

SERIES RESOLUTION
PORT OF SEATTLE, WASHINGTON

RESOLUTION NO. 3155, AS AMENDED

A RESOLUTION of the Port Commission of the Port of Seattle, Washington, authorizing the sale and issuance of Revenue and Revenue Refunding Bonds, Series 1994A, Series 1994B and Series 1994C of the Port in the principal amounts of \$27,135,000, \$50,000,000 and \$51,755,000, respectively for the purpose of refunding certain outstanding senior lien and junior lien revenue bonds of the Port and paying the costs of additional capital facilities; fixing the date, forms, terms, and maturities for each such series; and authorizing the approval of interest rates and sale of such bonds.

ADOPTED: February 3, 1994

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A RESOLUTION of the Port Commission of the Port of Seattle, Washington, authorizing the sale and issuance of Revenue and Revenue Refunding Bonds, Series 1994A, Series 1994B and Series 1994C of the Port in the principal amounts of \$27,135,000, \$50,000,000 and \$51,755,000, respectively for the purpose of refunding certain outstanding senior lien and junior lien revenue bonds of the Port and paying the costs of additional capital facilities; fixing the date, forms, terms, and maturities for each such 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:

Resolution Number	Date of Issue	Original Principal Amt.	Currently Outstanding (2/2/94)	Final Maturity Dates
2397	Nov. 1, 1971	\$22,300,000	\$11,070,000	Nov. 1, 2001
2764	July 1, 1979	55,000,000	40,150,000	July 1, 2009
2983	Dec. 1, 1985	40,800,000	28,020,000	Dec. 1, 2001

(which 1971 Senior Lien Bonds, 1979 Senior Lien Bonds and 1985 Senior Lien Bonds are collectively referred to as the "Senior Lien Bonds"); and

WHEREAS, the 1971 Senior Lien Bonds mature on November 1 of the following years in the following principal amounts:

Bond Nos.	Maturity Years	Principal Amounts	Interest Rates
2247-2463	1994	\$1,085,000	5.50%
2464-2696	1995	1,165,000	5.50
2697-2945	1996	1,245,000	5.60
2946-3212	1997	1,335,000	5.60
3213-3498	1998	1,430,000	5.60
3499-3802	1999	1,520,000	5.60
3803-4121	2000	1,595,000	4.00
4122-4460	2001	1,695,000	4.00

; and

WHEREAS, Ordinance No. 2397 authorizes the defeasance and redemption of all or any portion of the outstanding 1971 Senior Lien Bonds at a price of par on May 1, 1994 (hereinafter defined as the "1971 Senior Lien Refunded Bonds"); and

WHEREAS, the 1979 Senior Lien Bonds mature on July 1 of the following years in the following principal amounts:

Bond Nos.	Maturity Years	Principal Amounts	Interest Rates
2971-3170	1994	\$1,000,000	6.00%
3171-3370	1995	1,000,000	6.00
3371-3610	1996	1,200,000	6.00
3611-3890	1997	1,400,000	6.00
3891-4240	1998	1,750,000	6.00
4241-4650	1999	2,050,000	6.00
4651-4970	2000	1,600,000	6.00
4971-5520	2001	2,750,000	6.10
5521-6070	2002	2,750,000	6.10
6071-6680	2003	3,050,000	6.20
6681-7330	2004	3,250,000	6.25
7331-8030	2005	3,500,000	6.30
8031-8780	2006	3,750,000	6.30
8781-9530	2007	3,750,000	6.40
9531-10280	2008	3,750,000	6.40
10281-11000	2009	3,600,000	6.50

; and

WHEREAS, Resolution No. 2764 authorizes the defeasance and redemption of all or any portion of the outstanding 1979 Senior Lien Bonds maturing on and after July 1, 1995 (hereinafter defined as the "1979 Senior Lien Refunded Bonds") at a price of 102.5% of par on July 1, 1994; 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 eight series of revenue bonds pursuant to the Master Resolution, as follows:

Resolution Number	Date of Issue	Original Principal Amt.	Currently Outstanding (2/3/94)	Final Maturity Dates
3060	2/1/90	(A) \$ 66,240,492.05	\$ 64,945,492.05	12/1/14
3060	2/1/90	(B) 59,969,771.35	58,794,771.35	12/1/14
3060	2/1/90	(C) 24,805,000.00	20,535,000.00	12/1/05
3111	4/1/92	(A) 25,450,000.00	24,500,000.00	11/1/17
3111	4/1/92	(B) 115,440,000.00	111,200,000.00	11/1/17
3120	2/1/93	(A) 21,655,000.00	21,655,000.00	4/1/00
3120	2/1/93	(B) 60,750,000.00	55,335,000.00	11/1/01
3160	12/1/93	21,170,000.00	21,170,000.00	1/1/99

(the "Outstanding Bonds"); and

WHEREAS, the 1990A Current Interest Bonds (hereinafter defined) mature on December 1 of the following years in the following principal amounts:

<u>Maturity Years</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
1994	\$390,000	6.30%
1995	415,000	6.40
1996	445,000	6.50
1997	475,000	6.60
1998	500,000	6.70
1999	535,000	6.80
2000	575,000	6.90
2003	17,635	7.20
2009	12,555	7.40
2011	10,375	7.50
2014	18,420	6.00

; and

WHEREAS, Resolution No. 3060 authorizes the defeasance and redemption of all or any portion of the Outstanding 1990A Current Interest Bonds maturing on December 1, 2009 and December 1, 2011 on December 1, 2000 at a price of 102% of par (hereinafter to be defined as the "1990A Refunded Bonds"); and

WHEREAS, the Port Commission has received and reviewed a plan to refund the 1971 Refunded Senior Lien Bonds, the 1979 Senior Lien Refunded Bonds and the 1990A Refunded Bonds (collectively, the "Refunded Bonds"); and

WHEREAS, the net interest rate borne by each series of the Refunded Bonds is higher than the net interest rate which would be borne by refunding bonds if sold on this date; 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, the facilities of the Port are in need of expansion and improvement within the terms of the Port's comprehensive scheme of harbor area improvements; and

WHEREAS, the Port is authorized by RCW chs. 39.46 and 53.40 to issue revenue bonds without a vote of the electors; and.

WHEREAS, it is now deemed necessary that three series of bonds be issued under authority of the Master Resolution to refund the Refunded Bonds and pay a portion of the costs of said improvements; 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 (the "Code"); and

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

WHEREAS, it is deemed necessary and desirable that such series of bonds 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:

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

"Bond Purchase Contracts" means the Bond Purchase Contracts dated this date among the Port and the Underwriters.

"Bond Year" means each one-year period that ends on the date selected by the Port. The first and last Bond Years may be short periods. If no day is selected by the Port before the earlier of the final maturity date of the Bonds or the date that is five years after the date of issuance of the Bonds, Bond Years end on each anniversary of the date of issue and on the final maturity date of the Bonds.

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

"Computation Date" means the date selected by the Port to make arbitrage rebate computations.

"Computation Period" means the period between Computation Dates.

"Construction Fund-Southwest Harbor Project" means the account by that name maintained in the office of the Treasurer for the purpose of holding a portion of the proceeds of the Series 1994B Bonds to be used for the Project.

"Co-Paying Agents" means the Registrar appointed for purposes of paying the principal of and interest on the Series 1994 Bonds.

"Default" has the meaning given such term in Section 16 of this Series Resolution.

"Discharge" occurs on the date that all amounts due under the terms of the Series 1994B Bonds are actually and unconditionally due if cash is available at the place of payment and no interest accrues with respect to the Series 1994B Bonds after such date.

"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 1994 Bonds pursuant to Section 6 hereof.

