, Qualified Insurance and/or a Qualified Letter of Credit shall be valued at the face amount thereof, and all other obligations purchased as an investment of moneys therein shall be valued at cost. As used herein, the term "cash" shall include U.S. currency, cash equivalents and evidences thereof, including demand deposits, certified or cashier's check; and the deposit to the Series 2000 Reserve Fund may be satisfied by the transfer of qualified investments to such account.

If the balance on hand in the Series 2000 Reserve Fund is sufficient to satisfy the Series 2000 Reserve Fund Requirement, interest earnings shall be applied as provided in the following sentences. Whenever there is a sufficient amount in the Series 2000 Bond Fund and the Series 2000 Reserve Fund to pay the principal of, premium, if any, and interest on all Outstanding Series 2000 Bonds, the money in the Series 2000 Reserve Fund may be used to pay such principal and interest. So long as the money left remaining on deposit in the Series 2000 Reserve Fund is equal to the Series 2000 Reserve Fund Requirement, money in the Series 2000

Reserve Fund may be transferred to the fund or account specified in writing by the Designated Port Representative within the limitations permitted by the Tax and Arbitrage Certificate. The Port also may transfer out of the Series 2000 Reserve Fund any money required in order to prevent any Series 2000 Bonds from becoming "arbitrage bonds" under the Code.

If a deficiency in the Series 2000 Bond Fund shall occur, such deficiency shall be made up from the Series 2000 Reserve Fund by the withdrawal of cash therefrom for that purpose and by the sale or redemption of obligations held in the Series 2000 Reserve Fund, in such amounts as will provide cash in the Series 2000 Reserve Fund sufficient to make up any such deficiency with respect to the Series 2000 Bonds, and if a deficiency still exists immediately prior to an interest payment date and after the withdrawal of cash, the Port shall then draw from any Qualified Letter of Credit or Qualified Insurance for the Series 2000 Bonds in sufficient amount to make up the deficiency. Such draw shall be made at such times and under such conditions as the agreement for such Qualified Letter of Credit or such Qualified Insurance shall provide. Reimbursement may be made to the issuer of any Qualified Letter of Credit or Qualified Insurance in accordance with the reimbursement agreement related thereto, and after making necessary provision for the payments required to be made in paragraphs First and Second of Section 2(a) of the Master Resolution. If the Port shall have failed to make any payment required to be made under such reimbursement agreement for the Series 2000 Bonds, the issuer shall be entitled to exercise all remedies available at law or under this series resolution; provided, however, that no acceleration of the Series 2000 Bonds shall be permitted, and no remedies that adversely affect Registered Owners of the Series 2000 Bonds shall be permitted. Any deficiency created in the Series 2000 Reserve Fund by reason of any such withdrawal shall be made up within one year from Qualified Insurance or a Qualified Letter of Credit or out of Net Revenues (or out of any other moneys on hand legally available for such purpose), in 12 equal monthly installments, after first making necessary provision for all payments required to be made into the Series 2000 Bond Fund within such year.

In making the payments and credits to the Series 2000 Reserve Fund required by this Section 7(b), to the extent that the Port has obtained Qualified Insurance or a Qualified Letter of Credit for specific amounts required pursuant to this section to be paid out of the Series 2000 Reserve Fund such amounts so covered by Qualified Insurance or a Qualified Letter of Credit shall be credited against the amounts required to be maintained in the Series 2000 Reserve Fund

by this Section 7(b) to the extent that such payments and credits to be made are to be made or insured by the issuer of such Qualified Insurance, or are to be made or guaranteed by a Qualified Letter of Credit. In the event of termination of a Qualified Letter of Credit, if the issuer of the Qualified Insurance or the Qualified Letter of Credit shall be insolvent or no longer in existence or if the letter of credit or insurance otherwise ceases to be a Qualified Letter of Credit or Qualified Insurance, respectively, the Series 2000 Reserve Fund Requirement shall be satisfied (A) within one year after the termination, insolvency or incapacity, but no later than the date of cancellation, with other Qualified Insurance or another Qualified Letter of Credit, or (B) within three years (in three equal annual installments) after the termination, insolvency or incapacity, out of Net Revenues (or out of other money on hand and legally available for such purpose) after first making necessary provisions for all payments required to be made into the Series 2000 Bond Fund.

(c) *Pledge and Lien.* The Port does hereby pledge and bind itself to set aside from Net Revenues, and to pay into the Series 2000 Bond Fund and the Series 2000 Reserve Fund the various amounts required herein to be paid into and maintained in said Funds, all within the times provided herein. Said amounts so pledged to be paid into the Series 2000 Bond Fund and the Series 2000 Reserve Fund are hereby declared to be an equal and prior lien and charge upon the Gross Revenue superior to all other charges of any kind or nature whatsoever, except for Operating Expenses and except that the amounts so pledged are of equal lien to the lien and charge thereon of the Outstanding Parity Bonds, and to any lien and charge thereon which may hereafter be made to pay and secure the payment of the principal of, premium, if any, and interest on any Future Parity Bonds.

(d) *Use of Excess Money.* Money in the Series 2000 Bond Fund not needed to pay the interest or principal and interest next coming due on any Outstanding Series 2000 Bonds or to maintain required reserves therefor may be used to purchase or redeem and retire Series 2000 Bonds within the limitations provided herein and in Section 2 of the Master Resolution. Money in the Series 2000 Bond Fund and the Series 2000 Reserve Fund and money in the Revenue Fund of the Port may be invested in any investments legal for port districts, subject to the limitations set forth in the Tax and Arbitrage Certificate.

(e) *Surety Bond Agreement.* The Designated Port Representative, with the assistance of the Underwriters, shall solicit proposals from surety bond issuers, and the Designated Port



Representative, in consultation with the Port's financial advisor, is hereby authorized to review such proposals and may select the proposal that is deemed to be the most cost effective and further to execute the Surety Bond Agreement, which may include such covenants and conditions as shall be approved by the Designated Port Representative.

Section 8. Defeasance. In the event that money and/or noncallable Government Obligations maturing or having guaranteed redemption prices at the option of the owner at such time or times and bearing interest to be earned thereon in amounts (together, with such money, if any) sufficient to redeem and retire part or all of any series of the Series 2000 Bonds in accordance with their terms, are hereafter irrevocably set aside in a special account and pledged to effect such redemption and retirement, and, if such series of Series 2000 Bonds are to be redeemed prior to maturity, irrevocable notice, or instructions to give notice of such redemption has been delivered to the Registrar, then no further payments need be made into the Series 2000 Bond Fund or any account therein for the payment of the principal of, premium, if any, and interest on the applicable series of Series 2000 Bonds so provided for and such series of Series 2000 Bonds shall then cease to be entitled to any lien, benefit or security of the Master Resolution or this series resolution, except the right to receive the funds so set aside and pledged and notices of early redemption, if any, and such series of Series 2000 Bonds shall no longer be deemed to be Outstanding hereunder, under the Master Resolution or under any resolution authorizing the issuance of bonds or other indebtedness of the Port.

