

SERIES RESOLUTION

PORT OF SEATTLE

RESOLUTION NO. 3528, AS AMENDED

A RESOLUTION of the Port Commission of the Port of Seattle authorizing the issuance and sale of Revenue Refunding Bonds, Series 2004 (Taxable) in the aggregate principal amount of not to exceed \$35,000,000, for the purpose of refunding certain outstanding revenue bonds of the Port; delegating authority for the sale of the Bonds, the preparation and dissemination of a preliminary official statement and final official statement; and the preparation and approval of an agreement for continuing disclosure.

ADOPTED: June 8, 2004

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A RESOLUTION of the Port Commission of the Port of Seattle authorizing the issuance and sale of Revenue Refunding Bonds, Series 2004 (Taxable) in the aggregate principal amount of not to exceed \$35,000,000, for the purpose of refunding certain outstanding revenue bonds of the Port; delegating authority for the sale of the Bonds, the preparation and dissemination of a preliminary official statement and final official statement; and the preparation and approval of an agreement for continuing disclosure.

WHEREAS, the Port of Seattle (the "Port") has authorized the issuance of revenue bonds in one or more series pursuant to 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 (collectively, the "Master Resolution"), each series being payable from the Gross Revenue of the Port after payment of Operating Expenses (as such terms are defined in the Master Resolution); and

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

Resolution Number	Date of Issue		Original Principal Amt.	Currently Outstanding (6/2/04)	Final Maturity Dates
3111	4/1/92	(A)	\$ 25,450,000.00	\$1,395,000	11/1/05
3155	2/1/94	(A)	27,135,000.00	24,245,000	12/1/11
3155	2/1/94	(C)	51,755,000.00	21,160,000	7/1/09
3215	4/1/96	(A)	31,820,000.00	31,820,000	9/1/21
3215	4/1/96	(B)	74,520,000.00	59,370,000	9/1/17
3242	5/1/97	(A)	120,375,000.00	120,375,000	10/1/22
3242	5/1/97	(B)	19,985,000.00	6,155,000	10/1/05
3275	5/1/98	(A)	73,180,000.00	47,100,000	6/1/17
3430	8/10/00	(A)	130,690,000.00	130,690,000	2/1/30
3430	8/10/00	(B)	221,590,000.00	216,015,000	2/1/24
3430	8/10/00	(C)	11,500,000.00	2,395,000	2/1/05
3430	9/6/00	(D)	28,085,000.00	14,430,000	2/1/11
3462	10/17/01	(A)	176,105,000.00	176,105,000	4/1/31
3462	10/17/01	(B)	251,380,000.00	251,380,000	4/1/24
3462	10/17/01	(C)	12,205,000.00	12,205,000	12/1/14
3462/3467	8/7/02	(D)	68,580,000.00	68,580,000	11/1/17
3509	8/20/03	(A)	190,470,000.00	190,470,000	7/1/33
3509	8/20/03	(B)	164,900,000.00	164,900,000	7/1/29

(the "Outstanding Parity Bonds"); and

WHEREAS, the Port anticipates a portion of the facilities financed or refinanced with several series of the Outstanding Parity Bonds may have more private use than originally anticipated at the time of issuance; and

WHEREAS, the Port has determined that it would have more flexibility in the use and leasing of these facilities if a portion of several series of the Outstanding Parity Bonds were refunded on a taxable basis; and

WHEREAS, the Master Resolution permits the Port to issue its revenue refunding 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 prior to the issuance of the refunding revenue bonds authorized by this series resolution (herein defined as the "Series 2004 Bonds"); and

WHEREAS, pursuant to 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 for the Series 2004 Bonds under such terms and conditions as are approved by resolution; and

WHEREAS, the Series 2004 Bonds shall be sold pursuant to competitive 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:

Annual Disclosure Report has the meaning given such term in Section 18(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 2004 Bonds (including persons holding Series 2004 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 series resolution applicable to the use of that term.

Bond Insurance Policy means the municipal bond insurance policy, if any, issued by the Insurer insuring the payment when due of the principal of and interest on the Series 2004 Bonds as provided therein.

Bond Register means the registration records for the Series 2004 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.

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

Default has the meaning given such term in Section 15 of this series resolution.

Designated Port Representative means the Chief Executive Officer of the Port, the Deputy Chief Executive Officer of the Port or the Chief Financial Officer of the Port (or the successor in function to such person(s)) or such other person as may be directed by resolution of the Commission.

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 2004 Bonds pursuant to Section 6 hereof.

Escrow Agent means Wells Fargo Bank, National Association, Portland, Oregon.

Escrow Agreement means the Escrow Deposit Agreement dated as of the date of the closing and delivery of the Series 2004 Bonds between the Port and the Escrow Agent to be executed in connection with the refunding of the Refunded Bonds, substantially in the form attached hereto as Exhibit A and incorporated by this reference.

Fitch means Fitch, 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) selected 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.

Insurer means Financial Guaranty Insurance Company, a New York stock insurance company or any successor thereto, the issuer of the Bond Insurance Policy.

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.

1992A Bonds means the Port's Revenue Bonds, Series 1992A issued pursuant to Resolution No. 3111, as amended, under date of April 1, 1992.

1994A Bonds means the Port's Revenue Refunding Bonds, Series 1994A issued pursuant to Resolution No. 3155, as amended, under date of February 1, 1994.

1996B Bonds means the Port's Revenue Bonds, Series 1996B issued pursuant to Resolution No. 3215, as amended, under date of April 1, 1996.

1998A Bonds means the Port's Revenue Refunding Bonds, Series 1998A issued pursuant to Resolution No. 3275, as amended, under date of May 1, 1998.

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 1992A, issued pursuant to Resolution No. 3111, as amended; Revenue Bonds, Series 1994A, 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; Revenue Bonds, Series 2000A and Series 2000B and Revenue Refunding Bonds, Series 2000C and Series 2000D issued pursuant to Resolution No. 3430, as amended; Revenue Bonds, Series 2001A and Series 2001B and Revenue Refunding Bonds, Series 2001C issued pursuant to Resolution No. 3462, as amended; Revenue Refunding Bonds, Series 2001D issued pursuant to Resolution No. 3462, as amended and Resolution No. 3467, and Revenue Bonds, Series 2003A and Series 2003B issued pursuant to Resolution No. 3509, 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.

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

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

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

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

Refunded Bonds means the Outstanding First Lien Bonds identified in Section 2 of this series resolution.

Registered Owner means the person named as the registered owner of a Series 2004 Bond in the Bond Register.

Registrar means the fiscal agency of the State of Washington, appointed by the Treasurer for the purposes of registering and authenticating the Series 2004 Bonds, maintaining the Bond Register and effecting transfer of ownership of the Series 2004 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 2004 Bonds means the Port of Seattle Revenue Refunding Bonds, Series 2004 (Taxable), authorized to be issued by Section 3(a) of this series resolution.

