

SERIES RESOLUTION

PORT OF SEATTLE

RESOLUTION NO. 3462, as amended

A RESOLUTION of the Port Commission of the Port of Seattle authorizing the issuance and sale of Revenue and Refunding Bonds, Series 2001A, Series 2001B, Series 2001C, Series 2001D and Series 2001E in the aggregate principal amount of not to exceed \$700,000,000, for the purposes of financing or refinancing airport capital improvements and refunding certain outstanding revenue bonds of the Port; fixing the date, forms, maximum true interest cost and terms for the Series 2001 Bonds; authorizing the Chief Executive Officer of the Port to approve the interest rates, maturity dates, redemption rights and principal maturities for the Series 2001 Bonds under the terms and conditions set forth herein; providing for ongoing disclosure; approving an escrow agreement and appointing an escrow agent; and providing for a negotiated sale of the Series 2001 Bonds to Goldman, Sachs & Co., Lehman Brothers Inc., UBS PaineWebber Incorporated and Siebert Brandford Shank & Co., LLC.

ADOPTED *August 28*, 2001

Prepared by:

PRESTON GATES & ELLIS LLP
Seattle, Washington

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* This Table of Contents and the Cover Page are for convenience of reference and are not

intended to be a part of this Series Resolution.

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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 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, the Port has determined to issue two series of revenue bonds (hereinafter defined as the "Series 2001A Bonds" and the "Series 2001B Bonds"); and

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

Resolution Number	Date of Issue		Original Principal Amt.	Currently Outstanding (8/02/01)	Final Maturity Dates
3060	2/1/90	(A)	\$ 66,240,492.05	\$ 2,625,492.05	12/1/03
3060	2/1/90	(B)	59,969,771.35	13,969,771.35	12/1/14
3111	4/1/92	(A)	25,450,000.00	3,965,000.00	11/1/05
3111	4/1/92	(B)	115,440,000.00	73,165,000.00	11/1/17
3120	2/1/93	(B)	60,750,000.00	3,340,000.00	11/1/01
3155	2/1/94	(A)	27,135,000.00	25,120,000.00	12/1/11
3155	2/1/94	(B)	50,000,000.00	44,390,000.00	5/1/19
3155	2/1/94	(C)	51,755,000.00	27,220,000.00	7/1/09
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	68,355,000.00	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	16,790,000.00	10/1/05
3275	5/1/98	(A)	73,180,000.00	68,200,000.00	6/1/17
3430	8/10/00	(A)	130,690,000.00	130,690,000.00	2/1/30
3430	8/10/00	(B)	221,590,000.00	221,590,000.00	2/1/24
3430	8/10/00	(C)	11,500,000.00	9,335,000.00	2/1/05
3430	9/6/00	(D)	28,085,000.00	25,935,000.00	2/1/11

(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, the Port has issued and has outstanding a number of series of Outstanding Parity Bonds all or a portion of which may be redeemed prior to scheduled maturity (hereinafter defined as "Refunding Candidates"); and

WHEREAS, the Port has determined that some or all of the Refunding Candidates may be refunded, thereby saving substantial amounts of debt service, through the issuance of

refunding revenue bonds (herein defined as the “Series 2001C Bonds”, the “Series 2001D Bonds” and the “Series 2001E Bonds”); and

WHEREAS, pursuant to 2001 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 bonds to be issued pursuant to this series resolution (hereinafter collectively defined as the “Series 2001 Bonds”), the maximum true interest cost and terms of the Series 2001 Bonds be fixed, that the determination of maturities, interest rates, redemption rights and principal amount of each series and the bonds, if any, to be refunded 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 2001B 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 2001 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, as such list may be amended from time to time.

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 2001 Bonds (including persons holding Series 2001 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 2001 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 2001 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 2001 Bonds pursuant to the Bond Insurance Commitment.

Bond Purchase Contracts means the Series A/B/C/E Bond Purchase Contract and the Series D Bond Purchase Contract, each to be executed by a Designated Port Representative and an authorized representative of the Underwriters.

Bond Register means the registration records for the Series 2001 Bonds maintained by the Registrar.

Chief Executive Officer means the Chief Executive Officer of the Port (formerly designated as the Executive Director), or any successor to the functions of his office.

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 2001 Bonds.

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

Construction Fund—2001A 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 2001A Bonds, to be used for the Non-AMT Projects.

Construction Fund—2001B 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 2001B 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 Chief Executive Officer, the Deputy Executive Director, Chief Financial Officer 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 2001 Bonds pursuant to Section 6 hereof.

Escrow Agent means Chase Manhattan Trust Company, National Association.

Escrow Agreement—Series C means the Escrow Deposit Agreement dated as of the date of the closing and delivery of the Series 2001C Bonds between the Port and the Escrow Agent to be executed in connection with the refunding of the Series C Refunded Bonds, substantially in the form attached hereto as Exhibit C and incorporated by this reference.

Escrow Agreement—Series D means the Escrow Deposit Agreement dated as of the date of the closing and delivery of the Series 2001D Bonds between the Port and the Escrow Agent to be executed in connection with the refunding of the Series D Refunded Bonds, substantially in the form attached hereto as Exhibit C and incorporated by this reference.

Escrow Agreement—Series E means the Escrow Deposit Agreement dated as of the date of the closing and delivery of the Series 2001E Bonds between the Port and the Escrow Agent to be executed in connection with the refunding of the Series E Refunded Bonds, substantially in the form attached hereto as Exhibit C and incorporated by this reference.

Escrow Agreements means, collectively, the Escrow Agreement – Series C, the Escrow Agreement – Series D and the Escrow Agreement – Series E.

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 are 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, as such list may be amended from time to time.

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

Outstanding Parity Bonds means, collectively, the Port's outstanding Revenue Bonds, Series 1990A and Revenue Bonds, Series 1990B, 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 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; and Revenue Bonds, Series 2000A and Series 2000B and Revenue Refunding Bonds, Series 2000C and Series 2000D issued pursuant to Resolution No. 3430, 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, collectively, the Series C Refunded Bonds, the Series D Refunded Bonds and the Series E Refunded Bonds.

Registered Owner means the person named as the registered owner of a Series 2001 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 2001 Bonds, maintaining the Bond Register and effecting transfer of ownership of the Series 2001 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 2001 Bond Fund means the Port of Seattle Revenue Bond Fund, Series 2001 created in the office of the Treasurer by Section 7 of this series resolution.

Series 2001A Bonds means the Port of Seattle Revenue Bonds, Series 2001A, authorized to be issued by Section 3(a) of this series resolution.

Series 2001B Bonds means the Port of Seattle Revenue Bonds, Series 2001B, authorized to be issued by Section 3(b) of this series resolution.

Series 2001C Bonds means the Port of Seattle Revenue Refunding Bonds, Series 2001C, authorized to be issued by Section 3(c) of this series resolution.

Series 2001D Bonds means the Port of Seattle Revenue Refunding Bonds, Series 2001D, authorized to be issued by Section 3(d) of this series resolution.

Series 2001E Bonds means the Port of Seattle Revenue Refunding Bonds, Series 2001E, authorized to be issued by Section 3(e) of this series resolution.

Series 2001 Bonds means, collectively, the Series 2001A Bonds, the Series 2001B Bonds, the Series 2001C Bonds, the Series 2001D Bonds and the Series 2001E Bonds.

Series 2001 Reserve Fund means the fund of that name created by Section 7(b) of this series resolution.

Series 2001 Reserve Fund Requirement(s) has the meaning given such term in Section 7(b) of this series resolution.

Series A/B/C/E Bond Purchase Contract means the Series A/B/C/E Bond Purchase Contract or separate purchases contract(s) for the Series 2001 Bonds of one or more series,

providing for the purchase of the Series 2001A Bonds, the Series 2001B Bonds, the Series 2001C Bonds and/or the Series 2001E Bonds by the Underwriters and setting forth certain terms authorized to be approved by the Chief Executive Officer as provided in Section 17 of this series resolution.

Series C Refunded Bonds means those Series C Refunding Candidates designated by the Chief Executive Officer pursuant to authority delegated by Section 17 of this series resolution..

Series C Refunding Candidates means all or any maturity of the remaining outstanding series of revenue bonds identified on Exhibit B-1 attached hereto.

Series D Bond Purchase Contract means the Series D Bond Purchase Contract, providing for the purchase of the Series 2001D Bonds by the Underwriters and setting forth certain terms authorized to be approved by the Chief Executive Officer as provided in Section 17 of this series resolution.

Series D Refunded Bonds means those Series D Refunding Candidates designated by the Chief Executive Officer pursuant to the authority delegated by Section 17 of this series resolution.

Series D Refunding Candidates means all or any maturity of the remaining outstanding series of revenue bonds identified on Exhibit B-2 attached hereto.

Series E Refunded Bonds means those Series E Refunding Candidates designated by the Chief Executive Officer pursuant to the authority delegated by Section 17 of this series resolution.

Series E Refunding Candidates means all or any maturity of the remaining outstanding series of revenue bonds identified on Exhibit B-3 attached hereto.

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 2001 Bonds for the purpose of satisfying the Series 2001 Reserve Fund Requirement; provided that the Surety Bond meets the requirements for “Qualified Insurance.” There may be more than one Surety Bond.

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 all or a portion of the Series 2001 Reserve Fund Requirement. There may be more than one Surety Bond Issuer.

Tax and Arbitrage Certificate means the certificate(s) of that name executed and delivered by the Designated Port Representative at the time of issuance and delivery of each series of the Series 2001 Bonds.

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., UBS 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 facilities at the locations described on Exhibit A-1 and Exhibit A-2, attached hereto and incorporated by this reference herein. The costs of the Non-AMT Projects are expected to be paid, refinanced or reimbursed in part with the proceeds of the Series 2001A Bonds, and the costs of the AMT Projects are expected to be paid or reimbursed in part with the proceeds of the Series 2001B Bonds.