Within 45 days after any defeasance of Series 2000 Bonds, the Port shall provide notice of defeasance of Series 2000 Bonds to Registered Owners of Series 2000 Bonds being defeased, to the Bond Insurer, if any, and to each NRMSIR and SID, if any, in accordance with Section 19.

Section 9. Refunding Procedures.

(a) *Creation of Refunding Account, 2000.* A special account designated as the "Refunding Account, Series 2000C" is hereby authorized to be created by the Treasurer, which Account is to be drawn upon by the Treasurer for the sole purpose of paying (or purchasing Government Obligations maturing in such amounts and at such times as to pay) the principal of and premium and interest on the 1990C Refunded Bonds. A special account designated as the "Refunding Account, Series 2000D" is hereby authorized to be created by the Treasurer, which Account is to be drawn upon by the Treasurer for the sole purpose of paying (or purchasing Government Obligations maturing in such amounts and at such times as to pay) the principal of

and premium and interest on the 1990B Refunded Bonds. The Refunding Account, Series 2000C and the Refunding Account, Series 2000D are together referred to herein as the "Refunding Account, 2000." The Treasurer shall hold at all times the Refunding Account, Series 2000C and the Refunding Account, Series 2000D as trust funds for the benefit of the owners of the 1990C Refunded Bonds and 1990B Refunded Bonds, respectively, wholly segregated from all other funds and securities on deposit with the Treasurer; the Treasurer shall not allow the assets or amounts on deposit in the Refunding Account, Series 2000C or the Refunding Account, Series 2000D to be commingled with any other funds or securities of the Treasurer. The Treasurer shall hold and dispose of the assets and amounts on deposit in the Refunding Account, Series 2000C and the Refunding Account, Series 2000D only as set forth in this Section 9.

(b) *Application of Series 2000C Bond Proceeds.* A portion of the net proceeds of the Series 2000C Bonds (exclusive of any amount deposited to the Series 2000 Reserve Fund, all or a portion of the Bond Insurance Policy premium, if any, and all or a portion of the cost of purchasing the Surety Bond, if any, for the Series 2000C Bonds, designated by the Designated Port Representative, which shall be deposited to the Series 2000 Reserve Fund, remitted to the Bond Insurer and remitted to the Surety Bond Issuer, respectively), together with other available funds of the Port in the amount specified by the Designated Port Representative, shall be paid to the Treasurer for deposit to the Refunding Account, Series 2000C.

(c) *Application of Series 2000D Bond Proceeds.* A portion of the net proceeds of the Series 2000D Bonds (exclusive of any amount deposited to the Series 2000 Reserve Fund, all or a portion of the Bond Insurance Policy premium, if any, and all or a portion of the cost of purchasing the Surety Bond, if any, for the Series 2000D Bonds as designated by the Designated Port Representative, which shall be deposited to the Series 2000 Reserve Fund, remitted to the Bond Insurer and remitted to the Surety Bond Issuer, respectively), together with other available funds of the Port in the amount specified by the Designated Port Representative, shall be paid to the Treasurer for deposit to the Refunding Account, Series 2000D.

(d) *Defeasance of 1990C Refunded Bonds.* Money in the Refunding Account, Series 2000C shall be applied by the Port, or by the Treasurer on behalf of the Port immediately upon receipt thereof to purchase the Government Obligations specified by the Designated Port Representative (which obligations so purchased, are herein called "1990C Acquired Obligations") and to maintain such necessary beginning cash balance to defease the 1990C

Refunded Bonds and discharge the other obligations of the Port relating thereto under Resolution No. 3060, as amended, by providing for the payment of the interest on the 1990C Refunded Bonds through the date of redemption and the redemption price (principal and premium) on the redemption date for the 1990C Bonds. When the final transfers have been made from the Refunding Account, Series 2000C for the payment of such redemption price and interest on the 1990C Refunded Bonds, any balance then remaining in the Refunding Account, Series 2000C shall be transferred to the account designated by the Port.

(e) *Defeasance of 1990B Refunded Bonds.* Money in the Refunding Account, Series 2000D shall be applied by the Port, or by the Treasurer on behalf of the Port immediately upon receipt thereof to purchase the Government Obligations specified by the Designated Port Representative (which obligations so purchased, are herein called "1990B Acquired Obligations") and to maintain such necessary beginning cash balance to defease the 1990B Refunded Bonds and discharge the other obligations of the Port relating thereto under Resolution No. 3060, as amended, by providing for the payment of the interest on the 1990B Refunded Bonds through the date of redemption and the redemption price (principal and premium) on the redemption date for the 1990B Bonds. When the final transfers have been made from the Refunding Account, Series 2000D for the payment of such redemption price and interest on the 1990B Refunded Bonds, any balance then remaining in the Refunding Account, Series 2000D shall be transferred to the Port.

(f) *Acquired Obligations/ 1990C Refunded Bonds.* The 1990C Acquired Obligations shall bear such interest and mature as to principal and interest in such amounts and at such times that, together with any necessary beginning cash balance, will provide for the payment of:

(1) the interest on the 1990C Refunded Bonds as such becomes due on and before December 1,2000; and

(2) the price of redemption of the 1990C Refunded Bonds (102%) on December 1,2000.

(g) *Acquired Obligations/ 1990B Refunded Bonds.* The 1990B Acquired Obligations shall bear such interest and mature as to principal and interest in such amounts and at such times that, together with any necessary beginning cash balance, will provide for the payment of:

(1) the interest on the 1990B Refunded Bonds as such becomes due on and before December 1,2000; and

(2) the price of redemption of the 1990B Refunded Bonds (102%) on December 1, 2000.

