

SERIES RESOLUTION
PORT OF SEATTLE, WASHINGTON

RESOLUTION NO 3120 as amended

A RESOLUTION of the Port Commission of the Port of Seattle Washington authorizing the sale and issuance of Revenue Refunding Bonds Series 1993A and Series 1993B of the Port in the principal amounts of \$21,655,000 and \$60,750,000 respectively, for the purpose of refunding certain outstanding senior lien revenue bonds of the Port fixing the date, forms, terms and maturities for each series and authorizing the approval of interest rates and sale of such bonds

ADOPTED February 4 1993

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RESOLUTION NO 3120 as amended

A RESOLUTION of the Port Commission of the Port of Seattle Washington authorizing the sale and issuance of Revenue Refunding Bonds Series 1993A and Series 1993B of the Port in the principal amounts of \$21,655,000 and \$60,750,000 respectively for the purpose of refunding certain outstanding senior lien revenue bonds of the Port fixing the date forms terms and maturities for each series and authorizing the approval of interest rates and sale of such bonds

WHEREAS, the Port of Seattle (the Port) a municipal corporation of the State of Washington owns and operates Seattle-Tacoma International Airport and a system of marine terminals and properties and

WHEREAS the Port has issued and there are currently outstanding the following series of senior lien revenue bonds

<u>Resolution Number</u>	<u>Date of Issue</u>	<u>Original Principal Amt.</u>	<u>Currently Outstanding (02/03/93)</u>	<u>Final Maturity Dates</u>
2286	Feb 1 1969	\$ 20 000 000	\$ 9 430 000	Feb 1 1999
2397	Nov 1, 1971	22 300 000	12 085 000	Nov 1 2001
2504	Nov 1, 1973	111,000 000	60 000 000	Nov 1 2001
2653	Oct 1 1976	55 000 000	24 655,000	Apr 1 2000
2764	July 1 1979	55 000,000	41 150 000	July 1 2009
2919	Jan 1 1984	26 900 000	15 055 000	Jan 1, 1999
2983	Dec 1 1985	40 800 000	30 350 000	Dec 1 2001

and

WHEREAS the Port has authorized the issuance of revenue bonds in one or more series pursuant to Resolution No 3059 as amended adopted on February 2 1990 (the Master Resolution) and

WHEREAS the Port has issued and currently has outstanding five series of revenue bonds pursuant to the Master Resolution as follows

<u>Resolution Number</u>	<u>Date of Issue</u>	<u>Original Principal Amt.</u>	<u>Currently Outstanding (02/03/93)</u>	<u>Final Maturity Dates</u>
3060	2/1/90	(A) \$ 66 240 492 05	\$ 65 310 492	12/1/14
3060	2/1/90	(B) 59 969 771 35	59 129 771	12/1/14
3060	2/1/90	(C) 24 805 000 00	21 655 000	12/1/05
3111	4/1/92	(A) 25 450 000 00	25 265 000	11/1/17
3111	4/1/92	(B) 115 440 000 00	114 615 000	11/1/17

(the Outstanding Bonds*) and

WHEREAS the bonds authorized under the Master Resolution including the Outstanding Bonds are payable from Net Revenues (as such term is defined in the Master Resolution) and have a lien subordinate to the lien of the Senior Lien Bonds and

WHEREAS to effect a substantial savings it is now deemed necessary that the 1973 Refunded Bonds and the 1976 Refunded Bonds (as such terms are hereinafter defined) be refunded, on a current basis by the issuance of two series of bonds issued under authority of the Master Resolution and

WHEREAS the Port Commission has held a public hearing on the issuance of such bonds as required by Section 147(f) of the Internal Revenue Code of 1986 as amended and

WHEREAS it is necessary that the date form terms and maturities of each series of such revenue bonds be fixed and

WHEREAS it is deemed necessary and desirable that such revenue refunding bonds of both series be sold pursuant to negotiated sale as herein provided

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

Section 1 Definitions Unless otherwise defined herein the terms used in this Series Resolution including the preamble hereto which 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

"Code" means the Internal Revenue Code of 1986 as amended and shall include all applicable regulations and rulings relating thereto

"Co-Paying Agents" means the Registrar appointed for purposes of paying the principal of and interest on the Series 1993 Bonds

"Default" has the meaning given such term in Section 17 of this Series Resolution

"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 1993 Bonds pursuant to Section 3 hereof

"Escrow Agent" means Key Bank of Washington Tacoma, Washington

"Escrow Agreement" means the Escrow Agreement dated as of the date of closing and delivery of the Series 1993 Bonds between the Port and the Escrow Agent substantially in the form attached hereto as Exhibit A attached hereto and incorporated by this reference

"Future Parity Bonds" means those revenue bonds or other revenue obligations which will be issued by the Port in the future as Parity Bonds

"Government Obligations" has the meaning given such term in RCW Ch 39.53 as now or hereafter amended

"Insurer" means AMBAC Indemnity Corporation a Wisconsin stock insurance company the company issuing the Surety Bonds and the Municipal Bond Insurance Policies

"Letters of Representations" means the letters of representations from the Registrar and the Port to DTC each in substantially the form of Exhibit B attached hereto and made a part hereof by this reference

"Municipal Bond Insurance Policies" means collectively the policies of municipal bond insurance issued by the Insurer and insuring the payment of the principal of and interest on the Series 1993A Bonds maturing on and after April 1 1997 and the Series 1993B Bonds maturing on and after November 1 1997

"1973 Acquired Obligations" means the investments now or hereafter acquired by the Port to effect the refunding of the 1973 Bonds

"1973 Bonds" means the Port of Seattle Revenue Bonds 1973 issued pursuant to Resolution No. 2504 of the Port Commission and further identified in the recitals to this Series Resolution

"1976 Acquired Obligations" means the investments now or hereafter acquired by the Port to effect the refunding of the 1976 Refunded Bonds

"1976 Bonds" means the Port of Seattle Revenue Bonds 1976 issued pursuant to Resolution No. 2653 of the Port Commission and further identified in the recitals to this Series Resolution

"1976 Refunded Bonds" means the 1976 Bonds maturing on and after April 1 1994

"Outstanding Bonds" means the Ports Revenue Bonds Series 1990A Revenue Bonds Series 1990B and Revenue Bonds Series 1990C issued pursuant to Resolution No. 3060 as amended and the Revenue Bonds Series 1992A and Series 1992B issued pursuant to Resolution No. 3111 as amended and as further described in the recitals to this Series Resolution

"Parity Bonds" means any revenue obligations issued by the Port pursuant to Section 7 of the Master Resolution which Parity Bonds have a lien upon the Net Revenues for the payment of the principal thereof and interest thereon equal to the lien created upon Net Revenues for the payment of the principal of and interest on the Outstanding Bonds and the Series 1993 Bonds. The term "Parity Bonds" shall mean and include the Outstanding Bonds the Series 1993 Bonds and any Future Parity Bonds

"Qualified Insurance" means any non-cancellable 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

"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 Rating Categories by one or more of the Rating Agencies

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

"Refunded Bonds" means collectively the 1976 Refunded Bonds and the 1973 Bonds

Refunding Account, 1973 means the account by that name established within the Senior Lien Bond Fund pursuant to Section 10 of this Series Resolution

Refunding Account, 1976 means the account by that name established within the Senior Lien Bond Fund pursuant to Section 10 of this Series Resolution

"Refunding Plan" means the plan for the refunding of the Refunded Bonds set forth in Section 2 of this Series Resolution

Registered Owner" means the person named as the registered owner of a Series 1993 Bond in the Bond Register

"Registrar" means collectively, the fiscal agency of the State of Washington in Seattle Washington and New York New York appointed by this Series Resolution for the purposes of registering and authenticating the Series 1993 Bonds maintaining the Bond Register and effecting transfer of ownership of the Series 1993 Bonds

"Senior Lien Bond Fund" means the Port of Seattle Revenue Bond Redemption Fund established by Resolution No. 2143 of the Port Commission

"Series 1993 Bond Fund" means the Port of Seattle Revenue Bond Fund Series 1993 created in the office of the Treasurer of the Port by Section 8 of this Series Resolution

Series 1993 Bonds" means collectively, the Series 1993A Bonds and the Series 1993B Bonds

"Series 1993 Debt Service Account" means the account of that name created in the Series 1993 Bond Fund by Section 8(a) of this Series Resolution

"Series 1993A Reserve Account" means the account of that name created in the Series 1993 Bond Fund by Section 8(b) of this Series Resolution

"Series 1993A Reserve Account Requirement" means the lesser of (i) \$3 571 961 03 or (ii) Maximum Annual Debt Service with respect to the Series 1993A Bonds

"Series 1993A Bonds" means the Port of Seattle Washington Revenue Refunding Bonds Series 1993A, authorized to be issued by Section 3(a) of this Series Resolution

Series 1993B Reserve Account" means the account of that name created in the Series 1993 Bond Fund by Section 8(b) of this Series Resolution

Series 1993B Reserve Account Requirement" means the lesser of (i) \$8 557 534 48 or (ii) Maximum Annual Debt Service with respect to the Series 1993B Bonds

"Series 1993B Bonds" means the Port of Seattle Washington Revenue Refunding Bonds Series 1993B authorized to be issued by Section 3(b) of this Series Resolution

"Surety Bond Agreements" means the Agreements between the Port and the Insurer each in substantially the form of Exhibit C attached hereto and made a part hereof by this reference.

Surety Bonds means the surety bonds issued by the Insurer on the date of issuance and delivery of each series of the Series 1993 Bonds for the purpose of satisfying the Series 1993A Reserve Account Requirement and the Series 1993B Reserve Account Requirement respectively

Section 2 Refunding Plan The Port hereby determines that substantial savings will be realized by the refunding of the 1973 Bonds and the 1976 Refunded Bonds To accomplish the refunding as set forth in Sections 10 and 11 hereof, the Port shall enter into an escrow agreement (the "Escrow Agreement") with the Escrow Agent and shall issue Additional Bonds, as provided in the Master Resolution

As provided in Section 11 of this Series Resolution a portion of the proceeds of the Series 1993A Bonds shall be deposited in the Refunding Account 1976 (hereinafter authorized to be created) and shall be used to purchase certain 1976 Acquired Obligations specified in the Escrow Agreement The 1976 Acquired Obligations held in the Refunding Account 1976 shall be sufficient to

- (a) pay the interest on the 1976 Refunded Bonds coming due on April 1 1993 and
- (b) pay the redemption price on April 1 1993 (100% of the principal amount) of the 1976 Refunded Bonds

As further provided in Section 11 of this Series Resolution a portion of the proceeds of the Series 1993B Bonds shall be deposited in the Refunding Account 1973 (hereinafter authorized to be created) and shall be used to purchase certain 1973 Acquired Obligations specified in the Escrow Agreement The 1973 Acquired Obligations held in the Refunding Account 1973 shall be sufficient to

- (i) pay the interest on the 1973 Bonds on May 1, 1993 and
- (ii) pay the redemption price on May 1 1993 (100% of the principal amount) of the

1973 Bonds

Section 3 Authorization of Series 1993 Bonds

(a) Series 1993A Bonds The Port shall issue the Series 1993A Bonds in the principal amount of \$21 655 000 for the purpose of refunding the 1976 Refunded Bonds

(b) Series 1993B Bonds The Port shall issue the Series 1993B Bonds in the principal amount of \$60 750 000 for the purpose of refunding the 1973 Refunded Bonds

Section 4 Series 1993 Bond Details

(a) Series 1993A Bonds The Series 1993A Bonds shall be designated as "Port of Seattle Washington Revenue Refunding Bonds Series 1993A" shall be registered as to both principal and interest and shall be numbered separately in the manner and with any additional designation as the Registrar deems necessary for purposes of identification shall be dated February 1 1993 shall be in the denomination of \$5 000 each or any integral multiple of \$5 000 provided that no Series 1993A Bond shall represent more than one maturity shall bear interest from February 1, 1993 until the Series 1993A Bond bearing such interest has been paid or its payment duly provided for payable on October 1 1993 and semiannually on the first days of each April and October thereafter and shall mature on April 1 of the following years in the following amounts and bear interest at the following rates per annum

<u>Maturity Years (April 1)</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
1994	\$3 695 000	3 00%
1995	3 915 000	3 75
1996	3 075 000	4 25
1997	3 035 000	4 40
1998	3 000 000	4 60
1999	2 965 000	4 80
2000	1 940 000	5 00