Certain Outstanding Parity Bonds are callable in whole or in part prior to their scheduled maturities. Some or all of the maturities of the series of revenue bonds identified on Exhibit B-1 are candidates for a current refunding (potentially callable within 90 days after the closing and delivery of the Series 2001C Bonds) depending upon market conditions (the “Series C Refunding Candidates”). The final selection of the maturities, if any, within each series of the Series C Refunding Candidates which shall be designated as the Series C Refunded Bonds shall be made by the Chief Executive Officer pursuant to the authority granted in Section 17 of this resolution. Some or all of the maturities of the series of revenue bonds identified on Exhibit B-2 are candidates for a delayed delivery current refunding (potentially callable within 90 days after the closing and delivery of the Series 2001D Bonds) depending upon market conditions (the “Series D Refunding Candidates”). The final selection of the maturities, if any, within each series of the Series D Refunding Candidates which shall be designated as the Series D Refunded Bonds shall be made by the Chief Executive Officer pursuant to the authority granted in Section 17 of this resolution. Some or all of the maturities of the series of revenue bonds identified on Exhibit B-3 are candidates for an advance refunding depending upon market conditions (the “Series E Refunding Candidates”). The final selection of the maturities, if any, within each series of the Series E Refunding Candidates which shall be designated as the Series E Refunded Bonds shall be made by the Chief Executive Officer pursuant to the authority granted in Section 17 of this resolution.

Section 3. Authorization of Series 2001 Bonds.

(a) *Series 2001A.* The Port shall issue the Series 2001A 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 to reimburse the Port for all or a portion of the costs of

the Non-AMT Projects; (ii) capitalize interest on the Series 2001A Bonds for all or a portion of the construction period; (iii) make a deposit to the Series 2001 Reserve Fund (which may be a proportionate allocation of an aggregate Series 2001 Reserve Fund Requirement) 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 2001A Bonds, including all or a portion of the cost of purchasing the Bond Insurance Policy, if any.

(b) *Series 2001B.* The Port shall issue the Series 2001B 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 to reimburse the Port for all or a portion of the costs of the AMT Projects; (ii) capitalize interest on the Series 2001B Bonds for all or a portion of the construction period; (iii) make a deposit to the Series 2001 Reserve Fund (which may be a proportionate allocation of an aggregate Series 2001 Reserve Fund Requirement) 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 2001B Bonds, including all or a portion of the cost of purchasing the Bond Insurance Policy, if any.

(c) *Series 2001C.* The Port shall issue the Series 2001C Bonds for the purpose of refunding the Series C Refunded Bonds, paying all or a portion of the costs incidental thereto and to the issuance of the Series 2001C Bonds, including all or a portion of the cost of purchasing the Bond Insurance Policy, if any, making a deposit to the Series 2001 Reserve Fund (which may be a proportionate allocation of an aggregate Series 2001 Reserve Fund Requirement) or purchasing a Surety Bond therefore and paying a portion of costs of qualified projects and/or principal of the Series 2001C Bonds.

(d) *Series 2001D.* The Port shall issue the Series 2001D Bonds for the purpose of refunding the Series D Refunded Bonds, paying all or a portion of the costs incidental thereto and to the issuance of the Series 2001D Bonds, including all or a portion of the cost of purchasing the Bond Insurance Policy, if any, making a deposit to the Series 2001 Reserve Fund (which may be a proportionate allocation of an aggregate Series 2001 Reserve Fund Requirement) or purchasing a Surety Bond therefor and paying a portion of costs of qualified projects and/or principal of the Series 2001D Bonds.

(e) *Series 2001E.* The Port shall issue the Series 2001E Bonds for the purpose of refunding the Series E Refunded Bonds, paying all or a portion of the costs incidental thereto and to the issuance of the Series 2001E Bonds, including all or a portion of the cost of purchasing the Bond Insurance Policy, if any, and making a deposit to the Series 2001 Reserve Fund (which may be a proportionate allocation of an aggregate Series 2001 Reserve Fund Requirement) or purchasing a Surety Bond therefor.

(f) *Maximum Principal Amount.* The aggregate principal amount of Bonds to be issued for each Series shall be determined by the Chief Executive Officer, pursuant to the authority granted in Section 17. The principal amount of all Series 2001 Bonds to be issued under this series resolution shall not exceed \$700,000,000.

Section 4. Bond Details.

(a) *Series 2001A.* The Series 2001A Bonds shall be designated as “Port of Seattle Revenue Bonds, Series 2001A,” shall be registered as to both principal and interest, shall be issued in the aggregate principal amount set forth in the Series A/B/C/E 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 Series A/B/C/E Bond Purchase Contract and as approved by the Chief Executive Officer pursuant to Section 17. The Series 2001A Bonds shall bear interest from their date of delivery to the Underwriters until the Series 2001A Bonds bearing such interest have been paid or their payment duly provided for, payable semiannually on the first days of each April and October, beginning on April 1, 2002, and shall mature on April 1 of the years and in the principal amounts set forth in the Series A/B/C/E Bond Purchase Contract and as approved by the Chief Executive Officer pursuant to Section 17.

The Series 2001A Bonds shall be obligations only of the Series 2001 Bond Fund and the Series 2001 Reserve Fund created hereunder and shall be payable and secured as provided herein. The Series 2001A 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 2001B.* The Series 2001B Bonds shall be designated as "Port of Seattle Revenue Bonds, Series 2001B," shall be registered as to both principal and interest, shall be issued in the aggregate principal amount set forth in the Series A/B/C/E 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 Series A/B/C/E Bond Purchase Contract and as approved by the Chief Executive Officer pursuant to Section 17. The Series 2001B Bonds shall bear interest from their date of delivery to the Underwriters until the Series 2001B Bonds bearing such interest have been paid or their payment duly provided for, payable semiannually on the first days of each April and October, beginning on April 1, 2002,

and shall mature on April 1 of the years and in the principal amounts set forth in the Series A/B/C/E Bond Purchase Contract and as approved by the Chief Executive Officer pursuant to Section 17.

The Series 2001B Bonds shall be obligations only of the Series 2001 Bond Fund and the Series 2001 Reserve Fund created hereunder and shall be payable and secured as provided herein. The Series 2001B 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 2001C.* The Series 2001C Bonds shall be designated as "Port of Seattle Revenue Refunding Bonds, Series 2001C," shall be registered as to both principal and interest, shall be issued in the aggregate principal amount set forth in the Series A/B/C/E 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 Series A/B/C/E Bond Purchase Contract and as approved by the Chief Executive Officer pursuant to Section 17. The Series 2001C Bonds shall bear interest from their date of delivery to the Underwriters until the Series 2001C Bonds bearing such interest have been paid or their payment duly provided for, payable semiannually on the first days of each June and December, beginning on December 1, 2001, and shall mature on December 1 of the years and in the principal amounts set forth in the Series A/B/C/E Bond Purchase Contract and as approved by the Chief Executive Officer pursuant to Section 17.

The Series 2001C Bonds shall be obligations only of the Series 2001 Bond Fund and the Series 2001 Reserve Fund created hereunder and shall be payable and secured as provided

herein. The Series 2001C 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 2001D.* The Series 2001D Bonds shall be designated as “Port of Seattle Revenue Refunding Bonds, Series 2001D,” shall be registered as to both principal and interest, shall be issued in the aggregate principal amount set forth in the Series D 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 Series D Bond Purchase Contract and as approved by the Chief Executive Officer pursuant to Section 17. The Series 2001D Bonds shall bear interest from their date of delivery to the Underwriters until the Series 2001D Bonds bearing such interest have been paid or their payment duly provided for, payable semiannually on the first days of each May and November, beginning on November 1, 2002, and shall mature on November 1 of the years and in the principal amounts set forth in the Series D Bond Purchase Contract and as approved by the Chief Executive Officer pursuant to Section 17.

The Series 2001D Bonds shall be obligations only of the Series 2001 Bond Fund and the Series 2001 Reserve Fund created hereunder and shall be payable and secured as provided herein. The Series 2001D Bonds do not constitute an indebtedness of the Port within the meaning of the constitutional provisions and limitations of the State of Washington.

(e) *Series 2001E.* The Series 2001E Bonds shall be designated as “Port of Seattle Revenue Refunding Bonds, Series 2001E,” shall be registered as to both principal and interest, shall be issued in the aggregate principal amount set forth in the Series A/B/C/E 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 Series A/B/C/E Bond Purchase Contract and as approved by the Chief Executive Officer pursuant to Section 17. The Series 2001E Bonds shall bear interest from their date of delivery to the Underwriters until the Series 2001E Bonds bearing such interest have been paid or their payment duly provided for, payable semiannually on the first days of each April and October, beginning on April 1, 2002, and shall mature on October 1 of the years and in the principal amounts set forth in the Series A/B/C/E Bond Purchase Contract and as approved by the Chief Executive Officer pursuant to Section 17.

The Series 2001E Bonds shall be obligations only of the Series 2001 Bond Fund and the Series 2001 Reserve Fund created hereunder and shall be payable and secured as provided herein. The Series 2001E 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 2001 Bonds shall be subject to optional redemption on the dates, at the prices and under the terms set forth in the Bond Purchase Contracts and as approved by the Chief Executive Officer pursuant to Section 17.

(b) *Mandatory Redemption.* The Series 2001 Bonds shall be subject to mandatory redemption if and to the extent set forth in the Bond Purchase Contracts and as approved by the Chief Executive Officer pursuant to Section 17.

(c) *Purchase of Series 2001 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, Section 5.01(b) of Resolution No. 3354, as amended, and Section 4.01(b) of Resolution No. 3456, as amended, to purchase for retirement any of the Series 2001 Bonds offered to the Port at any price deemed reasonable to the Designated Port Representative.

(d) *Selection of Series 2001 Bonds for Redemption.* If Series 2001 Bonds are called for optional redemption, the series and maturities of Series 2001 Bonds to be redeemed shall be selected by the Port. If any Series 2001 Bonds to be redeemed (optional or mandatory) then are held in book-entry-only form, the selection of Series 2001 Bonds to be redeemed within a maturity shall be made in accordance with the operational arrangements then in effect at DTC. If the Series 2001 Bonds to be redeemed are no longer held in book-entry-only form, the selection of such Series 2001 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 2001 Bonds of a series having the same maturity date, the particular Series 2001 Bonds or portions of Series 2001 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 2001 Bond of a series of a denomination greater than \$5,000, the Port and Registrar shall treat each Series 2001 Bond of that series as representing such number of separate Series 2001 Bonds each of the denomination of \$5,000 as is obtained by dividing the actual principal amount of such Series 2001 Bond of that series by \$5,000. In the event that only a portion of the principal sum

of a Series 2001 Bond is redeemed, upon surrender of such Series 2001 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 a Series 2001 Bond or, at the option of the Registered Owner, Series 2001 Bonds 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 2001 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 2001 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 such notice is actually received by the Registered Owners.