(h) ***Irrevocable Deposit.*** Based upon the information provided in the verification report provided to the Port (the "Verification Report"), the successive receipts of the principal of and interest on the 1990C Acquired Obligations will, together with the necessary beginning cash balance, assure that the cash balance on deposit from time to time in the Refunding Account, Series 2000C will be at all times sufficient to provide moneys for transfer to the paying agent for the 1990C Refunded Bonds at the times and in the amounts set forth in Section 9(f). Immediately upon issuance of the Series 2000C Bonds, a portion of the proceeds of the Series 2000C Bonds (and/or Acquired Obligations purchased with such proceeds) shall be deposited irrevocably with the Treasurer, together with any necessary beginning cash balance, in an amount that will provide moneys sufficient to defease and redeem the 1990C Refunded Bonds in accordance with the Verification Report. If, for any reason, at any time, the cash balances on deposit or scheduled to be on deposit in the Refunding Account, Series 2000C shall be insufficient to transfer the amounts required to make such payments, the Treasurer shall timely deposit in the Refunding Account, Series 2000C additional funds in the amounts required to make such payments. Based upon the information provided in the Verification Report, the successive receipts of the principal of and interest on the 1990B Acquired Obligations will, together with the necessary beginning cash balance, assure that the cash balance on deposit from time to time in the Refunding Account, Series 2000D will be at all times sufficient to provide moneys for transfer to the paying agent for the 1990B Refunded Bonds at the times and in the amounts set forth in Section 9(g). Immediately upon the issuance of the Series 2000D Bonds, a portion of the proceeds of the Series 2000D Bonds (and/or Acquired Obligations purchased with such proceeds), together with any necessary beginning cash balance, shall be deposited irrevocably with the Treasurer in an amount sufficient to provide moneys to defease and redeem the 1990B Refunded Bonds in accordance with the Verification Report. If, for any reason, at any time, the cash balances on deposit or scheduled to be on deposit in the Refunding Account, Series 2000D shall be insufficient to transfer the amounts required to make such payments, the Treasurer shall timely deposit in the Refunding Account, Series 2000D additional funds in the amounts required to make such payments.

Section 10. Redemption of Refunded Bonds. The Commission hereby calls the 1990C Refunded Bonds for redemption on December 1, 2000 and the 1990B Refunded Bonds for redemption on December 1, 2000 in accordance with the provisions of Section 4 of Resolution No. 3060, as amended respectively, authorizing the redemption and retirement of the Refunded Bonds prior to their fixed maturities.

Said defeasance and call for redemption of the 1990C Refunded Bonds shall be irrevocable after the final establishment of the Refunding Account, Series 2000C and delivery of the proceeds of the Series 2000C Bonds (and/or Acquired Obligations purchased with such proceeds) as described in Section 9(h) to the Treasurer. Said defeasance and call for redemption of the 1990B Refunded Bonds shall be irrevocable after the final establishment of the Refunding Account, Series 2000D and delivery of the proceeds of the Series 2000D Bonds (and/or Acquired Obligations purchased with such proceeds) as described in Section 9(h) to the Treasurer.

Further, upon the defeasance of the Refunded Bonds, any money remaining in the Port's reserve account(s) in the bond redemption fund(s) and all sub-accounts therein maintained for the Refunded Bonds may be transferred to any fund designated by the Designated Port Representative, upon receipt of an approving opinion of Bond Counsel.

The Designated Port Representative is hereby authorized and directed to direct the fiscal agency or agencies of the State of Washington, as paying agent for the 1990C Refunded Bonds and the 1990B Refunded Bonds, to give notice of the defeasance and redemption of the 1990C Refunded Bonds and of the 1990B Refunded Bonds in accordance with the terms of Resolution No. 3060, as amended. Notices of defeasance of the 1990B Refunded Bonds and 1990C Refunded Bonds shall be given immediately, and notices of redemption of the 1990C Refunded Bonds and 1990B Refunded Bonds shall be given not less than 30 nor more than 60 days prior to December 1, 2000, by first class mail, postage prepaid in accordance with Resolution No. 3060, as amended, authorizing the issuance of the 1990C Refunded Bonds and 1990B Refunded Bonds. The Designated Port Representative is authorized and requested to make such other arrangements as are necessary to accomplish such defeasances and redemptions and the giving of notices therefor. The costs of mailing of such notices shall be an expense of the Port.

The Treasurer is hereby authorized and directed to pay to the fiscal agency or agencies of the State of Washington, as paying agent for the Refunded Bonds, from the Refunding Account,

Series 2000C and Refunding Account, Series 2000D, sums sufficient to pay, when due, the payments specified in Section 9(h) of this series resolution. All such sums shall be paid from the moneys and/or Acquired Obligations deposited with the Treasurer pursuant to the previous Section 9(h) of this series resolution, and the income therefrom and proceeds thereof.

Section 11. Disposition of Series 2000A and Series 2000B Bond Proceeds.

(a) *Series 2000A Bond Proceeds.* The proceeds of the Series 2000A Bonds shall be applied as follows:

(1) A sum specified by the Designated Port Representative to the Treasurer prior to the closing and delivery of the Series 2000A Bonds shall be deposited in the Capitalized Interest Account-Series 2000A (hereinafter authorized to be created);

(2) All or a portion of the Bond Insurance Policy premium, if any, shall be paid to the Bond Insurer:

(3) A sum specified by the Designated Port Representative shall be deposited to the Series 2000 Reserve Fund or, if designated by the Designated Port Representative, all or a portion of the cost of purchasing the Surety Bond, if any, for the Series 2000A Bonds shall be paid to the Surety Bond Issuer; and

(4) The remainder of the proceeds of the 2000A Bonds shall be paid into the Construction Fund—2000A (hereinafter authorized to be created).

The Treasurer of the Port is hereby authorized and directed to create a special account, the "Port of Seattle 2000A Capitalized Interest Account" (the "Capitalized Interest Account-Series 2000A") for the purpose of holding Series 2000A Bond proceeds and interest earnings thereon to be used and disbursed to pay interest on the Series 2000A Bonds through the date specified by the Designated Port Representative.

The Treasurer of the Port is hereby authorized and directed to create a special fund or account of the Port, designated as the "Port of Seattle Construction Fund, 2000A" (the "Construction Fund—2000A"). The money on deposit in the Construction Fund—2000A shall be utilized to pay (or pay the principal of subordinate lien commercial paper notes issued to pay) or reimburse the Port for the costs of the non-AMT Projects and costs incidental thereto, and costs incurred in connection with the issuance and sale of the Series 2000A Bonds, to the extent designated by the Designated Port Representative.

All or part of the proceeds of the Series 2000A Bonds may be temporarily invested in or with such institutions or in such obligations as may now or hereafter be permitted to port districts of the State of Washington by law that will mature prior to the date on which such money shall be needed.

In the event that it shall not be possible or practicable to accomplish all of the Non-AMT Projects, the Port may apply the proceeds of the Series 2000A Bonds to pay the costs of such portion thereof or such other projects as the Commission shall determine to be in the best interests of the Port, subject to the limitations set forth in the Tax and Arbitrage Certificate. Any part of the proceeds of the Series 2000A Bonds remaining in the Construction Fund-2000A and the Series 2000A Capitalized Interest Account after all costs referred to in this section have been paid may be used to acquire, construct, equip and make other improvements to the Facilities of the Port subject to the limitations of the Tax and Arbitrage Certificate or may be transferred to the Series 2000 Bond Fund for the uses and purposes therein provided.