Series 2004 Bond Fund means the Port of Seattle Revenue Bond Fund, Series 2004 created in the office of the Treasurer by Section 7 of this series resolution.

Series 2004 Reserve Fund means the fund of that name created by Section 7(b) of this series resolution.

Series 2004 Reserve Fund Requirement has the meaning given such term in Section 7(b) of this series resolution.

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 the surety bond issued by the Surety Bond Issuer on the date of issuance of the Series 2004 Bonds for the purpose of satisfying the Series 2004 Reserve Fund Requirement.

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

Surety Bond Issuer means Financial Guaranty Insurance Company, issuer of the Surety Bond.

Treasurer means the Chief Financial Officer of the Port, or any other public officer as may hereafter be designated pursuant to law to have the custody of Port funds.

Rules of Interpretation. In this series 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 series 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 series 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 Refunding. The Port has determined that a portion of the facilities financed or refinanced with certain series of the Port's outstanding First Lien Bonds are

expected to be utilized for purposes other than those originally intended at the time of issuance of those First Lien Bonds. Accordingly, the Port has determined to refund and defease a portion of the maturities of those First Lien Bonds identified below (the "Refunded Bonds"), with the proceeds of a series of refunding revenue bonds (the "Series 2004 Bonds").

TABLE OF REFUNDED BONDS

Port of Seattle Revenue Bonds, Series 1992A

Maturity Date of Bonds to be Refunded	Principal Amount to be Refunded	Redemption Date for Bonds to be Refunded	Redemption Price	CUSIP Numbers
November 1, 2004	\$ 305,000	*	---	735388WZ9
November 1, 2005	325,000	November 1, 2004	100%	735388XC9

Port of Seattle Revenue Refunding Bonds, Series 1994A

Maturity Date of Bonds to be Refunded	Principal Amount to be Refunded	Redemption Date for Bonds to be Refunded	Redemption Price	CUSIP Numbers
December 1, 2004	\$ 425,000	*	---	735388ZA1
December 1, 2005	440,000	December 1, 2004	102%	735388ZB9
December 1, 2006	460,000	December 1, 2004	102	735388ZC7
December 1, 2007	505,000	December 1, 2004	102	735388ZD5
December 1, 2008	555,000	December 1, 2004	102	735388ZE3
December 1, 2009	595,000	December 1, 2004	102	735388ZF0
December 1, 2010	1,080,000	December 1, 2004	102	735388ZG8
December 1, 2011	1,135,000	December 1, 2004	102	735388ZH6

Port of Seattle Revenue Bonds, Series 1996B

Maturity Date of Bonds to be Refunded	Principal Amount to be Refunded	Redemption Date for Bonds to be Refunded	Redemption Price	CUSIP Numbers
September 1, 2004	\$ 160,000	*	---	735388E71
September 1, 2005	170,000	*	---	735388E89
September 1, 2006	180,000	*	---	735388E97
September 1, 2007	190,000	*	---	735388F21
September 1, 2008	200,000	*	---	735388F39
September 1, 2009	210,000	September 1, 2006	101%	735388F47
September 1, 2010	225,000	September 1, 2006	101	735388F54
September 1, 2011	235,000	September 1, 2006	101	735388F62
September 1, 2012	250,000	September 1, 2006	101	735388F70
September 1, 2013	265,000	September 1, 2006	101	735388F88
September 1, 2014	280,000	September 1, 2006	101	735388F96
September 1, 2015	295,000	September 1, 2006	101	735388G20
September 1, 2016	315,000	September 1, 2006	101	735388G38
September 1, 2017	165,000	September 1, 2006	101	735388G46

Port of Seattle Revenue Refunding Bonds, Series 1998A

Maturity Date of Bonds to be Refunded	Principal Amount to be Refunded	Redemption Date for Bonds to be Refunded	Redemption Price	CUSIP Numbers
June 1, 2005	\$ 180,000	*	---	735388M72
June 1, 2006	505,000	*	---	735388M80
June 1, 2007	540,000	*	---	735388M98
June 1, 2008	585,000	*	---	735388N22
June 1, 2009	620,000	June 1, 2008	101%	735388N30
June 1, 2010	835,000	June 1, 2008	101	735388N48
June 1, 2011	860,000	June 1, 2008	101	735388N55
June 1, 2012	2,680,000	June 1, 2008	101	735388N63
June 1, 2013	2,815,000	June 1, 2008	101	735388N71
June 1, 1014	2,970,000	June 1, 2008	101	735388N89
June 1, 1017	1,435,000	June 1, 2008	101	735388N97

* Defeased to Maturity

The interest on the Series 2004 Bonds will be taxable to the recipients and the Series 2004 Bonds will be issued on a parity of lien with the outstanding First Lien Bonds

Section 3. Authorization of Series 2004 Bonds. The Port shall issue the Series 2004 Bonds for the purpose of refunding the Refunded Bonds, paying all or a portion of the costs incidental thereto and to the issuance of the Series 2004 Bonds, paying the cost of the Bond Insurance Policy and purchasing a Surety Bond to satisfy the Series 2004 Reserve Fund Requirement.

The principal amount of the Series 2004 Bonds shall not exceed \$35,000,000.

Section 4. Bond Details. The Series 2004 Bonds shall be designated as "Port of Seattle Revenue Refunding Bonds, Series 2004 (Taxable);" shall be registered as to both principal and interest; shall be dated as of their date of delivery to the successful bidder for the Series 2004 Bonds; shall be fully registered as to both principal and interest; shall be in the denomination of \$5,000 or any integral multiple thereof, provided that no Series 2004 Bond shall represent more than one maturity, shall be numbered separately and in the manner and with any additional designation as the Registrar deems necessary for purposes of identification; and shall bear interest from their date, until the Series 2004 Bonds have been paid or their payment duly provided for, at the per annum rates set forth in the bid of the successful bidder as approved by the Chief Executive Officer pursuant to Section 15, payable on December 1, 2004, and semiannually thereafter on the first day of each June and December; and shall mature on June 1 of the years 2005 through 2017 and in the principal amounts set forth in the bid of the successful bidder for the Series 2004 Bonds as approved by the Chief Executive Officer pursuant to Section 15 of this series resolution. Any of the maturities of the Series 2004 Bonds may be combined and issued as term bonds ("Term Bonds"), subject to mandatory redemption as provided in the bid of the successful bidder for the Series 2004 Bonds.

The Series 2004 Bonds shall be obligations only of the Series 2004 Bond Fund and the Series 2004 Reserve Fund created hereunder and shall be payable and secured as provided herein. The Series 2004 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 2004 Bonds shall not be subject to optional redemption prior to their scheduled maturities.

(b) *Mandatory Redemption.* The Bonds designated as Term Bonds in the bid of the successful bidder shall be subject to mandatory redemption as set forth in the bid of the successful bidder and as approved by the Chief Executive Officer pursuant to Section 15.