"Escrow Agent" means Seattle-First National Bank, Seattle, Washington.

"Escrow Agreement" means the Escrow Deposit Agreement dated as of the date of the closings and delivery of the Series 1994A Bonds and the Series 1994C Bonds, respectively, 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 Municipal Bond Investors Assurance Corporation, the company issuing the Surety Bonds.

"Letter of Representations" means a letter of representations from the Registrar and the Port to DTC, in substantially the form of Exhibit B attached hereto and made a part hereof by this reference.

"Net Proceeds," when used with reference to the Series 1990A Bonds, means the face amount of the Series 1990A Bonds, plus accrued interest and original issue premium, if any, and less original issue discount.

"1971 Senior Lien Bond Resolution" means Resolution No. 2397 of the Port Commission adopted on October 12, 1971.

"1971 Senior Lien Bonds" means the Port of Seattle Revenue Bonds, 1971-C issued pursuant to the 1971 Senior Lien Bond Resolution and further identified in the recitals to this Series Resolution.

"1971 Senior Lien Refunded Bonds" means the 1971 Senior Lien Bonds maturing on and after November 1, 1994.

"1979 Senior Lien Bond Resolution" means Resolution No. 2764 of the Port Commission, adopted on June 26, 1979.

"1979 Senior Lien Bonds" means the Port of Seattle Revenue Bonds, 1979, issued pursuant to the 1979 Senior Lien Bond Resolution and further identified in the recitals to this Series Resolution.

"1979 Senior Lien Refunded Bonds" means the 1979 Senior Lien Bonds maturing on and after July 1, 1995.

"1990 Series Resolution" means Resolution No. 3160, as amended, of the Port Commission, adopted on February 2, 1990.

"1990A Current Interest Bonds" means the Port of Seattle Revenue Bonds, 1990A, issued pursuant to the Master Resolution and the 1990 Series Resolution and identified therein as the "Series 1990A Current Interest Bonds." The remaining Outstanding 1990A Current Interest Bonds are identified in the recitals to this Series Resolution.

"1990A Refunded Bonds" means the 1990A Current Interest Bonds maturing on December 1, 2009 and December 1, 2011.

"Outstanding Bonds" means the Port's Revenue Bonds, Series 1990A, Revenue Bonds, Series 1990B and Revenue Bonds, Series 1990C, issued pursuant to Resolution No. 3060, as amended; the Revenue Bonds, Series 1992A and Series 1992B, issued pursuant to Resolution No. 3111, as amended; the Revenue Refunding Bonds, Series 1993A and Series 1993B, issued pursuant to the 1990 Series Resolution; the Revenue Refunding Bonds, Series 1993C, issued pursuant to Resolution No. 3160 and as further described in the recitals to this Series Resolution.

"Payments" mean:

(a) Amounts actually or constructively paid to acquire an investment.

(b) In the case of an investment that is first allocated to the Series 1994B Bonds or becomes subject to a rebate requirement on a date after it is actually acquired, the value of the investment at the beginning of the Computation Period.

(c) In the case of an investment that was allocated to the Series 1994B Bonds at the end of the preceding Computation Period, the value of that investment at the beginning of the Computation Period.

(d) On the last day of each Bond Year during which there are amounts allocated to the Series 1994B Bonds and subject to the rebate requirements, and on the final maturity date of the Series 1994B Bonds, a computation credit of \$1,000.

(e) Any Yield Reduction Payments.

"Private Person" means any natural person engaged in a trade or business or any trust, estate, partnership, association, company or corporation.

"Private Person Use" means the use of property in a trade or business by a private person if such use is other than as a member of the general public. Private Person Use includes ownership of the property by the private person as well as other arrangements that transfer to the private person the actual or beneficial use of the property (such as a lease, management or incentive payment contract or other special arrangement) in such a manner as to set the private person apart from the general public. Use of property as a member of the general public includes attendance by the private person at municipal meetings or business rental of property to the private person on a day-to-day basis if the rental paid by such private person is the same as the rental paid by any private person who desires to rent the property. Use of property by nonprofit community groups or community recreational groups is not treated as Private Person Use if such use is incidental to the governmental uses of property, the property is made available for such use by all such community groups on an equal basis and such community groups are charged only a de minimis fee to cover custodial expenses.

"Project" has the meaning given such term in Section 2(b) of this Series Resolution.

"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.

"Rebatable Arbitrage" means the amount computed from time to time pursuant to Section 12(b) of this Series Resolution.

"Rebate Computation Certificate" means the certificate executed by the Port setting forth the methodology for computation of Rebatable Arbitrage.

"Receipts" mean:

(a) Amounts actually or constructively received with respect to an investment such as earnings and return of principal.

(b) In the case of an investment that ceases to be allocated to the Series 1994B Bonds before its disposition or redemption date, the value of that investment on the date it ceases to be allocated to the Series 1994B Bonds.

(c) In the case of an investment that is held at the end of any Computation Period, the value of that investment at the end of the Computation Period.

"Refunded Bond Resolutions" means, collectively, the 1971 Senior Lien Bond Resolution, the 1979 Senior Lien Bond Resolution and the 1990A Series Resolution.

"Refunded Bonds" means, collectively, the 1971 Senior Lien Refunded Bonds, the 1979 Senior Lien Refunded Bonds and the 1990A Refunded Bonds.

"Refunding Account, 1971" means the account by that name established within the Senior Lien Bond Fund pursuant to Section 9 of this Series Resolution.

"Refunding Account, 1979" means the account by that name established within the Senior Lien Bond Fund pursuant to Section 9 of this Series Resolution.

"Refunding Account, 1990A" means the account by that name established within the Series 1990 Bond Fund pursuant to Section 9 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 1994 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 1994 Bonds, maintaining the Bond Register, and effecting transfer of ownership of the Series 1994 Bonds.

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

"Series 1990 Bond Fund" means the Port of Seattle Revenue Bond Fund, Series 1990 created in the office of the Treasurer of the Port by Section 7(a) of the 1990 Series Resolution.

"Series 1994 Bonds" means, collectively, the Series 1994A Bonds, the Series 1994B Bonds and the Series 1994C Bonds and, individually, a Bond of any of the foregoing Series.

"Series 1994A Bond Fund" means the Port of Seattle Revenue Bond Fund, Series 1994A created in the office of the Treasurer of the Port by Section 7(a) of this Series Resolution.

"Series 1994B Bond Fund" means the Port of Seattle Revenue Bond Fund, Series 1994B created in the office of the Treasurer of the Port by Section 7(b) of this Series Resolution.

"Series 1994C Bond Fund" means the Port of Seattle Revenue Bond Fund, Series 1994C created in the office of the Treasurer of the Port by Section 7(c) of this Series Resolution.

"Series 1994A Debt Service Account" means the account of that name created in the Series 1994A Bond Fund by Section 7(a)(i) of this Series Resolution.

"Series 1994B Debt Service Account" means the account of that name created in the Series 1994B Bond Fund by Section 7(b)(i) of this Series Resolution.

"Series 1994C Debt Service Account" means the account of that name created in the Series 1994C Bond Fund by Section 7(c)(i) of this Series Resolution.

"Series 1994A Reserve Account" means the account of that name created in the Series 1994A Bond Fund by Section 7(a)(ii) of this Series Resolution.

"Series 1994B Reserve Account" means the account of that name created in the Series 1994B Bond Fund by Section 7(b)(ii) of this Series Resolution.

"Series 1994C Reserve Account" means the account of that name created in the Series 1994C Bond Fund by Section 7(c)(ii) of this Series Resolution.

"Series 1994A Reserve Account Requirement" means the lesser of (i) \$2,713,500 or (ii) Maximum Annual Debt Service with respect to the Series 1994A Bonds.