(b) *Series 2000B Bond Proceeds.* The proceeds of the Series 2000B Bonds shall be applied as follows:

(1) A sum specified by the Designated Port Representative to the Treasurer prior to the closing and delivery of the Series 2000B Bonds shall be deposited in the Capitalized Interest Account-Series 2000B (hereinafter authorized to be created);

(2) All or a portion of the Bond Insurance Policy premium, if any, shall be paid to the Bond Insurer;

(3) A sum specified by the Designated Port Representative shall be deposited to the Series 2000 Reserve Fund or, if designated by the Designated Port Representative, all or a portion of the cost of purchasing the Surety Bond, if any, for the Series 2000B Bonds shall be paid to the Surety Bond Issuer; and

(4) The remainder of the proceeds of the 2000B Bonds shall be paid into the Construction Fund—2000B (hereinafter authorized to be created).

The Treasurer of the Port is hereby authorized and directed to create a special account, the "Port of Seattle 2000B Capitalized Interest Account" (the "Capitalized Interest Account-Series 2000B") for the purpose of holding Series 2000B Bond proceeds and interest earnings thereon to be used and disbursed to pay interest on the Series 2000B Bonds through the date specified by the Designated Port Representative.

The Treasurer of the Port is hereby authorized and directed to create a special fund or account of the Port, designated as the "Port of Seattle Construction Fund, 2000B" (the "Construction Fund—2000B"). The money on deposit in the Construction Fund—2000B shall be utilized to pay (or pay the principal of subordinate lien commercial paper notes issued to pay) or reimburse the Port for the costs construction of the AMT Projects and costs incidental thereto, and costs incurred in connection with the issuance and sale of the Series 2000B Bonds, to the extent designated by the Designated Port Representative.

All or part of the proceeds of the Series 2000B Bonds may be temporarily invested in or with such institutions or in such obligations as may now or hereafter be permitted to port districts of the State of Washington by law that will mature prior to the date on which such money shall be needed.

In the event that it shall not be possible or practicable to accomplish all of the AMT Projects, the Port may apply the proceeds of the Series 2000B Bonds to pay the costs of such portion thereof or such other projects as the Commission shall determine to be in the best interests of the Port, subject to the limitations set forth in the Tax and Arbitrage Certificate.

Any part of the proceeds of the Series 2000B Bonds remaining in the Construction Fund—2000B and the Capitalized Interest Account—Series 2000B after all costs referred to in this section have been paid may be used to acquire, construct, equip and make other improvements to the Facilities of the Port subject to the limitations set forth in the Tax and Arbitrage Certificate or may be transferred to the Series 2000 Bond Fund for the uses and purposes therein provided.

Section 12. Tax Covenants.

(a) *Tax Covenant.* The Commission covenants to undertake all actions required to maintain the tax-exempt status of interest on the Series 2000 Bonds under Section 103 of the Code as set forth in the Tax and Arbitrage Certificate.

(b) *No Bank Qualification.* The Series 2000 Bonds shall not be qualified tax-exempt obligations pursuant to Section 265(b) of the Code for investment by financial institutions.

Section 13. Lost, Stolen, Mutilated or Destroyed Series 2000 Bonds. In case any Series 2000 Bond shall be lost, stolen, mutilated or destroyed, the Registrar may execute and deliver a new Series 2000 Bond of like series, date, number and tenor to the Registered Owner thereof upon the owner's paying the expenses and charges of the Port in connection therewith



and upon his/her filing with the Port evidence satisfactory to the Port that such Series 2000 Bond was actually lost, stolen or destroyed (including the presentation of a mutilated Series 2000 Bond) and of his/her ownership thereof, and upon furnishing the Port and the Registrar with indemnity satisfactory to both.

Section 14. Forms of Series 2000 Bonds and Registration Certificate.

(a) Series 2000 Bonds. The Series 2000 Bonds shall be in substantially the following form:

[INSURANCE LEGEND]  
UNITED STATES OF AMERICA

NO. \_\_\_\_\_ \$ \_\_\_\_\_

STATE OF WASHINGTON  
PORT OF SEATTLE  
REVENUE [REFUNDING] BOND, SERIES 2000\_\_

Maturity Date: CUSIP No. \_\_\_\_\_

Interest Rate:

Registered Owner: Cede & Co.

Principal Amount:

THE PORT OF SEATTLE, a municipal corporation organized and existing under and by virtue of the laws of the State of Washington (the "Port"), promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, solely from the special fund of the Port known as the "Port of Seattle Revenue and Refunding Bond Fund, Series 2000" (the "Series 2000 Bond Fund") created by Resolution No. 3430 as amended of the Port Commission, as amended (together with Resolution No. 3059, as amended, most recently by Resolution No. 3436, hereinafter collectively referred to as the "Bond Resolution") the Principal Amount indicated above and to pay interest thereon from the Series 2000 Bond Fund from the date of initial delivery, or the most recent date to which interest has been paid or duly provided for or until payment of this bond at the Interest Rate set forth above, payable semiannually on the first days of each February and August beginning on February 1, 2001. The principal of, premium, if any, and interest on this bond are payable in lawful money of the United States of America. Both principal and interest shall be paid as provided in the Blanket Issuer Letter of Representations (the "Letter of Representations") by the Port to The Depository Trust Company ("DTC"). Capitalized terms used in this bond which are not specifically defined have the meanings given such terms in the Bond Resolution. The Treasurer of the Port has appointed the fiscal agent for the State of Washington as the initial registrar, authenticating and paying agent for the bonds of this series.

This bond is one of a series of bonds of the Port in the aggregate principal amount of \$\_\_\_\_\_, of like date, tenor and effect, except as to number, amount, rate of interest and date of maturity and is issued pursuant to the Bond Resolution [to refund certain outstanding revenue bonds of the Port][to finance airport capital improvements]. Simultaneously herewith, the Port is issuing three other series of revenue bonds: its Revenue Bonds, Series 2000— in the principal amount of \$\_\_\_\_\_, its Revenue [Refunding] Bonds, Series 2 0 0 0 in the principal amount of \$\_\_\_\_\_ and its Revenue Refunding Bonds, Series 2 0 0 0 in the principal amount of \$\_\_\_\_\_.

The bonds of this issue maturing on and after \_\_\_\_\_ shall be subject to optional redemption in advance of their scheduled maturity on and after \_\_\_\_\_ in whole or in part on any date at the following prices, expressed as a percentage of par, plus accrued interest to the date fixed for redemption.

Redemption Periods	Redemption Prices
_____ through _____	_____ %
_____ and thereafter	_____ %

Unless redeemed pursuant to the foregoing optional redemption provisions, the bonds of this series maturing on \_\_\_\_\_ shall be redeemed by the Port on \_\_\_\_\_ of the following years in the following principal amounts at a price of par plus accrued interest to the date fixed for redemption:

Redemption Dates	Amounts
	\$

\* Final Maturity

The bonds of this series are [not] private activity bonds. The bonds of this series are not "qualified tax exempt obligations" eligible for investment by financial institutions within the meaning of Section 265(b) of the Internal Revenue Code of 1986, as amended.