(c) *Purchase of Series 2004 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 2004 Bonds offered to the Port at any price deemed reasonable to the Designated Port Representative.

(d) *Selection of Series 2004 Bonds for Redemption.* If any Series 2004 Bonds to be redeemed then are held in book-entry-only form, the selection of Series 2004 Bonds to be redeemed within a maturity shall be made in accordance with the operational arrangements then in effect at DTC. If the Series 2004 Bonds to be redeemed are no longer held in book-entry-only form, the selection of such Series 2004 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 2004 Bonds having the same maturity date, the particular Series 2004 Bonds or portions of Series 2004 Bonds of such 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 2004 Bond of a maturity of a denomination greater than \$5,000, the Port and Registrar shall treat each Series 2004 Bond of that maturity as representing such number of separate Series 2004 Bonds each of the denomination of \$5,000 as is obtained by dividing the actual principal amount of such Series 2004 Bond of that maturity by \$5,000. In the event that only a portion of the principal sum of a Series 2004 Bond is redeemed, upon surrender of such Series 2004 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 2004 Bond or, at the option of the Registered Owner, Series 2004 Bonds of like maturity and interest rate in any of the denominations herein authorized.

(e) *Notice of Redemption.* Written notice of any redemption of Series 2004 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 date fixed for redemption to the Registered Owners of Series 2004 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 2004 Bonds are in book-entry only form, notice of redemption shall be given to beneficial owners of Series 2004 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 2004 Bonds shall contain the following information: (1) the redemption date, (2) the redemption price, (3) if fewer than all outstanding Series 2004 Bonds are to be redeemed, the identification by maturity (and, in the case of partial redemption, the principal amounts) of the Series 2004 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 2004 Bonds) on the date fixed for redemption the redemption price will become due and payable upon each Series 2004 Bond or portion called for redemption, and that interest shall cease to accrue from the date fixed for redemption, (5) that the Series 2004 Bonds are to be surrendered for payment at the principal office of the Registrar, (6) the CUSIP numbers of all Series 2004 Bonds being redeemed, (7) the dated date of the Series 2004 Bonds being redeemed, (8) the rate of interest for each Series 2004 Bond being redeemed, (9) the date of the notice, and (10) any other information deemed necessary by the Registrar to identify the Series 2004 Bonds being redeemed.

Upon the payment of the redemption price of Series 2004 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 2004 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 2004 Bonds to be redeemed. If and to the extent that funds have been provided to the Registrar for the redemption of Series 2004 Bonds then from and after the date fixed for redemption for such Series 2004 Bond, interest on each such Series 2004 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 specifies and adopts the system of registration and transfer for the Series 2004 Bonds approved by the Washington State Finance Committee from time to time through the appointment of state fiscal agencies. for the purposes of registering and authenticating the Series 2004 Bonds, maintaining the Bond Register and effecting transfer of ownership of the Series 2004 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 2004 Bonds (the "Bond Register"), which shall be open to inspection by the Port. The Registrar may be removed at any time at the option of the Treasurer upon prior notice to the Registrar, the Insurer, DTC, each NRMSIR and SID, if any, and a successor Registrar appointed by the Treasurer. No resignation or removal of the Registrar shall be effective until a successor shall have been appointed and until the successor Registrar shall have accepted the duties of the Registrar hereunder. The Registrar is authorized, on behalf of the Port, to authenticate and deliver Series 2004 Bonds transferred or exchanged in accordance with the provisions of such Series 2004 Bonds and this series resolution and to carry out all of the Registrar's powers and duties under this series resolution. The Registrar shall be responsible for its representations contained in the Certificate of Authentication on the Series 2004 Bonds.

(b) *Registered Ownership.* Except as provided in Section 18, the Port and the Registrar may deem and treat the Registered Owner of each Series 2004 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 2004 Bond shall be made only as described in subsection (g) hereof, but the transfer of such Series 2004 Bond may be registered as herein provided. All such payments made as described in subsection (g) shall be valid and shall satisfy the liability of the Port upon such Series 2004 Bond to the extent of the amount or amounts so paid.

(c) *DTC Acceptance/Letter of Representations.* The Series 2004 Bonds shall initially be held in fully immobilized form by DTC acting as depository. To induce DTC to accept the Series 2004 Bonds as eligible for deposit at DTC, the Port has heretofore executed and delivered to DTC 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 2004 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 2004 Bonds, any notice that is permitted or required to be given to Registered Owners under this series resolution (except such notices as shall be required to be given by the Port to the Registrar or, by the Registrar, to DTC), the selection by DTC or by any DTC participant of any person to receive payment in the event of a partial redemption of the Series 2004 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 2004 Bonds, if any, or so long as any Series 2004 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 series resolution to the Registered Owners shall mean DTC or its nominee and shall not mean the owners of any beneficial interest in any Series 2004 Bonds.

(d) *Use of Depository.*

(1) The Series 2004 Bonds shall be registered initially in the name of "Cede & Co.," as nominee of DTC, with one Series 2004 Bond maturing on each of the maturity dates for the Series 2004 Bonds in a denomination corresponding to the total principal therein designated to mature on such date. Registered ownership of such immobilized Series 2004 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 a Designated Port Representative 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 a Designated Port Representative to discontinue the system of book-entry transfers through DTC or its successor (or any substitute depository or its successor), a Designated Port Representative 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 2004 Bonds, together with a written request from a Designated Port Representative, issue a single new Series 2004 Bond for each maturity of the Series 2004 Bonds then Outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such written request of a Designated Port Representative.

(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) a Designated Port Representative determines that it is in the best interest of the beneficial owners of the Series 2004 Bonds that such owners be able to obtain such bonds in the form of Series 2004 Bond certificates, the ownership of such Series 2004 Bonds may then be transferred to any person or entity as herein provided, and shall no longer be held in fully immobilized form. The Designated Port Representative shall deliver a written request to the Registrar, together with a supply of definitive Series 2004 Bonds, to issue Series 2004 Bonds as herein provided in any authorized denomination. Upon receipt by the Registrar of all then Outstanding Series 2004 Bonds together with a written request on behalf of a Designated Port Representative to the Registrar, new Series 2004 Bonds shall be issued in the appropriate denominations and registered in the names of such persons as are requested in such written request.

(e) *Registration of the Transfer of Ownership or the Exchange of Series 2004 Bonds; Change in Denominations.* The transfer of any Series 2004 Bond may be registered and any Series 2004 Bond may be exchanged, but no transfer of any Series 2004 Bond shall be valid unless the Series 2004 Bond is surrendered to the Registrar with the assignment form appearing

on such Series 2004 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 2004 Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee, a new Series 2004 Bond (or Series 2004 Bonds at the option of the Registered Owner) of the same date, 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 2004 Bond, in exchange for such surrendered and canceled Series 2004 Bond. Any Series 2004 Bond may be surrendered to the Registrar, together with the assignment form appearing on such Series 2004 Bond duly executed, and exchanged, without charge, for an equal aggregate principal amount of Series 2004 Bonds of the same date, maturity and interest rate, in any authorized denomination. The Registrar shall not be obligated to register the transfer or exchange of any Series 2004 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 2004 Bonds, after the mailing of notice of the call of such Series 2004 Bonds for redemption.