(b) Series 1993B Bonds The Series 1993B Bonds shall be designated as "Port of Seattle Washington Revenue Refunding Bonds Series 1993B" shall be registered as to both principal and interest and shall be numbered separately in the manner and with any additional designation as the Registrar deems necessary for purposes of identification. The Series 1993B Bonds shall be dated February 1 1993 shall be in the denomination of \$5 000 each or any integral multiple of \$5 000 provided that no Series 1993B Bond shall represent more than one maturity shall bear interest from February 1 1993 until the Series 1993B Bond bearing such interest has been paid or its payment duly provided for payable on November 1 1993 and semiannually on the first days of each May and November thereafter and shall mature on November 1 of the following years in the following amounts and bear interest at the following rates per annum

<u>Maturity Years (November 1)</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
1993	\$5 415 000	2 60%
1994	6 380 000	3 30
1995	6 570 000	4 00
1996	6 825 000	4 25
1997	7 105 000	4 40
1998	7 415 000	4 60
1999	7 760 000	4 80
2000	9 940 000	5 00
2001	3 340 000	5 00

(c) Series 1993 Bonds Not A General Obligation The Series 1993 Bonds are not general obligations of the Port and no tax revenues of the Port may be used to pay the principal of and interest on the Series 1993 Bonds

Section 5 Redemption and Purchase

(a) No Optional Redemption The Series 1993 Bonds shall not be subject to optional redemption prior to their scheduled maturity

(b) Purchase of Series 1993 Bonds for Retirement The Port further reserves the right to use at any time any surplus Gross Revenue available after providing for the payment required by paragraph First through Sixth of Section 4(a) of the Master Resolution to purchase any of the Series 1993 Bonds for retirement

Section 6 Place and Medium of Payment Both principal of and interest on the Series 1993 Bonds shall be payable in lawful money of the United States of America For so long as all Outstanding

Series 1993 Bonds are in fully immobilized form payments of principal and interest thereon shall be made as provided in the Letters of Representations

In the event that any Series 1993 Bonds are no longer in fully immobilized form interest on the respective series of the Series 1993 Bonds shall be paid by check or draft mailed (or by wire transfer to a Registered Owner of Series 1993 Bonds in aggregate principal amount of \$1 000 000 or more who so requests) to the Registered Owners of the such series at the addresses for such Registered Owners appearing on the Bond Register on the 15th day of the month preceding the interest payment date Principal of the Series 1993 Bonds shall be payable upon presentation and surrender of the Series 1993 Bonds by the Registered Owners at the principal office of the Registrar

Section 7 Registration

(a) Bond Register The Port hereby appoints the fiscal agency of the State of Washington as the Registrar The Port shall cause a bond register to be maintained by the Registrar So long as any Series 1993 Bonds remain Outstanding the Registrar shall make all necessary provisions to permit the exchange or registration or transfer of Series 1993 Bonds at its principal office

(b) Registered Ownership The Port and the Registrar each in its discretion may deem and treat the Registered Owner of each Series 1993 Bond as the absolute owner thereof for all purposes and neither the Port nor the Registrar shall be affected by any notice to the contrary Payment of any such Series 1993 Bond shall be made only as described in Section 5 hereof but such registration may be transferred as herein provided All such payments made as described in Section 5 shall be valid and shall satisfy and discharge the liability of the Port upon such Series 1993 Bond to the extent of the amount or amounts so paid The Port and the Registrar shall be entitled to treat the person in whose name any Series 1993 Bond is registered as the absolute owner thereof for all purposes of this Series Resolution and any applicable laws notwithstanding any notice to the contrary received by the Registrar or the Port Neither the Port nor the Registrar will have any responsibility or obligations legal or otherwise to any other party including DTC or its successor (or substitute depository or its successor) except for the Registered Owners of the Series 1993 Bonds

(c) DTC Acceptance/Letters of Representations To induce DTC to accept the Series 1993 Bonds as eligible for deposit at DTC the Port shall execute and deliver a Letter of Representations upon the delivery of each series of the Series 1993 Bonds The Designated Port Representative is hereby authorized to execute each Letter of Representations with such changes as may hereafter be approved by the Designated Port Representative and such approval shall be conclusively presumed by the Designated Port Representative's execution thereof The Series 1993 Bonds initially issued shall be held in fully immobilized form by DTC acting as depository pursuant to the terms and conditions set forth in Exhibit B attached hereto

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 1993 Bonds in respect of 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 the Series 1993 Bonds any notice which 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 to DTC) or any consent given or other action taken by DTC as the Registered Owner For so long as any Series 1993 Bonds are held in fully immobilized form hereunder DTC or its successor depository shall be deemed to be the Registered Owner for all purposes hereunder, and all references herein to the Registered Owners shall mean DTC or its nominee and shall not mean the owners of any beneficial interest in the Series 1993 Bonds

If any Series 1993 Bond shall be duly presented for payment and funds have not been duly provided by the Port on such applicable date then interest shall continue to accrue thereafter on the unpaid principal thereof at the rate stated on such Series 1993 Bond until it is paid

(d) Use of Depository

(1) The Series 1993 Bonds shall be registered initially in the name of "Cede & Co " as nominee of DTC with one Series 1993 Bond maturing on each of the maturity dates for the Series 1993 Bonds of each series in a denomination corresponding to the total principal therein designated to mature on such date Registered ownership of such immobilized Series 1993 Bonds or any portions thereof, may not thereafter be transferred except (i) 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 or (ii) to any substitute depository appointed by the Commission pursuant to subsection (2) below or such substitute depository's successor or (iii) to any person as provided in subsection (4) below

(2) Upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository or a determination by the Commission to discontinue the system of book entry transfers through DTC or its successor (or any substitute depository or its successor) the Commission may hereafter 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 (i) or (ii) of subsection (1) above the Registrar shall upon receipt of all Outstanding Series 1993 Bonds together with a written request on behalf of the Commission issue a single new Series 1993 Bond for each maturity of such Series 1993 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 the Commission

(4) In the event that (i) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository and no substitute depository can be obtained or (ii) the Commission determines that it is in the best interest of the beneficial owners of any series of the

Series 1993 Bonds that they be able to obtain such series in the form of Bond certificates the ownership of Series 1993 Bonds may then be transferred to any person or entity as herein provided, and such series shall no longer be held in fully immobilized form. The Commission shall deliver a written request to the Registrar together with a supply of definitive Series 1993 Bonds to issue Series 1993 Bonds as herein provided in any authorized denomination. Upon receipt of all then outstanding Series 1993 Bonds by the Registrar together with a written request on behalf of the Commission to the Registrar new Series 1993 Bonds shall be issued in such denominations and registered in the names of such persons as are requested in such written request.

(e) Transfer or Exchange of Registered Ownership, Change in Denominations The registered ownership of any Series 1993 Bond may be transferred or exchanged but no transfer of any Series 1993 Bond shall be valid unless it is surrendered to the Registrar with the assignment form appearing on such Series 1993 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 1993 Bond and shall authenticate and deliver without charge to the Registered Owner or transferee therefor a new Series 1993 Bond (or Series 1993 Bonds at the option of the new Registered Owner) of the same date, maturity and interest rate and for the same series 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 1993 Bond in exchange for such surrendered and cancelled Series 1993 Bond. Any Series 1993 Bond may be surrendered to the Registrar and exchanged without charge for an equal aggregate principal amount of Series 1993 Bonds of the same series, date, maturity and interest rate in any authorized denomination. The Registrar shall not be obligated to transfer or exchange any Series 1993 Bond during the 15 days preceding any interest payment or principal payment date.

(f) Registrar's Ownership of Series 1993 Bonds The Registrar may become the Registered Owner of any Series 1993 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 right of the Registered Owners of the Series 1993 Bonds.

(g) Registration Covenant The Port covenants that until all Series 1993 Bonds have been surrendered and cancelled it will maintain a system for recording the ownership of each Series 1993 Bond that complies with the provisions of Section 149 of the Code.

(h) Series 1993 Bonds Payable from Series 1993 Bond Fund The Series 1993 Bonds shall be obligations only of the Series 1993 Bond Fund and shall be payable and secured as provided herein. The Series 1993 Bonds do not constitute an indebtedness of the Port within the meaning of the constitutional provisions and limitations of the State of Washington.

Section 8 Series 1993 Bond Fund A special fund of the Port designated the "Port of Seattle Revenue Bond Fund Series 1993" (the "Series 1993 Bond Fund") is hereby authorized to be created in the office of the Treasurer of the Port for the purpose of paying and securing the payment of the Series 1993 Bonds. The Series 1993 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 from time to time of the Series 1993 Bonds.

(a) Series 1993 Debt Service Account A Series 1993 Debt Service Account is hereby authorized to be created in the Series 1993 Bond Fund for the purpose of paying the principal of and interest on the Series 1993 Bonds.

The Port hereby irrevocably obligates and binds itself for as long as any Series 1993 Bonds remain Outstanding to set aside and pay into the Series 1993 Debt Service Account 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 on Outstanding Series 1993 Bonds and

(2) such amounts as are required to pay maturing principal of Outstanding Series 1993 Bonds.

(b) Series 1993 Reserve Accounts A Series 1993A Bond Reserve Account (the "Series 1993A Reserve Account") and Series 1993B Bond Reserve Account (the "Series 1993B Reserve Account") are each hereby authorized to be created in the Series 1993 Bond Fund for the purpose of securing the payment of the principal of and interest on the Series 1993 Bonds.

The Port hereby covenants and agrees that on the date of issuance of the Series 1993A Bonds it will purchase a Surety Bond as Qualified Insurance in the aggregate total policy amount of \$3,571,961.03, in satisfaction of the Series 1993A Reserve Account Requirement for deposit in the Series 1993A Reserve Account. The Port hereby covenants and agrees that on the date of issuance of the Series 1993B Bonds it will purchase a Surety Bond as Qualified Insurance in the aggregate total policy amount of \$8,557,534.48 in satisfaction of the Series 1993B Reserve Account Requirement for deposit in the Series 1993B Reserve Account. At the time of issuance of each Surety Bond the Port shall enter into and the Designated Port Representative is hereby authorized to execute a Surety Bond Agreement substantially in the form attached hereto as Exhibit C incorporated by this reference herein. The Designated Port Representative may negotiate such modifications of said Surety Bond Agreements in his/her discretion and the terms of each Surety Bond Agreements shall be deemed approved conclusively by the Port upon the execution of such Surety Bond Agreement by the Designated Port Representative.

In consideration of the issuance and maintenance of the Surety Bonds the covenants of the Port in this Series Resolution and in the Master Resolution are hereby declared to be for the further benefit of the Insurer as issuer of the Surety Bonds and said corporation shall be a beneficiary of all said covenants.

In addition the Port hereby covenants and agrees that any provision of this Series Resolution which expressly recognizes or grants rights in or to the Insurer may not be amended in any manner which

affects the rights of the Insurer hereunder without the prior written consent of the Insurer. The consent of the Insurer shall be required in addition to the consent of the Registered Owners when required for the following purposes: (i) adoption of supplemental resolutions and (ii) the initiation or approval of any other action which requires the consent of the Registered Owners. The Designated Port Representative may provide such additional information and/or notices to the Insurer as he/she shall determine in his/her discretion.

The Port further covenants and agrees that it will maintain a Surety Bond or equivalent thereof (as provided in the following sentence) in the Series 1993A Reserve Account in an amount at least equal to the Series 1993A Reserve Account Requirement and in the Series 1993B Reserve Account in an amount at least equal to the Series 1993B Reserve Account Requirement, each to be satisfied initially upon the original issuance and delivery of the respective series of the Series 1993 Bonds. The Series 1993A Reserve Account Requirement and/or the Series 1993B Reserve Account Requirement may be maintained by deposits of cash, a Qualified Letter of Credit or Qualified Insurance, or a combination of the foregoing. In computing the amount on hand in the Series 1993 Reserve Accounts, Qualified Insurance and/or a Qualified Letter of Credit shall be valued at the face amount thereof, and all other obligations purchased as an investment of moneys therein shall be valued at cost.