So long as this bond is held by DTC or its nominee, the manner of selection of bonds of this issue within a maturity for redemption and transfer of bonds and the provision of notice of redemption shall be governed by the Letter of Representations and DTC's operational arrangements. Except as provided in the Bond Resolution, the Port and Registrar shall deem the person in whose name this bond is registered to be the absolute owner hereof for the purpose of receiving payment of the principal of, premium, if any, and interest on the bond and for any and all other purposes whatsoever.

The Port hereby covenants and agrees with the owner and holder of this bond that it will keep and perform all the covenants of this bond and the Bond Resolution.

The Port does hereby pledge and bind itself to set aside from Gross Revenue after payment of Operating Expenses, and to pay into the Series 2000 Bond Fund and the Series 2000 Reserve Fund the various amounts required by the Bond Resolution to be paid into and maintained in said Funds, all within the times provided by said Bond Resolution.

Said amounts so pledged to be paid out of Gross Revenue into the Series 2000 Bond Fund and Series 2000 Reserve Fund are hereby declared to be a first and prior lien and charge upon the Gross Revenue, subject to payment of the Operating Expenses of the Port and equal in rank to the lien and charge upon such Gross Revenue of the amounts required to pay and secure the payment of the Outstanding Parity Bonds and any revenue bonds of the Port hereafter issued on a parity with the bonds of this issue.

The Port has further bound itself to maintain all of its properties and facilities that contribute in some measure to such Gross Revenue in good repair, working order and condition, to operate the same in an efficient manner and at a reasonable cost, and to establish, maintain and collect rentals, tariffs, rates and charges in the operation of all of its business for as long as any bonds of this issue are outstanding that it will make available, for the payment of the principal thereof and interest thereon as the same shall become due, Net Revenues (as the same are defined in the Bond Resolution) in an amount equal to or greater than the Rate Covenant defined in the Master Resolution.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication hereon shall have been manually signed by or on behalf of the Registrar.

It is hereby certified and declared that this bond and the bonds of this issue are issued pursuant to and in strict compliance with the Constitution and laws of the State of Washington

and resolutions of the Port and that all acts, conditions and things required to be done precedent to and in the issuance of this bond have happened, been done and performed.

IN WITNESS WHEREOF, the Port of Seattle, has caused this bond to be executed by the manual or facsimile signatures of the President and Secretary of the Port Commission, and the corporate seal of the Port to be impressed or a facsimile thereof imprinted hereon as of the \_\_\_\_\_ day of \_\_\_\_\_, 2000.

PORT OF SEATTLE

By \_\_\_\_\_ /s/\_\_\_\_\_  
President, Port Commission

ATTEST:

\_\_\_\_\_/s/\_\_\_\_\_  
Secretary, Port Commission

CERTIFICATE OF AUTHENTICATION

Date of Authentication: \_\_\_\_\_

This bond is one of the bonds described in the within mentioned Bond Resolution and is one of the Revenue [Refunding] Bonds, Series 2000\_\_ of the Port of Seattle, dated \_\_\_\_\_, 2000.

WASHINGTON STATE FISCAL AGENCY, as Registrar

By \_\_\_\_\_  
Authorized Signer

In the event any Series 2000 Bonds are no longer in fully immobilized form, the form of such Series 2000 Bonds may be modified to conform to printing requirements and the terms of this series resolution.

Section 15. Execution. The Series 2000 Bonds shall be executed on behalf of the Port with the manual or facsimile signature of the President of its Commission, shall be attested by the manual or facsimile signature of the Secretary thereof and shall have the seal of the Port impressed or a facsimile thereof imprinted thereon.

Only such Series 2000 Bonds as shall bear thereon a Certificate of Authentication in the form hereinbefore recited, manually executed by the Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this series resolution. Such Certificate of Authentication shall be conclusive evidence that the Series 2000 Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this series resolution.

In case either of the officers of the Port who shall have executed the Series 2000 Bonds shall cease to be such officer or officers of the Port before the Series 2000 Bonds so signed shall have been authenticated or delivered by the Registrar, or issued by the Port, such Series 2000

Bonds may nevertheless be authenticated, delivered and issued and upon such authentication, delivery and issuance, shall be as binding upon the Port as though those who signed the same had continued to be such officers of the Port. Any Series 2000 Bond may also be signed and attested on behalf of the Port by such persons as at the actual date of execution of such Series 2000 Bond shall be the proper officers of the Port although at the original date of such Series 2000 Bond any such person shall not have been such officer.

Section 16. Additional Covenant; Defaults and Remedies.

(a) *Disposal of Income Properties.* In the event of voluntary or involuntary sale, lease, or other conveyance, transfer or disposal of all or substantially all of the marine or aviation properties, assets or facilities, the Port shall require that contemporaneously with such disposition, there shall be paid into a special fund a sum which shall be sufficient to defease all Series 2000 Bonds then Outstanding; provided, however, that such defeasance will not be required so long as the Port maintains primary responsibility for the management and operation of the affected facilities and provided further that all Gross Revenue from such facilities continues to be pledged to all Series 2000 Bonds then Outstanding.

(b) *Defaults and Remedies.* The Port hereby finds and determines that the failure or refusal of the Port or any of its officers to perform the covenants and obligations of this series resolution will endanger the operation of the Facilities and the application of Gross Revenue and such other moneys, funds and securities to the purposes herein set forth. Any one or more of the following shall constitute a Default under this series resolution:

(1) The Port shall fail to make payment of the principal of any Series 2000 Bond when the same shall become due and payable whether by maturity or scheduled redemption prior to maturity; or

(2) The Port shall fail to make payments of any installment of interest on any Series 2000 Bond when the same shall become due and payable; or

(3) The Port shall default in the observance or performance of any other covenants other than conditions, or agreements on the part of the Port contained in Section 19 of this series resolution, and such default shall have continued for a period of 90 days.

In determining whether a payment default has occurred or whether a payment on the Series 2000 Bonds has been made under this series resolution, no effect shall be given to payments made under the Bond Insurance Policy, if any. Upon the occurrence and continuation

of any Default, the Registered Owners of the Series 2000 Bonds shall be entitled to exercise the remedies specified in Section 20 of the Master Resolution; but only with respect to the Series 2000 Bonds.