"Series 1994B Reserve Account Requirement" means the lesser of (i) \$3,809,104 or (ii) Maximum Annual Debt Service with respect to the Series 1994B Bonds.

"Series 1994C Reserve Account Requirement" means the lesser of (i) \$5,175,500 or (ii) Maximum Annual Debt Service with respect to the Series 1994C Bonds.

"Series 1994A Bonds" means the Port of Seattle, Washington, Revenue Refunding Bonds, Series 1994A, authorized to be issued by Section 3 of this Series Resolution.

"Series 1994B Bonds" means the Port of Seattle, Washington, Revenue Bonds, Series 1994B, authorized to be issued by Section 3 of this Series Resolution.

"Series 1994C Bonds" means the Port of Seattle, Washington, Revenue Refunding Bonds, Series 1994C, authorized to be issued by Section 3 of this Series Resolution.

"Surety Bond Agreement" means the Agreement between the Port and the Insurer with respect to each Surety Bond.

"Surety Bonds" means the surety bond issued by the Insurer on the dates of issuance and delivery of each series of the Series 1994 Bonds for the purpose of satisfying the Series 1994A Reserve Account Requirement, the Series 1994B Reserve Fund Requirement and/or the Series 1994C Reserve Fund Requirement, respectively.

"Underwriters" means, collectively, Lehman Brothers Inc., Goldman, Sachs & Co., PaineWebber Incorporated, M.R. Beal & Company and Artemis Capital Group, Inc.

Section 2. Plan of Finance.

(a) Refunding Plan. The Port hereby determines that substantial savings will be realized by the refunding of the Refunded Bonds. To accomplish the refunding as set forth in Sections 9 and 10 hereof, the Port shall enter into escrow agreements (each, an "Escrow Agreement") with the Escrow Agent and shall issue Parity Bonds, as provided in the Master Resolution.

As provided in Section 10 of this Series Resolution: (i) a portion of the proceeds of the Series 1994A Bonds shall be deposited in the Refunding Account, 1990A (hereinafter authorized to be created) and shall be used to purchase certain Acquired Obligations specified in an Escrow Agreement; and (ii) a portion of the proceeds of the Series 1994C Bonds shall be deposited in the Refunding Account, 1971 and the Refunding Account, 1979 (each such account being hereinafter authorized to be created) and shall be used to purchase certain Acquired Obligations specified in the Escrow Agreements for the Series 1994A Bonds and the Series 1994C Bonds, respectively. The Acquired Obligations held in the respective Refunding Accounts shall be sufficient to make the payments described in Section 9 of this Series Resolution.

(b) Authorization of Project/Costs. The Port intends to undertake the Southwest Harbor Development Project to construct, acquire and install the improvements required to be provided to Port properties pursuant to the terms of its lease with Eagle Marine Service (the

"Project"). The total cost of the Project is hereby estimated to be \$210,000,000. The Costs of the Project are expected to be paid in part with the proceeds of the Series 1994B Bonds hereinafter authorized and the remaining Costs shall be paid from the proceeds of limited tax general obligation bonds of the Port and other Port funds.

Section 3. Authorization of Bonds and Bond Details.

(a) **Series 1994A Bonds.** The Port shall issue the Series 1994A Bonds in the principal amount of \$27,135,000 for the purpose of advance refunding the 1990A Refunded Bonds and paying costs incidental to the foregoing and to the issuance of the Series 1994A Bonds. The Series 1994A Bonds shall be designated as "Port of Seattle, Washington, Revenue Refunding Bonds, Series 1994A," 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, 1994, shall be in the denomination of \$5,000 each or any integral multiple of \$5,000, provided that no Series 1994A Bond shall represent more than one maturity, shall bear interest from February 1, 1994 until the Series 1994A Bond bearing such interest has been paid or its payment duly provided for, payable on June 1, 1994, and semiannually on the first days of each December and June thereafter, and shall mature on December 1 of the following years in the following amounts and bear interest at the following rates per annum:

<u>Maturity Years (December 1)</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
1994	\$ 535,000	3.00%
1995	225,000	3.00
1996	235,000	3.30
1997	240,000	3.50
1998	250,000	3.75
1999	260,000	3.80
2000	270,000	4.00
2001	280,000	4.25
2002	290,000	4.30
2003	305,000	4.40
2004	1,980,000	4.50
2005	2,050,000	4.60
2006	2,140,000	4.70
2007	2,350,000	4.80
2008	2,590,000	4.90
2009	2,780,000	5.00
2010	5,050,000	5.00
2011	5,305,000	5.00

The Series 1994A 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 1994A Bonds.

(c) **Series 1994B Bonds.** The Port shall issue the Series 1994B Bonds in the principal amount of \$50,000,000 for the purpose of part of the costs of the Project and paying costs incidental to the foregoing and to the issuance of the Series 1994B Bonds. The Series 1994B

Bonds shall be designated as "Port of Seattle, Washington, Revenue Bonds, Series 1994B," 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, 1994, shall be in the denomination of \$5,000 each or any integral multiple of \$5,000, provided that no Series 1994B Bond shall represent more than one maturity, shall bear interest from February 1, 1994 until the Series 1994B Bond bearing such interest has been paid or its payment duly provided for, payable on November 1, 1994, and semiannually on the first days of each May and November thereafter, and shall mature on May 1 of the following years in the following amounts and bear interest at the following rates per annum:

<u>Maturity Years</u> <u>(May 1)</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
1998	\$ 1,315,000	4.000%
1999	1,370,000	4.125
2000	1,430,000	4.300
2001	1,495,000	4.400
2002	1,560,000	4.500
2003	1,635,000	4.600
2004	1,710,000	4.700
2005	1,795,000	4.800
2006	1,885,000	4.900
2007	1,980,000	5.000
2008	2,085,000	5.100
2009	2,190,000	5.100
2010	2,305,000	5.200
2011	2,430,000	5.250
2012	2,560,000	5.250
2017	15,035,000	5.250
2019	7,220,000	5.375

The Series 1994B 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 1994B Bonds.

(c) Series 1994C Bonds. The Port shall issue the Series 1994C Bonds in the principal amount of \$51,755,000 for the purpose of refunding on a current basis the 1971 Senior Lien Refunded Bonds and the 1979 Senior Lien Refunded Bonds and paying costs incidental to the foregoing and to the issuance of the Series 1994C Bonds. The Series 1994C Bonds shall be designated as "Port of Seattle, Washington, Revenue Refunding Bonds, Series 1994C," 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, 1994, shall be in the denomination of \$5,000 each or any integral multiple of \$5,000, provided that no Series 1994C Bond shall represent more than one maturity, shall bear interest from February 1, 1994 until the Series 1994C Bond bearing such interest has been paid or its payment duly provided for, payable on July 1, 1994, and semiannually on the first

days of each January and July thereafter, and shall mature on July 1 of the following years in the following amounts and bear interest at the following rates per annum:

<u>Maturity Years</u> <u>(July 1)</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
1994	\$ 625,000	3.00%
1995	2,615,000	3.00
1996	2,850,000	3.40
1997	3,095,000	3.60
1998	3,490,000	3.80
1999	3,830,000	4.00
2000	3,400,000	4.20
2001	4,630,000	4.30
2002	2,900,000	4.40
2003	3,160,000	4.50
2004	3,315,000	4.60
2005	3,515,000	4.70
2006	3,710,000	4.80
2007	3,650,000	4.90
2008	3,590,000	5.00
2009	3,380,000	5.00

The Series 1994C 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 1994C Bonds.

Section 4. Redemption and Purchase.

(a) Series 1994A Bonds.