If the balances on hand in the Series 1993A Reserve Account and the Series 1993B Reserve Account are sufficient to satisfy the Series 1993A Reserve Account Requirement and/or the Series 1993B Reserve Account Requirement, as the case may be, interest earnings shall be applied as provided in the following sentences. Whenever there is a sufficient amount in the Series 1993 Bond Fund, including the Series 1993A Reserve Account and the Series 1993B Reserve Account and the Series 1993 Debt Service Account to pay the principal of and interest on all outstanding Series 1993 Bonds, the money in the Series 1993A Reserve Account and the Series 1993B Reserve Account may be used to pay such principal and interest allocable to such series. As long as the money left remaining on deposit in the Series 1993A Reserve Account and the Series 1993B Reserve Account is equal to the Series 1993A Reserve Account Requirement and the Series 1993B Reserve Account Requirement, respectively, money in the Series 1993A Reserve Account and Series 1993B Reserve Account may be transferred to the Series 1993 Debt Service Account and used to pay the principal of and interest on the applicable series of Series 1993 Bonds as the same becomes due and payable. The Port also may transfer out of the Series 1993A Reserve Account and the Series 1993B Reserve Account any money required in order to prevent any Series 1993 Bonds from becoming "arbitrage bonds" under the Code.

If a deficiency in the Series 1993 Debt Service Account shall occur, such deficiency shall be made up from the Series 1993A Reserve Account and/or the Series 1993B Reserve Account, as the case may be, by the withdrawal of cash therefrom for that purpose and by the sale or redemption of obligations held in the Series 1993A Reserve Account and the Series 1993B Reserve Account as applicable and if necessary, in such amounts as will provide cash in the Series 1993A Reserve Account and the Series 1993B Reserve

Account as the case may be sufficient to make up any such deficiency with respect to the Series 1993A Bonds and the Series 1993B Bonds as the case may be and if a deficiency still exists immediately prior to an interest payment date and after the withdrawal of cash the Port shall then draw from the Surety Bond allocable to such series or any other Qualified Letter of Credit or Qualified Insurance in sufficient amount to make up the deficiency. Such draw shall be made at such times and under such conditions as the applicable Surety Bond Agreement or the agreement for such Qualified Letter of Credit or such Qualified Insurance shall provide. Reimbursement shall be made to the insurer in accordance with the terms of the respective Surety Bond Agreement and after making necessary provision for the payments required to be made in paragraph First through Third of Section 4(a) of the Master Resolution. Any deficiency created in the respective Series 1993 Reserve Account 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 installments) after making necessary provision for the payments required to be made into the respective Series 1993 Debt Service Account within such year.

In making the payments and credits to the Series 1993A Reserve Account and/or the Series 1993B Reserve Account 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 1993A Reserve Account and the Series 1993B Reserve Account such amounts so covered by Qualified Insurance or a Qualified Letter of Credit shall be credited against the amounts required to be maintained in the Series 1993A Reserve Account and/or the Series 1993B Reserve Account by this Section 8(b) to the extent that such payments and credits to be made are insured by an insurance company or guaranteed by a letter of credit from a financial institution. If the issuer of the Qualified Insurance or the Qualified Letter of Credit shall be insolvent the respective Series 1993A or Series 1993B Reserve Account Requirement shall be satisfied (i) within one year of the insolvency with Qualified Insurance or another Qualified Letter of Credit or (ii) within three years (in three equal installments) of the insolvency of the issuer of a Qualified Letter of Credit or Qualified Insurance or termination of a Qualified Letter of Credit out of Net Revenues (or out of moneys on hand legally available for such purpose) after making necessary provisions for the payments required to be made into the Series 1993 Debt Service Account.

(c) Pledge and Lien Said amounts so pledged to be paid into the Series 1993 Debt Service Account and the Series 1993A Reserve Account and the Series 1993B Reserve Account 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 the lien and charge thereon of the Senior Lien Bonds and except for Operating Expenses and except that the amounts so pledged are of equal lien to the lien and charge thereon of the Outstanding Bonds and to any lien and charge thereon which may hereafter be made to pay and secure the payment of the principal of and interest on any Future Priority Bonds.

(d) Use of Excess Money. Money in the Series 1993 Bond Fund not needed to pay the interest or principal and interest next coming due on any Outstanding Series 1993 Bonds or to maintain required reserves therefor may be used to purchase or redeem and retire Series 1993 Bonds. Money in the Series 1993 Debt Service Account, the Series 1993A Reserve Account and the Series 1993B Reserve Account may be invested in any investments legal for port districts.

Section 9. Defeasance. In the event that money and/or noncallable Government Obligations maturing or having guaranteed redemption prices at the option of the owner at such time or times and bearing interest to be earned thereon in amounts (together with such money, if any) sufficient to redeem and retire part or all of any series of the Series 1993 Bonds in accordance with their terms are hereafter irrevocably set aside in a special account and pledged to effect such redemption and retirement, then no further payments need be made into the Series 1993 Bond Fund or any account therein for the payment of the principal of and interest on the certain Series 1993 Bonds so provided for and such Series 1993 Bonds shall then cease to be entitled to any lien, benefit or security of this Series Resolution, except the right to receive the funds so set aside and pledged and notices of early redemption, if any, and such Series 1993 Bonds shall no longer be deemed to be Outstanding hereunder or under any resolution authorizing the issuance of bonds or other indebtedness of the Port.

Section 10. Refunding Accounts.

(a) Creation of Refunding Accounts. The following accounts are hereby authorized to be created in the Senior Lien Bond Fund:

(1) "Refunding Account 1976" which Account is to be drawn upon for the sole purpose of paying the principal of and interest on the 1976 Refunded Bonds; and

(2) "Refunding Account 1973" which Account is to be drawn upon for the sole purpose of paying the principal of and interest on the 1973 Bonds.

(b) Application of Series 1993 Bond Proceeds.

(1) Series 1993A. The net proceeds of sale of the Series 1993A Bonds (exclusive of accrued interest thereon, which shall be paid into the Series 1993 Debt Service Account and used to pay a portion of the interest on the Series 1993A Bonds on October 1, 1993) shall be credited to the Refunding Account 1976.

(2) Series 1993B. The net proceeds of sale of the Series 1993B Bonds (exclusive of accrued interest thereon, which shall be paid into the Series 1993 Debt Service Account and used to pay a portion of the interest on the Series 1993B Bonds on November 1, 1993) shall be credited to the Refunding Account 1973.

(c) Defeasance of Refunded Bonds.

(1) 1976 Refunded Bonds. Money in the Refunding Account, 1976, together with funds deposited by the Port, if necessary, shall be used immediately upon receipt thereof to defease the 1976 Refunded Bonds and discharge the other obligations of the Port relating thereto under

Resolution No. 2653 adopted on September 27, 1976, authorizing the issuance of the 1976 Bonds by providing for the payment of the principal of and interest thereon as hereinafter set forth in this section.

(2) 1973 Bonds Money in the Refunding Account 1973 together with funds deposited by the Port if necessary shall be used immediately upon receipt thereof to defease the 1973 Bonds and discharge the other obligations of the Port relating thereto under Resolution No. 2504 adopted on October 30, 1973 authorizing the issuance of the 1973 Bonds by providing for the payment of the principal of and interest thereon as hereinafter set forth in this section.

(d) Acquired Obligations

(1) 1976 Refunded Bonds The Controller of the Port is hereby authorized to transfer to the Refunding Account 1976 the proceeds of the Series 1993A Bonds deposited in such Account that are required to purchase the 1976 Acquired Obligations maturing at such times and bearing interest in such amounts as may be required to pay the principal of and interest on the 1976 Refunded Bonds and to redeem and retire the 1976 Refunded Bonds on April 1, 1993 and to provide a beginning cash balance as necessary. The Port shall defease the 1976 Refunded Bonds and discharge such obligations by the use of money in the Refunding Account 1976 to purchase certain Government Obligations (which obligations so purchased are herein called "1976 Acquired Obligations") bearing such interest and maturing as to principal and interest in such amounts and at such times which together with any necessary beginning cash balance will provide for the payment of

(A) interest on the 1976 Refunded Bonds coming due on April 1, 1993.

(B) the redemption price on April 1, 1993 (100% of the principal amount) of the 1976 Refunded Bonds.

Such 1976 Acquired Obligations shall be purchased at a yield not greater than the yield permitted by the federal Internal Revenue Code and regulations relating to required obligations in connection with refunding bond issues.

(2) 1973 Bonds The Controller of the Port is hereby authorized to transfer to the Refunding Account 1973 the proceeds of the Series 1993B Bonds deposited in such Account that are required to purchase the 1973 Acquired Obligations maturing at such times and bearing interest in such amounts as may be required to pay the principal of and interest on the 1973 Bonds and to redeem and retire the 1973 Bonds on May 1, 1993 and to provide a beginning cash balance as necessary.

The Port shall defease the 1973 Bonds and discharge such obligations by the use of money in the Refunding Account 1973 to purchase certain Government Obligations (which obligations so purchased are herein called "1973 Acquired Obligations") bearing such interest and

maturing as to principal and interest in such amounts and at such times which together with any necessary beginning cash balance will provide for the payment of

(A) the interest on the 1973 Bonds on May 1 1993, and

(B) the redemption price on May 1 1993 (100% of the principal amount) of the 1973 Bonds maturing

Such 1973 Acquired Obligations shall be purchased at a yield not greater than the yield permitted by the federal Internal Revenue Code and regulations relating to acquired obligations in connection with refunding bond issues

(e) Appointment of Escrow Agent The Port hereby appoints the corporate trust department of Key Bank of Washington Tacoma Washington as the Escrow Agent for the 1973 Bonds and the 1976 Refunded Bonds (the "Escrow Agent") Beginning cash balances if any, the 1973 Acquired Obligations and the 1976 Acquired Obligations shall be deposited irrevocably with the Escrow Agent in an amount sufficient to defease and redeem the 1973 Bonds and the 1976 Refunded Bonds respectively in accordance with this Section 10 and Section 11 of this Series Resolution

Section 11 Redemption of 1976 Refunded Bonds and 1973 Bonds

(a) 1976 Refunded Bonds The Port hereby irrevocably calls the 1976 Refunded Bonds for redemption on April 1 1993 in accordance with the provisions of Section 5 of Resolution No. 2653 of the Port Commission adopted on September 27 1976 authorizing the redemption and retirement of the 1976 Bonds prior to their fixed maturities

Said defeasance and call for redemption of the 1976 Refunded Bonds shall be irrevocable after the final establishment of the 1976 Refunding Account and delivery of the 1976 Acquired Obligations to the Escrow Agent

The Escrow Agent is hereby authorized and directed to provide for the giving of notice of the redemption of the 1976 Refunded Bonds in accordance with the applicable provisions of Resolution No. 2653 Said notice shall be given not less than 30 nor more than 10 days prior to the date fixed for redemption of the 1976 Refunded Bonds by one publication thereof in the official newspaper of King County Washington and in a financial newspaper or journal of general circulation throughout the United States and mailing a like notice at the same time to Salomon Brothers as the original purchaser of the 1976 Bonds (or to its business successor if any) in New York New York The Controller of the Port is authorized and requested to provide whatever assistance is necessary to accomplish such redemption and the giving of notice therefor The costs of mailing of such notice shall be an expense of the Port

The Escrow Agent is hereby authorized and directed to pay to the fiscal agency or agencies of the State of Washington sums sufficient to pay when due the payments specified in subparagraphs (d)(1)(A) and (B) of Section 10 of this Series Resolution All such sums shall be paid from the moneys and 1976 Acquired Obligations deposited with said Escrow Agent pursuant to the previous section of this Series Resolution and the income therefrom and proceeds thereof

(b) 1973 Bonds The Port hereby irrevocably calls the 1973 Bonds for redemption on May 1 1993 in accordance with the provisions of Section 5 of Resolution No 2504 of the Port Commission adopted on October 30 1973, authorizing the redemption and retirement of the 1973 Bonds prior to their fixed maturities

Said defeasance and call for redemption of the 1973 Bonds shall be irrevocable after the final establishment of the escrow account and delivery of the 1973 Acquired Obligations to the Escrow Agent