(f) *Registrar's Ownership of Series 2004 Bonds.* The Registrar may become the Registered Owner of any Series 2004 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 2004 Bonds.

(g) *Place and Medium of Payment.* Both principal of and interest on the Series 2004 Bonds shall be payable in lawful money of the United States of America. Interest on the Series 2004 Bonds shall be calculated on the basis of a 360-day year and twelve 30-day months. For so long as all Series 2004 Bonds are in fully immobilized form, payments of principal and interest shall be made as provided in accordance with the operational arrangements of DTC referred to in the Letter of Representations.

In the event that the Series 2004 Bonds are no longer in fully immobilized form, interest on the Series 2004 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 2004 Bonds shall be payable by check upon presentation and surrender of such Series 2004 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 2004 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 2004 Bond Fund and Series 2004 Reserve Fund.

(a) *Series 2004 Bond Fund.* A special fund of the Port designated the "Port of Seattle Revenue Refunding Bond Fund, Series 2004" (the "Series 2004 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 2004 Bonds. The Series 2004 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 2004 Bonds.

The Series 2004 Bonds shall be obligations only of the Series 2004 Bond Fund and the Series 2004 Reserve Fund hereinafter created hereunder and shall be payable and secured as provided herein. The Series 2004 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 2004 Bonds remain Outstanding to set aside and pay into the Series 2004 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 2004 Bonds; and

(2) such amounts as are required to pay maturing principal or principal being redeemed of Outstanding Series 2004 Bonds.

(b) *Series 2004 Reserve Fund.* A Series 2004 Reserve Fund (the "Series 2004 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 2004 Bonds. The Series 2004 Reserve Fund Requirement shall be equal to \$2,500,000.

The Series 2004 Reserve Fund Requirement shall be fully funded on the date of issuance the Series 2004 Bonds. Initially, the Series 2004 Reserve Fund Requirement shall be satisfied by the Surety Bond. The Designated Port Representative is hereby authorized to execute and deliver a Surety Bond Agreement with the Surety Bond Issuer to effect the delivery of the Surety Bond in accordance with its commitment.

The Series 2004 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 2004 Reserve Fund, all or a portion of the money on hand in the Series 2004 Reserve Fund shall be transferred to the fund or account, specified by the Designated Port Representative. In computing the amount on hand in the Series 2004 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 2004 Reserve Fund may be satisfied by the transfer of qualified investments to such account. If a deficiency in the Series 2004 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 2004 Reserve Fund is sufficient to satisfy the Series 2004 Reserve Fund Requirement, interest earnings shall be applied as provided in the following sentences. Whenever there is a sufficient amount in the Series 2004 Bond Fund and the Series 2004 Reserve Fund to pay the principal of, premium, if any, and interest on all Outstanding Series 2004 Bonds, the money in the Series 2004 Reserve Fund may be used to pay such principal and interest. So long as the money left remaining on deposit in the Series 2004 Reserve Fund is equal to the Series 2004 Reserve Fund Requirement, money in the Series 2004 Reserve Fund may be transferred to the fund or account specified in writing by the Designated Port Representative.

If a deficiency in the Series 2004 Bond Fund shall occur, such deficiency shall be made up from the Series 2004 Reserve Fund by the withdrawal of cash therefrom for that purpose and

by the sale or redemption of obligations held in the Series 2004 Reserve Fund, in such amounts as will provide cash in the Series 2004 Reserve Fund sufficient to make up any such deficiency with respect to the Series 2004 Bonds, and if a deficiency still exists immediately prior to an interest payment date and after the transfer of cash from the Series 2004 Reserve Fund to the Series 2004 Bond Fund, the Port shall then draw from any Qualified Letter of Credit or Qualified Insurance then credited to the Series 2004 Reserve Fund for the Series 2004 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 2004 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 2004 Bonds shall be permitted, and no remedies that adversely affect Registered Owners of the Series 2004 Bonds shall be permitted. Any deficiency created in the Series 2004 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 2004 Bond Fund within such year.

In making the payments and credits to the Series 2004 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 2004 Reserve Fund such amounts then available to be drawn under such Qualified Insurance or a Qualified Letter of Credit shall be credited against the amounts required to be maintained in the Series 2004 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 2004 Reserve Fund Requirement shall be satisfied (A) within one year after the termination, insolvency or incapacity, 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 2004 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 2004 Bond Fund and the Series 2004 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 2004 Bond Fund and the Series 2004 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 2004 Bond Fund not needed to pay the interest or principal and interest next coming due on any Outstanding Series 2004 Bonds or to maintain required reserves therefor may be used to purchase or redeem and retire Series 2004 Bonds within the limitations provided herein and in Section 2 of the Master Resolution. Money in the Series 2004 Bond Fund and the Series 2004 Reserve Fund and money in the Revenue Fund of the Port may be invested in any investments legal for port districts.

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 the Series 2004 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 the Series 2004 Bonds are to be redeemed prior to maturity, irrevocable notice, or irrevocable instructions to give notice of such redemption has been delivered to the Registrar, then no further payments need be made into the Series 2004 Bond Fund or any account therein for the payment of the principal of, premium, if any, and interest on

the Series 2004 Bonds so provided for and the Series 2004 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 such notices of redemption, if any, and the Series 2004 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 2004 Bonds, the Port shall provide notice of defeasance of Series 2004 Bonds to Registered Owners of Series 2004 Bonds being defeased and to each NRMSIR and SID, if any, in accordance with Section 18.

Section 9. Refunding Procedures.

(a) *Creation of Refunding Accounts.* A special account is hereby authorized to be created by the Treasurer or by the Escrow Agent at the direction of the Treasurer, which account is to be drawn for the sole purpose of paying (or purchasing Government Obligations maturing in such amount and at such times as to pay) the principal of and premium and interest on the Refunded Bonds. The Treasurer shall cause the Escrow Agent to hold at all times this special account as trust funds for the benefit of the owners of the Refunded Bonds, 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 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 such special account to be held and disposed of only as set forth in this Section 9 and the Escrow Agreement.

(b) *Application of Series 2004 Bond Proceeds.* A portion of the net proceeds of the Series 2004 Bonds (exclusive of any amounts designated by the Designated Port Representative in a closing certificate to be (i) used to pay the Bond Insurance Policy premium, (ii) allocated to costs of issuance, or (iii) used to pay the cost of purchasing the Surety Bond for the Series 2004 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.* The net proceeds of the Series 2004 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 "Acquired Obligations") and to maintain such necessary beginning cash balance to

defeasance the Refunded Bonds and to discharge the other obligations of the Port relating thereto under the resolutions authorizing their issuance, by providing for the payment of the interest on the Refunded Bonds to the maturity thereof (in the case of Refunded Bonds that are not callable prior scheduled maturity) or to the date fixed for redemption and the redemption price (principal and premium) on the redemption date for the Refunded Bonds. When the final transfers have been made for the payment of such principal or redemption price of and interest on the 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.