(i) **Optional Redemption.** The Series 1994A Bonds maturing on and prior to December 1, 2004 are not subject to redemption in advance of their scheduled maturity. The Series 1994A Bonds maturing on and after December 1, 2005 are subject to redemption at the option of the Port on and after December 1, 2004 in whole or in part on any date, and if in part, with maturities to be selected by the Port and by lot within a maturity as determined by the Registrar at the following prices expressed as a percentage of par plus accrued interest to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
December 1, 2004 through November 30, 2005	102%
December 1, 2005 through November 30, 2006	101%
December 1, 2006 and thereafter	100%

(ii) **Purchase of Series 1994A 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 1994A Bonds for retirement.

(b) Series 1994B Bonds.

(i) **Optional Redemption.** The Series 1994B Bonds maturing on and prior to May 1, 2004 are not subject to redemption in advance of their scheduled maturity. The Series 1994B Bonds maturing on and after May 1, 2005 are subject to redemption at the option of the

Port on and after May 1, 2004 in whole or in part on any date, and if in part, with maturities to be selected by the Port and by lot within a maturity as determined by the Registrar at the following prices expressed as a percentage of par plus accrued interest to the date of redemption:

Redemption Dates	Redemption Prices
May 1, 2004 through April 30, 2005	102%
May 1, 2005 through April 30, 2006	101%
May 1, 2006 and thereafter	100%

(ii) Mandatory Redemption. Unless previously redeemed pursuant to the foregoing optional redemption provisions, the Series 1994B Bonds maturing in the year 2014 are subject to mandatory redemption on May 1 of the following years at a price of par plus accrued interest to the date of redemption:

Redemption Years	Redemption Amount
2013	\$ 2,700,000
2014	2,845,000
2015	3,000,000
2016	3,160,000
2017*	3,330,000

*Final Maturity.

Unless previously redeemed pursuant to the foregoing optional redemption provisions, the Series 1994B Bonds maturing in the year 2019 are subject to mandatory redemption on May 1 of the following years at a price of par plus accrued interest to the date of redemption:

Redemption Years	Redemption Amount
2018	\$ 3,515,000
2019*	3,705,000

*Final Maturity.

(iii) Purchase of Series 1994B 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 1994B Bonds for retirement.

(c) Series 1994C Bonds.

(i) Optional Redemption. The Series 1994C Bonds maturing on and prior to July 1, 2004 are not subject to redemption in advance of their scheduled maturity. The Series 1994C Bonds maturing on and after July 1, 2005 are subject to redemption at the option of the Port on and after July 1, 2004 in whole or in part on any date, and if in part, with maturities to be selected by the Port and by lot within a maturity as determined by the Registrar at the following prices expressed as a percentage of par plus accrued interest to the date of redemption.

Redemption Dates	Redemption Prices
July 1, 2004 through June 30, 2005	102%
July 1, 2005 through June 30, 2006	101%
July 1, 2006 and thereafter	100%

(ii) Purchase of Series 1994C 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 1994C Bonds for retirement.

(d) Effect of Optional Redemption/Purchase. To the extent that the Port shall have optionally redeemed or purchased any Series 1994 Bonds since the last scheduled mandatory redemption of such Series 1994 Bonds, the Port may reduce the principal amount of the Bonds of such series to be redeemed in like principal amount. Such reduction may be applied in the year specified by the Designated Port Representative.

(e) Selection of Bonds for Redemption. As long as the Series 1994 Bonds are held in book-entry only form, the selection of Bonds to be redeemed shall be made as provided in the Letter of Representations. If the Series 1994 Bonds are no longer held in uncertificated form, the selection of Series 1994 Bonds to be redeemed shall be made as provided in this subsection (e). If the Port redeems at any one time fewer than all of the Series 1994 Bonds having the same maturity date (and series), the particular Series 1994 Bonds or portions of Series 1994 Bonds of such maturity to be redeemed shall be selected by lot (or in such manner determined by the Registrar) in increments of \$5,000. In the case of a Series 1994 Bond of a denomination greater than \$5,000, the Port and Registrar shall treat each Series 1994 Bond as representing such number of separate Series 1994 Bonds each of the denomination of \$5,000 as is obtained by dividing the actual principal amount of such Series 1994 Bond by \$5,000. In the event that only a portion of the principal sum of a Series 1994 Bond is redeemed, upon surrender of such Series 1994 Bond at the principal office of the Registrar there shall be issued to the Registered Owner, without charge therefor, for the then unredeemed balance of the principal sum thereof, at the option of the Registered Owner, a Series 1994 Bond or Series 1994 Bonds of like series, maturity and interest rate in any of the denominations herein authorized.

(f) Notice of Redemption. Notice of any intended redemption (which notice may be conditioned upon receipt by the Registrar of funds to accomplish the redemption) of Series 1994 Bonds shall be given not less than 30 nor more than 60 days prior to the date fixed for redemption by United States mail to Registered Owners of such Series 1994 Bonds to be redeemed at their addresses as they appear on the Bond Register on the day the notice is mailed; provided, however, that for so long as the Series 1994 Bonds are registered in the name of Cede & Co. or its registered assign, all notices shall be given only as provided in the Letter of Representations. The

requirements of this section shall be deemed to be complied with when notice is mailed as herein provided, whether or not it is actually received by the Registered Owner.

All official notices of redemption shall be dated and shall state:

- (a) the redemption date;
- (b) the redemption price;
- (c) if fewer than all outstanding Series 1994 Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Series 1994 Bonds to be redeemed;
- (d) that on the redemption date the redemption price will become due and payable upon each such Series 1994 Bond or portion thereof of such series called for redemption, and that interest thereon shall cease to accrue from and after said date; and
- (e) the place where such Series 1994 Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Registrar.

On or before any redemption date for any Series 1994 Bonds, the Port shall deposit with the Registrar an amount of money sufficient to pay the redemption price of all the Series 1994 Bonds or portions of Series 1994 Bonds which are to be redeemed on that date.

Official notice of redemption having been given as aforesaid, the Series 1994 Bonds or portions of Series 1994 Bonds to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Port shall default in the payment of the redemption price) such Series 1994 Bonds or portions of Series 1994 Bonds shall cease to bear interest. Upon surrender of such Series 1994 Bonds for redemption in accordance with said notice, such Series 1994 Bonds shall be paid by the Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Series 1994 Bond, there shall be prepared for the Registered Owner a new Series 1994 Bond or Series 1994 Bonds of the same series and maturity in the amount of the unpaid principal. All Series 1994 Bonds which have been redeemed shall be cancelled and destroyed by the Registrar and shall not be reissued.

In addition to the foregoing notice, further notice shall be given by the Registrar as set out below, but no defect in said further notice nor failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus: (i) the CUSIP numbers of all Series 1994 Bonds being redeemed; (ii) the date of issue of the Series 1994 Bonds as originally issued; (iii) the rate of interest borne by each Series 1994 Bond being redeemed; (iv) the maturity date of each Series

1994 Bond being redeemed; and (v) any other descriptive information needed to identify accurately the Bonds being redeemed.

Upon the payment of the redemption price of Series 1994 Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue or maturity, the Series 1994 Bonds being redeemed with the proceeds of such check or other transfer.

Section 5. Place and Medium of Payment. Both principal of and interest on the Series 1994 Bonds shall be payable in lawful money of the United States of America. For so long as all Series 1994 Bonds are in fully immobilized form, payments of principal and interest thereon shall be made as provided in the Letter of Representations.

In the event that the Series 1994 Bonds are no longer in fully immobilized form, interest on the Series 1994 Bonds shall be paid by check or draft mailed (or by wire transfer to a Registered Owner of such Series 1994 Bonds in aggregate principal amount of \$1,000,000 or more who so requests) to the Registered Owners of 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 1994 Bonds shall be payable upon presentation and surrender of such Series 1994 Bonds by the Registered Owners at the principal office of the Registrar.