Section 17. Sale of Series 2000 Bonds. The Series 2000 Bonds shall be sold at negotiated sale to the Underwriters pursuant to the terms of the Bond Purchase Contract. The Designated Port Representative is hereby authorized to negotiate terms for the purchase of the Series 2000 Bonds and execute the Bond Purchase Contract, with such terms as are approved by the Executive Director pursuant to this section and consistent with this series resolution; provided, however, that the authority delegated to the Executive Director pursuant to this series resolution shall be exercised and the Bond Purchase Contract shall be approved only if Resolution No. 3436 in the form introduced on this date, with respect to the form of series resolution, has been finally approved by the Commission. The Commission has been advised by the Underwriters that market conditions, which are particularly critical in maximizing the savings effected by the issuance of the refunding Series 2000C Bonds and Series 2000D Bonds, are fluctuating and, as a result, the most favorable market conditions may occur on a day other than a regular meeting date of the Commission. The Commission has determined that it would be in the best interest of the Port to delegate to the Executive Director for a limited time the authority to approve the final interest rates, maturity dates, aggregate principal amounts for each series, principal amounts of each maturity, redemption rights and other terms and conditions of the Series 2000 Bonds. The Executive Director is hereby authorized to approve the final interest rates, maturity dates, aggregate principal amounts, principal maturities and redemption rights for one or more series of the Series 2000 Bonds in the manner provided hereafter so long as the aggregate principal amount of the Series 2000 Bonds does not exceed \$410,000,000 and so long as the true interest cost for the Series 2000 Bonds does not exceed 6.5%. In addition, the issuance and delivery of the Series 2000C Bonds is conditioned upon the Port's realization of a net present value of savings effected as a result of the issuance of the Series 2000C Bonds equal to at least 2.0% of the principal amount of the 1990C Refunded Bonds. In addition, the issuance and delivery of the Series 2000D Bonds is conditioned upon the Port's realization of a net present value of savings effected as a result of the issuance of the Series 2000D Bonds equal to at least 2.0% of the principal amount of the 1990B Refunded Bonds. The Bond Purchase Contract shall also specify that the Series 2000D Bonds shall be delivered on a date mutually agreed upon

by the Designated Port Representative and the Underwriter, not earlier than September 5, 2000. In determining the final interest rates, maturity dates, aggregate principal amounts, principal maturities and redemption rights of the Series 2000 Bonds, the Executive Director, in consultation with Port staff and the Port's financial advisor, shall take into account those factors that, in his judgment, will result in the lowest net effective interest cost on the Series 2000 Bonds to their maturity, including, but not limited to current financial market conditions and current interest rates for obligations comparable in tenor and quality to the Series 2000 Bonds. Subject to the terms and conditions set forth in this Section 17, the Designated Port Representative is hereby authorized to execute the final form of the Bond Purchase Contract, upon the Executive Director's approval of the final interest rates, maturity dates, aggregate principal amounts, principal maturities and redemption rights set forth therein. Following the execution of the Bond Purchase Contract, the Executive Director shall provide a report to the Commission, describing the final terms of the Series 2000 Bonds approved pursuant to the authority delegated in this section. The authority granted to the Executive Director and the Designated Port Representative by this Section 17 shall expire 45 days after the date of approval of this series resolution. If a Bond Purchase Contract for any one or more series of the Series 2000 Bonds has not been executed within 45 days after the date of final approval of this series resolution, the authorization for the issuance of such series of Series 2000 shall be rescinded, and such Series 2000 Bonds shall not be issued nor their sale approved unless such Series 2000 Bonds shall have been re-authorized by resolution of the commission. The resolution re-authorizing the issuance and sale of such Series 2000 Bonds may be in the form of a new series resolution repealing this series resolution in whole or in part (only with respect to the Series 2000 Bonds not issued) or may be in the form of an amendatory resolution approving a bond purchase contract or establishing terms and conditions for the authority delegated under this Section 17.

Upon the adoption of this series resolution, the proper officials of the Port including the Designated Port Representative, are authorized and directed to undertake all other actions necessary for the prompt execution and delivery of the Series 2000 Bonds to the Underwriters thereof and further to execute all closing certificates and documents required to effect the closing and delivery of the Series 2000 Bonds in accordance with the terms of the Bond Purchase Contract.

The Designated Port Representative is authorized to ratify and to approve for purposes of the Rule, on behalf of the Port, the Official Statement (and any Preliminary Official Statement) relating to the issuance and sale of the Series 2000 Bonds and the distribution of the Series 2000 Bonds pursuant thereto with such changes, if any, as may be deemed by him/her to be appropriate.

Section 18. Compliance with Parity Conditions.

(a) *Series 2000A and Series 2000B Bonds.* The Commission hereby finds and determines as required by Section 5 of the Master Resolution, as follows:

First: The Port has not been in default of its covenant under Section 7 of the Master Resolution for the immediately preceding fiscal year (1999); and

Second: The Commission has been assured that prior to the issuance and delivery of the Series 2000 Bonds, the Port will have on hand a certificate from the Consultant (prepared as prescribed in subsection 5(b) or 5(c) of the Master Resolution) demonstrating fulfillment of the Coverage Requirement, commencing on the first full fiscal year following the earlier of (1) the Date of Commercial Operation of the Facilities to be financed with the proceeds of the Series 2000A Bonds and the Series 2000B Bonds or (2) the date on which any portion of interest on the Series 2000A and the Series 2000B Bonds no longer will be paid from the proceeds thereof and for the following two fiscal years.

The limitations contained in the conditions provided in Section 5 of the Master Resolution having been complied with, the payments required herein to be made out of the Net Revenues to pay and secure the payment of the principal of, premium, if any, and interest on the Series 2000A Bonds and the Series 2000B Bonds shall constitute a lien and charge upon such Net Revenues equal in rank to the lien and charge thereon of the Outstanding Parity Bonds.

(b) *Series 2000C Bonds and Series 2000D Bonds.* The Commission hereby finds and determines as required by Sections 5 and 6 of the Master Resolution:

First: The Port has not been in default of its covenant under Section 7 of the Master Resolution for the immediately preceding fiscal year (1999);

Second: The Series 2000C Bonds and the Series 2000D Bonds are being issued for refunding purposes;

Third: The Series 2000C Bonds shall not be issued unless the Maximum Annual Debt Service to be Outstanding after the issuance of the Series 2000C Bonds shall not be greater than the Maximum Annual Debt Service were such refunding not to occur; and

Fourth: The Series 2000D Bonds shall not be issued unless the Maximum Annual Debt Service to be Outstanding after the issuance of the Series 2000D Bonds shall not be greater than the Maximum Annual Debt Service were such refunding not to occur.

The limitations contained in the conditions provided in Sections 5 and 6 of the Master Resolution having been complied with, the payments required herein to be made out of the Net Revenues to pay and secure the payment of the principal of, premium, if any, and interest on the Series 2000C Bonds and the Series 2000D Bonds shall constitute a lien and charge upon such Net Revenues equal in rank to the lien and charge thereon of the Outstanding Parity Bonds.