The Escrow Agent is hereby authorized and directed to provide for the giving of notice of the redemption of the 1973 Bonds in accordance with the applicable provisions of Resolution No 2504 Said notice shall be given not less than 30 nor more than 40 days prior to the date fixed for redemption of the 1973 Bonds by one publication thereof in the official newspaper of King County Washington and in a financial newspaper or journal of general circulation throughout the United States and mailing a like notice at the same time to Salomon Brothers as the original purchaser of the 1973 Bonds (or to its business successor if any) in New York New York The Controller of the Port is authorized and requested to provide whatever assistance is necessary to accomplish such redemption and the giving of notice therefor The costs of mailing of such notice shall be an expense of the Port

The Escrow Agent is hereby authorized and directed to pay to the fiscal agency or agencies of the State of Washington sums sufficient to pay when due the payments specified in subparagraphs (d)(2)(A) and B) of Section 10 of this Series Resolution All such sums shall be paid from the moneys and 1973 Acquired Obligations deposited with said Escrow Agent pursuant to the previous section of this Series Resolution and the income therefrom and proceeds thereof

(d) Escrow Agreement The Port will take such actions as are found necessary to ascertain that all necessary and proper fees compensation and expenses of the Escrow Agent for the Refunded Bonds shall be paid when due The Designated Port Representative is authorized and directed to execute and deliver to Key Bank of Washington Tacoma Washington the Escrow Agreement when the provisions thereof have been fixed and determined 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 12 Tax Covenants

(1) Arbitrage Covenant The Port hereby covenants that it will not make any use of the proceeds of sale of the Series 1993 Bonds or any other funds of the Port which may be deemed to be proceeds of such Series 1993 Bonds pursuant to Section 148 of the Code as amended and the applicable regulations thereunder which, if such use had been reasonably expected on the date of delivery of the Series 1993 Bonds to the initial purchasers thereof would have caused the Series 1993 Bonds to be "arbitrage bonds" within the meaning of said section and said regulations The Port will comply with the requirements of Section 148 of the Code and the applicable regulations thereunder throughout the term of the Series 1993 Bonds

(b) Use of Proceeds of 1973 Bonds and 1976 Bonds

(1) The projects financed with the 1973 Bonds and the 1976 Bonds (collectively the "projects") include only facilities that are (i) directly related and essential to (A) servicing aircraft or enabling aircraft to take off and land or (B) transferring passengers or cargo to or from aircraft (the projects referred to in this subsection (b)(i) are hereinafter referred to as the "airport projects") and (ii)(A) docks or wharfs or (B) functionally related and subordinate to such docks or wharfs (the projects referred to in this subsection (b)(ii) are hereinafter referred to as the "marine projects")

(2) The Port will at all times while the Series 1993 Bonds are Outstanding be the owner of all elements of the projects financed with the 1973 Bonds and the 1976 Bonds. If any portion of the projects is the subject of a lease or management contract with an entity other than a governmental unit then the lease or management contract must meet the requirements of Section 142(b)(1)(B) of the Code.

(3) The projects shall not include any

- (i) lodging facilities
- (ii) retail facilities (including food and beverage facilities) in excess of a size necessary to serve passengers and employees
- (iii) retail facilities (other than parking) for passengers or the general public located outside the airport (in the case of an airport project) or the marine terminal (in the case of a marine project)
- (iv) office building for persons who are not employees of a governmental unit or the Port
- (v) industrial park or manufacturing facilities that is to be used for any private business use (within the meaning of Section 141(b)(6) of the Code)

(4) Any element of any project that is an office must be located at the airport (in the case of any airport project) or the marine terminal (in the case of a marine project) and no more than a de minimus amount of the functions performed at such office may not be directly related to day-to-day operations of the airport (in the case of an airport project) or the marine terminal (in the case of a marine project). Any storage or training facilities included in any project must be located at the airport (in the case of an airport project) or the marine terminal (in the case of a marine project) and must be of a character and size commensurate with the character and size of the airport (in the case of an airport project) or the marine terminal (in the case of a marine project).

(5) All elements of the airport projects need to be located at or in close proximity to the takeoff and landing area in order to perform their functions.

(6) Any land acquired by the Port as a part of the airport projects will be (i) acquired solely to mitigate damages attributable to airport noise or (ii) land that is adjacent to the airport

impaired by a significant level of airport noise and (A) in the case of improved land, use of the land and improvements before acquisition is incompatible with the airport noise level use after acquisition is compatible with the airport noise level and the post-acquisition use is essentially different from the pre-acquisition use or (B) in the case of unimproved land (including agricultural land) use of the land after its acquisition will not be incompatible with the level of airport noise

(7) Any elements of the marine projects that are functionally related and subordinate to the dock and wharf will be of a character and size commensurate with the character and size of the marine terminal and include only equipment needed to receive and discharge cargo and passengers from a vessel related storage handling office and passenger areas

(c) Modification of Tax Covenants The covenants of this Section 12 are specified solely to assure the continued exemption from regular income taxation of the interest on the Series 1993 Bonds To that end the provisions of this Section 12 may be modified or eliminated without any requirement for formal amendment thereof upon receipt of an opinion of the Port's bond counsel that such modification or elimination will not adversely affect the tax exemption of interest on the Series 1993 Bonds of either series

Section 13 Lost, Stolen or Destroyed Series 1993 Bonds In case any Series 1993 Bond or Series 1993 Bonds shall be lost stolen or destroyed the Registrar may execute and deliver a new Series 1993 Bond or Series 1993 Bonds of like series date, number and tenor to the Registered Owner thereof upon the owner's paying the expenses and charges of the Port in connection therewith and upon his/her filing with the Port evidence satisfactory to the Port that such Series 1993 Bond was actually lost stolen or destroyed and of his/her ownership thereof, and upon furnishing the Port with indemnity satisfactory to the Port

Section 14 Form of Series 1993 Bonds and Registration Certificates

(a) Series 1993A Bonds The Series 1993A Bonds shall be in substantially the following form

UNITED STATES OF AMERICA

NO _____

\$ _____

STATE OF WASHINGTON

PORT OF SEATTLE

REVENUE REFUNDING BOND SERIES 1993A

Maturity Date

CUSIP No _____

Interest Rate

Registered Owner

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 Bond Fund Series 1993 (the Bond Fund)" created by Resolution No 3120 of the Port Commission as amended (together with Resolution No 3059 as amended hereinafter collectively referred to as the "Bond Resolution") the Principal Amount indicated above and to

pay interest thereon from the Bond Fund from February 1, 1993, 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 on October 1, 1993 and semiannually thereafter on the first days of each April and October. Both principal of and interest on this bond are payable in lawful money of the United States of America. Interest shall be paid by mailing a check or draft to the Registered Owner or assigns at the address shown on the Bond Register on the 15th day of the month prior to the interest payment date (or, if this bond is held in fully immobilized form or otherwise if agreed to by the Port by wire transfer). Principal shall be paid to the Registered Owner or assigns upon presentation and surrender of this bond at the principal office of the fiscal agency of the State of Washington in either Seattle, Washington or New York, New York (collectively the "Registrar"). Capitalized terms used in this bond which are not specifically defined have the meanings given such terms in the Bond Resolution.

This bond is one of a series of bonds of the Port in the aggregate principal amount of \$21,655,000 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 issued under date of October 1, 1976.

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

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

This bond is transferable only on the records maintained by the Registrar for that purpose upon the surrender of this bond by the registered owner hereof or his/her duly authorized agent and only if endorsed in the manner provided hereon and thereupon a new fully registered bond of like principal amount, series, maturity and interest rate shall be issued to the transferee in exchange therefor. Such exchange or transfer shall be without cost to the registered owner or transferee. The Port and Registrar may 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 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 such Gross Revenue and to pay into said Bond Fund and the Reserve Account created therein the various amounts required by the Bond Resolution to be paid into and maintained in said Fund and Account, all within the times provided by said Bond Resolution.

Said amounts so pledged to be paid out of Gross Revenue into said Bond Fund and Reserve Account are hereby declared to be a first and prior lien and charge upon the Gross Revenue, subject to the lien thereon of the Senior Lien Bonds and subject further to 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 Bonds, the Series 1993B Bonds of the Port issued pursuant to the Bond Resolution 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 which 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.

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 Washington 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 1st day of February 1993

PORT OF SEATTLE WASHINGTON

By /s/
President Port Commission

ATTEST

/s/
Secretary Port Commission

King County Comptroller's Reference No _____

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 1993A of the Port of Seattle Washington dated February 1 1993

WASHINGTON STATE FISCAL AGENCY
Registrar

By _____
Authorized Signer

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR TAXPAYER IDENTIFICATION NUMBER OF TRANSFEREE

(Please print or type name and address including zip code of transferee)

_____ the within bond and all rights thereunder and does hereby irrevocably constitute and appoint _____ of _____ or its successor as Agent to transfer said bond on the books kept by the Registrar for registration thereof with full power of substitution in the premises

DATED _____, 19 ____

SIGNATURE GUARANTEED

NOTE The signature of this Assignment must correspond with the name of the registered owner as it appears upon the face of the within bond in every particular without alteration or enlargement or any change whatever

(b) Series 1993B Bonds The Series 1993B Bonds shall be in substantially the following form

UNITED STATES OF AMERICA

NO _____ \$ _____

STATE OF WASHINGTON

PORT OF SEATTLE

REVENUE REFUNDING BOND SERIES 1993B

Maturity Date

CUSIP No

Interest Rate

Registered Owner

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 Bond Fund Series 1993" (the "Bond Fund") created by Resolution No 3120 of the Port Commission as amended (together with Resolution No 3059 as amended hereinafter collectively referred to as the Bond Resolution") the Principal Amount indicated above and to pay interest thereon from the Bond Fund from February 1 1993 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 on November 1 1993 and semiannually thereafter on the first days of each May and November Both principal of and interest on this bond are payable in lawful money of the United States of America Interest shall be paid by mailing a check or draft to the Registered Owner or assigns at the address shown on the Bond Register on the 15th day of the month prior to the interest payment date (or if this bond is held in fully immobilized form or otherwise if agreed to by the Port by wire transfer) Principal shall be paid to the Registered Owner or assigns upon presentation and surrender of this bond at the principal office of the fiscal agency of the State of Washington in either Seattle Washington or New York New York (collectively the "Registrar") Capitalized terms used in this bond which are not specifically defined have the meanings given such terms in the Bond Resolution

This bond is one of a series of bonds of the Port in the aggregate principal amount of \$60 750 000 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 bonds of the Port issued under date of November 1 1973

The bonds of this issue are not subject to redemption prior to their scheduled maturity

The bonds of this issue are private activity bonds and are not qualified tax exempt obligations eligible for investment by financial institutions within the meaning of Section 260(b) of the Internal Revenue Code of 1986 as amended

This bond is transferable only on the records maintained by the Registrar for that purpose upon the surrender of this bond by the registered owner hereof or his/her duly authorized agent and only if endorsed in the manner provided hereon, and thereupon a new fully registered bond of like principal amount maturity and interest rate shall be issued to the transferee in exchange therefor. Such exchange or transfer shall be without cost to the registered owner or transferee. The Port and Registrar may 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 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 such Gross Revenue and to pay into said Bond Fund and the Reserve Account created therein the various amounts required by the Bond Resolution to be paid into and maintained in said Fund and Account all within the times provided by said Bond Resolution.

Said amounts so pledged to be paid out of Gross Revenue into said Bond Fund and Reserve Account are hereby declared to be a first and prior lien and charge upon the Gross Revenue subject to the lien thereon of the Senior Lien Bonds and subject further to 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 Bonds, the Series 1993A Revenue Bonds of the Port issued pursuant to the Bond Resolution 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 which 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 is defined in the Bond Resolution) in an amount equal to or greater than the Rate Covenant.

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, Washington, 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 1st day of February, 1993.