Section 6. Registration.

(a) Registrar/Bond Register. The Port hereby appoints the fiscal agency of the State of Washington as the Registrar for the Series 1994 Bonds. The Port shall cause a bond register to be maintained by the Registrar. So long as any Series 1994 Bonds remain Outstanding, the Registrar shall make all necessary provisions to permit the exchange or registration or transfer of Series 1994 Bonds of such series 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 1994 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 1994 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 1994 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 1994 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.

(c) DTC Acceptance/Letters of Representations. To induce DTC to accept the Series 1994 Bonds as eligible for deposit at DTC, the Port shall execute and deliver a Letter of

Representations upon each initial issuance and delivery of the Series 1994 Bonds. The Designated Port Representative is hereby authorized to execute each Letter of Representations in such form 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 1994 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 1994 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 Series 1994 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 1994 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 such Series 1994 Bonds.

If any Series 1994 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 1994 Bond until it is paid.

(d) Use of Depository.

(i) The Series 1994 Bonds shall be registered initially in the name of "Cede & Co.," as nominee of DTC, with one Bond maturing on each of the maturity dates for the Series 1994 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 1994 Bonds, or any portions thereof, may not thereafter be transferred except (A) to any successor of DTC or its nominee, provided that any such successor shall be qualified under any applicable laws to provide the service proposed to be provided by it; (B) to any substitute depository appointed by the Commission pursuant to subsection (ii) below or such substitute depository's successor; or (C) to any person as provided in subsection (iv) below.

(ii) 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 provided the services proposed to be provided by it.

(iii) In the case of any transfer pursuant to clause (A) or (B) of subsection (i) above, the Registrar shall, upon receipt of all Outstanding Series 1994 Bonds of any series, together with a written request on behalf of the Commission, issue a single new Series 1994 Bond for such series and for each maturity of such series 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.

(iv) In the event that (A) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained, or (B) the Commission determines that it is in the best interest of the beneficial owners of any series of Series 1994 Bonds that such owners be able to obtain such series in the form of Series 1994 Bond certificates, the ownership of such Series 1994 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 Bonds of such series, to issue Series 1994 Bonds as herein provided in any authorized denomination. Upon receipt by the Registrar of all then Outstanding Series 1994 Bonds together with a written request on behalf of the Commission to the Registrar, new Series 1994 Bonds shall be issued in the appropriate series and 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 1994 Bond may be transferred or exchanged, but no transfer of any such Series 1994 Bond shall be valid unless it is surrendered to the Registrar with the assignment form appearing on such Series 1994 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 1994 Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee therefor, a new Series 1994 Bond (or Series 1994 Bonds at the option of the new Registered Owner) of the same series, date, maturity and interest rate and for the same aggregate principal amount in any authorized denomination, naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered Series 1994 Bond, in exchange for such surrendered and cancelled Series 1994 Bond. Any Series 1994 Bond may be surrendered to the Registrar and exchanged, without charge, for an equal aggregate principal amount of Series 1994 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 1994 Bond during the 15 days preceding any interest payment or principal payment date.

(f) Registrar's Ownership of Series 1994 Bonds. The Registrar may become the Registered Owner of any Series 1994 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 Series 1994 Bonds.

(g) Registration Covenant. The Port covenants that, until all Series 1994 Bonds have been surrendered and cancelled, it will maintain a system for recording the ownership of each Series 1994 Bond that complies with the provisions of Section 149 of the Code.

(h) Series 1994 Bonds Payable from Respective Bond Funds. The Series 1994 Bonds shall be obligations only of the respective Bond Fund created hereunder and shall be payable and secured as provided herein. The Series 1994 Bonds do not constitute an indebtedness of the Port within the meaning of the constitutional provisions and limitations of the State of Washington.

Section 7. Bond Funds.

(a) Series 1994A Bond Fund. A special fund of the Port designated the "Port of Seattle Revenue Bond Fund, Series 1994A" (the "Series 1994A 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 1994A Bonds. The Series 1994A 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 1994A Bonds.

(i) Series 1994A Debt Service Account. A Series 1994A Debt Service Account is hereby authorized to be created in the Series 1994A Bond Fund for the purpose of paying the principal of and interest on the Series 1994A Bonds.

The Port hereby irrevocably obligates and binds itself for as long as any Series 1994A Bonds remain Outstanding to set aside and pay into the Series 1994A 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:

(A) such amounts as are required to pay the interest scheduled to become due on Outstanding Series 1994A Bonds; and

(B) such amounts as are required to pay maturing principal of Outstanding Series 1994A Bonds.

(ii) Series 1994A Reserve Account. A Series 1994A Bond Reserve Account (the "Series 1994A Reserve Account") is hereby authorized to be created in the Series 1994A Bond Fund for the purpose of securing the payment of the principal of and interest on the Series 1994A Bonds.

The Port hereby covenants and agrees that on the date of issuance of the Series 1994A Bonds, it will purchase a Surety Bond, as Qualified Insurance, in the aggregate total policy amount of \$2,713,500, in satisfaction of the Series 1994A Reserve Account Requirement for deposit in the Series 1994A Reserve Account. At the time of issuance of the 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 set forth in the commitment from the Insurer. The Designated Port Representative may negotiate such modifications of said Surety Bond Agreement in his/her discretion, and the terms of the 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 Bond, 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 Bond for the Series 1994A 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: (1) adoption of supplemental resolutions and (2) 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 1994A Reserve Account in an amount at least equal to the Series 1994A Reserve Account Requirement to be satisfied initially upon the original issuance and delivery of the Series 1994A Bonds. The Series 1994A 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 1994A Reserve Account, 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 1994A Reserve Account are sufficient to satisfy the Series 1994A Reserve Account Requirement, interest earnings shall be applied as provided in the following sentences. Whenever there is a sufficient amount in the Series 1994A Bond Fund, including the Series 1994A Reserve Account and the Series 1994A Debt Service Account to pay the principal of and interest on all outstanding Series 1994A Bonds, the money in the Series 1994A Reserve Account may be used to pay such principal and interest. As long as the money left remaining on deposit in the Series 1994A Reserve Account is equal to the Series 1994A Reserve Account Requirement, money in the Series 1994A Reserve Account may be transferred to the Series 1994A Debt Service Account and used to pay the principal of and interest on the

Series 1994A Bonds as the same becomes due and payable. The Port also may transfer out of the Series 1994A Reserve Account any money required in order to prevent any Series 1994A Bonds from becoming "arbitrage bonds" under the Code.

If a deficiency in the Series 1994A Debt Service Account shall occur, such deficiency shall be made up from the Series 1994A Reserve Account by the withdrawal of cash therefrom for that purpose and by the sale or redemption of obligations held in the Series 1994A Reserve Account, in such amounts as will provide cash in the Series 1994A Reserve Account sufficient to make up any such deficiency with respect to the Series 1994A Bonds, and if a deficiency still exists immediately prior to an interest payment date and after the withdrawal of cash, the Port shall then draw from the Surety Bond or any other Qualified Letter of Credit or Qualified Insurance for the Series 1994A Bonds in sufficient amount to make up the deficiency. Such draw shall be made at such times and under such conditions as the 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 Series 1994A 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 Series 1994A Debt Service Account within such year.

In making the payments and credits to the Series 1994A Reserve Account required by this Section 7(a)(ii), 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 1994A 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 1994A Reserve Account by this Section 7(a)(ii) 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. In the event of cancellation of Qualified Insurance or if the issuer of the Qualified Insurance or the Qualified Letter of Credit shall be insolvent, the Series 1994A Reserve Account Requirement shall be satisfied (A) within one year of the insolvency, but no later than the date of cancellation, with Qualified Insurance or another Qualified Letter of Credit, or (B) 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 money on hand legally available for such purpose) after making necessary provisions for the payments required to be made into the Series 1994A Debt Service Account.