So long as the Series 2001 Bonds are in book-entry only form, notice of redemption shall be given to beneficial owners of Series 2001 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 2001 Bonds shall contain the following information: (1) the redemption date, (2) the redemption price, (3) if fewer than all outstanding Series 2001 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 2001 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 date fixed for redemption if and to the extent that funds have been provided to the Registrar for the redemption of Series 2001 Bonds) on the date fixed for redemption the redemption price will become due and payable upon each Series 2001 Bond or portion called for redemption, and that interest shall cease to accrue from the date fixed for redemption, (5) that the Series 2001 Bonds are to be surrendered for payment at the principal office of the Registrar, (6) the CUSIP numbers of all Series 2001 Bonds being redeemed, (7) the dated date of the Series 2001 Bonds being redeemed, (8) the rate of interest for each Series 2001 Bond being redeemed, (9) the date of the notice, and (10) any other information deemed necessary by the Registrar to identify the Series 2001 Bonds being redeemed.

Upon the payment of the redemption price of Series 2001 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 2001 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 for such purpose, will be sufficient to redeem, on the date fixed for redemption, all the Series 2001 Bonds to be redeemed. If and to the extent that funds have been provided to the Registrar for the redemption of Series 2001 Bonds then from and after the date fixed for redemption for such Series 2001 Bond, interest on each such Series 2001 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 2001 Bonds, maintaining the Bond Register and effecting transfer of ownership of the Series 2001 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 2001 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 2001 Bonds transferred or exchanged in accordance with the provisions of such Series 2001 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 2001 Bonds.

(b) *Registered Ownership.* Except as provided in Section 19, the Port and the Registrar may deem and treat the Registered Owner of each Series 2001 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 2001 Bond shall be made only as described in subsection (h) hereof, but the transfer of such Series 2001 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 2001 Bond to the extent of the amount or amounts so paid.

(c) *DTC Acceptance/Letter of Representations.* The Series 2001 Bonds shall initially be held in fully immobilized form by DTC acting as depository. To induce DTC to accept the Series 2001 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 2001 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 2001 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 2001 Bonds, or any consent given or other action taken by DTC as the Registered Owner. Except as provided in the Port’s undertaking for ongoing disclosure with respect to the Series 2001 Bonds, if any, or so long as any Series 2001 Bonds are held in fully immobilized form hereunder, DTC or its successor depository shall be deemed to be the owner and 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 2001 Bonds. Notwithstanding the foregoing, if a Bond Insurance Policy is issued for any series of the Series 2001 Bonds, the Bond Insurer shall be deemed to be the owner and holder of all bonds of that series for the purpose of granting consents and exercising voting rights with respect thereto and for any other purpose identified and specified in the Bond Insurance Commitment accepted by the Port as a condition of issuance of the Bond Insurance Policy.

(d) *Use of Depository.*

(1) The Series 2001 Bonds shall be registered initially in the name of CEDE & Co., as nominee of DTC, with a single Series 2001 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 2001 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 2001 Bonds, together with a written request on behalf of the Port, issue a single new Series 2001 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 2001

Bonds of any series that the Series 2001 Bonds of that series be provided in certificated form, the ownership of such Series 2001 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 2001 Bonds (of the appropriate series) in certificated form, to issue Series 2001 Bonds in any authorized denomination. Upon receipt by the Registrar of all then outstanding Series 2001 Bonds (of the appropriate series), together with a written request on behalf of the Port to the Registrar, new Series 2001 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 2001 Bonds; Change in Denominations.* The transfer of any Series 2001 Bond may be registered and any Series 2001 Bond may be exchanged, but no transfer of any Series 2001 Bond shall be valid unless the Series 2001 Bond is surrendered to the Registrar with the assignment form appearing on such Series 2001 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 2001 Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee, a new Series 2001 Bond (or Series 2001 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 2001 Bond, in exchange for such surrendered and canceled Series 2001 Bond. Any Series 2001 Bond may be surrendered to the Registrar, together with the assignment form appearing on such Series 2001 Bond duly executed, and exchanged, without charge, for an

equal aggregate principal amount of Series 2001 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 2001 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 2001 Bonds, after the mailing of notice of the call of such Series 2001 Bonds for redemption.

(f) *Registrar's Ownership of Series 2001 Bonds.* The Registrar may become the Registered Owner of any Series 2001 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 2001 Bonds.

(g) *Registration Covenant.* The Port covenants that, until all Series 2001 Bonds have been surrendered and canceled, it will maintain a system for recording the ownership of each Series 2001 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 2001 Bonds shall be payable in lawful money of the United States of America. For so long as all Series 2001 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 2001 Bonds are no longer in fully immobilized form, interest on the Series 2001 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 2001 Bonds shall be payable by check upon presentation and surrender of such Series 2001 Bonds by the Registered Owners at the principal office of the Registrar; provided, however, that if so requested in writing prior to 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 2001 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 2001 Bond Fund and Series 2001 Reserve Fund.

(a) *Series 2001 Bond Fund.* A special fund of the Port designated the “Port of Seattle Revenue and Refunding Bond Fund, Series 2001” (the “Series 2001 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 2001 Bonds. The Series 2001 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 2001 Bonds.

The Series 2001 Bonds shall be obligations only of the Series 2001 Bond Fund and the Series 2001 Reserve Fund hereinafter created hereunder and shall be payable and secured as provided herein. The Series 2001 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 2001 Bonds remain Outstanding to set aside and pay into the Series 2001 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 2001 Bonds; and

(2) such amounts as are required to pay maturing principal or principal being redeemed of Outstanding Series 2001 Bonds.

(b) *Series 2001 Reserve Fund.* A Series 2001 Reserve Fund (the “Series 2001 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 2001 Bonds. A minimum amount shall be established as the Series 2001 Reserve Fund Requirement(s) for the Series 2001 Bonds. The Series 2001 Reserve Fund Requirement may be established as fixed dollar amount(s) or be determined pursuant to a formula either as aggregate number(s) for one or more series of the Series 2001 Bonds or on a series by series basis. The Series 2001 Reserve Fund Requirement(s) shall, in any event, be no less than fifty percent (50%) of average annual debt service of the series of Bonds that are subject to the Series 2001 Reserve Fund Requirement (but may be a higher amount within the limitations established by the Tax and Arbitrage Certificate). The Series 2001 Reserve Fund Requirement shall be stated within the terms of the Series A/B/C/E Bond Purchase Contract and the Series D Bond Purchase Contract, respectively, subject to the approval of the Chief Executive Officer in accordance with the terms of Section 17 hereof, and upon the approval of the Series A/B/C/E Bond Purchase Contract and the Series D Bond Purchase Contract, the Series 2001 Reserve Fund Requirement(s) stated therein shall be deemed incorporated herein by reference without further action by the Commission.

The Designated Port Representative may decide to utilize one or more Surety Bonds to satisfy the Series 2001 Reserve Fund Requirement; provided that each Surety Bond meets the qualifications for Qualified Insurance. Upon such election, the Designated Port Representative is

hereby authorized to execute and deliver one or more Surety Bond Agreements with one or more Surety Bond Issuers to effect the delivery of the Surety Bond(s).

The portion of the Series 2001 Reserve Fund Requirement(s) allocable to the Series 2001 Bonds of a series shall be fully funded on the date of issuance the Series 2001 Bonds of such series. The Series 2001 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 2001 Reserve Fund, all or a portion of the money on hand in the Series 2001 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 2001 Reserve Fund, Qualified Insurance and/or a Qualified Letter of Credit shall be valued at the lower of the face amount thereof and the amount available to be drawn thereunder, and all other obligations purchased as an investment of moneys therein shall be valued on a marked to market basis, valued at least once annually. 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 2001 Reserve Fund may be satisfied by the transfer of qualified investments to such account. If a deficiency in the Series 2001 Reserve Fund Requirement shall exist as a result of the foregoing valuation, such deficiency shall be made up within a year thereof.

If the balance on hand in the Series 2001 Reserve Fund is sufficient to satisfy the Series 2001 Reserve Fund Requirement, interest earnings shall be applied as provided in the following sentences. Whenever there is a sufficient amount in the Series 2001 Bond Fund and

the Series 2001 Reserve Fund to pay the principal of, premium, if any, and interest on all Outstanding Series 2001 Bonds, the money in the Series 2001 Reserve Fund may be used to pay such principal and interest. So long as the money left remaining on deposit in the Series 2001 Reserve Fund is equal to the Series 2001 Reserve Fund Requirement, money in the Series 2001 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 2001 Reserve Fund any money required in order to prevent any Series 2001 Bonds from becoming “arbitrage bonds” under the Code.

If a deficiency in the Series 2001 Bond Fund shall occur, such deficiency shall be made up from the Series 2001 Reserve Fund by the withdrawal of cash therefrom for that purpose and by the sale or redemption of obligations held in the Series 2001 Reserve Fund, in such amounts as will provide cash in the Series 2001 Reserve Fund sufficient to make up any such deficiency with respect to the Series 2001 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 then credited to the Series 2001 Reserve Fund for the Series 2001 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 2001 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 2001 Bonds shall be permitted, and no remedies that adversely affect Registered Owners of the Series 2001 Bonds shall be permitted. Any deficiency created in the Series 2001 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 2001 Bond Fund within such year.

In making the payments and credits to the Series 2001 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 2001 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 2001 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 2001 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 2001 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 2001 Bond Fund and the Series 2001 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 2001 Bond Fund and the Series 2001 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 2001 Bond Fund not needed to pay the interest or principal and interest next coming due on any Outstanding Series 2001 Bonds or to maintain required reserves therefor may be used to purchase or redeem and retire Series 2001 Bonds within the limitations provided herein and in Section 2 of the Master Resolution. Money in the Series 2001 Bond Fund and the Series 2001 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 bids 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 2001 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 2001 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 2001 Bond Fund or any account therein for the payment of the principal of, premium, if any, and interest on the applicable series of Series 2001 Bonds so provided for and such series of Series 2001 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 2001 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 2001 Bonds, the Port shall provide notice of defeasance of Series 2001 Bonds to Registered Owners of Series 2001 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 Accounts.* Special accounts are hereby authorized to be created by the Treasurer or by the Escrow Agent at the direction of the Treasurer, which accounts are to be drawn 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 Series C Refunded Bonds, the Series D Refunded Bonds and the Series E Refunded Bonds, respectively. The Treasurer shall hold or cause the Escrow Agent to hold at all times these special accounts as trust funds for the benefit of the owners of the Series C Refunded Bonds, the Series D Refunded Bonds and the Series E 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 for the benefit of the Series C Refunded Bonds, the Series D Refunded Bonds and the Series E Refunded Bonds to be commingled with any other funds or securities of the Treasurer. The Treasurer shall cause the assets and amounts on deposit in each special account to be held and disposed of only as set forth in this Section 9 and the applicable Escrow Deposit Agreement.