PORT OF SEATTLE, WASHINGTON

By _____
President, Port Commission

ATTEST

/s/ _____
Secretary, Port Commission

King County Comptroller's Reference No. _____

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 1993B of the Port of Seattle Washington dated February 1 1993

WASHINGTON STATE FISCAL AGENCY
Registrar

By _____
Authorized Signer

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR TAXPAYER IDENTIFICATION NUMBER OF TRANSFEREE

(Please print or typewrite name and address, including zip code of Transferee)

_____ the within bond and all rights thereunder and does hereby irrevocably constitute and appoint _____ of _____, or its successor, as Agent to transfer said bond on the books kept by the Registrar for registration thereof with full power of substitution in the premises

DATED _____, 19__

SIGNATURE GUARANTEED

NOTE The signature of this Assignment must correspond with the name of the registered owner as it appears upon the face of the within bond in every particular without alteration or enlargement or any change whatever

(c) Series 1993 Bonds in Certificated Form In the event the Series 1993 Bonds are no longer in fully immobilized form, the form of Series 1993 Bonds may be modified to conform to printing requirements and the terms of this Series Resolution

Section 15 Execution The Series 1993 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 1993 Bonds as shall bear thereon a Certificate of Authentication in the form herebefore 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 1993 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 1993 Bonds shall cease to be such officer or officers of the Port before the Series 1993 Bonds so signed shall have been authenticated or delivered by the Registrar or issued by the Port, such Series 1993 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 1993 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 1993 Bond shall be the proper officers of the Port although at the original date of such Series 1993 Bond any such person shall not have been such officer.

Section 16 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 1993 Bonds which shall at all times be open to inspection by the Port. The Registrar is authorized on behalf of the Port to authenticate and deliver Series 1993 Bonds transferred or exchanged in accordance with the provisions of such Series 1993 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 1993 Bonds. The Registrar may become the owner of Series 1993 Bonds 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 a member of or in any other capacity with respect to any committee formed to protect the rights of Registered Owners of the Series 1993 Bonds.

Section 17 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:

- (a) The Port shall fail to make payment of the principal of any Series 1993 Bond when the same shall become due and payable whether by maturity or scheduled redemption prior to maturity.
- (b) The Port shall fail to make payments of any installment of interest on any Series 1993 Bond when the same shall become due and payable.
- (c) The Port shall default in the observance or performance of any other covenants, conditions or agreements on the part of the Port contained in this Series Resolution and such default shall have continued for a period of 90 days.

Upon the occurrence and continuation of any Default the Registered Owners of the Bonds shall be entitled to exercise the remedies specified in Section 22 of the Master Resolution

Section 18 Compliance with Parity Conditions The Commission hereby finds and determines as required by Section 7 of the Master Resolution as follows

First The Port has not been in default of its covenant under Section 9(a) of the Master Resolution for the immediately preceding fiscal year (1992) and

Second The Series 1993 Bonds are being issued to refund outstanding Senior Lien Bonds as permitted under Section 7(a) and Section 8(a) of the Master Resolution, without a certificate since the Maximum Annual Debt Service on all Bonds and Senior Lien Bonds Outstanding after the issuance of the Series 1993 Bonds will not be greater than the Maximum Annual Debt Service had the Series 1993 Bonds not been issued

The limitations contained in the conditions provided in Sections 7 and 8 of the Master Resolution having been complied with the payments required herein to be made out of the Net Revenues to pay and secure the payment of the principal of and interest on the Series 1993 Bonds shall constitute a lien and charge upon such Net Revenues equal in rank to the lien and charge thereon of the Outstanding Bonds

Section 19 Sale of Series 1993 Bonds The Series 1993 Bonds shall be sold at negotiated sale to an underwriting group consisting of Goldman Sachs & Co. ParkWebber Incorporated Lehman Brothers, M R Beal & Company and Artemis Capital Group Inc under the terms of a Bond Purchase Contract dated this date The Bond Purchase Contract is hereby approved and the Designated Port Representative is hereby authorized and directed to execute the Bond Purchase Contract Upon the adoption of this Series Resolution the proper officials of the Port including the Designated Port Representative are authorized and directed to undertake all action necessary for the prompt execution and delivery of the Series 1993 Bonds to the purchaser thereof and further to execute and all closing certificates and documents required to effect the closing and delivery of the Series 1993 Bonds

The Designated Port Representative is authorized to review and to approve for purposes of Rule 15c2-12 of the Securities and Exchange Commission on behalf of the Port the Official Statement (and any Preliminary Official Statement) relating to the issuance and sale of the Series 1993 Bonds and the distribution of the Series 1993 Bonds pursuant thereto with such changes if any as may be deemed by him/her to be appropriate

Section 20 Provisions Relative to Insurer The Series 1993A Bonds maturing on and after April 1 1997 and the Series 1993B Bonds maturing on and after November 1 1997 shall be insured as to the payment of principal and interest by the Municipal Bond Insurance Policies to be issued by the Insurer in accordance with the terms of its Commitment No 7983 The Series 1993A Reserve Account Requirement and the Series 1993B Reserve Account Requirement shall be satisfied by Surety Bonds to be issued by the Insurer in accordance with the terms of its Commitment SB7984

The terms and conditions of the Commitments are hereby incorporated in this Series Resolution subject to such modification as may be agreed to by the Designated Port Representative and AMBAC

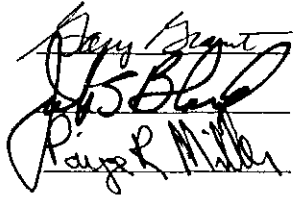
In addition the Port hereby covenants and agrees that any provision of this Series Resolution which expressly recognizes or grants rights to the Insurer may not be amended in any manner which affects the rights of the Insurer. The consent of the Insurer shall be required in addition to the consent of Owners if and when required for the following purposes: (i) adoption of supplemental resolutions and (ii) the initiation or approval of other actions that require the consent of Owners of the insured Series 1993 Bonds.

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

Section 22 Effective Date This Series Resolution shall be effective immediately upon its adoption.

ADOPTED by the Port Commission of the Port of Seattle at a meeting thereof held this 4th day of February, 1993 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 WASHINGTON



Commissioners

EXHIBIT A

TO RESOLUTION NO 3120 AS AMENDED

FORM OF ESCROW AGREEMENT

ESCROW DEPOSIT AGREEMENT

PORT OF SEATTLE

Revenue Refunding Bonds Series 1993A

Revenue Refunding Bonds Series 1993B

THIS ESCROW AGREEMENT, dated as of the 25th day of February, 1993 (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 **KEY BANK OF WASHINGTON** 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 and there presently remain outstanding, the obligations described in Exhibit B attached hereto (the "Refunded Bonds") and

WHEREAS, pursuant to Resolution No 3120 as amended adopted on February 4 1993 (the "Series Resolution") the Port has determined to issue its (the "Refunding Bonds") for the purpose of providing funds to pay the costs of refunding 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, pursuant to the Series Resolution the Refunded Bonds have been designated for redemption prior to their scheduled maturity dates and after provision is made for such redemption the Refunded Bonds will come due in such years bear interest at such rates and be payable at such times and in such amounts as are set forth in Exhibit C attached hereto and made a part hereof and

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 funds provided for such purpose and

WHEREAS the Port's Series Resolution authorizes the Port to issue refunding bonds and to deposit the proceeds from the sale thereof and any other available funds or resources directly with the Escrow Agent for any of the Refunded Bonds and such deposit if made before such payment dates and in sufficient amounts shall constitute the discharge and final payment of the Refunded Bonds and

WHEREAS the Series Resolution further authorizes the Port to enter into an escrow agreement with the Escrow Agent with respect to the safekeeping investment administration and disposition of any such deposit upon such terms and conditions as the Port and the Escrow Agent may agree and

WHEREAS the issuance sale and delivery of the Refunded 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 Refunding Bonds when due as shown on Exhibit C attached hereto and

WHEREAS, the Port desires that concurrently with the delivery of the Refunded Bonds to the purchasers thereof certain proceeds of the Refunding Bonds together with certain other available funds of the Port shall be applied to purchase certain direct obligations of 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 the Refunded Bonds as it becomes due and payable and

WHEREAS, to facilitate the receipt and transfer of proceeds of the Escrowed Securities particularly those in book entry form the Port desires to establish the Escrow Fund at the principal corporate trust office of the Escrow Agent 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 interest and redemption premium (if any) 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

Section 1.1 Definitions

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

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

"Escrowed Securities" means the noncallable Government Obligations described in Exhibit D attached to this Agreement or cash or other noncallable obligations substituted therefor pursuant to Section 4.3 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

"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 and 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 (the "Escrow Fund"). The Escrow Agent hereby agrees that upon receipt thereof it will deposit to the credit of the Escrow Fund sufficient funds to purchase 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 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 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 Paving Agent from the cash balances from time to time on deposit in the Escrow Fund the amounts required to pay the principal of the Refunded Bonds at their respective or redemption maturity dates and interest thereon to such maturity or redemption dates together with any redemption premium 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 Paving 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 the Refunded Bonds as the Refunded Bonds mature or are paid on an optional redemption date prior to maturity and any redemption premium payable upon the optional redemption of the Refunded Bonds, all as more fully 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 Paving 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 the same 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 Paving 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 and in connection therewith the Port reserves the right to call for redemption prior to maturity any of the Refunded Bonds to the extent permitted by their authorizing order Any such transaction may be effected by the Escrow Agent only if (a) the Escrow Agent shall have received a written opinion from a nationally recognized 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 redemption premium on and interest on all of the remaining 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 nationally recognized bond counsel or tax counsel to the effect that such transaction will not cause any of the Refunding Bonds or Refunded Bonds to be an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986 as amended or if applicable Section 103(c) of the Internal Revenue Code of 1954 as amended

Article 5 Application of Cash Balances

Section 5.1 In General

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

Article 6 Redemption of Refunded Bonds

Section 6.1 Call for Redemption

The Port hereby irrevocably calls the Refunded Bonds for redemption on their earliest redemption dates and on Appendix "A" attached hereto

Section 6.2 Notice of Redemption

The Escrow Agent agrees to give notice of the redemption of the Refunded Bonds pursuant to the terms of the Refunded Bonds and in substantially the form attached hereto as Appendix A attached hereto 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 annually shall prepare and send to the Port a written report summarizing all transactions relating to the Escrow Fund during the preceding

year 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 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 interest on the Refunding 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 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 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 action, neglect or default nor for any loss unless the same shall have been through its negligence or want of good 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 misconduct 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

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 Obligation may apply to any court of competent jurisdiction to appoint a successor Escrow Agent. Such court may thereupon after such notice if any as it may deem proper prescribe and appoint a successor Escrow Agent.

Any successor Escrow Agent shall be a corporation organized and doing business under the laws of the United States or the State of Washington authorized under such laws to exercise corporate trust powers having its principal office and place of business in the State of Washington having a combined capital and surplus of at least \$25,000,000 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 upon the terms of this Agreement all the rights, powers and trusts of the Escrow Agent hereunder. Subject to 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 8.3 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 (10) 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 prior 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 Corporation at 25 Broad Street, New York, New York 100-4, 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

KEY BANK OF WASHINGTON

Authorized Officer

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	-	Notice of Redemption
Appendix B	-	Fee Schedule

EXHIBIT A
Addresses of the Port and Escrow Agent

Port

Port of Seattle
P O Box 1209
Seattle WA 98111

Attention Chief Financial Officer

Escrow Agent

Key Bank of Washington
1101 Pacific Avenue
P O Box 11500
Tacoma, WA 98411

Attention Corporate Trust Department

EXHIBIT B
Description of the Refunded Bonds

Port of Seattle

Revenue Bonds 1973

<u>Maturity Year</u> <u>(November 1)</u>	<u>Principal Amount</u>	<u>Interest Rates</u>
1993	\$ 5 600 000	5 70%
1994	5 920 000	5 75
1995	6 240 000	5 75
1996	6 590 000	5 75
1997	6 960 000	5 75
1998	7 355 000	5 75
1999	7 780 000	5 75
2000	10 035 000	5 75
2001	3 520 000	4 50

Port of Seattle

Revenue Bonds 1976

<u>Maturity Year</u> <u>(April 1)</u>	<u>Principal Amount</u>	<u>Interest Rates</u>
1994	\$ 3 545 000	5 70%
1995	3 800 000	5 70
1996	3 000 000	5 70
1997	3 000 000	5 70
1998	3,000 000	5 70
1999	3 000 000	5 70
2000	2,000 000	5 70

EXHIBIT C
Schedule of Debt Service on Refunded Bonds

1993A (1976)

	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
4-1 93	\$608 332.50	\$21 345 000.00	= \$21 953 332.50

1993B (1973)

	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
5-1 93	\$1 701 600.00	\$60 000 000.00	= \$61 701 600.00

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EXHIBIT D
Escrow Deposit

Series 1993A Bonds

I Cash - \$3,337.50

II Other Obligations

Description	Principal Amount	Yield	Cost	Maturity Date
U S Treasury Bill	\$21,950,000	2.686%	\$21,893,448.24	04/01/93