(iii) Pledge and Lien. Said amounts so pledged to be paid into the Series 1994A Debt Service Account and the Series 1994A 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, the Series 1994B Bonds, the Series 1994C 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 Parity Bonds.

(iv) Use of Excess Money. Money in the Series 1994A Bond Fund not needed to pay the interest or principal and interest next coming due on any Outstanding Series 1994A Bonds or to maintain required reserves therefor may be used to purchase or redeem and retire Series 1994A Bonds. Money in the Series 1994A Debt Service Account and the Series 1994A Reserve Account may be invested in any investments legal for port districts.

(b) Series 1994B Bond Fund. A special fund of the Port designated the "Port of Seattle Revenue Bond Fund, Series 1994B" (the "Series 1994B 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 1994B Bonds. The Series 1994B 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 1994B Bonds.

(i) Series 1994B Debt Service Account. A Series 1994B Debt Service Account is hereby authorized to be created in the Series 1994B Bond Fund for the purpose of paying the principal of and interest on the Series 1994B Bonds.

The Port hereby irrevocably obligates and binds itself for as long as any Series 1994B Bonds remain Outstanding to set aside and pay into the Series 1994B 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:

(A) such amounts as are required to pay the interest scheduled to become due on Outstanding Series 1994B Bonds; and

(B) such amounts as are required to pay maturing principal of Outstanding Series 1994B Bonds.

(ii) Series 1994B Reserve Account. A Series 1994B Bond Reserve Account (the "Series 1994B Reserve Account") is hereby authorized to be created in the Series 1994B Bond Fund for the purpose of securing the payment of the principal of and interest on the Series 1994B Bonds.

The Port hereby covenants and agrees that on the date of issuance of the Series 1994B Bonds, it will purchase a Surety Bond, as Qualified Insurance, in the aggregate total policy

amount of \$3,809,104, in satisfaction of the Series 1994B Reserve Account Requirement for deposit in the Series 1994B Reserve Account. At the time of issuance of the 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 set forth in the commitment from the Insurer. The Designated Port Representative may negotiate such modifications of said Surety Bond Agreement in his/her discretion, and the terms of the 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 Bond for the Series 1994B 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 Bond, 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 of the Series 1994B Bonds, when required, for the following purposes: (1) adoption of supplemental resolutions and (2) 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 1994B Reserve Account in an amount at least equal to the Series 1994B Reserve Account Requirement to be satisfied initially upon the original issuance and delivery of the Series 1994B Bonds. The Series 1994B 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 1994B Reserve Account, 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 1994B Reserve Account are sufficient to satisfy the Series 1994B Reserve Account Requirement, interest earnings shall be applied as provided in the following sentences. Whenever there is a sufficient amount in the Series Bond Fund, including the Series 1994B Reserve Account and the Series 1994B Debt Service Account to pay the principal of and interest on all outstanding Series 1994B Bonds, the money in the Series 1994B Reserve Account may be used to pay such principal and interest. As long as the money left

remaining on deposit in the Series 1994B Reserve Account is equal to the Series 1994B Reserve Account Requirement, money in the Series 1994B Reserve Account may be transferred to the Series 1994B Debt Service Account and used to pay the principal of and interest on the Series 1994B Bonds as the same becomes due and payable. The Port also may transfer out of the Series 1994B Reserve Account any money required in order to prevent any Series 1994B Bonds from becoming "arbitrage bonds" under the Code.

If a deficiency in the Series 1994B Debt Service Account shall occur, such deficiency shall be made up from the Series 1994B Reserve Account by the withdrawal of cash therefrom for that purpose and by the sale or redemption of obligations held in the Series 1994B Reserve Account, in such amounts as will provide cash in the Series 1994B Reserve Account sufficient to make up any such deficiency with respect to the Series 1994B Bonds, and if a deficiency still exists immediately prior to an interest payment date and after the withdrawal of cash, the Port shall then draw from the Surety Bond or any other Qualified Letter of Credit or Qualified Insurance in effect for the Series 1994B Bonds in sufficient amount to make up the deficiency. Such draw shall be made at such times and under such conditions as the 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 Series 1994B 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 Series 1994B Debt Service Account within such year.

In making the payments and credits to the Series 1994B Reserve Account required by this Section 7(b)(ii), 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 1994B 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 1994B Reserve Account by this Section 7(b)(ii) 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. In the event of cancellation of Qualified Insurance or if the issuer of the Qualified Insurance or the Qualified Letter of Credit shall be insolvent, the Series 1994B Reserve Account Requirement shall be satisfied (A) within one year of the insolvency, but no later than the date of cancellation, with Qualified Insurance or another Qualified Letter of Credit, or (B) 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 money on hand legally available for such purpose) after making necessary provisions for the payments required to be made into the Series 1994B Debt Service Account.

(iii) Pledge and Lien. Said amounts so pledged to be paid into the Series 1994B Debt Service Account and the Series 1994B 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, the Series 1994A Bonds, the Series 1994C 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 Parity Bonds.

(iv) Use of Excess Money. Money in the Series 1994B Bond Fund not needed to pay the interest or principal and interest next coming due on any Outstanding Series 1994B Bonds or to maintain required reserves therefor may be used to purchase or redeem and retire Series 1994B Bonds. Money in the Series 1994B Debt Service Account and the Series 1994B Reserve Account may be invested in any investments legal for port districts.

(c) Series 1994C Bond Fund. A special fund of the Port designated the "Port of Seattle Revenue Bond Fund, Series 1994C" (the "Series 1994C 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 1994C Bonds. The Series 1994C 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 1994C Bonds.

(i) Series 1994C Debt Service Account. A Series 1994C Debt Service Account is hereby authorized to be created in the Series 1994C Bond Fund for the purpose of paying the principal of and interest on the Series 1994C Bonds.

The Port hereby irrevocably obligates and binds itself for as long as any Series 1994C Bonds remain Outstanding to set aside and pay into the Series 1994C 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:

(A) such amounts as are required to pay the interest scheduled to become due on Outstanding Series 1994C Bonds; and

(B) such amounts as are required to pay maturing principal of Outstanding Series 1994C Bonds.

(ii) Series 1994C Reserve Account. A Series 1994C Bond Reserve Account (the "Series 1994C Reserve Account") is hereby authorized to be created in the Series 1994C

Bond Fund for the purpose of securing the payment of the principal of and interest on the Series 1994C Bonds.

The Port hereby covenants and agrees that on the date of issuance of the Series 1994C Bonds, it will purchase a Surety Bond, as Qualified Insurance, in the aggregate total policy amount of \$5,175,000, in satisfaction of the Series 1994C Reserve Account Requirement for deposit in the Series 1994C Reserve Account. At the time of issuance of the Surety Bond for the Series 1994C Bonds, the Port shall enter into, and the Designated Port Representative is hereby authorized to execute, a Surety Bond Agreement, substantially in the form set forth in the commitment from the Insurer. The Designated Port Representative may negotiate such modifications of said Surety Bond Agreement in his/her discretion, and the terms of the 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 Bond for the Series 1994C 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 Bond, 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 of the Series 1994C Bonds when required, for the following purposes: (1) adoption of supplemental resolutions and (2) 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 1994C Reserve Account in an amount at least equal to the Series 1994C Reserve Account Requirement to be satisfied initially upon the original issuance and delivery of the Series 1994C Bonds. The Series 1994C 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 1994C Reserve Account, 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 1994C Reserve Account are sufficient to satisfy the Series 1994C Reserve Account Requirement, interest earnings shall be applied as provided in the

following sentences. Whenever there is a sufficient amount in the Series 1994C Bond Fund, including the Series 1994C Reserve Account and the Series 1994C Debt Service Account to pay the principal of and interest on all outstanding Series 1994C Bonds, the money in the Series 1994C Reserve Account may be used to pay such principal and interest. As long as the money left remaining on deposit in the Series 1994C Reserve Account is equal to the Series 1994C Reserve Account Requirement, money in the Series 1994C Reserve Account may be transferred to the Series 1994C Debt Service Account and used to pay the principal of and interest on the Series 1994C Bonds as the same becomes due and payable. The Port also may transfer out of the Series 1994C Reserve Account any money required in order to prevent any Series 1994C Bonds from becoming "arbitrage bonds" under the Code.