(b) *Application of Series 2001C, Series 2001D and Series 2001E Bond Proceeds.*

(1) Series 2001C. A portion of the net proceeds of the Series 2001C Bonds (exclusive of any amounts designated by the Designated Port Representative either in the Series A/B/C/E Bond Purchase Contract or in a closing certificate to be (i) deposited to the Series 2001 Reserve Fund, (ii) used to pay the Bond Insurance Policy premium, if any, (iii) allocated to costs of issuance, (iv) or used to pay the cost of purchasing the Surety Bond, if any, for the Series 2001C Bonds), together with other available funds of the Port in the amount

specified by the Designated Port Representative, shall be paid at the direction of the Treasurer to the Escrow Agent.

(2) Series 2001D. A portion of the net proceeds of the Series 2001D Bonds (exclusive of any amounts designated by the Designated Port Representative either in the Series D Bond Purchase Contract or in a closing certificate to be (i) deposited to the Series 2001 Reserve Fund, (ii) used to pay the Bond Insurance Policy premium, if any, (iii) allocated to costs of issuance, (iv) or used to pay the cost of purchasing the Surety Bond, if any, for the Series 2001D Bonds), together with other available funds of the Port in the amount specified by the Designated Port Representative, shall be paid at the direction of the Treasurer to the Escrow Agent.

(3) Series 2001E. A portion of the net proceeds of the Series 2001E Bonds (exclusive of any amounts designated by the Designated Port Representative either in the Series A/B/C/E Bond Purchase Contract or in a closing certificate to be (i) deposited to the Series 2001 Reserve Fund, (ii) used to pay the Bond Insurance Policy premium, if any, (iii) allocated to costs of issuance, (iv) or used to pay the cost of purchasing the Surety Bond, if any, for the Series 2001E Bonds), together with other available funds of the Port in the amount specified by the Designated Port Representative, shall be paid at the direction of the Treasurer to the Escrow Agent.

(c) *Defeasance of Refunded Bonds.*

(1) Series 2001C. The net proceeds of the Series 2001 C Bonds so deposited shall be utilized immediately upon receipt thereof to purchase the Government Obligations specified by the Designated Port Representative (which obligations so purchased, are herein called "Series C Acquired Obligations") and to maintain such necessary beginning cash balance to

defease the Series C Refunded Bonds and to discharge the other obligations of the Port relating thereto under the resolution(s) authorizing their issuance, by providing for the payment of the interest on the Series C Refunded Bonds to the date fixed for redemption and the redemption price (principal and premium) on the redemption date for the Series C Refunded Bonds. When the final transfers have been made for the payment of such redemption price and interest on the Series C Refunded Bonds, any balance then remaining shall be transferred to the account designated by the Port and to be used for the purposes specified by the Designated Port Representative.

(2) Series 2001D. The net proceeds of the Series 2001 D Bonds shall be utilized immediately upon receipt thereof to purchase the Government Obligations specified by the Designated Port Representative (which obligations so purchased, are herein called “Series D Acquired Obligations”) and to maintain such necessary beginning cash balance to defease the Series D Refunded Bonds and to discharge the other obligations of the Port relating thereto under the resolution(s) authorizing their issuance, by providing for the payment of the interest on the Series D Refunded Bonds to the date fixed for redemption and the redemption price (principal and premium) on the redemption date for the Series D Refunded Bonds. When the final transfers have been made for the payment of such redemption price and interest on the Series D Refunded Bonds, any balance then remaining shall be transferred to the account designated by the Port and to be used for the purposes specified by the Designated Port Representative.

(3) Series 2001E. The net proceeds of the Series 2001 E Bonds shall be utilized immediately upon receipt thereof to purchase the Government Obligations specified by the Designated Port Representative (which obligations so purchased, are herein called “Series E Acquired Obligations”) and to maintain such necessary beginning cash balance to defease the

Series E Refunded Bonds and to discharge the other obligations of the Port relating thereto under the resolution(s) authorizing their issuance, by providing for the payment of the interest on the Series E Refunded Bonds to the date(s) fixed for redemption and the redemption price (principal and premium) on the redemption date(s) for the Series E Refunded Bonds. When the final transfers have been made for the payment of such redemption price and interest on the Series E Refunded Bonds, any balance then remaining shall be transferred to the account designated by the Port.

(d) *Acquired Obligations.*

(1) Series 2001C. The Series C 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:

(i) the interest on the Series C Refunded Bonds as such becomes due on and before the call date(s) for the Series C Refunded Bonds; and

(ii) the price of redemption of the Series C Refunded Bonds on the call date(s) for the Series C Refunded Bonds.

If, for any reason, at any time, the cash balances on deposit or scheduled to be on deposit shall be insufficient to transfer the amounts required to make such payments, the Port shall timely deposit additional funds in the amounts required to make such payments.

(2) Series 2001D. The Series D 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:

(i) the interest on the Series D Refunded Bonds as such becomes due on and before the call date(s) for the Series D Refunded Bonds; and

(ii) the price of redemption of the Series D Refunded Bonds on the call date(s) for the Series D Refunded Bonds.

If, for any reason, at any time, the cash balances on deposit or scheduled to be on deposit shall be insufficient to transfer the amounts required to make such payments, the Port shall timely deposit additional funds in the amounts required to make such payments.

(3) Series 2001E. The Series E 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:

(i) the interest on the Series E Refunded Bonds as such becomes due on and before the call date(s) for the Series E Refunded Bonds; and

(ii) the price of redemption of the Series E Refunded Bonds on the call date(s) for the Series E Refunded Bonds.

If, for any reason, at any time, the cash balances on deposit or scheduled to be on deposit shall be insufficient to transfer the amounts required to make such payments, the Port shall timely deposit additional funds in the amounts required to make such payments.

(e) *Appointment of Escrow Agent*. The Port hereby appoints Chase Manhattan Trust Company, National Association, as the Escrow Agent for the Series C Refunded Bonds, the Series D Refunded Bonds and the Series E Refunded Bonds (the “Escrow Agent”).

Section 10. Redemption of Refunded Bonds.

(1) Series 2001C. The Commission hereby calls the Series C Refunded Bonds for redemption on the call date(s) specified in the Escrow Agreement – Series C in accordance with

the provisions of the resolutions authorizing the issuance, redemption and retirement of the Series C Refunded Bonds prior to their fixed maturities.

Said defeasance and call for redemption of the Series C Refunded Bonds shall be irrevocable after the delivery of the proceeds of the Series 2001C Bonds (and/or Series C Acquired Obligations purchased with such proceeds) as described in Section 9(d) to the Escrow Agreement – Series C.

The Escrow Agent is hereby authorized and directed to provide for the giving of irrevocable notice of the redemption of the Series C Refunded Bonds in accordance with the terms of the resolutions authorizing the issuance of the Series C Refunded Bonds and as described in the Escrow Agreement—Series C (hereinafter authorized). The Treasurer is authorized and requested to provide whatever assistance is necessary to accomplish such redemption and the giving of notice therefor. The costs of mailing of such notice shall be an expense of the Port.

The Escrow Agent is hereby authorized and directed to pay to the fiscal agency or agencies of the State of Washington, sums sufficient to pay, when due, the payments specified in Section 9(d) of this series resolution. All such sums shall be paid from the moneys and the Series C Acquired Obligations deposited with said Escrow Agent pursuant to the previous section of this series resolution, and the income therefrom and proceeds thereof.

The Port will take such actions as are found necessary to ascertain that all necessary and proper fees, compensation and expenses of the Escrow Agent for the Series C Refunded Bonds shall be paid when due. The Designated Port Representative is authorized and directed to execute and deliver the Escrow Agreement—Series C to the Escrow Agent when the provisions thereof have been fixed and determined for closing and delivery of the Series C Refunding Bonds. Such

Escrow Agreement—Series C shall be substantially in the form of Exhibit C attached to this series resolution and by this reference hereby made a part of this series resolution.

(2) Series 2001D. The Commission hereby calls the Series D Refunded Bonds for redemption on the call date(s) specified in the Escrow Agreement – Series D in accordance with the provisions of the resolutions authorizing the issuance, redemption and retirement of the Series D Refunded Bonds prior to their fixed maturities.

Said defeasance and call for redemption of the Series D Refunded Bonds shall be irrevocable after the delivery of the proceeds of the Series 2001D Bonds (and/or Series D Acquired Obligations purchased with such proceeds) as described in Section 9(d) to the Escrow Agreement – Series D.

The Escrow Agent is hereby authorized and directed to provide for the giving of irrevocable notice of the redemption of the Series D Refunded Bonds in accordance with the terms of the resolutions authorizing the issuance of the Series D Refunded Bonds and as described in the Escrow Agreement—Series D (hereinafter authorized). The Treasurer is authorized and requested to provide whatever assistance is necessary to accomplish such redemption and the giving of notice therefor. The costs of mailing of such notice shall be an expense of the Port.

The Escrow Agent is hereby authorized and directed to pay to the fiscal agency or agencies of the State of Washington, sums sufficient to pay, when due, the payments specified in Section 9(d) of this series resolution. All such sums shall be paid from the moneys and the Series D Acquired Obligations deposited with said Escrow Agent pursuant to the previous section of this series resolution, and the income therefrom and proceeds thereof.

The Port will take such actions as are found necessary to ascertain that all necessary and proper fees, compensation and expenses of the Escrow Agent for the Series D Refunded Bonds shall be paid when due. The Designated Port Representative is authorized and directed to execute and deliver the Escrow Agreement—Series D to the Escrow Agent when the provisions thereof have been fixed and determined for closing and delivery of the Series D Refunding Bonds. Such Escrow Agreement—Series D shall be substantially in the form of Exhibit C attached to this series resolution and by this reference hereby made a part of this series resolution.

(3) Series 2001E. The Commission hereby calls the Series E Refunded Bonds for redemption on the call date(s) specified in the Escrow Agreement – Series E in accordance with the provisions of the resolutions authorizing the issuance, redemption and retirement of the Series E Refunded Bonds prior to their fixed maturities.

Said defeasance and call for redemption of the Series E Refunded Bonds shall be irrevocable after the delivery of the proceeds of the Series 2001E Bonds (and/or Series E Acquired Obligations purchased with such proceeds) as described in Section 9(d) to the Escrow Agreement – Series E.

The Escrow Agent is hereby authorized and directed to provide for the giving of irrevocable notice of the redemption of the Series E Refunded Bonds in accordance with the terms of the resolutions authorizing the issuance of the Series E Refunded Bonds and as described in the Escrow Agreement—Series E (hereinafter authorized). The Treasurer is authorized and requested to provide whatever assistance is necessary to accomplish such redemption and the giving of notice therefor. The costs of mailing of such notice shall be an expense of the Port.