Section 19. Undertaking to Provide Ongoing Disclosure.

(a) *Contract/Undertaking.* This section constitutes the Port's written undertaking for the benefit of the Beneficial Owners of the Series 2000 Bonds in order to assist the Underwriters in complying with the Rule.

(b) *Financial Statements/Operating Data.*

(1) *Annual Disclosure Report.* The Port covenants and agrees that not later than six months after the end of each fiscal year (the "Submission Date"), commencing June 30, 2001 for the fiscal year ending December 31, 2000, the Port shall provide or cause to be provided to each NRMSIR and to the SID, if any, an annual report (the "Annual Disclosure Report") that is consistent with the requirements of part (2) of this subsection (b). The Annual Disclosure Report may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in part (2) of this subsection (b); provided that any audited annual financial statements may be submitted separately from the balance of the Annual Disclosure Report and later than the Submission Date if such audited financial statements are not available by the Submission Date. If the Port's fiscal year changes, the Port shall give notice of such change in the same manner as notice is to be given of the occurrence of an event listed in subsection 19(c) hereof, and if for any fiscal year the Port does not furnish an Annual Disclosure Report to the NRMSIRs and to the SID, if any, by the Submission Date, the Port shall send to each NRMSIR and to the MSRB notice of its failure to furnish such report pursuant to Section 2(d).



(2) *Content of Annual Disclosure Reports.* The Port's Annual Disclosure Report shall contain or include by reference the following:

(A) *Audited financial statements.* Audited financial statements, except that if any audited financial statements are not available by the Submission Date, the Annual Disclosure Report shall contain unaudited financial statements in a format similar to the audited financial statements most recently prepared for the Port, and the Port's audited financial statements shall be filed in the same manner as the Annual Disclosure Report when and if they become available.

(B) *Operating and Financial Information.* Updated versions of the type of information contained in the final Official Statement, as follows:

- Amount of Parity Bonds, Subordinate Lien Bonds and Notes, Limited Tax General Obligation Bonds, Passenger Facility Revenue Bonds, Special Obligation Bonds and junior lien bonds outstanding (pp. 14-15).

- The number of U.S.-flag passenger airlines, foreign-flag passenger airlines, domestic and foreign airports or countries served, enplanements and operations and the percentage of enplaned passengers on domestic flights and on international flights (p. 18).

- Estimated percentage of O&D passengers (p. 18).

- Historical operating information of the type shown in the tables entitled "Seattle-Tacoma International Airport Historical Enplaned Passengers 1989-1999" (p. 19), "Port of Seattle Enplaned Passengers and 2000 Business Plan Projections of Enplaned Passengers" (p. 22) and in Tables 11 and 15 of the Report of the Independent Consultant, attached as Appendix B to the Official Statement (the "Report") (Report pp. B-49 and B-54).

- Historical operating information of the type shown in the table entitled "Seattle-Tacoma International Airport Market Share of Enplaned Passengers by Airline 1999" (p. 21).

- Historical operating information of the type set forth under the caption "Historical Air Cargo Operations" (p. 21) and Table 14 of the Report (Report p. B-52).

- Historical operating information of the type set forth in the tables entitled "Seattle-Tacoma International Airport Historical Total Landed Weight" and "Port of Seattle 2000 Business Plan Projections of Landed Weight (in 1,000 pound units)" (pp. 20 and 23) and in Tables 13 and 16 of the Report (Report pp. B-51 and B-55).

- Any change in the Port's method of calculating rates and charges payable by the airlines (p. 24).
- Historical financial information of the type shown in Table 23 of the Report (p. B-82 and also pages 24, 25 and 26 of the Official Statement).
- Historical financial information of the type shown in Table 17 of the Report (p. B-60 and also pages 32 and 38 of the Official Statement).
- Historical operating and financial information of the type shown in the table entitled "Port of Seattle Container Terminals" (p. 33) and Table 24 of the Report (Report p. B-94).
- Historical operating information of the type shown in the table entitled "Port of Seattle Container Volumes 1994-1999 (in thousands)" (p. 37 and 35) and Table 19 of the Report (p. B-69).
- Historical operating information of the type shown in the table entitled "Port of Seattle Non-Containerized Cargo Trends and Forecast (thousands of metric tons)" (p. 40) and Table 21 of the Report (Report p. B-73).
- Historical financial information of the type shown in the table entitled "Port of Seattle Non-Container Terminal Leases" (p. 41) and Table 25 of the Report (Report p. B-95).
- Historical financial information of the type shown in the table entitled "Port of Seattle Five-Year Selected Historical Operating Results (in thousands)" (p. 46).
- Historical financial information of the type included under the captions "Management Discussion of Historical Financial Results 1995-1999" (p. 47) in the table entitled "Port of Seattle Historical Debt Service Coverage Revenue Bonds (in thousands). For the Years Ended December 31" (p. 48) and in Exhibits H and I of the Report.
- The amount of the PFC charged by the Port and the amount of unspent PFC authority; the amount of AIP entitlement and discretionary grants and the amount of LOI payments received or awarded (pp. 51-52).
- Historical financial information of the type shown in the second paragraph under the caption entitled "Pension Plans" (p. 61).
- Historical operating information of the type shown in Table 4 (p. B-40), Table 5 (p. B-41), Table 6 (p. B-43), Table 8 (p. B-45) and Table 9 (p. B-46) of the Report.

- Historical financial and operating information of the type shown in Table 17 (p. B-60), Table 23 (p. B-82) and Exhibits A and C of the Report.

- Historical financial information of the type shown in Exhibit D-1 (Calculation of Terminal Rental Rates Under Current Airline Agreements) and D-2 (Calculation of Terminal Rental Rates After Expiration of Current Airline Agreements), as applicable, of the Report.

- Historical financial information of the type shown in Exhibit E-1 (Calculation of Airline Landing Fees under Current Airline Agreements) and E-2 (Calculation of Airline Landing Fees After Expiration of Current Airline Agreements), as applicable, of the Report.

- Historical financial information of the type shown in Exhibit F (Historical and Forecast Aviation Division Operating Expenses) of the Report.

- Historical financial information of the type shown in Exhibit G (Historical and Forecast Marine Division Revenues and Expenses) of the Report.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Port, or of any related entity, that have been submitted to each of the NRMSIRs and the SID, if any, or to the SEC. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Port shall identify clearly each document so included by reference.