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

(1) the interest on the Refunded Bonds as such becomes due on and before the redemption dates for the Refunded Bonds;

(2) the principal of the Refunded Bonds at maturity if not callable prior to maturity; and

(3) the price of redemption of the Refunded Bonds on the earliest redemption dates, if applicable, for the 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) *Authorizing Appointment of Escrow Agent.* The Port hereby appoints Wells Fargo Bank, National Association, Portland, Oregon to act as the escrow agent for the Refunded Bonds (the "Escrow Agent").

Section 10. Redemption of Refunded Bonds. The Commission hereby calls the Refunded Bonds that are callable for redemption on the redemption dates specified in the Escrow Agreement in accordance with the provisions of the resolutions authorizing the issuance, redemption and retirement of the Refunded Bonds prior to their fixed maturities.

Said defeasance and call for redemption of the Refunded Bonds shall be irrevocable after the delivery of the proceeds of the Series 2004 Bonds (and/or Acquired Obligations purchased with such proceeds) to the Escrow Agent as described in Section 9(d).

The Escrow Agent shall be authorized and directed to provide for the giving of irrevocable notice of the redemption of the callable Refunded Bonds in accordance with the terms of the resolutions authorizing the issuance of the Refunded Bonds and as described in the Escrow Agreement (hereinafter authorized). The Treasurer is authorized and directed 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 shall be authorized and directed to pay to the Registrar, 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 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 ascertain that all necessary and proper fees, compensation and expenses of the Escrow Agent for the Refunded Bonds shall be paid when due. The Designated Port Representative is authorized and directed to execute and deliver the Escrow Agreement to the Escrow Agent when the provisions thereof have been fixed and determined for closing and delivery of the Refunding Bonds. Such Escrow Agreement shall be substantially in the form of Exhibit A attached to this series resolution and by this reference hereby made a part of this series resolution.

Section 11. Taxation. Interest on the Series 2004 Bonds is includable in federal gross income for general income tax purposes.

Section 12. Lost, Stolen, Mutilated or Destroyed Series 2004 Bonds. In case any Series 2004 Bond shall be lost, stolen, mutilated or destroyed, the Registrar may execute and deliver a new Series 2004 Bond of like 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 2004 Bond was actually lost, stolen or destroyed (including the presentation of a mutilated Series 2004 Bond) and of his/her ownership thereof, and upon furnishing the Port and the Registrar with indemnity satisfactory to both.

Section 13. Forms of Series 2004 Bonds and Registration Certificate.

The Series 2004 Bonds shall be in substantially the following form:

STATEMENT OF INSURANCE

Financial Guaranty Insurance Company ("Financial Guaranty") has issued a policy containing the following provisions with respect to the PORT OF SEATTLE, REVENUE REFUNDING BONDS, SERIES 2004 (the "Bonds"), such policy being on file at the principal office of the Bond Registrar, as paying agent (the "Paying Agent"):

Financial Guaranty hereby unconditionally and irrevocably agrees to pay for disbursement to the Bondholders that portion of the principal of and interest on the Bonds which is then due for payment and which the issuer of the Bonds (the "Issuer") shall have failed to provide. Due for payment means, with respect to the principal, the stated maturity date thereof, or the date on which the same shall have been duly called for mandatory sinking fund redemption, and does not refer to any earlier date on which the payment of principal of the Bonds is due by reason of call for redemption (other than mandatory sinking fund redemption), acceleration or other advancement of maturity, and with respect to interest, the stated date for payment of such interest.

Upon receipt of telephonic or telegraphic notice, subsequently confirmed in writing, or written notice by registered or certified mail, from a Bondholder or the Paying Agent to Financial Guaranty that the required payment of principal or interest has not been made by the Issuer to the Paying Agent, Financial Guaranty on the due date of such payment or within one business day after receipt of notice of such nonpayment, whichever is later, will make a deposit of funds, in an account with U.S. Bank Trust National Association, or its successor as its agent (the "Fiscal Agent"), sufficient to make the portion of such payment not paid by the Issuer. Upon presentation to the Fiscal Agent of evidence satisfactory to it of the Bondholder's right to receive such payment and any appropriate instruments of assignment required to vest all of such Bondholder's right to such payment in Financial Guaranty, the Fiscal Agent will disburse such amount to the Bondholder.

As used herein the term "Bondholder" means the person other than the Issuer who at the time of nonpayment of a Bond is entitled under the terms of such Bond to payment thereof.

The policy is non-cancelable for any reason.

FINANCIAL GUARANTY INSURANCE COMPANY

UNITED STATES OF AMERICA

NO. _____

\$ _____

STATE OF WASHINGTON
PORT OF SEATTLE
REVENUE REFUNDING BOND, SERIES 2004

Maturity Date: _____ 1, _____

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 Refunding Bond Fund, Series 2004" (the "Series 2004 Bond Fund") created by Resolution No. 3528, 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 2004 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 June and December beginning on December 1, 2004. 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.

The bonds of this issue are not subject to optional redemption prior to their scheduled maturities.

The bonds of this issue maturing on June 1, ___ shall be redeemed by the Port on June 1 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]

Interest on the Series 2004 Bonds is includable in federal gross income for general income tax purposes.

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 2004 Bond Fund and the Series 2004 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 2004 Bond Fund and Series 2004 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 June, 2004.

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 2004 of the Port of Seattle, dated _____, 2004.

WASHINGTON STATE FISCAL AGENCY, as
Registrar

By _____
Authorized Signer

In the event any Series 2004 Bonds are no longer in fully immobilized form, the form of such Series 2004 Bonds may be modified to conform to printing requirements and the terms of this series resolution.

Section 15. Execution. The Series 2004 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 2004 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 2004 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 2004 Bonds shall cease to be such officer or officers of the Port before the Series 2004 Bonds so signed shall have been authenticated or delivered by the Registrar, or issued by the Port, such Series 2004 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 2004 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 2004 Bond shall be the proper officers of the Port although at the original date of such Series 2004 Bond any such person shall not have been such officer.

Section 15. 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 2004 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 2004 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 2004 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 2004 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 18 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 2004 Bonds has been made under this series resolution, no effect shall be given to payments made under the bond insurance policy. Upon the occurrence and continuation of any Default, the Registered Owners of the Series 2004 Bonds shall be entitled to exercise the remedies specified in Section 20 of the Master Resolution; but only with respect to the Series 2004 Bonds.

Section 16 Sale of Series 2004 Bonds.