If a deficiency in the Series 1994C Debt Service Account shall occur, such deficiency shall be made up from the Series 1994C Reserve Account by the withdrawal of cash therefrom for that purpose and by the sale or redemption of obligations held in the Series 1994C Reserve Account, in such amounts as will provide cash in the Series 1994C Reserve Account sufficient to make up any such deficiency with respect to the Series 1994C Bonds, and if a deficiency still exists immediately prior to an interest payment date and after the withdrawal of cash, the Port shall then draw from the Surety Bond 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 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 Series 1994C 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 Series 1994C Debt Service Account within such year.

In making the payments and credits to the Series 1994C Reserve Account required by this Section 7(c)(ii), 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 1994C 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 1994C Reserve Account by this Section 7(c)(ii) 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. In the event of cancellation of Qualified Insurance or if the issuer of the Qualified Insurance or the Qualified Letter of Credit shall be insolvent, the Series 1994C Reserve Account Requirement shall

be satisfied (A) within one year of the insolvency, but no later than the date of cancellation, with Qualified Insurance or another Qualified Letter of Credit, or (B) 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 money on hand legally available for such purpose) after making necessary provisions for the payments required to be made into the Series 1994C Debt Service Account.

(iii) Pledge and Lien. Said amounts so pledged to be paid into the Series 1994C Debt Service Account and the Series 1994C 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, the Series 1994A Bonds, the Series 1994B 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 Parity Bonds.

(iv) Use of Excess Money. Money in the Series 1994C Bond Fund not needed to pay the interest or principal and interest next coming due on any Outstanding Series 1994C Bonds or to maintain required reserves therefor may be used to purchase or redeem and retire Series 1994C Bonds. Money in the Series 1994C Debt Service Account and the Series 1994C Reserve Account may be invested in any investments legal for port districts.

Section 8. Defeasance. In the event that money and/or noncallable Government Obligations maturing or having guaranteed redemption prices at the option of the owner at such time or times and bearing interest to be earned thereon in amounts (together with such money, if any) sufficient to redeem and retire part or all of any Series 1994 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 Bond Fund for such series or any account therein for the payment of the principal of and interest on the certain Series 1994 Bonds so provided for and such Series 1994 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 1994 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 9. Refunding Procedures.

(a) 1971 Senior Lien Refunded Bonds.

(i) Creation of Refunding Account, 1971. A special account designated as the "Refunding Account, 1971" is hereby authorized to be created in the Senior Lien Bond Fund

which Account is to be drawn upon for the sole purpose of paying the principal of and interest on the 1971 Senior Lien Refunded Bonds.

(ii) Application of Series 1994C Bond Proceeds. A portion of the net proceeds of sale of the Series 1994C Bonds (exclusive of accrued interest thereon, which shall be paid into the Series 1994C Debt Service Account and used to pay a portion of the interest on the Series 1994C Bonds on July 1, 1994 and proceeds allocated to costs of issuance which shall be remitted to the Port directly) shall be credited to the Refunding Account, 1971.

(iii) Defeasance of 1971 Senior Lien Refunded Bonds. Money in the Refunding Account, 1971, together with funds that may be deposited by the Port, shall be used immediately upon receipt thereof to defease the 1971 Senior Lien Refunded Bonds and discharge the other obligations of the Port relating thereto under the 1971 Senior Lien Bond Resolution by providing for the payment of the principal of and interest thereon as hereinafter set forth in this section.

(iv) Acquired Obligations. The Controller of the Port is hereby authorized to transfer to the Refunding Account, 1971 a portion of the proceeds of the Series 1994C Bonds deposited in such Account, that are required to purchase the 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 1971 Senior Lien Refunded Bonds and to redeem and retire the 1971 Senior Lien Refunded Bonds on May 1, 1994 and to provide a beginning cash balance as necessary. The Port shall defease the 1971 Senior Lien Refunded Bonds and discharge such obligations by the use of money in the Refunding Account, 1971 to purchase certain Government Obligations (which obligations so purchased, are herein called "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 1971 Senior Lien Refunded Bonds coming due on May 1, 1994;

(B) the redemption price on May 1, 1994 (100% of the principal amount) of the 1971 Senior Lien Refunded Bonds.

Such Acquired Obligations shall be purchased at a yield not greater than the yield permitted by the Code (and the Internal Revenue Code of 1954, if applicable) and regulations relating to acquired obligations in connection with refunding bond issues.

(b) 1979 Senior Lien Refunded Bonds.

(i) Creation of Refunding Account, 1979. A special account designated as the "Refunding Account, 1979" is hereby authorized to be created in the Senior Lien Bond Fund which Account is to be drawn upon for the sole purpose of paying the principal of redemption premium and interest on the 1979 Senior Lien Refunded Bonds.

(ii) Application of Series 1994C Bond Proceeds. A portion of the net proceeds of sale of the Series 1994C Bonds (exclusive of accrued interest thereon, which shall be paid into the Series 1994C Debt Service Account and used to pay a portion of the interest on the Series 1994C Bonds on July 1, 1994 and proceeds allocated to costs of issuance which shall be remitted to the Port directly) shall be credited to the Refunding Account, 1979.

(iii) Defeasance of 1979 Senior Lien Refunded Bonds. Money in the Refunding Account, 1979, together with funds that may be deposited by the Port, shall be used immediately upon receipt thereof to defease the 1979 Senior Lien Refunded Bonds and discharge the other obligations of the Port relating thereto under the 1979 Senior Lien Bond Resolution, by providing for the payment of the principal of and interest thereon as hereinafter set forth in this section.

(iv) Acquired Obligations. The Controller of the Port is hereby authorized to transfer to the Refunding Account, 1979 the proceeds of the Series 1994C Bonds deposited in such Account, that are required to purchase the 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 1979 Senior Lien Refunded Bonds and to redeem and retire the 1979 Senior Lien Refunded Bonds on July 1, 1994 and to provide a beginning cash balance as necessary. The Port shall defease the 1979 Senior Lien Refunded Bonds and discharge such obligations by the use of money in the Refunding Account, 1979 to purchase certain Government Obligations (which obligations so purchased, are herein called "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 1979 Senior Lien Refunded Bonds coming due on July 1, 1994;

(B) the redemption price on July 1, 1994 (102.5% of the principal amount) of the 1979 Senior Lien Refunded Bonds.

Such Acquired Obligations shall be purchased at a yield not greater than the yield permitted by the Code (and the Internal Revenue Code of 1954, as amended) and regulations relating to acquired obligations in connection with refunding bond issues.

(c) 1990A Refunded Bonds.

(i) Creation of Refunding Account, 1990A. A special account designated as the "Refunding Account, 1990A" is hereby authorized to be created in the 1990A Bond Fund which Account is to be drawn upon for the sole purpose of paying the principal of and interest on the 1990A Refunded Bonds.