Series 1993B Bonds

I Cash \$80.00

II Other Obligations

Description	Principal Amount	Rate	Yield	Price	Cost	Accrued Interest	Total Cost
U S Treasury Rate	\$59,615,000	7.0%	2.763%	\$100,734,375	\$60,052,797.66	\$1,348,748.20	\$61,401,545.86

EXHIBIT E
Escrow Fund Cash Flow

Series 1993A (1976)

<u>Date</u>	<u>Escrow Requirement</u>	<u>Net Escrow Receipts</u>	<u>Excess Receipts</u>	<u>Excess Balance</u>
02/25/93		\$ 3 337 50	\$3 337 50	\$3 337 50
04/01/93	\$21,953,332.50	21,950,000.00	(3,332.50)	5.00
	<u>\$21,953,332.50</u>	<u>\$21,953,337.50</u>	<u>\$ 5.00</u>	<u>5.00</u>

Series 1993B (1973)

<u>Date</u>	<u>Escrow Requirement</u>	<u>Net Escrow Receipts</u>	<u>Excess Receipts</u>	<u>Excess Balance</u>
02/25/93		\$ 80 00	\$ 80 00	
04/30/93		61,701,525.00	61 701 525 00	\$ 61 701 605 00
05/01/93	\$61,701,600		(61,701,600.00)	5.00
	<u>\$61,701,600</u>	<u>\$61,701,605.00</u>	<u>\$ 5.00</u>	<u>5.00</u>

APPENDIX A 1
Notice of Redemption

[PORT OF SEATTLE, REVENUE BONDS, 1976]

NOTICE IS HEREBY GIVEN that the Port of Seattle has called for redemption on April 1, 1993 all of its then outstanding Revenue Bonds 1976 (the "Bonds")

The Bonds will be redeemed at a price of 100 percent (100%) of their principal amount plus interest accrued to April 1, 1993. 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-

First Interstate Bank of Washington N A
Corporate Trust Department
14th Floor M/S 257
999 Third Avenue
Seattle WA 98104

Interest on all Bonds or portions thereof which are redeemed shall cease to accrue on April 1, 1993.

The following Bonds are being redeemed:

Bond Numbers	Principal Amount	Date of Maturity	Cusip Number
6732-7440	\$3 545 000	4-1-94	735388PX2
7441 8200	3 800 000	4-1-95	735388PY0
8201 8800	3 000 000	4-1-96	735388PZ7
8801 9400	3 000 000	4-1-97	735388QA1
9401-10000	3 000 000	4 1-98	735388QB9
10001-10600	3 000 000	4 1 98	735388QC7
10601-11000	2 000 000	4 1 00	735388Q05

By Order of the Port of Seattle

The Bank of New York, as Paying Agent

Dated _____

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

APPENDIX A 2
Notice of Redemption

[PORT OF SEATTLE, REVENUE BONDS, 1973] _____

NOTICE IS HEREBY GIVEN that the Port of Seattle has called for redemption on May 1 1993 all of its then outstanding Revenue Bonds 1973 (the "Bonds")

The Bonds will be redeemed at a price of 100 percent (100%) of their principal amount, plus interest accrued to May 1 1993. 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-

First Interstate Bank of Washington N A
Corporate Trust Department
14th Floor - M/S 257
999 Third Avenue
Seattle WA 98104

Interest on all Bonds or portions thereof which are redeemed shall cease to accrue on May 1 1993

The following Bonds are being redeemed

Bond Numbers	Principal Amount	Date of Maturity	Cusip Number
10201-11320	\$ 5 600 000	11-1-93	735388NA4
11321-12504	5 920 000	11-1-94	735388NB2
12505-13752	6 240 000	11-1-95	735388NC0
13753-15070	6 590 000	11-1-96	735388ND8
15071-16462	6 960 000	11-1 97	735388NE6
16463 17933	7 355 000	11-1-98	735388NF3
17934 19489	7 780 000	11 1-99	735388NG1
19490 21496	10,035 000	11-1 00	735388NH9
21497 22200	3 520 000	11-1 01	735388NJ5

By Order of the Port of Seattle

The Bank of New York, as Paying Agent

Dated _____

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

Fee Schedule

APPENDIX B

\$500

BOOK ENTRY ONLY MUNICIPAL BONDS

Letter of Representations

Port of Seattle, Washington

(Name of Issuer)

The Bank of New York

(Name of Agent)

February 25, 1993
Date

Attention General Counsel's Office
The Depository Trust Company
 33 Water Street 49th Floor
 New York NY 10041-0099

Re Port of Seattle, Washington

Revenue Refunding Bonds, Series 1993A and 1993B

(Issue Description)

Ladies and Gentlemen

This letter sets forth our understanding with respect to certain matters relating to the above-referenced issue (the "Bonds") Agent will act as trustee paying agent fiscal agent or other agent of issuer with respect to the Bonds. The Bonds will be issued pursuant to a trust indenture bond resolution or other such document authorizing the issuance of the Bonds dated February 4, 1993 (the "Document") Goldman, Sachs & Co. (*) (Underwriter) is distributing the Bonds through The Depository Trust Company ("DTC").

To induce DTC to accept the Bonds as eligible for deposit at DTC and to act in accordance with its Rules with respect to the Bonds Issuer and Agent if any make the following representations to DTC:

(*) Other Underwriters include PaineWebber Incorporated, Lehman Brothers Artemis Capital Group, Inc. and H. R. Beal & Company

1. Prior to closing on the Bonds on February 25, 1993, there shall be deposited with DTC one Bond certificate registered in the name of DTC's nominee, Cede & Co., for each stated maturity of the Bonds in the face amounts set forth on Schedule A hereto, the total of which represent 100% of the principal amount of such Bonds. If however the aggregate principal amount of any maturity exceeds \$150 million, one certificate will be issued with respect to each \$150 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount. Each \$150 million Bond certificate shall bear the following legend:

Unless this certificate is presented by an authorized representative of The Depositor Trust Company, a New York corporation ("DTC") to Issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

2. In the event of any solicitation of consents from or voting by holders of the Bonds, Issuer or Agent shall establish a record date for such purposes (with no provision for revocation of consents or votes by subsequent holders) and shall, to the extent possible, send notice of such record date to DTC not less than 15 calendar days in advance of such record date.

3. In the event of a full or partial redemption or an advance refunding of part of the outstanding Bonds, Issuer or Agent shall send a notice to DTC specifying: (a) the amount of the redemption or refunding, (b) in the case of a refunding, the maturity date(s) established under the refunding, and (c) the date such notice is to be mailed to beneficial owners or published (the "Publication Date"). Such notice shall be sent to DTC by a secure means (e.g., legible teletcopy, registered or certified mail, overnight delivery) in a timely manner designed to assure that such notice is in DTC's possession no later than the close of business on the business day before the Publication Date. Issuer or Agent shall forward such notice either in a separate secure transmission for each CUSIP number or in a secure transmission for multiple CUSIP numbers (if applicable) which includes a manifest or list of each CUSIP submitted in that transmission. (The party sending such notice shall have a method to verify subsequently the use of such means and the timeliness of such notice.) The Publication Date shall be not less than 30 days nor more than 60 days prior to the redemption date or in the case of an advance refunding, the date that the proceeds are deposited in escrow.

4. In the event of an invitation to tender the Bonds, notice by Issuer or Agent to Bondholders specifying the terms of the tender and the Publication Date of such notice shall be sent to DTC by a secure means in the manner set forth in the preceding Paragraph.

5. All notices and payment advices sent to DTC shall contain the CUSIP number of the Bonds.

6. Notices to DTC pursuant to Paragraph 2 by teletcopy shall be sent to DTC's Reorganization Department at (212) 709-6896 or (212) 709-6897, and receipt of such notices shall be confirmed by telephoning (212) 709-6870. Notices to DTC pursuant to Paragraph 2 by mail or by any other means shall be sent to:

Supervisor, Proxy
Reorganization Department
The Depositor Trust Company
7 Hanover Square, 23rd Floor
New York, NY 10004-2695

7 Notices to DTC pursuant to Paragraph 3 by telecopy shall be sent to DTC's Call Notification Department at 516 227-4164 or 516 227-4191. If the party sending the notice does not receive a telecopy receipt from DTC confirming that the notice has been received, such party shall telephone 516 227-4070. Notices to DTC pursuant to Paragraph 3 by mail or by any other means shall be sent to:

Call Notification Department
The Depositors Trust Company
711 Stewart Avenue
Garden City, NY 11530-4719

8 Notices to DTC pursuant to Paragraph 4 and notices of other actions (including modifications, tenders, exchanges and capital changes) by telecopy shall be sent to DTC's Reorganization Department at (212) 709-1093 or (212) 709-1094 and receipt of such notices shall be confirmed by telephoning (212) 709-6984. Notices to DTC pursuant to the above by mail or by any other means shall be sent to:

Manager Reorganization Department
Reorganization Window
The Depositors Trust Company
7 Hanover Square, 23rd Floor
New York, NY 10004-2695

9 Transactions in the Bonds shall be eligible for next-day funds settlement in DTC's Next Day Funds Settlement ("NDFS") system:

A Interest payments shall be received by Cede & Co. as nominee of DTC or its registered assigns in next-day funds on each payment date (or the equivalent in accordance with existing arrangements between Issuer or Agent and DTC). Such payments shall be made payable to the order of Cede & Co. Absent any other existing arrangements such payments shall be addressed as follows:

Manager Cash Receipts
Dividend Department
The Depositors Trust Company
7 Hanover Square, 24th Floor
New York, NY 10004-2695

B Principal payments shall be received by Cede & Co. as nominee of DTC or its registered assigns in next-day funds on each payment date (or the equivalent in accordance with existing arrangements between Issuer or Agent and DTC). Such payments shall be made payable to the order of Cede & Co. and shall be addressed as follows:

NDFS Redemption Department
The Depositors Trust Company
35 Water Street, 30th Floor
New York, NY 10041-0099

10 DTC may direct Issuer or Agent to use any other telephone number or address as the number or address to which notices or payments of interest or principal may be sent.

11 In the event of a redemption, acceleration or any other similar transaction (e.g. tender made and accepted in response to Issuer's or Agent's invitation) necessitating a reduction in the aggregate principal amount of Bonds outstanding or an advance refunding of part of the Bonds outstanding, DTC in its discretion (a) may request Issuer or Agent to issue and authenticate a new Bond certificate or (b) may make an appropriate notation on the Bond certificate indicating the date and amount of such reduction in principal except in the case of final maturity in which case the certificate will be presented to Issuer or Agent prior to payment if required.

12 In the event that Issuer determines that beneficial owners of Bonds shall be able to obtain certificated Bonds Issuer or Agent shall notify DTC of the availability of Bond certificates. In such event Issuer or Agent shall issue, transfer and exchange Bond certificates in appropriate amounts as required by DTC and others.

13 DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to Issuer or Agent, at which time DTC will confirm with Issuer or Agent the aggregate principal amount of Bonds outstanding. Under such circumstance at DTC's request Issuer and Agent shall cooperate fully with DTC by taking appropriate action to make available one or more separate certificates evidencing Bonds to any DTC Participant having Bonds credited to its DTC accounts.

14 Nothing herein shall be deemed to require Agent to advance funds on behalf of Issuer.

Notes

A. If there is an Agent as defined in this Letter of Representations, Agent as well as Issuer must sign this Letter. If there is no Agent, in signing this Letter Issuer itself undertakes to perform all of the obligations set forth herein.

B. Under Rules of the Municipal Securities Rulemaking Board relating to good delivery, a municipal securities dealer must be able to determine the date that a notice of a partial call or of an advance refunding of a part of an issue is published, the publication date. The establishment of such a publication date is addressed in Paragraph 3 of the Letter.

C. Schedule B contains statements that DTC believes accurately describe DTC, the method of effecting book entry transfers of securities distributed through DTC, and certain related matters.