(a) *Competitive Sale Procedures.* The Series 2004 Bonds shall be sold at a competitive public sale. The Designated Port Representative or his designee shall: (a) establish the date of the public sale; (b) establish the criteria by which the successful bidder will be determined; (c) request that a good faith deposit accompany each bid in an amount to be determined by the Designated Port Representative; (d) cause notice of the public sale to be given; and (e) provide for such other matters pertaining to the public sale as he deems necessary or desirable.

Upon the date and time established for the receipt of bids for the Bonds, the Designated Port Representative or his designee shall open the bids and shall cause the bids to be mathematically verified. The Series 2004 Bonds shall be sold to the bidder offering to purchase the Series 2004 Bonds at the lowest true interest cost to the Port; *provided, however*, that the Port may reserve the right to reject any and all bids for the Series 2004 Bonds and also may waive any irregularity or informality in any bid.

The Commission has been advised by the Port's financial advisor that market conditions, which are particularly critical in minimizing the interest costs of the Series 2004 Bonds, are fluctuating and, as a result, the most favorable market conditions for a competitive sale of the Series 2004 Bonds may occur on a day or days 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, principal amounts of each maturity and other terms and conditions of the Series 2004 Bonds. The Chief Executive Officer is hereby authorized to approve the final

interest rates, maturity dates and principal maturities for the Series 2004 Bonds in the manner provided hereafter so long as the aggregate principal amount of the Series 2004 Bonds does not exceed the maximum aggregate principal amount authorized herein and so long as the true interest cost for the Series 2004 Bonds (in the aggregate) does not exceed 6.00%.

The Series 2004 Bonds shall be sized to provide sufficient funds to pay interest on the Refunded Bonds to be refunded and the redemption price thereof at maturity or on their designated redemption dates, respectively, and to defease the Refunded Bonds to maturity or to their designated redemption dates, respectively.

In approving the final interest rates, maturity dates and principal maturities of the Series 2004 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 2004 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 2004 Bonds. Following his approval of the final interest rates, maturity dates and principal maturities of the Series 2004 Bonds, the Chief Executive Officer shall provide a report to the Commission, describing the final terms of Series 2004 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 16 shall expire 45 days after the date of final approval of this series resolution. If the terms of sale of the Series 2004 Bonds have not been approved within 45 days after the date of final approval of this series resolution, the authorization for the issuance of the Series 2004 Bond shall be rescinded, and the Series 2004 Bonds shall not be issued nor their sale approved unless the Series 2004 Bonds shall have been re-authorized by resolution of the Commission. The resolution re-authorizing the issuance and sale of the Series 2004 Bonds may be in the form of a new resolution repealing this series resolution in whole or in part (only with respect to the Series 2004 Bonds not issued) or may be in the form of an amendatory resolution approving the sale of such Series 2004 Bonds or establishing terms and conditions for the authority delegated under this Section 16.

(b) *Official Statements.* The Designated Port Representative is hereby authorized to review and approve on behalf of the Port the final Official Statement relative to the Series 2004 Bonds with such additions and changes as may be deemed necessary or advisable to him. The

Preliminary Official Statement for the Bonds is hereby deemed final for purposes of SEC Rule 15c2-12.

(c) *General Authorization.* The Designated Port Representative and other Port officials, agents and representative are hereby authorized and directed to do everything necessary for the prompt issuance, execution and delivery of the Series 2004 Bonds to the successful bidder and for the proper application and use of the proceeds of sale of the Series 2004 Bonds.

Section 17. Compliance with Parity Conditions. The Commission hereby finds and determines as required by Section 5 of the Master Resolution that the Port is not and has not been in default of its covenant under Section 7 of the Master Resolution for the immediately preceding fiscal year (2003).

The Commission hereby further finds and determines that the Series 2004 Bonds shall not be issued unless the Port can demonstrate compliance with all conditions to the issuance of such Series 2004 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 2004 Bonds shall constitute a lien and charge upon such Net Revenues equal in rank to the lien and charge thereon of the Outstanding Parity Bonds.

Section 18. 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 2004 Bonds in order to assist the purchaser of the Series 2004 Bonds 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, 2005 for the fiscal year ending December 31, 2004, 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 18(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 18(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 preliminary 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 2004 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 2004 Bonds;
- Modifications to rights of owners;
- Optional, contingent or unscheduled Series 2004 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 2004 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 2004 Bonds, the Port will state in its Preliminary and Final Official Statements that there is no property securing the repayment of the Series 2004 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 2004 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 2004 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 18 (including the items in the closing certificate referenced above) and any provision of this Section 18 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 2004 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 2004 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 2004 Bonds.

In the event of any amendment of or waiver of a provision of this Section 18, 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 18 shall be deemed to prevent the Port from disseminating any other information, using the means of dissemination set forth in this Section 18 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 18. 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 18, 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 19. Bond Insurance.

(a) *Acceptance of Insurance.* The Commission hereby authorizes and directs the Registrar to hold the Bond Insurance Policy if so directed by the Insurer and hereby further authorizes the Designated Port Representative to execute and deliver the Insurer's commitment for bond insurance.

(b) *Payments Under the Bond Insurance Policy and Rights of the Insurer.*

(1) The Port shall provide the Insurer with the following information:

(A) Within 180 days after the end of each of the Port's fiscal year, the budget for the succeeding year, annual audited financial statements, a statement of the amount on deposit in the Series 2004 Reserve Fund as of the last valuation, and if not presented in the audited financial statements, a statement of the Net Revenues pledged to payment of the Series 2004 Bonds in each such fiscal year;

(B) The official statement or other disclosure, if any, prepared in connection with the issuance of additional debt of the Port, whether or not it is on parity with the Series 2004 Bonds within 30 days after the sale thereof;

(C) Notice of any draw upon or deficiency in the Series 2004 Reserve Fund due to market fluctuation in the amount, if any, on deposit in the Series 2004 Reserve Fund;

(D) Notice of the redemption, other than mandatory sinking fund redemption, of any of the Series 2004 Bonds, or of any advance refunding of the Series 2004 Bonds, including the principal amount, maturities and CUSIP numbers thereof;

(E) Simultaneously with the delivery of the annual audited financial statements, such additional information as the Insurer may reasonably request from time to time.

(2) Any credit instrument provided in lieu of a cash deposit into the Series 2004 Reserve Fund, other than one provided by the Insurer, shall conform to the requirements set forth in Exhibit E to the Commitment of Bond Insurance.

(3) Notice of any redemption of Series 2004 Bonds shall either (i) be conditioned on there being on deposit in the Series 2004 Bond Fund on the redemption date sufficient money to pay the full redemption price of the Series 2004 Bonds to be redeemed or (ii) the notice of redemption shall only be sent if there is sufficient money on deposit in the Series 2004 Bond Fund to pay the full redemption price of the Series 2004 Bonds to be redeemed.

(4) In determining whether a payment default has occurred or whether a payment on the Series 2004 Bonds has been made under this series resolution, no effect shall be given to payments made under the Bond Insurance Policy.