(c) *Material Events.* The Port agrees to provide or cause to be provided, in a timely manner, to the SID, if any, and to each NRMSIR or to the MSRB notice of the occurrence of any of the following events with respect to the Series 2000 Bonds, if material:

- Principal and interest payment delinquencies;
- Non-payment related defaults;
- Unscheduled draws on debt service reserves reflecting financial difficulties;
- Unscheduled draws on credit enhancements reflecting financial difficulties;
- Substitution of credit or liquidity providers, or their failure to perform;
- Adverse tax opinions or events affecting the tax-exempt status of the Series 2000 Bonds;

- Modifications to rights of owners;
- Optional, contingent or unscheduled Series 2000 Bond calls other than scheduled sinking fund redemptions for which notice is given pursuant to Exchange Act Release 34-23856;
- Defeasances;
- Release, substitution or sale of property securing the repayment of the Series 2000 Bonds; and
- Rating changes.

Solely for purposes of information, but without intending to modify this agreement, with respect to the notice regarding property securing the repayment of the Series 2000 Bonds, the Port will state in its Preliminary and Final Official Statements that there is no property securing the repayment of the Series 2000 Bonds. The Port shall promptly determine whether the events described above are material.

(d) *Notice Upon Failure to Provide Financial Data.* The Port agrees to provide or cause to be provided, in a timely manner, to each NRMSIR or to the MSRB and to the SID, if any, notice of its failure to provide the annual financial information described in subsection (b) above on or prior to the Submission Date.

(e) *Termination/Modification.* The Port's obligations to provide annual financial information and notices of material events shall terminate upon the legal defeasance (if notice of such defeasance is given as provided above) or payment in full of all of the Series 2000 Bonds. This section, or any provision hereof, shall be null and void if the Port (1) obtains an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require this section, or any such provision, have been repealed retroactively or otherwise do not apply to the Series 2000 Bonds; and (2) notifies each then existing NRMSIR and the SID, if any, of such opinion and the cancellation of this section. Notwithstanding any other provision of this series resolution, the Port may amend this Section 19 and any provision of this Section 19 may be waived, in accordance with the Rule; *provided that* (A) if the amendment or waiver relates to the provisions of subsections (b)(1), (b)(2) or (c) above, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Series 2000 Bonds, or the type of business conducted; (B) the undertaking, as amended or taking into account

such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 2000 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (C) the amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the beneficial owners of the Series 2000 Bonds.

In the event of any amendment of or waiver of a provision of this Section 19, the Port shall describe such amendment in the next Annual Disclosure Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Port. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a material event under Subsection (c), and (ii) the Annual Disclosure Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

(f) *Registered Owner's and Beneficial Owners' Remedies Under this Section.* A Registered Owner's and the Beneficial Owners' right to enforce the provisions of this section shall be limited to a right to obtain specific enforcement of the Port's obligations hereunder, and any failure by the Port to comply with the provisions of this undertaking shall not be a Default under this series resolution.

(g) *Additional Information.* Nothing in this Section 19 shall be deemed to prevent the Port from disseminating any other information, using the means of dissemination set forth in this Section 19 or any other means of communication, or including any other information in any Annual Disclosure Report or notice of occurrence of a material event, in addition to that which is required by this Section 19. If the Port chooses to include any information in any Annual Disclosure Report or notice of the occurrence of a material event in addition to that specifically required by this Section 19, the Port shall have no obligation under this series resolution to update such information or to include it in any future Annual Disclosure Report or notice of occurrence of a material event.

## EXHIBIT A-1

### Non-AMT Projects

Various Third Runway projects, air cargo road improvements, various ground access program improvements, construction of a communications center, security system upgrades, various noise projects, street vacations, construction of general aircraft parking positions, replacement of airport maintenance facility, and various information technology and information infrastructure improvements.

## EXHIBIT A-2

### AMT Projects

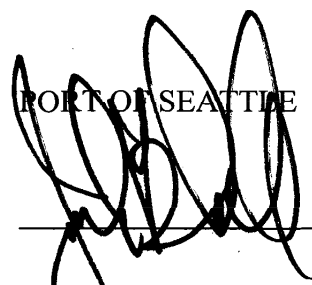
Airport Terminal construction, repairs, improvements and expansion, including passenger conveyance system repair and replacement and baggage system improvements; Airport infrastructure construction, repairs and improvements, including communication system replacement, electrical and mechanical infrastructure repair and replacement, hazardous materials abatement, roadway and ground transportation improvements; planning work relating to future facilities north of the Airport; equipment acquisition related to airport maintenance and expansion at Seattle-Tacoma International Airport; and Property acquisitions for Airport expansion adjacent or near to the Airport.

Section 20. Bond Insurance. The payments of the principal of and interest on one or more series, or principal maturities within one or more series, of the Series 2000 Bonds may be insured by the issuance of the Bond Insurance Policy. The Designated Port Representative, with the assistance of the Underwriters, shall solicit proposals from municipal bond insurance companies, and the Designated Port Representative, in consultation with the Port's financial advisor, is hereby authorized to review such proposals and may select the proposal that is deemed to be the most cost effective and further to execute the Bond Insurance Commitment with the Bond Insurer, which may include such covenants and conditions as shall be approved by the Designated Port Representative.

Section 21. Severability. If any one or more of the covenants or agreements provided in this series resolution to be performed on the part of the Port shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements in this series resolution and shall in no way affect the validity of the other provisions of this series resolution or of any Parity Bonds.

Section 22. Effective Date. This series resolution shall be effective immediately upon its adoption.

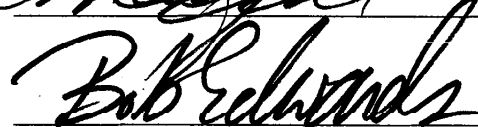
ADOPTED by the Port Commission of the Port of Seattle at a regular meeting thereof, held this 11th day of July, 2000, and duly authenticated in open session by the signatures of the commissioners voting in favor thereof and the seal of the commission duly affixed.

  
PORT OF SEATTLE

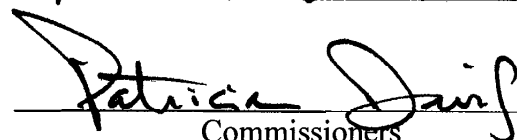
JACK BLOCK



CLARE NORDQUIST



BOB EDWARDS

  
Commissioners

PATRICIA DAVIS



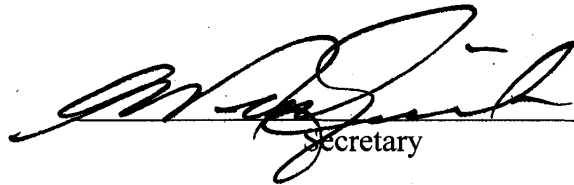
CERTIFICATE

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

1. That the attached resolution numbered 3430 as amended (the "Resolution"), is a true and correct copy of a resolution of the Port, as finally adopted at a meeting of the Commission held on the 11th day of July, 2000, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a quorum of the Commission was present throughout the meeting and a legally sufficient number of members of the Commission voted in the proper manner for the adoption of said Resolution; that all other requirements and proceedings incident to the proper adoption of said Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 11th day of July, 2000.

  
Secretary