The Escrow Agent is hereby authorized and directed to pay to the fiscal agency or agencies of the State of Washington, sums sufficient to pay, when due, the payments specified in Section 9(d) of this series resolution. All such sums shall be paid from the moneys and the Series E Acquired Obligations deposited with said Escrow Agent pursuant to the previous section of this series resolution, and the income therefrom and proceeds thereof.

The Port will take such actions as are found necessary to ascertain that all necessary and proper fees, compensation and expenses of the Escrow Agent for the Series E Refunded Bonds shall be paid when due. The Designated Port Representative is authorized and directed to execute and deliver the Escrow Agreement—Series E to the Escrow Agent when the provisions thereof have been fixed and determined for closing and delivery of the Series E Refunding Bonds. Such Escrow Agreement—Series E shall be substantially in the form of Exhibit C attached to this series resolution and by this reference hereby made a part of this series resolution.

Section 11. Disposition of Series 2001A and Series 2001B Bond Proceeds.

(a) *Series 2001A Bond Proceeds.* The proceeds of the Series 2001A Bonds, net of Underwriters' discount, 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 2001A Bonds shall be deposited in the Capitalized Interest Account-Series 2001A (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 (either in the Series A/B/C/E Bond Purchase Contract or in a closing certificate) shall be deposited to the Series 2001 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 (or allocable to) the Series 2001A Bonds shall be paid to the Surety Bond Issuer; and

(4) The remainder of the proceeds of the 2001A Bonds shall be paid into the Construction Fund—2001A (hereinafter authorized to be created).

The Treasurer of the Port is hereby authorized and directed to create a special account, the “Port of Seattle 2001A Capitalized Interest Account” (the “Capitalized Interest Account-Series 2001A”) for the purpose of holding Series 2001A Bond proceeds and interest earnings thereon to be used and disbursed to pay interest on the Series 2001A 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, 2001A” (the “Construction Fund—2001A”). The money on deposit in the Construction Fund—2001A and the interest earnings thereon 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 2001A Bonds, to the extent designated by the Designated Port Representative.

All or part of the proceeds of the Series 2001A 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 or otherwise be subject to liquidation 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 2001A 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 2001A Bonds remaining in the Construction Fund-2001A and the Series 2001A 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 2001 Bond Fund for the uses and purposes therein provided.

(b) *Series 2001B Bond Proceeds.* The proceeds of the Series 2001B Bonds, net of Underwriters' discount, 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 2001B Bonds shall be deposited in the Capitalized Interest Account-Series 2001B (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 (either in the Series A/B/C/E Bond Purchase Contract or in a closing certificate) shall be deposited to the Series 2001 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 (or allocable to) the Series 2001B Bonds shall be paid to the Surety Bond Issuer; and

(4) The remainder of the proceeds of the 2001B Bonds shall be paid into the Construction Fund—2001B (hereinafter authorized to be created).

The Treasurer of the Port is hereby authorized and directed to create a special account, the "Port of Seattle 2001B Capitalized Interest Account" (the "Capitalized Interest Account-Series 2001B") for the purpose of holding Series 2001B Bond proceeds and interest

earnings thereon to be used and disbursed to pay interest on the Series 2001B 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, 2001B" (the "Construction Fund—2001B"). The money on deposit in the Construction Fund—2001B 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 AMT Projects and costs incidental thereto, and costs incurred in connection with the issuance and sale of the Series 2001B Bonds, to the extent designated by the Designated Port Representative.

All or part of the proceeds of the Series 2001B 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 or otherwise be subject to liquidation 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 2001B 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 2001 Bonds remaining in the Construction Fund—2001B and the Capitalized Interest Account—Series 2001B 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 2001 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 2001 Bonds under Section 103 of the Code as set forth in the Tax and Arbitrage Certificate.

(b) *No Bank Qualification.* The Series 2001 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 2001 Bonds. In case any Series 2001 Bond shall be lost, stolen, mutilated or destroyed, the Registrar may execute and deliver a new Series 2001 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 2001 Bond was actually lost, stolen or destroyed (including the presentation of a mutilated Series 2001 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 2001 Bonds and Registration Certificate.

(a) *Series 2001 Bonds.* The Series 2001 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 2001 ____

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 2001" (the "Series 2001 Bond Fund") created by Resolution No. 3462, as amended (together with Resolution No. 3059, as amended, and 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 2001 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 _____ and _____ beginning on _____. 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] [finance airport capital improvements]. Simultaneously herewith, the Port is issuing another series of revenue bonds: its Revenue Bonds, Series 2001__ in the principal amount of \$_____, its Revenue [Refunding] Bonds, Series 2001__ in the principal amount of \$_____ and its Revenue Refunding Bonds, Series 2001__ 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 2001 Bond Fund and the Series 2001 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 2001 Bond Fund and Series 2001 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 _____, 200__.

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 2001__ of the Port of Seattle, dated _____, 200__.

WASHINGTON STATE FISCAL AGENCY, as
Registrar

By _____
Authorized Signer

In the event any Series 2001 Bonds are no longer in fully immobilized form, the form of such Series 2001 Bonds may be modified to conform to printing requirements and the terms of this series resolution.

Section 15. Execution. The Series 2001 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 2001 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 2001 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 2001 Bonds shall cease to be such officer or officers of the Port before the Series 2001 Bonds so signed shall have been authenticated or delivered by the Registrar, or issued by the Port, such Series 2001 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 2001 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 2001 Bond shall be the proper officers of the Port although at the original date of such Series 2001 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 2001 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 2001 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 2001 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 2001 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 2001 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 2001 Bonds shall be entitled to exercise the

remedies specified in Section 20 of the Master Resolution; but only with respect to the Series 2001 Bonds.

Section 17. Sale of Series 2001 Bonds. The Series 2001 Bonds shall be sold at negotiated sale to the Underwriters pursuant to the terms of the Bond Purchase Contracts. The Designated Port Representative is hereby authorized to negotiate terms for the purchase of the Series 2001 Bonds and execute the Bond Purchase Contracts, with such terms (including the designation of the Series 2001 Reserve Fund Requirement(s)) as are approved by the Chief Executive Officer (formerly designated as the Executive Director) pursuant to this section and consistent with this series resolution and Resolution No. 3436, as amended. 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 2001C Bonds, Series 2001D Bonds and Series 2001E 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 Chief Executive Officer 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 2001 Bonds. In designating the aggregate principal amounts and principal amounts of each maturity for the Series 2001C Bonds, the Series 2001D Bonds and the Series 2001E Bonds, the Chief Executive Officer shall also designate the Refunding Candidates to be refunded thereby. The Chief Executive Officer 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 2001 Bonds in the manner provided hereafter so long as the aggregate principal amount of the Series 2001 Bonds

does not exceed \$700,000,000 and so long as the true interest cost for the Series 2001 Bonds (in the aggregate) does not exceed 5.90%.

In addition, the issuance and delivery of the Series 2001C 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 2001C Bonds equal to at least 2.0% of the principal amount of the Series C Refunded Bonds. The Chief Executive Officer is authorized to approve the principal maturities of the Series 2001C Bonds in amounts sufficient to provide sufficient funds for the defeasance of all or any portion of the Series C Refunding Candidates (which Candidates when finally designated by the Chief Executive Officer shall be the "Series C Refunded Bonds"). The Series 2001C Bonds shall be sized to provide sufficient funds to pay interest on the Series C Refunded Bonds and the redemption price thereof on their designated call date(s), respectively.

In addition, the issuance and delivery of the Series 2001E 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 2001E Bonds equal to at least 2.0% of the principal amount of the Series E Refunded Bonds. The Chief Executive Officer is authorized to approve the principal maturities of the Series 2001E Bonds in amounts sufficient to provide sufficient funds for the defeasance of all or any portion of the Series E Refunding Candidates (which Candidates when finally designated by the Chief Executive Officer shall be the "Series E Refunded Bonds"). The Series 2001E Bonds shall be sized to provide sufficient funds to pay interest on the Series E Refunded Bonds and the redemption price thereof on their designated call date(s), respectively.

In addition, the issuance and delivery of the Series 2001D 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 2001D Bonds equal to at least 2.0% of the principal amount of the Series D Refunded

Bonds. The Chief Executive Officer is authorized to approve the principal maturities of the Series 2001D Bonds in amounts sufficient to provide sufficient funds for the defeasance of all or any portion of the Series D Refunding Candidates (which Candidates when finally designated by the Chief Executive Officer shall be the "Series D Refunded Bonds"). The Series 2001D Bonds shall be sized to provide sufficient funds to pay interest on the Series D Refunded Bonds and the redemption price thereof on their designated call date(s), respectively. The Series D Bond Purchase Contract shall also specify that the Series 2001D Bonds shall be delivered on a date mutually agreed upon by the Designated Port Representative and the Underwriter, not earlier than 90 days before the call date for the Series D Refunded Bonds.

In determining the final interest rates, maturity dates, aggregate principal amounts, principal maturities, redemption rights of the Series 2001 Bonds, Refunding Candidates, Series 2001 Reserve Fund Requirement and call dates for the Refunded Bonds, the Chief Executive Officer, 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 true interest cost on the Series 2001 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 2001 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 Contracts, upon the Chief Executive Officer'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 Contracts, the Chief Executive Officer shall provide a report to the Commission, describing the final terms of the Series 2001 Bonds approved pursuant to the authority delegated in this section. The authority granted to the Chief Executive Officer 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 2001 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 2001 Bond shall be rescinded, and such Series 2001 Bonds shall not be issued nor their sale approved unless such Series 2001 Bonds shall have been re-authorized by resolution of the Commission. The resolution re-authorizing the issuance and sale of such Series 2001 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 2001 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 2001 Bonds to the Underwriters thereof and further to execute the Escrow Agreement(s) and all closing certificates and documents required to effect the closing and delivery of the Series 2001 Bonds in accordance with the terms of the Bond Purchase Contracts.

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) and any supplement thereto relating to the issuance and sale of the Series 2001 Bonds and the distribution of the Series 2001 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 2001A and Series 2001B 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 (2000); and

Second: The Commission has been assured that prior to the issuance and delivery of the Series 2001 Bonds, the Port will have on hand a certificate from the U.S. Bancorp Piper Jaffray Inc., as 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 2001A Bonds and the Series 2001B Bonds or (2) the date on which any portion of interest on the Series 2001A and the Series 2001B Bonds no longer will be paid from the proceeds thereof and for the following two fiscal years. U.S. Bancorp Piper Jaffray Inc. is hereby appointed and designated as a Consultant for the purpose of preparing the certification required under Section 5 of the Master Resolution in connection with the issuance of the Series 2001A and Series 2001B Bonds.