(5) Any acceleration of the Series 2004 Bonds or any annulment thereof shall be subject to the prior written consent of the Insurer (if it has not failed to comply with its payment obligations under the Bond Insurance Policy).

(6) The Insurer shall receive immediate notice of any payment default on the Series 2004 Bonds and notice of any other default known to the Registrar or the Port within 30 days of the Bond Registrar's or the Port's knowledge thereof.

(7) For all purposes of governing events of default and remedies, except the giving of notice of default to owners of the Series 2004 Bonds, the Insurer shall be deemed to be the sole holder of the Series 2004 Bonds it has insured for so long as it has not failed to comply with its payment obligations under the Bond Insurance Policy.

(8) No resignation or removal of the Registrar shall become effective until a successor has been appointed and has accepted the duties of Registrar. The Insurer shall be furnished with written notice of the resignation or removal of the Registrar and the appointment of any successor thereto other than the appointment of a new State fiscal agent.

(9) The Insurer shall be included as a party in interest and as a party entitled to (i) notify the Port or Registrar of the occurrence of an event of default and (ii) request the Registrar to intervene in judicial proceedings that affect the Bonds or the security therefor. The Port or Registrar shall be required to accept notice of default from the Insurer.

(10) Any amendment or supplement to this series resolution (other than the adoption of an additional series resolution providing for the issuance of Future Parity Bonds) shall be subject to the prior written consent of the Insurer. Any rating agency rating the Series 2004 Bonds must receive notice of each amendment and a copy thereof at least 15 days in

advance of its execution or adoption. The Insurer shall be provided with a full transcript of all proceedings relating to the execution of any such supplement or amendment.

(11) Only cash, direct non-callable obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, to which direct obligation or guarantee the full faith and credit of the United States of America has been pledged, Refcorp interest strips, CATS, TIGRS, STRPS, or defeased municipal bonds rated AAA by S&P or Aaa by Moody's (or any combination thereof) shall be used to effect defeasance of the Series 2004 Bonds unless the Insurer otherwise approves. In the event of an advance refunding, the Port shall cause to be delivered a verification report of an independent nationally recognized certified public accountant. If a forward supply contract is employed in connection with the refunding, (i) such verification report shall expressly state that the adequacy of the escrow to accomplish the refunding relies solely on the initial escrowed investments and the maturing principal thereof and interest income thereon and does not assume performance under or compliance with the forward supply contract, and (ii) the applicable escrow agreement shall provide that in the event of any discrepancy or difference between the terms of the forward supply contract and the escrow agreement, the terms of the escrow agreement shall be controlling.

(12) If, on any interest payment date for the Series 2004 Bonds there is not on deposit with the Registrar sufficient money available to pay all principal of and interest on the Series 2004 Bonds due on such date, the Registrar shall immediately notify the Insurer and U.S. Bank Trust National Association, New York, New York, or its successor as its fiscal agent (the "Fiscal Agent") of the amount of such deficiency. If, by said interest payment date, the Port has not provided the amount of such deficiency, the Registrar shall simultaneously make available to the Insurer and to the Fiscal Agent the registration books for the Series 2004 Bonds maintained by the Registrar. In addition:

(i) The Registrar shall provide the Insurer with a list of the registered owners of the Series 2004 Bonds entitled to receive principal or interest payments from the Insurer under the terms of the Bond Insurance Policy and shall make arrangements for the Insurer and its Fiscal Agent (1) to mail checks or drafts to registered owners entitled to receive full or partial interest payments from the Insurer and (2) to pay principal of the Series 2004

Bonds surrendered to the Fiscal Agent by the registered owners entitled to receive full or partial principal payments from the Insurer; and

(ii) The Registrar shall, at the time it makes the registration books available to the Insurer pursuant to (i) above, notify registered owners entitled to receive the payment of principal of or interest on the Series 2004 Bonds from the Insurer (1) as to the fact of such entitlement, (2) that the Insurer will remit to them all or part of the interest payments coming due subject to the terms of the Bond Insurance Policy, (3) that, except as provided in paragraph (iii) below, in the event that any registered owner is entitled to receive full payment of principal from the Insurer, such registered owner must tender his or her Series 2004 Bond with the instrument of transfer in the form provided on the Series 2004 Bond executed in the name of the Insurer, and (4) that, except as provided in paragraph (iii) below, in the event that such registered owner is entitled to receive partial payment of principal from the Insurer, such registered owner must tender his or her Series 2004 Bond for payment first to the Registrar, which shall note on such Series 2004 Bond the portion of principal paid by the Registrar, and then, with an acceptable form of assignment executed in the name of the Insurer, to the Fiscal Agent, which will then pay the unpaid portion of principal to the bondholder subject to the terms of the Bond Insurance Policy.

(iii) In the event that the Registrar has notice that any payment of principal of or interest on a Series 2004 Bond has been recovered from a registered owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Registrar shall, at the time it provides notice to the Insurer, notify all registered owners that in the event that any registered owner's payment is so recovered, such registered owner will be entitled to payment from the Insurer to the extent of such recovery, and the Registrar shall furnish to the Insurer its records evidencing the payments of principal of and interest on the Series 2004 Bonds which have been made by the Registrar and subsequently recovered from registered owners, and the dates on which such payments were made.

(iv) The Insurer shall, to the extent it makes payment of principal of or interest on the Series 2004 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy and, to evidence such subrogation, (1) in the case of subrogation as to claims for past due interest, the Registrar shall

note the Insurer's rights as subrogee on the registration books maintained by the Registrar upon receipt from the Insurer of proof of the payment of interest thereon to the registered owners of such Series 2004 Bonds and (2) in the case of subrogation as to claims for past due principal, the Registrar shall note the Insurer's rights as subrogee on the registration books for the Series 2004 Bonds maintained by the Registrar upon receipt of proof of the payment of principal thereof to the registered owners of such Series 2004 Bonds. Notwithstanding anything herein or in the Series 2004 Bonds to the contrary, the Registrar shall make payment of such past due interest and past due principal directly to the Insurer to the extent that the Insurer is a subrogee with respect thereto.

(13) The notice addresses for the Insurer and the Fiscal Agent are:

Financial Guaranty Insurance Company
125 Park Avenue
New York, New York 10017
Attention: Risk Management

U.S. Bank Trust National Association.
100 Wall Street, Suite 1600
New York, New York 10005
Attention: Corporate Trust Department

Section 20. 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 21. 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 8th day of June, 2004, 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

Paige R Miller PAIGE MILLER
Bob Edwards BOB EDWARDS
L. S. Molloy LAWRENCE T. MOLLOY
Alec Fiskén ALEC FISKEN
Patricia Davis PATRICIA DAVIS
Commissioners

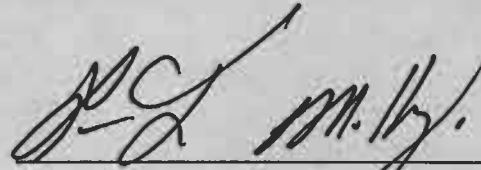
CERTIFICATE

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 3528, as amended (the "Resolution"), is a true and correct copy of a resolution of the Port, as finally adopted at a meeting of the Commission held on the 8th day of June, 2004, 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 8th day of June, 2004.