Very truly yours

Port of Seattle, Washington

Issuer

By _____

Authorized Officers Signature

The Bank of New York

Agent

By _____

Authorized Officers Signature

Received and Accepted:
THE DEPOSITORY TRUST COMPANY

By _____

Authorized Officers

CC: Underwriter

Underwriters Counsel

SCHEDULE A

(Describe Issue)

CUSIP

Principal Amount

Maturity Date

Interest Rate



**SAMPLE OFFICIAL STATEMENT LANGUAGE
DESCRIBING BOOK-ENTRY-ONLY ISSUANCE**

(Prepared by DTC -bracketed material may be applicable only to certain issues)

1. The Depository Trust Company (DTC), New York, NY, will act as securities depository for the securities (the Securities). The Securities will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully registered Security certificate will be issued for [each issue of] the Securities (each) in the aggregate principal amount of such issue and will be deposited with DTC. [If however, the aggregate principal amount of [any] issue exceeds \$150 million, one certificate will be issued with respect to each \$150 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC is a limited purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code, and a clearing agency registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants (Participants) deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc. (the American Stock Exchange, Inc.) and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (Indirect Participants). The Rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive its credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security (Beneficial Owner) is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Securities with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities. DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping accounts of their holdings on behalf of their customers.

5. Conveyance of notice and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

6. Redemption notices shall be sent to Cede & Co. if less than all of the Securities within an issue are being redeemed. DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.]

7. Neither DTC nor Cede & Co. will consent or vote with respect to Securities. Under its usual procedures, Cede & Co. makes an Omnibus Proxy to the issuer as soon as possible after the record date. The Omnibus Proxy assigns consenting or voting rights to those Direct Participants to whose accounts the Securities are credited as of the record date identified in a listing attached to the Omnibus Proxy.

EXHIBIT C

GUARANTY AGREEMENT

GUARANTY AGREEMENT dated as of February 25 1993 by and Between the Port of Seattle a public body corporate organized and existing under the laws of the State of Washington (the issuer as Obligor) and AMBAC INDEMNITY CORPORATION (AMBAC) a Wisconsin-domiciled stock insurance company

WITNESSETH

WHEREAS the Obligor has or will issue its Refunding Revenue Bonds Series 1993A and Series 1993B in the principal amounts of \$21 600 000 and \$60 750 000 respectively (the "Obligations ") and

WHEREAS AMBAC will issue its Surety Bond (the "Surety Bond ") substantially in the form set forth in Annex A to this Agreement guaranteeing certain payments by the Obligor subject to the terms and limitations of the Surety Bond and

WHEREAS to induce AMBAC to issue the Surety Bond the obligor has agreed to pay the premium for such Surety Bond and to reimburse AMBAC for all payments made by AMBAC under the Surety Bond from Legally Available Funds all as more fully set forth in this Agreement and

WHEREAS the Obligor understands that AMBAC expressly requires the delivery of this Agreement as part of the consideration for the execution by AMBAC of the Surety Bond and

NOW THEREFORE in consideration of the premises and of the agreements herein contained and of the execution of the Surety Bond the obligor and AMBAC agree as follows

ARTICLE I

DEFINITIONS SURETY BOND

Section 1.01 Definitions Except as otherwise expressly provided herein or unless the context otherwise requires the terms which are capitalized herein shall have the meanings specified in Annex B hereto

Section 1.02 Surety Bond

(a) AMBAC will issue the Surety Bond in accordance with and subject to the terms and conditions of the Commitment

(b) The maximum liability of AMBAC under the Surety Bond and the coverage and term thereof shall be subject to and limited by the Surety Bond Coverage and the terms and conditions of the Surety Bond

(c) Payments made under the Surety Bond will reduce the Surety Bond Coverage to the extent of that payment provided that the Surety Bond Coverage shall be automatically reinstated to the extent of the reimbursement by the Obligor of any payment made by AMBAC AMBAC shall notify the

Treasurer of the Obligor in writing no later than the fifth (5th) day following the reimbursement by the obligor that the Surety Bond has been reinstated to the extent of such reimbursement

Section 1.03 Premium In consideration of AMBAC agreeing to issue the Surety Bond hereunder the Obligor hereby agrees to pay or cause to be paid from Legally Available Funds the premium set forth in the Commitment

Section 1.04 Certain Other Expenses The Obligor will pay all reasonable fees and disbursements of AMBAC's counsel related to any modification of this Agreement or the Surety Bond, requested by the Obligor

ARTICLE II

REIMBURSEMENT OBLIGATIONS OF OBLIGOR AND SECURITY THEREFOR

Section 2.01 Reimbursement for Payments Under the Surety Bond and Expenses

(a) The Obligor will reimburse AMBAC from Legally Available Funds within the Reimbursement Period without demand or notice by AMBAC to the obligor or any other person to the extent of each Surety Bond Payment with interest on each Surety Bond Payment from and including the date made to the date of the reimbursement by the Obligor at the lesser of the Reimbursement Rate or the maximum rate of interest permitted by then applicable law but in no event less than the highest interest rate on the obligations

(b) The Obligor also agrees to reimburse AMBAC, from Legally Available Funds immediately and unconditionally upon demand for all reasonable expenses incurred by AMBAC in connection with the Surety Bond and the enforcement by AMBAC of the Obligor's obligations under this Agreement together with interest on all such expenses from and including the date incurred to the date of payment at the rate set forth in subsection (a) of this Section 2.01

Section 2.02 Allocation of Payments AMBAC and the Obligor hereby agree that each payment received by AMBAC from or on behalf of the Obligor as a reimbursement to AMBAC as required by Section 2.01 hereof shall be applied to reimburse all or a portion of the Surety Bond Coverage to the extent of such repayment

Section 2.03 Security for Payments, Instruments of Further Assurance The payments required under this Article II shall be made solely from the Gross Revenue of the Obligor (as defined in the Resolution) and as provided in the order of priority designated in Section 7(b) of the Resolution. To the extent but only to the extent that the Resolution, pledges to the owners or any paying agent therefor or grants a security interest or lien in or on such Net Revenues (as defined the Resolution) ("Collateral and Revenues") in order to secure the Obligations or provide a source of payment for the Obligations the Obligor hereby grants to AMBAC a security interest in or lien on as the case may be and pledges to AMBAC all such Collateral and Revenues as security for payment of all amounts due hereunder which security interest lien and/or pledge created or granted under this Section 2.03 shall be subordinate only to

the interests of the owners and any paying agent therefor in such Collateral and Revenues. The Obligor agrees that it will from time to time execute, acknowledge and deliver or cause to be executed, acknowledged and delivered, and all financing statements, if applicable, and all other further instruments as may be required by law or as shall reasonably be requested by AMBAC for the perfection of the security interest, if any, granted under this Section 2.03 and for the preservation and protection of all rights of AMBAC under this Section 2.03.

Section 2.04 Unconditional Obligation The obligations of the Obligor hereunder are absolute and unconditional and will be paid or performed strictly in accordance with this Agreement, irrespective of

- (a) any lack of validity or enforceability of, or any amendment or other modification of, or waiver with respect to the Resolution or the Obligations;
- (b) any exchange, release or nonperfection of any security interest in property securing the obligations of this Agreement or any obligations hereunder;
- (c) any circumstances which might otherwise constitute a defense available to or discharge of the Obligor with respect to the obligations;
- (d) whether or not such obligations are contingent or matured, disputed or undisputed, liquidated or unliquidated.

ARTICLE III

EVENTS OF DEFAULT RELIANCE

Section 3.01 Events of Default The following events shall constitute Events of Default hereunder:

- (a) The Obligor shall fail to pay to AMBAC any amount payable under Sections 1.04 and 2.01 hereof and such failure shall have continued for a period in excess of the Reimbursement Period;
- (b) Any material representation or warranty made by the Obligor hereunder or under the Resolution or any statement in the application for the Surety Bond or any report, certificate, financial statement or other instrument provided in connection with the Commitment, the Surety Bond or herewith shall have been materially false at the time when made;
- (c) Except as otherwise provided in this Section 3.01, the Obligor shall fail to perform any of its other obligations under Agreement or hereunder, provided that such failure continues for more than thirty (30) days after receipt by the Obligor of notice of such failure to perform;
- (d) The Obligor shall (i) voluntarily commence any proceeding or file any Petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law; (ii) consent to the institution of or fail to controvert in a timely and appropriate manner any such proceeding or the filing of any such petition; (iii) apply for or consent to the appointment of a receiver, paying agent, custodian, sequestrator or similar official for the Obligor or for a substantial part of its property; (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding; (v) make a general assignment for the benefit of creditors; (vi) become unable to pay its debts as they become due in writing.

its inability or fail generally to pay its debts as they become due or (vii) take action for the purpose of effecting any of the foregoing or

(c) An involuntary proceeding shall be commenced or an involuntary petition shall be filed in a court of competent jurisdiction seeking (i) relief in respect of the Obligor or of a substantial part of its property under the United States Bankruptcy Code or any other Federal state or foreign bankruptcy insolvency or similar law or (ii) the appointment of a receiver paying agent custodian sequesteror or similar official for the Obligor or for a substantial part of its property and such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall continue unstayed and in effect for thirty (30) days Any event of default hereunder shall constitute an event of default under the Resolution

Section 3.02 Remedies If an Event of Default shall occur and be continuing, then AMBAC may take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due under this Agreement or any related instrument in any obligation agreement or covenant of the Obligor under this Agreement provided however that AMBAC may not take any action to direct or require acceleration or other early redemption of the Obligations or adversely affect the rights of the owners All rights and remedies of AMBAC under this Section 3.02 are cumulative and the exercise of any one remedy does not preclude the exercise of one or more of the other available remedies

ARTICLE IV

SETTLEMENT

AMBAC shall have the exclusive right to decide and determine whether any claim liability suit or judgment relating solely to payment on the obligation made or brought against AMBAC the Obligor or any other party on the Surety Bond shall or shall not be paid compromised resisted defended tried or appealed and AMBAC's decision thereon if made in good faith shall be final and binding upon the Obligor An itemized statement of payments made by AMBAC certified by an officer of AMBAC or the voucher or vouchers for such payments shall be prima facie evidence of the liability of the Obligor and if the Obligor fails to reimburse AMBAC pursuant to subsection (b) of Section 2.01 hereof upon the receipt of such statement of payments interest shall be computed on such amount from the date of any payment made by AMBAC at the rate set forth in subsection (a) of Section 2.01 hereof

ARTICLE V

MISCELLANEOUS

Section 5.01 Computations All computations of premium interest and fees hereunder shall be made on the basis of the actual number of days elapsed over a year of 360 days

Section 5.02 Exercise of Rights No failure or delay on the part of AMBAC to exercise any right power or privilege under this Agreement and no course of dealing between AMBAC and the Obligor or any other party shall operate as a waiver of any such right power or privilege nor shall any single or partial exercise of any such right power or privilege preclude any other or further exercise thereof or the

exercise of any other right power or privilege. The rights and remedies herein expressly provided are cumulative and not exclusive of any rights or remedies which AMBAC would otherwise have pursuant to law or equity. No notice or demand on any party in any case shall entitle such party to any other or further notice or demand in similar or other circumstances or constitute a waiver of the right of the other party to any other or further action in any circumstances without notice or demand.

Section 5.03 Amendment and Waiver Any provision of this Agreement may be amended waived supplemented discharged or terminated only with the prior written consent of the Obligor and AMBAC. The Obligor hereby agrees that upon the written request of the Treasurer of the Obligor AMBAC may make or consent to issue any substitute for the Surety Bond to cure any ambiguity or formal defect or omission in the Surety Bond which does not materially change the terms of the Surety Bond nor adversely affect the rights of the Owners and this Agreement shall apply to such substituted Surety Bond. AMBAC agrees to deliver to the Obligor and to the company or companies if any rating the Obligations a copy of such substituted Surety Bond.

Section 5.04 Successors and Assigns, Descriptive Headings

(a) This Agreement shall bind and the benefits thereof inure to the Obligor and AMBAC and their respective successors and assigns provided that the Obligor may not transfer or assign any or all of its rights and obligations hereunder without the prior written consent of AMBAC.

(b) The descriptive headings of the various provisions of this Agreement are inserted for convenience of reference only and shall not be deemed to affect the meaning or construction of any of the provisions hereof.

Section 5.05 Other Sureties If AMBAC shall procure any other surety to reinsure the Surety Bond, this Agreement shall inure to the benefit of such other surety its successors and assigns so as to give to it a direct right of action against the Obligor to enforce this Agreement and "AMBAC" wherever used herein shall be deemed to include such reinsuring surety as its respective interests may appear.