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 2001A Bonds and the Series 2001B 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 2001C Bonds, Series 2001D and Series 2001E Bonds.* The Commission hereby finds and determines as required by Section 5 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 (2000).

The Commission hereby further finds and determines that the Series 2001C Bonds, the Series D Bonds and/or the Series 2001E Bonds shall not be issued unless the Port can demonstrate compliance with all conditions to the issuance of such Bonds set forth in Section 6 and/or Section 5 the Master Resolution so that 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 2001C Bonds, the Series 2001D Bonds and/or the Series 2001E Bonds, as the case may be, 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 2001 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, 2002 for the fiscal year ending December 31, 2001, 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 and identified in a closing certificate executed by the Designated Port Representative and referencing this section.

Any or all of the listed items 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 2001 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 2001 Bonds;
- Modifications to rights of owners;
- Optional, contingent or unscheduled Series 2001 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 2001 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 2001 Bonds, the Port will state in its Preliminary and Final Official Statements that there is no property securing the repayment of the Series 2001 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 2001 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 2001 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 (including the items in the closing certificate referenced above) 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 2001 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 2001 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 2001 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.

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 2001 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.

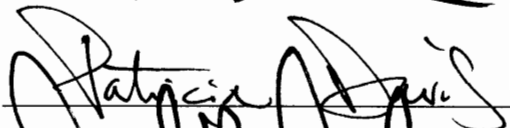
Section 22. Effective Date. This series resolution shall be effective immediately upon its adoption.

ADOPTED by the Port Commission of the Port of Seattle at a regular meeting thereof, held this 28th day of August, 2001, 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



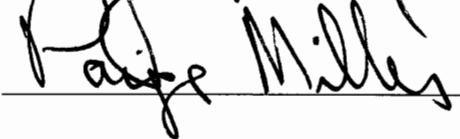
BOB EDWARDS



PATRICIA DAVIS



JACK BLOCK



PAIGE MILLER

Commissioners

EXHIBIT A-1

Non-AMT Projects

Runway construction, safety area construction, repairs and improvements; airfield infrastructure repairs and upgrades; noise mitigation; environmental permitting, utilities, mitigation work, communications systems, maintenance facilities, computer systems; roadway and ground transportation improvements; planning work relating to future facilities at or near the Airport; property acquisitions for Airport expansion adjacent or near to the Airport at Seattle-Tacoma International Airport, 17801 Pacific Highway South, Seatac, WA 98158, which is owned and operated by the Port.

EXHIBIT A-2

AMT Projects

Runway, apron and safety area construction, repairs and improvements; airfield infrastructure repairs and upgrades; noise mitigation; Airport Terminal construction, modification, repairs, improvements and expansion, including equipment acquisition; hazardous materials abatement; maintenance facility replacement; roadway and ground transportation improvements; planning work relating to future facilities at or near the Airport; property acquisitions for Airport expansion adjacent or near to the Airport and other airport improvements that are functionally related to the airfield, air terminal and Airport property improvements described above at Seattle-Tacoma International Airport, 17801 Pacific Highway South, Seatac, WA 98158, which is owned and operated by the Port.

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 3462 (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 28th day of August, 2001, 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 28th day of August 28, 2001.



Secretary PATRICIA DAVIS

Exhibit B-1

Series C Refunding Candidates

<u>Resolution Number</u>	<u>Date of Issue</u>	<u>Original Principal Amt.</u>	<u>Currently Outstanding (8/02/01)</u>	<u>First Call Dates</u>	<u>Final Maturity Dates</u>
3060	2/1/90	(B)\$ 59,969,771.35	\$13,969,771.35	*	12/1/14

* Current interest bonds remaining outstanding may be called in whole at any time (with appropriate notice).

Exhibit B-2

Series D Refunding Candidates

<u>Resolution Number</u>	<u>Date of Issue</u>	<u>Original Principal Amt.</u>	<u>Currently Outstanding (8/02/01)</u>	<u>First Call Dates</u>	<u>Final Maturity Dates</u>
3111	4/1/92	(B) \$115,440,000.00	\$73,165,000.00	11/1/02	11/1/17

Exhibit B-3

Series E Refunding Candidates

<u>Resolution Number</u>	<u>Date of Issue</u>	<u>Original Principal Amt.</u>	<u>Currently Outstanding (8/02/01)</u>	<u>First Call Dates</u>	<u>Final Maturity Dates</u>
3111	4/1/92	(A) 25,450,000.00	3,965,000.00	11/1/02	11/1/05
3242	5/1/97	(A) 120,375,000.00	120,375,000.00	10/1/07	10/1/22

EXHIBIT C

ESCROW DEPOSIT AGREEMENT PORT OF SEATTLE REVENUE REFUNDING BONDS, SERIES 2001[C/D/E]

THIS ESCROW DEPOSIT AGREEMENT, dated as of _____, 200_ (herein, together with any amendments or supplements hereto, called the "Agreement") is entered into by and between the Port of Seattle (herein called the "Port") and Chase Manhattan Trust Company, National Association, as escrow agent (herein, together with any successor in such capacity, called the "Escrow Agent"). The notice addresses of the Port, the Port Treasurer and the Escrow Agent are shown on Exhibit A attached hereto and made a part hereof.

WITNESSETH:

WHEREAS, the Port heretofore has issued certain revenue bonds presently remaining outstanding as identified and described in Exhibit B (the "Series [C][D][E] Refunded Bonds"); and

WHEREAS, pursuant to Resolution No. 3462, as amended adopted on _____, 2001 (the "Series Resolution"), the Port has determined to issue its Revenue Refunding Bonds, Series 2001[C/D/E] (the "Series [C/D/E] Refunding Bonds") for the purpose of providing funds to pay the costs of refunding the Series [C/D/E] Refunded Bonds; and

WHEREAS, the Escrow Agent has reviewed the Series Resolution and this Agreement, and is willing to serve as Escrow Agent hereunder.

WHEREAS, _____ of _____, have prepared a verification report which is dated _____, 200_ (the "Verification Report") relating to the source and use of funds available to accomplish the refunding of the Series [C/D/E] Refunded Bonds, the investment of such funds and the adequacy of such funds and investments to provide for the payment of the debt service due on the Series [C/D/E] Refunded Bonds.

WHEREAS, when Escrowed Securities have been deposited with the Escrow Agent for the payment of all principal and interest of the Series [C/D/E] Refunded Bonds when due, then the Series [C/D/E] Refunded Bonds shall no longer be regarded as outstanding except for the purpose of receiving payment from the escrow funds provided for such purpose; and

WHEREAS, the issuance, sale, and delivery of the Refunding Bonds have been duly authorized to be issued, sold, and delivered for the purpose of obtaining the funds required to provide for the payment of the principal of, interest on [and redemption premium (if any)] on the Series [C/D/E] Refunded Bonds when due as shown on Exhibit C attached hereto; and

WHEREAS, the Port desires that, concurrently with the delivery of the Series [C/D/E] Refunding Bonds to the purchasers thereof, the proceeds of the Series [C/D/E] Refunding Bonds, together with certain other available funds of the Port, shall be applied to purchase certain direct noncallable obligations of or guaranteed by the United States of America hereinafter defined as the “Escrowed Securities” for deposit to the credit of the Escrow Fund created pursuant to the terms of this Agreement and to establish a beginning cash balance (if needed) in such Escrow Fund; and

WHEREAS, the Escrowed Securities shall mature and the interest thereon shall be payable at such times and in such amounts so as to provide moneys which, together with cash balances from time to time on deposit in the Escrow Fund, will be sufficient to pay interest on the Series [C/D/E] Refunded Bonds as it accrues and becomes payable and the principal of[and premium (if any) on]the Series [C/D/E] Refunded Bonds as it becomes due and payable; and

WHEREAS, to facilitate the receipt and transfer of proceeds of the Escrowed Securities, particularly those in book entry form, the Port desires to establish the Escrow Fund at the corporate trust office of the Escrow Agent in Seattle, Washington; and

WHEREAS, the Escrow Agent is a party to this Agreement to acknowledge its acceptance of the terms and provisions hereof;

NOW, THEREFORE, in consideration of the mutual undertakings, promises and agreements herein contained, the sufficiency of which hereby are acknowledged, and to secure the full and timely payment of principal of and the [premium and]interest on the Series [C/D/E] Refunded Bonds, the Port and the Escrow Agent mutually undertake, promise and agree for themselves and their respective representatives and successors, as follows:

Article 1. Definitions

Section 1.1. Definitions.

Unless the context clearly indicates otherwise, the following terms shall have the meanings assigned to them below when they are used in this Agreement:

Escrow Fund means the fund created by this Agreement to be established, held and administered by the Escrow Agent pursuant to the provisions of this Agreement.

Escrowed Securities means the noncallable Government Obligations described in Exhibit D attached to this Agreement, or cash or other noncallable obligations substituted therefor pursuant to Section 4.2 of this Agreement.

Government Obligations means direct, noncallable (a) United States Treasury Obligations, (b) United States Treasury Obligations - State and Local Government Series, (c) non-prepayable obligations which are unconditionally guaranteed as to full and timely payment of principal and interest by the United States of America or (d) REFCORP debt obligations unconditionally guaranteed by the United States of America.

Paying Agent means the fiscal agency of the State of Washington, as the paying agent for the Series [C/D/E] Refunded Bonds.

Section 1.2. Other Definitions.

The terms “Agreement,” “Port,” “Escrow Agent,” “Series Resolution,” “Verification Report,” “Series [C/D/E] Refunded Bonds,” and “Refunding Bonds” when they are used in this Agreement, shall have the meanings assigned to them in the preamble to this Agreement.

Section 1.3. Interpretations.

The titles and headings of the articles and sections of this Agreement have been inserted for convenience and reference only and are not to be considered a part hereof and shall not in any way modify or restrict the terms hereof. This Agreement and all of the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to achieve the intended purpose of providing for the refunding of the Series [C/D/E] Refunded Bonds in accordance with applicable law.

Article 2. Deposit of Funds and Escrowed Securities

Section 2.1. Deposits in the Escrow Fund.

Concurrently with the sale and delivery of the Refunding Bonds the Port shall deposit, or cause to be deposited, with the Escrow Agent, for deposit in the Escrow Fund, the funds sufficient to purchase the Escrowed Securities described in Exhibit D attached hereto, and the Escrow Agent shall, upon the receipt thereof, acknowledge such receipt to the Port in writing.