Secretary

LAWRENCE T. MOLLOY

EXHIBIT A
ESCROW DEPOSIT AGREEMENT
PORT OF SEATTLE
REVENUE REFUNDING BONDS, SERIES 2004

THIS ESCROW DEPOSIT AGREEMENT, dated as of _____, 2004 (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 Wells Fargo Bank, National Association, Portland, Oregon, as escrow agent (herein, together with any successor in such capacity, called the "Escrow Agent"). The notice addresses of the Port 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 "Refunded Bonds"); and

WHEREAS, pursuant to Resolution No. 3528, as amended, adopted on _____, 2004 (the "Series Resolution"), the Port has determined to issue its Revenue Refunding Bonds, Series 2004 (the "Refunding Bonds") for the purpose of providing funds to refund the 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, Causey, Demgen & Moore of Denver, Colorado, have prepared a verification report which is dated _____, 2004 (the "Verification Report") relating to the source and use of funds available to accomplish the refunding of the 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 Refunded Bonds.

WHEREAS, when Escrowed Securities have been deposited with the Escrow Agent for the payment of all principal and interest of the Refunded Bonds when due, then the 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 Refunded Bonds when due as shown on Exhibit C attached hereto; and

WHEREAS, the Port desires that, concurrently with the delivery of the Refunding Bonds to the purchasers thereof, the proceeds of the 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 Refunded Bonds as it accrues and becomes payable and the principal of and premium (if any) on the Refunded Bonds as it becomes due and payable; 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 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 Government 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 Refunded Bonds.

Section 1.2. Other Definitions.

The terms "Agreement," "Port," "Escrow Agent," "Series Resolution," "Verification Report," "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 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 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 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 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 Refunded Bonds as such interest comes due and the principal of and premium on the Refunded Bonds as the 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, 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 Refunded Bonds; and a special account thereof shall at all times be maintained on the books of the Escrow Agent. The owners of the 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 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 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 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 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 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 Refunded Bonds

Section 6.1. Call for Redemption.

The Port hereby irrevocably calls the callable 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 defeasance of the Refunded Bonds and notice of redemption of the callable Refunded Bonds pursuant to the terms of the resolution(s) authorizing the issuance of the 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 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 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 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 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 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 of 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 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 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 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 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 Refunded Bonds. No such amendment shall be made without first receiving written confirmation from the rating agencies, (if any) which have rated the Refunded Bonds that such administrative changes will not result in a withdrawal or reduction of its rating then assigned to the 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 Refunded Bonds.

EXECUTED as of the date first written above.

PORT OF SEATTLE

Chief Financial Officer

**WELLS FARGO BANK, NATIONAL
ASSOCIATION**

as Authorized Signer

- Exhibit A - Addresses of the Port and the Escrow Agent
- Exhibit B - Description of the Refunded Bonds
- Exhibit C - Schedule of Debt Service on Refunded Bonds
- Exhibit D - Description of Beginning Cash Deposit (if any) and Escrowed Securities
- Exhibit E - Escrow Fund Cash Flow
- Appendix A - Notices of Redemption
- Appendix B - Notices of Defeasance
- Appendix C - 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

Escrow Agent: Wells Fargo Bank, National Association

**EXHIBIT B
THE REFUNDED BONDS**

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

EXHIBIT D
Escrow Deposit

I. Cash

II. Other Obligations

<u>Description</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Total Cost</u>
		\$	%	\$

\$ _____ % _____ \$ _____

EXHIBIT E
Escrow Fund Cash Flow

<u>Date</u>	<u>Total Cash Receipts From U.S. Treasury Securities</u>	<u>Reinvestment In Zero-Coupon U.S. Treasury SLGS (Investments)</u>	<u>Maturities</u>	<u>Adjusted Cash Receipts From U.S. Treasury From Escrow</u>	<u>Cash Disbursements From Escrow</u>	<u>Cash Balance</u>
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APPENDIX A-1

NOTICE OF REDEMPTION*

Port of Seattle
[Name of Refunded 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
Seattle, WA 98104

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

The following Bonds are being redeemed:

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

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 ____% 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.

* 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; [Underwriter of Refunded Bonds;] [Insurer of Refunded Bonds;] Moody's Investors Service and Standard & Poor's; and to each Nationally Recognized Municipal Securities Information Repository

**APPENDIX B-1
 Notice of Defeasance¹
 Port of Seattle
 [Name of Refunded Bonds]**

NOTICE IS HEREBY GIVEN to the owners of that portion of the above captioned bonds with respect to which, pursuant to an Escrow Agreement dated _____, by and between the Port of Seattle (the "Port") and _____ (the "Escrow Agent"), the Port has deposited into an escrow account, held by the Escrow Trustee, cash and non-callable direct obligations of the United States of America, the principal of and interest on which, when due, will provide money to pay each year, to and including the respective maturity or redemption dates of such bonds so provided for, the principal thereof and interest thereon (the "Defeased Bonds"). Such Defeased Bonds are therefore deemed to be no longer outstanding pursuant to Section _____ of Resolution No. _____ of the Port authorizing the Defeased Bonds, but will be paid by application of the assets in such escrow.

The Defeased Bonds are described as follows:

Port of Seattle

(Dated _____)

Maturity Date (_____)1)	Par Amount Defeased	Interest Rate	Call Date (at 100%)	CUSIP Nos.
Year*	\$	%		

[*New CUSIP numbers have been assigned to these bonds.]

¹ * This notice shall be given immediately by first class mail to each registered owner of the Defeased Bonds and to each Nationally Recognized Municipal Securities Information Repository.

Bond Numbers of _____ Defeased Bonds

Information for Individual Registered Owner

The addressee of this notice is the registered owner of Bond Certificate No. _____ of the Defeased Bonds described above, which certificate is in the principal amount of \$_____. Of that principal amount, \$_____ has been defeased as described above.

New CUSIP numbers have been assigned to maturities of the Defeased Bonds designated above with an asterisk (*). Such Defeased Bonds must be submitted to the Fiscal Agent for the State of Washington for reissue with the appropriate CUSIP number(s). If your bond has been assigned a new CUSIP number, please submit it to the address listed below along with a copy of this notice.

The Bonds should be presented as follows:

IF BY MAIL:

The Bank of New York
Fiscal Agency Department
101 Barclay Street - 7E
New York, New York 10286

IF BY HAND:

The Bank of New York
Fiscal Agency Department
101 Barclay Street
Main Floor Window
New York, New York 10007

[Date]

_____, as Escrow Trustee

**APPENDIX B
Fee Schedule**

Escrow Agent Fee: \$ _____