Section 5.06 Signature on Bond The Obligor's liability shall not be affected by its failure to sign the Surety Bond nor by any claim that other indemnity or security was to have been obtained nor by the release of any indemnity nor the return or exchange of any collateral that may have been obtained.

Section 5.07 Waiver The Obligor waives any defense that this Agreement was executed subsequent to the date of the Surety Bond admitting and covenanting that such Surety Bond was executed pursuant to the Obligor's request and in reliance on the obligor's promise to execute this Agreement.

Section 5.08 Notices, Requests, Demands Except as otherwise expressly provided herein all written notices requests demands or other communications to or upon the respective parties hereto shall be deemed to have been given or made when actually received or in the case of telex or telecopier notice sent over a telex or a telecopier machine owned or operated by a party hereto when sent addressed as specified below or at such other address as either of the parties hereto or the Treasurer of the Obligor may hereafter specify in writing to the others.

If to the Port

Port of Seattle
P O Box 1209
Seattle WA 98111
Attn Chief Financial Officer and
Port Auditor

If to AMBAC

AMBAC Indemnity Corporation
One State Street Plaza 17th Floor
New York New York 10004
Attention General Counsel

Section 5.09 Survival of Representations and Warranties All representations warranties and obligations contained herein shall survive the execution and delivery of this Agreement and the Surety Bond

Section 5.10 Governing Law This Agreement and the rights and obligations of the parties under this Agreement shall be governed by and construed and interpreted in accordance with the laws of the State

Section 5.11 Counterparts This Agreement may be executed in any number of copies and by the different parties hereto on the same or separate counterparts each of which shall be deemed to be an original instrument Complete counterparts of this Agreement shall be lodged with the Obligor and AMBAC

Section 5.12 Severability In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding, shall not invalidate or render unenforceable any other provision hereof

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Agreement to be duly executed and delivered as of the date first above written

PORT OF SEATTLE

By _____
Chief Financial Officer
and Port Auditor

AMBAC INDEMNITY CORPORATION

By _____
Title _____

Annex A

SURETY BOND

AMBAC Indemnity Corporation

One State Street Plaza

New York New York 10004

Policy No _____

AMBAC Indemnity Corporation ("AMBAC") in consideration of the payment of the premium and subject to the terms of this Surety Bond hereby unconditionally and irrevocably guarantees the full and complete payments which are to be applied to payment of principal of and interest on the obligations (as hereinafter defined) and which are required to be made by or on behalf of the port of Seattle, Washington (the issuer as "Obligor") as such payments are due by the Obligor but shall not be so paid pursuant to a resolution of the Port Commission of the Obligor authorizing the sale and issuance of Refunding Revenue Bonds, Series 1993A in the principal amount of \$_____, (the "Obligations") and providing the terms and conditions for the issuance of said obligations (the "Resolution"), provided that the amount available at any particular time to be paid to the Treasurer of the Obligor under the terms hereof shall not exceed \$_____ (the "Surety Bond Coverage") and the Surety Bond Coverage shall be reduced and may be reinstated from time to time as set forth herein

1 As used herein the term "Owner" shall mean the registered owner of any obligation as indicated in the books maintained by the applicable paying agent the Obligor or any designee of the Obligor for such purpose. The term "Owner" shall not include the Obligor or any person or entity whose obligation or obligations by agreement constitute the underlying security or source of payment of the obligations

2 Upon the later of (i) one (1) day after receipt by the General Counsel of AMBAC a demand for payment in the form attached hereto as Attachment 1 (the "Demand for Payment") duly executed by the Treasurer of the Obligor certifying that payment due as required by the Resolution has not been made, or (ii) the payment date of the Obligations as specified in the Demand for payment presented by the Chief Financial Officer and Port Auditor of the Obligor (for payment to the Treasurer of the Obligor) to the General Counsel of AMBAC AMBAC will make a deposit of funds in an account with the Treasurer of the Obligor sufficient for the payment to the Treasurer of the Obligor of amounts which are then due (as specified in the Demand for Payment) up to but not in excess of the Surety Bond Coverage

3 Demand for Payment hereunder may be made by prepaid teletype, telex or telegram of the executed Demand for Payment to the General Counsel of AMBAC. If a Demand for Payment made hereunder does not in any instance conform to the terms and conditions of this Surety Bond AMBAC shall

give notice to the Chief Financial Officer and Port Auditor of the Obligor, as promptly as reasonably practicable that such Demand for Payment was not effected in accordance with the terms and conditions of this Surety Bond and briefly state the reason(s) therefor. Upon being notified that such Demand for Payment was not effected in accordance with this Surety Bond the Chief Financial Officer and Port Auditor of the Obligor may attempt to correct any such nonconforming Demand for Payment if and to the extent that the Chief Financial Officer and Port Auditor of the Obligor is entitled and able to do so.

4 The amount payable by AMBAC under this Surety Bond pursuant to a particular Demand for Payment shall be limited to the Surety Bond Coverage. The Surety Bond Coverage shall be reduced automatically to the extent of each payment made by AMBAC hereunder and will be reinstated to the extent of each reimbursement of AMBAC by the Obligor pursuant to Article II of the Guaranty Agreement dated February 25 1993 by and between AMBAC and the Obligor (the "Guaranty Agreement") provided that in no event shall such reinstatement exceed the Surety Bond Coverage. AMBAC will notify the Chief Financial Officer and Port Auditor of the Obligor in writing within five (5) days of such reimbursement that the surety Bond Coverage has been reinstated to the extent of such reimbursement pursuant to the Guaranty Agreement and such reinstatement shall be effective as of the date AMBAC gives such notice. The notice to the Chief Financial Officer and Port Auditor of the Obligor will be substantially in the form attached hereto as Attachment 2.

5 Any service of process on AMBAC may be made to AMBAC or the office of the General Counsel of AMBAC and such service of process shall be valid and binding as to AMBAC. During the term of its appointment General Counsel will act as agent for the acceptance of service of process and its offices are located at One State Street Plaza New York New York 10004.

6 This Surety Bond is noncancelable for any reason. The term of this Surety Bond shall expire on the earlier of (i) _____ or (ii) the date on which the Obligor to the satisfaction of AMBAC has made all payments required to be made on the Obligations pursuant to the applicable indenture trust agreement ordinance resolution or similar instrument. The premium on this Surety Bond is not refundable for any reason including the payment prior to maturity of the Obligations.

7 This Surety Bond shall be governed by and interpreted under the laws of the State of Wisconsin, and any suit hereunder in connection with any payment may be brought only by the Chief Financial Officer and Port Auditor of the Obligor within one year after () a Demand for Payment with respect to such payment is made pursuant to the terms of this Surety Bond and AMBAC has failed to make such payment or (ii) payment would otherwise have been due hereunder but for the failure on the part of the Chief Financial Officer and Port Auditor of the Obligor to deliver to AMBAC a Demand for Payment pursuant to the terms of this Surety Bond whichever is earlier.

3/19/93

IN WITNESS WHEREOF AMBAC has caused this Surety Bond to be executed and attested on its behalf this 25th day of February 1993

AMBAC INDEMNITY CORPORATION

Attest _____
Assistant Secretary

By _____
Vice President and
Assistant General Counsel

Attachment 1
Surety Bond No _____
DEMAND FOR PAYMENT

AMBAC Indemnity Corporation
One State Street Plaza
New York New York 10004
Attention: General Counsel

Reference is made to the Surety Bond No _____ (the "Surety Bond") issued by AMBAC Indemnity Corporation ("AMBAC") which are capitalized herein and not otherwise defined have the meanings specified in the Surety Bond unless the context otherwise requires.

The Chief Financial Officer and Port Auditor of the Obligor hereby certifies that:

(a) Payment by the Obligor to the Treasurer of the Obligor was due on _____ [a date not less than one (1) day prior to the applicable payment date for the Obligations] under the attached hereto as Exhibit A, in an amount equal to \$_____ (the "Amount Due"). The Amount Due is payable to the Owners of the Obligations on _____.

(b) \$_____ has been deposited in the _____ [fund/account] from moneys paid by the Obligor or from other funds legally available to the Treasurer of the Obligor for payment to the Owners of the Obligations which amount is \$_____ less than the Amount Due (the "Deficiency").

(c) The Chief Financial Officer and Port Auditor of the Obligor has not heretofore made demand under the Surety Bond for the Amount Due or any portion thereof.

The Chief Financial Officer and Port Auditor of the Obligor hereby requests that payment of the Deficiency (up to but not in excess of the Surety Bond Coverage) be made by AMBAC under the Surety Bond and directs that payment under the Surety Bond be made to the following account by bank wire transfer of federal or other immediately available funds in accordance with the terms of the Surety Bond _____ (Treasurer of the Port of Seattle's Account).

[CHIEF FINANCIAL OFFICER AND PORT AUDITOR OF THE PORT OF SEATTLE]

By: _____
Its: _____

Attachment 2

Surety Bond No. _____
NOTICE OF REINSTATEMENT

_____ 19__

Port of Seattle
P O Box 1209
Seattle WA 98111
Attn Chief Financial Officer and Port Auditor

Reference is made to the Surety Bond No. _____ (the "Surety Bond") issued by AMBAC Indemnity Corporation ("AMBAC"). The terms which are capitalized herein and not otherwise defined have the meanings specified in the Surety Bond unless the context otherwise requires.

AMBAC hereby delivers notice that it is in receipt of payment from the Obligor pursuant to Article II of the Guaranty Agreement and as of the date hereof the Surety Bond coverage is \$_____.

AMBAC INDEMNITY CORPORATION

Attest _____
Title

By _____
Title

ANNEX B
DEFINITIONS

For all purposes of this Agreement except as otherwise provided herein or unless the context otherwise requires all capitalized terms shall have the meaning as set out below

"Agreement" means this Guaranty Agreement

"AMBAC" has the same meaning as set forth in the first paragraph of this Agreement

"Collateral and Revenues" has the same meaning as set forth in Section 2 03 hereof

"Commitment" means the AMBAC Commitment for Surety Bond in the form attached hereto as Annex C

"Debt Service Payments" means those payments required to be made by the Obligor which will be applied to payment of principal of and interest on the Obligations

"Event of Default" shall mean those events of default set forth in Section 3 01 of this Agreement

"Legally Available Funds" means any Net Revenues legally available to the Obligor for the payment of its obligations

"Obligations" has the same meaning as set forth in the second paragraph of this Agreement

"Obligor" has the same meaning as set forth in the first paragraph of this Agreement

"Owners" means the registered owner of any obligation as indicated in the books maintained by the applicable paying agent, the Obligor or any designee of the Obligor for such purpose The term "Owner" shall not include the Obligor or any person or entity whose obligation or obligations by agreement constitute the underlying security or source of payment for the obligations

"Reimbursement Period" means with respect to a particular Surety Bond Payment the period commencing on the date of such Surety Bond Payment and ending 12 months following such Surety Bond payment with monthly level principal repayments and monthly interest repayments at the rate set forth in Section 2 01 hereof

"Reimbursement Rate" means Citibank's prime rate plus two (2) percent per annum as of the date of such Surety Bond Payment said "prime rate" being the rate of interest announced from time to time by Citibank New York New York as its prime rate The rate of interest shall be calculated on the basis of a 360-day year

"Resolution" means Resolution No 3059 as amended and Resolution No 3120 as amended of the Port Commission of the Port of Seattle, Washington adopted February 4 1993

"State" means the State of Washington

"Surety Bond" means the surety bond issued by AMBAC substantially in the form attached to this Agreement as Annex A

"Surety Bond Coverage" means the amount available at any particular time to be paid to the Treasurer of the Obligor under the terms of the Surety Bond which amount shall never exceed \$ _____

"Surety Bond Payment" means an amount equal to the Debt service Payments required to be made by the Obligor less (i) that portion of the Debt Service Payment paid by the Obligor and (ii) other funds legally available to the Treasurer of the Obligor for payment to the Owners all as certified by the Treasurer of the Obligor in a demand for payment rendered pursuant to the terms of the Surety Bond

ANNEX C
COMMITMENT

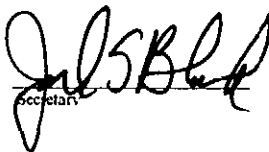
CERTIFICATE

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

1 That the attached resolution numbered 3120 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 4th day of February 1993 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 and affixed the official seal of the Port this 4th day of February, 1993


Secretary