Article 3. Creation and Operation of Escrow Fund

Section 3.1. Escrow Fund.

The Escrow Agent has created on its books a special trust fund and irrevocable escrow to be known as the Escrow Fund (the “Escrow Fund”). The Escrow Agent hereby agrees that upon receipt thereof it will deposit to the credit of the Escrow Fund the funds and the Escrowed Securities described in Exhibit D attached hereto. Such deposit, all proceeds therefrom, and all cash balances from time to time on deposit therein (a) shall be the property of the Escrow Fund, (b) shall be applied only in strict conformity with the terms and conditions of this Agreement, and (c) are hereby irrevocably pledged to the payment of the principal of and [premium and]interest on the Series [C/D/E] Refunded Bonds, which payment shall be made by timely transfers of such amounts at such times as are provided for in Section 3.2 hereof. When the final transfers have been made for the payment of such principal of and [premium (if any) and]interest on the Series [C/D/E] Refunded Bonds, any balance then remaining in the Escrow Fund shall be transferred to the Port, and the Escrow Agent shall thereupon be discharged from any further duties hereunder.

Section 3.2. Payment of Principal and Interest.

The Escrow Agent is hereby irrevocably instructed to transfer to the Paying Agent from the cash balances from time to time on deposit in the Escrow Fund, the amounts required to pay the principal of [and premium on]the Series [C/D/E] Refunded Bonds at their respective maturity or redemption dates and interest thereon to such maturity or redemption dates in the amounts and at the times shown in Exhibit C attached hereto.

Section 3.3. Sufficiency of Escrow Fund.

The Port represents that, based upon the information provided in the Verification Report, the successive receipts of the principal of and interest on the Escrowed Securities will assure that the cash balance on deposit from time to time in the Escrow Fund will be at all times sufficient to provide moneys for transfer to the Paying Agent at the times and in the amounts required to pay the interest on the Series [C/D/E] Refunded Bonds as such interest comes due and the principal of [and premium on] the Series [C/D/E] Refunded Bonds as the Series [C/D/E] Refunded Bonds are paid on the optional redemption date set forth in Exhibit E attached hereto. If, for any reason, at any time, the cash balances on deposit or scheduled to be on deposit in the Escrow Fund shall be insufficient to transfer the amounts required by the Paying Agent to make the payments set forth in Section 3.2. hereof, the Port shall timely deposit in the Escrow Fund, from any funds that are lawfully available therefor, additional funds in the amounts required to make such payments. Notice of any such insufficiency shall be given promptly as hereinafter provided, but the Escrow Agent shall not in any manner be responsible for any insufficiency of funds in the Escrow Fund or the Port's failure to make additional deposits thereto.

Section 3.4. Trust Fund.

The Escrow Agent or its affiliate, shall hold at all times the Escrow Fund, the Escrowed Securities and all other assets of the Escrow Fund, wholly segregated from all other funds and securities on deposit with the Escrow Agent; it shall never allow the Escrowed Securities or any other assets of the Escrow Fund to be commingled with any other funds or securities of the Escrow Agent; and it shall hold and dispose of the assets of the Escrow Fund only as set forth herein. The Escrowed Securities and other assets of the Escrow Fund shall always be maintained by the Escrow Agent as trust funds for the benefit of the owners of the Series [C/D/E] Refunded Bonds; and a special account thereof shall at all times be maintained on the books of the Escrow Agent. The owners of the Series [C/D/E] Refunded Bonds shall be entitled to a preferred claim and first lien upon the Escrowed Securities, the proceeds thereof, and all other assets of the Escrow Fund to which they are entitled as owners of the Series [C/D/E] Refunded Bonds. The amounts received by the Escrow Agent under this Agreement shall not be considered as a banking deposit by the Port, and the Escrow Agent shall have no right to title with respect thereto except as a trustee and Escrow Agent under the terms of this Agreement. The amounts received by the Escrow Agent under this Agreement shall not be subject to warrants, drafts or checks drawn by the Port or, except to the extent expressly herein provided, by the Paying Agent.

Article 4. Limitation on Investments

Section 4.1. Investments.

Except for the initial investment in the Escrowed Securities, and except as provided in Section 4.2 hereof, the Escrow Agent shall not have any power or duty to invest or reinvest any money held hereunder, or to make substitutions of the Escrowed Securities, or to sell, transfer, or otherwise dispose of the Escrowed Securities.

Section 4.2. Substitution of Securities.

At the written request of the Port, and upon compliance with the conditions hereinafter stated, the Escrow Agent shall utilize cash balances in the Escrow Fund, or sell, transfer, otherwise dispose of or request the redemption of the Escrowed Securities and apply the proceeds therefrom to purchase Series [C/D/E] Refunded Bonds or Government Obligations which do not permit the redemption thereof at the option of the obligor. Any such transaction may be effected by the Escrow Agent only if (a) the Escrow Agent shall have received a written opinion from a firm of certified public accountants that such transaction will not cause the amount of money and securities in the Escrow Fund to be reduced below an amount sufficient to provide for the full and timely payment of principal of and interest on all of the remaining Series [C/D] Refunded Bonds as they become due, taking into account any optional redemption thereof exercised by the Port in connection with such transaction; and (b) the Escrow Agent shall have received the unqualified written legal opinion of its bond counsel or tax counsel to the effect that such transaction will not cause any of the Refunding Bonds or Series [C/D/E] Refunded Bonds to be an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended. The Escrowed Securities then held by the Escrow Agent shall not be released until the Escrow Agent shall have received the substituted Escrowed Securities.

Article 5. Application of Cash Balances

Section 5.1. In General.

Except as provided in Sections 3.2 and 4.2 hereof, no withdrawals, transfers, or reinvestment shall be made of cash balances in the Escrow Fund. Cash balances shall be held by the Escrow Agent in U.S. currency and as cash balances as shown on the books and records of the Escrow Agent and shall not be reinvested by the Escrow Agent.

Any money or securities remaining on deposit with the Escrow Agent following the payment and redemption of the refunded Bonds and the payment of all costs and expenses thereof shall be remitted promptly to the Port.

Article 6. Redemption of Series [C/D/E] Refunded Bonds

Section 6.1. Call for Redemption.

The Port hereby irrevocably calls the Series [C/D/E] Refunded Bonds for redemption on the dates shown on Exhibit E and as shown in the Verification Report and on Appendix A attached hereto.

Section 6.2. Notice of Redemption.

The Escrow Agent agrees to give a notice of redemption of the Series [C/D/E] Refunded Bonds pursuant to the terms of the resolution(s) authorizing the issuance of the Series [C/D/E] Refunded Bonds and in substantially the forms attached hereto as Appendix A attached hereto and as described on said Appendix A by delivering the same to the Paying Agent for distribution as described therein. The notice of redemption shall be given in accordance with the resolution(s) authorizing the issuance of the Series [C/D/E] Refunded Bonds. The Escrow Agent hereby certifies that provision satisfactory and acceptable to the Escrow Agent has been made for the giving of notice of redemption of the Series [C/D/E] Refunded Bonds.

Article 7. Records and Reports

Section 7.1. Records.

The Escrow Agent will keep books of record and account in which complete and accurate entries shall be made of all transactions relating to the receipts, disbursements, allocations and application of the money and Escrowed Securities deposited to the Escrow Fund and all proceeds thereof, and such books shall be available for inspection during business hours and after reasonable notice.

Section 7.2. Reports.

While this Agreement remains in effect, the Escrow Agent monthly shall prepare and send to the Port a written report summarizing all transactions relating to the Escrow Fund during the preceding month, including, without limitation, credits to the Escrow Fund as a result of interest payments on or maturities of the Escrowed Securities and transfers from the Escrow Fund for payments on the Series [C/D/E] Refunded Bonds or otherwise, together with a detailed statement of all Escrowed Securities and the cash balance on deposit in the Escrow Fund as of the end of such period.

Article 8. Concerning the Paying Agents and Escrow Agent

Section 8.1. Representations.

The Escrow Agent hereby represents that it has all necessary power and authority to enter into this Agreement and undertake the obligations and responsibilities imposed upon it herein, and that it will carry out all of its obligations hereunder.

Section 8.2. Limitation on Liability.

The liability of the Escrow Agent to transfer funds for the payment of the principal of [and premium]and interest on the Series [C/D/E] Refunded Bonds shall be limited to the proceeds of the Escrowed Securities and the cash balances from time to time on deposit in the Escrow Fund. Notwithstanding any provision contained herein to the contrary, the Escrow Agent shall have no liability whatsoever for the insufficiency of funds from time to time in the Escrow Fund or any failure of the obligors of the Escrowed Securities to make timely payment thereon, except for the obligation to notify the Port promptly of any such occurrence.

The recitals herein and in the proceedings authorizing the Refunding Bonds shall be taken as the statements of the Port and shall not be considered as made by, or imposing any obligation or liability upon, the Escrow Agent.

The Escrow Agent is not a party to the proceedings authorizing the Refunding Bonds or the Series [C/D/E] Refunded Bonds and is not responsible for nor bound by any of the provisions thereof (except as set forth herein and to the extent that the Escrow Agent may be a place of payment and paying agent and/or a paying agent/registrars therefor). In its capacity as Escrow Agent, it is agreed that the Escrow Agent need look only to the terms and provisions of this Agreement.

The Escrow Agent makes no representations as to the value, conditions or sufficiency of the Escrow Fund, or any part thereof, or as to the title of the Port thereto, or as to the security afforded thereby or hereby, and the Escrow Agent shall not incur any liability or responsibility in respect to any of such matters.

It is the intention of the parties hereto that the Escrow Agent shall never be required to use or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder.

The Escrow Agent shall not be liable for any action taken or neglected to be taken by it in good faith in any exercise of reasonable care and diligence and believed by it to be within the discretion or power conferred upon it by this Agreement, nor shall the Escrow Agent be responsible for the consequences of any error of judgment; and the Escrow Agent shall not be answerable except for its own neglect or willful misconduct, nor for any loss unless the same shall have been through its negligence, willful misconduct or bad faith.

Unless it is specifically otherwise provided herein, the Escrow Agent has no duty to determine or inquire into the happening or occurrence of any event or contingency or the performance or failure of performance of the Port with respect to arrangements or contracts with others, with the Escrow Agent's sole duty hereunder being to safeguard the Escrow Fund, to dispose of and deliver the same in accordance with this Agreement. If, however, the Escrow Agent is called upon by the terms of this Agreement to determine the occurrence of any event or contingency, the Escrow Agent shall be obligated, in making such determination, only to exercise reasonable care and diligence, and in event of error in making such determination the

Escrow Agent shall be liable only for its own willful misconduct, bad faith or its negligence. In determining the occurrence of any such event or contingency the Escrow Agent may request from the Port or any other person such reasonable additional evidence as the Escrow Agent in its discretion may deem necessary to determine any fact relating to the occurrence of such event or contingency, and in this connection may make inquiries of, and consult with, among others, the Port at any time.

Section 8.3. Compensation.

The Port shall pay to the Escrow Agent fees for performing the services hereunder and for the expenses incurred or to be incurred by the Escrow Agent in the administration of this Agreement pursuant to the terms of the Fee Schedule attached hereto as Appendix B. The Escrow Agent hereby agrees that in no event shall it ever assert any claim or lien against the Escrow Fund for any fees for its services, whether regular or extraordinary, as Escrow Agent, or in any other capacity, or for reimbursement for any of its expenses as Escrow Agent or in any other capacity.

Section 8.4. Successor Escrow Agents.

Any corporation, association or other entity into which the Escrow Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or otherwise transfer all or substantially all of its corporate trust assets and business or any corporation, association or other entity resulting from any such conversion, sale, merger, consolidation or other transfer to which it is a party, *ipso facto*, shall be and become successor escrow agent hereunder, vested with all other matters as was its predecessor, without the execution or filing of any instrument or any further act on the part of the parties hereto, notwithstanding anything herein to the contrary.

If at any time the Escrow Agent or its legal successor or successors should become unable, through operation or law or otherwise, to act as escrow agent hereunder, or if its property and affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy or for any other reason, a vacancy shall forthwith exist in the office of Escrow Agent hereunder. In such event the Port, by appropriate action, promptly shall appoint an Escrow Agent to fill such vacancy. If no successor Escrow Agent shall have been appointed by the Port within 60 days, a successor may be appointed by the owners of a majority in principal amount of the Series [C/D/E] Refunded Bonds then outstanding by an instrument or instruments in writing filed with the Port, signed by such owners or by their duly authorized attorneys-in-fact. If, in a proper case, no appointment of a successor Escrow Agent shall be made pursuant to the foregoing provisions of this section within three months after a vacancy shall have occurred, the owner of any Refunded Bond may apply to any court of competent jurisdiction to appoint a successor Escrow Agent. Such court may thereupon, after such notice, if any, as it may deem proper, prescribe and appoint a successor Escrow Agent.

Any successor Escrow Agent shall be a corporation organized and doing business under the laws of the United States or the State of Washington, authorized under such laws to exercise corporate trust powers, having its principal office and place of business in the State of

Washington, having a combined capital and surplus of at least \$50,000,000 and subject to the supervision or examination by federal or state authority.

Any successor Escrow Agent shall execute, acknowledge and deliver to the Port and the Escrow Agent an instrument accepting such appointment hereunder, and the Escrow Agent shall execute and deliver an instrument transferring to such successor Escrow Agent, subject to the terms of this Agreement, all the rights, powers and trusts of the Escrow Agent hereunder. Upon the request of any such successor Escrow Agent, the Port shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor Escrow Agent all such rights, powers and duties.

The obligations assumed by the Escrow Agent pursuant to this Agreement may be transferred by the Escrow Agent to a successor Escrow Agent if (a) the requirements of this Section 8.4 are satisfied; (b) the successor Escrow Agent has assumed all the obligations of the Escrow Agent under this Agreement; and (c) all of the Escrowed Securities and money held by the Escrow Agent pursuant to this Agreement have been duly transferred to such successor Escrow Agent.

Article 9. Miscellaneous

Section 9.1. Notice.

Any notice, authorization, request, or demand required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid addressed to the Port or the Escrow Agent at the address shown on Exhibit A attached hereto. The United States Post Office registered or certified mail receipt showing delivery of the aforesaid shall be conclusive evidence of the date and fact of delivery. Any party hereto may change the address to which notices are to be delivered by giving to the other parties not less than ten days prior notice thereof.

Section 9.2. Termination of Responsibilities.

Upon the taking of all the actions as described herein by the Escrow Agent, the Escrow Agent shall have no further obligations or responsibilities hereunder to the Port, the owners of the Series [C/D/E] Refunded Bonds or to any other person or persons in connection with this Agreement.

Section 9.3. Binding Agreement.

This Agreement shall be binding upon the Port and the Escrow Agent and their respective successors and legal representatives, and shall inure solely to the benefit of the owners of the Series [C/D/E] Refunded Bonds, the Port, the Escrow Agent and their respective successors and legal representatives.

Section 9.4. Severability.

In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

Section 9.5. Washington Law Governs.

This Agreement shall be governed exclusively by the provisions hereof and by the applicable laws of the State of Washington.

Section 9.6. Time of the Essence.

Time shall be of the essence in the performance of obligations from time to time imposed upon the Escrow Agent by this Agreement.

Section 9.7. Notice to Moody's and S&P.

In the event that this Agreement or any provision thereof is severed, amended or revoked, the Port shall provide written notice of such severance, amendment or revocation to Moody's Investors Service at 99 Church Street, New York, New York, 10007, Attention: Public Finance Rating Desk/Refunded Bonds and to Standard & Poor's Ratings Service, a Division of The McGraw Hill Companies, 55 Water Street, New York, New York 10041, Attention: Public Finance Rating Desk/ Refunded Bonds.

Section 9.8. Amendments.

This Agreement shall not be amended except to cure any ambiguity or formal defect or omission in this Agreement. No amendment shall be effective unless the same shall be in writing and signed by the parties thereto. No such amendment shall adversely affect the rights of the holders of the Series [C/D/E] Refunded Bonds. No such amendment shall be made without first receiving written confirmation from the rating agencies, (if any) which have rated the Series [C/D/E] Refunded Bonds that such administrative changes will not result in a withdrawal or reduction of its rating then assigned to the Series [C/D/E] Refunded Bonds. If this Agreement is amended, prior written notice and copies of the proposed changes shall be given to the rating agencies which have rated the Series [C/D/E] Refunded Bonds.

EXECUTED as of the date first written above.

PORT OF SEATTLE

Chief Financial Officer

**CHASE MANHATTAN TRUST
COMPANY, NATIONAL
ASSOCIATION**

as Authorized Signer

- Exhibit A - Addresses of the Port, Port Treasurer and the Escrow Agent
- Exhibit B - Description of the Series [C/D/E] Refunded Bonds
- Exhibit C - Schedule of Debt Service on Series [C/D/E] Refunded Bonds
- Exhibit D - Description of Beginning Cash Deposit (if any) and Escrowed Securities
- Exhibit E - Escrow Fund Cash Flow
- Appendix A - Notice of Redemption
- Appendix B - Fee Schedule

EXHIBIT A
Addresses of the Port and Escrow Agent

Port: Port of Seattle
2711 Alaskan Way
Pier 69
Seattle, WA 98121
Attention: Chief Financial Officer

Port Treasurer: King County Finance Department
Treasury Division of the Finance Dept.
King County Admin. Bldg., Room 613
500 Fourth Avenue
Seattle, WA 98104
Mr. Scott Matheson
Cash Management Supervisor

Escrow Agent: Chase Manhattan Trust Company, National Association
C/o Chase National Corporate Services, Inc.
1301 Fifth Avenue, Suite 3410
Seattle, WA 98101
Attention: Corporate Trust Division

EXHIBIT B
THE SERIES [C/D/E] REFUNDED BONDS

Years (_____ 1)	Principal Amounts	Interest Rates
	\$	%

EXHIBIT C
Schedule of Debt Service on the Series [C/D/E] Refunded Bonds

Date	Interest	Principal/ Redemption Price	Total
	\$	\$	\$
Totals:	\$	\$	\$

EXHIBIT D
Escrow Deposit

I. Cash

II. Other Obligations

Description	Maturity Date	Principal Amount	Interest Rate	Total Cost
		\$	%	\$
		\$ _____	--	\$ _____

EXHIBIT E
Escrow Fund Cash Flow

Date	Total Cash Receipts From U.S. Treasury Securities	Reinvestment In Zero-Coupon U.S. Treasury SLGS (Investments) Maturities	Adjusted Cash Receipts From U.S. Treasury From Escrow	Cash Disbursements From Escrow	Cash Balance
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APPENDIX A

NOTICE OF REDEMPTION*

**Port of Seattle
Revenue Bonds, _____**

NOTICE IS HEREBY GIVEN that the Port of Seattle has called for redemption on _____ 1, _____, its outstanding Revenue Bonds, _____ (the "Bonds").

The Bonds will be redeemed at a price of _____ percent (____%) of their principal amount, plus interest accrued to _____ 1, _____. The redemption price of the Bonds is payable on presentation and surrender of the Bonds at the office of:

The Bank of New York
Fiscal Agency Department
Ground Floor
101 Barclay Street
7 East
New York, NY 10286

-or-

Wells Fargo Bank National
Association
Corporate Trust Department
14th Floor - M/S 257
999 Third Avenue
Seattle, WA 98104

Interest on all Bonds or portions thereof which are redeemed shall cease to accrue on _____ 1, _____.

* This notice shall be given not more than 60 nor less than 30 days prior to _____ 1, _____ by first class mail to each registered owner of the Refunded Bonds. In addition notice shall be mailed at least 35 days prior to _____ 1, _____ to The Depository Trust Company, New York, New York; Midwest Securities Trust Company, Chicago, Illinois; Pacific Securities Depository Trust Company, San Francisco, California; Philadelphia Depository Trust Company, Philadelphia, Pennsylvania; Moody's Investors Service; Standard & Poor's Ratings Services; and to Lehman Brothers Inc. or to their respective business successors.

The following Bonds are being redeemed:

<u>Maturity Years</u> <u>(_____ 1)</u>	<u>Interest</u> <u>Rates</u>	<u>Principal</u> <u>Amounts</u>	<u>CUSIP Nos.</u>
	\$	%	

By Order of the Port of Seattle

The Bank of New York, as Paying Agent

Dated: _____.

Under the Interest and Dividend Tax Compliance Act of 1983, payor may be required to withhold 31% of the redemption price from any Bondowner who fails to provide to payor and certify under penalties of perjury, a correct taxpayer identifying number (employer identification number or social security number, as appropriate) or an exemption certificate on or before the date the Bonds are presented for payment. Bondowners who wish to avoid the application of these provisions should submit a completed Form W-9 when presenting their Bonds.

APPENDIX B
Fee Schedule

Escrow Agent Fee: \$ _____