(ii) Application of Series 1994A Bond Proceeds. The net proceeds of sale of the Series 1994A Bonds (exclusive of accrued interest thereon, which shall be paid into the Series 1994A Debt Service Account and used to pay a portion of the interest on the Series 1994A Bonds

on June 1, 1994 and proceeds allocated to costs of issuance which shall be remitted to the Port directly) shall be credited to the Refunding Account, 1990A.

(iii) Defeasance of 1990A Refunded Bonds. Money in the Refunding Account, 1990A shall be used immediately upon receipt thereof to defease the 1990A Refunded Bonds and discharge the other obligations of the Port relating thereto under the 1990A Series Resolution, by providing for the payment of the principal of and interest thereon as hereinafter set forth in this section.

(iv) Acquired Obligations. The Controller of the Port is hereby authorized to transfer to the Refunding Account, 1990A the proceeds of the Series 1994A Bonds deposited in such Account, that are required to purchase the Acquired Obligations maturing at such times and bearing interest in such amounts as may be required to pay the interest on the 1990A Refunded Bonds on and prior to December 1, 2000 and to redeem and retire the 1990A Refunded Bonds on December 1, 2000 and to provide a beginning cash balance as necessary. The Port shall defease the 1990A Refunded Bonds and discharge such obligations by the use of money in the Refunding Account, 1990A to purchase certain Government Obligations (which obligations so purchased, are herein called "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 1990A Refunded Bonds coming due on and prior to December 1, 2000; and

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

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

(d) Appointment of Escrow Agent. The Port hereby appoints the corporate trust department of Seattle-First National Bank, Seattle, Washington as the Escrow Agent for the Refunded Bonds (the "Escrow Agent"). Beginning cash balances, if any, and the Acquired Obligations shall be deposited irrevocably with the Escrow Agent in an amount sufficient to defease and redeem the Refunded Bonds, respectively, in accordance with this Section 9 and Section 10 of this Series Resolution.

Section 10. Redemption of Refunded Bonds.

(a) 1971 Senior Lien Refunded Bonds. The Port hereby irrevocably calls the 1971 Senior Lien Refunded Bonds for redemption on May 1, 1994 in accordance with the provisions of Section 5 of the 1971 Senior Lien Bond Resolution, authorizing the redemption and retirement of the 1971 Senior Lien Bonds prior to their fixed maturities.

Said defeasance and call for redemption of the 1971 Senior Lien Refunded Bonds shall be irrevocable after the final establishment of the Refunding Account, 1971 and delivery of the Acquired Obligations described in Section 9(b) to the Escrow Agent.

The Escrow Agent is hereby authorized and directed to provide for the giving of notice of the redemption of the 1971 Senior Lien Refunded Bonds in accordance with the terms of the Escrow Agreement (hereinafter authorized). 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 subparagraph (a)(iv)(A) and (B) of Section 9 of this Series Resolution. All such sums shall be paid from the moneys and Acquired Obligations deposited with said Escrow Agent pursuant to the previous section of this Series Resolution, and the income therefrom and proceeds thereof.

(b) 1979 Senior Lien Refunded Bonds. The Port hereby irrevocably calls the 1979 Senior Lien Refunded Bonds for redemption on July 1, 1994 in accordance with the provisions of Section 5 of the 1979 Senior Lien Bond Resolution, authorizing the redemption and retirement of the 1979 Senior Lien Bonds prior to their fixed maturities.

Said defeasance and call for redemption of the 1979 Senior Lien Bonds shall be irrevocable after the final establishment of the Refunding Account, 1979 and delivery of the Acquired Obligations described in Section 9(b) to the Escrow Agent.

The Escrow Agent is hereby authorized and directed to provide for the giving of notice of the redemption of the 1979 Senior Lien Refunded Bonds in accordance with the terms of the Escrow Agreement (hereinafter authorized). 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 subparagraph (b)(iv)(A) and (B) of Section 9 of this Series Resolution. All such sums shall be paid from the moneys and Acquired Obligations deposited with said Escrow Agent pursuant to the previous section of this Series Resolution, and the income therefrom and proceeds thereof.

(c) 1990A Refunded Bonds. The Port hereby irrevocably calls the 1990A Refunded Bonds for redemption on December 1, 2000 in accordance with the provisions of Section 4(B)(1) and (2) of the 1990 Series Resolution, authorizing the redemption and retirement of the 1990A Refunded Bonds prior to their fixed maturities.

Said defeasance and call for redemption of the 1990A Refunded Bonds shall be irrevocable after the final establishment of the Refunding Account, 1990A and delivery of the Acquired Obligations described in Section 9(c) to the Escrow Agent.

The Escrow Agent is hereby authorized and directed to provide for the giving of notice of the redemption of the 1990A Refunded Bonds in accordance with the terms of the Escrow Agreement (hereinafter authorized). 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 subparagraph (c)(iv)(A) and (B) of Section 9 of this Series Resolution. All such sums shall be paid from the moneys and 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 Agreements. 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 the Escrow Agreements to the Escrow Agent when the provisions thereof have been fixed and determined for each closing and delivery of the Series 1994A Bonds and the Series 1994 C Bonds, respectively. Such Escrow Agreements shall be substantially in the form of Exhibit A attached to this Series Resolution and by this reference hereby made a part of this Series Resolution.

Section 11. Disposition of the Proceeds of Sale of Series 1994B Bonds. The proceeds of the Series 1994B Bonds shall be applied as follows:

(a) All interest on the Series 1994B Bonds accrued from their date to the date of delivery shall be paid into the Series 1994B Debt Service Account;

(b) The premium cost for the Surety Bond for the Series 1994B Bonds, designated by the Designated Port Representative, shall be paid from the proceeds of the Series 1994B Bonds on the date of issuance and delivery of the Series 1994B Bonds; and

(c) The remainder of the proceeds of the Series 1994B Bonds shall be paid into the Construction Fund, Southwest Harbor Project, in amounts designated by the Designated Port Representative to the Treasurer.

The Treasurer of the Port is hereby authorized and directed to create a special account of the Port, to be designated as the "Port of Seattle Construction Fund, Southwest Harbor Project" (the "Construction Fund, Southwest Harbor Project"). The proceeds on deposit in the Construction Fund, Southwest Harbor Project, shall be utilized to pay Costs of Construction of

the Project and costs incidental thereto, and costs incurred in connection with the issuance and sale of the Series 1994B Bonds, to the extent designated by the Port.

All or part of the proceeds of the Series 1994B Bonds may be temporarily invested in or with such institutions or in such obligations as may now or hereafter be permitted to port districts of the State of Washington by law which will mature prior to the date on which such money shall be needed provided however, such proceeds shall not be invested in the obligations of any municipality with a credit rating lower than that of the Port.

Any part of the proceeds of the Series 1994B Bonds remaining in the Construction Fund, Southwest Harbor Project, after all costs of the Project have been paid may be used to acquire, construct, equip and make other improvements to the Facilities of the Port or may be transferred to the Series 1994B Bond Fund for the uses and purposes therein provided.

Section 12. Covenants.

(a) Arbitrage Covenant. The Port hereby covenants that it will not make any use of the proceeds of sale of the Series 1994 Bonds or any other funds of the Port which may be deemed to be proceeds of such Series 1994 Bonds pursuant to Section 148 of the Code (or Section 103(c) of the Internal Revenue Code of 1954, if applicable) and the applicable regulations thereunder which, if such use had been reasonably expected on the dates of delivery of the Series 1994 Bonds to the initial purchasers thereof, would have caused such Series 1994 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 1994 Bonds.

(b) Rebatable Arbitrage.

(i) General Rule. The Port will pay to the United States of America in accordance with the provisions of this Section 12(b): (A) rebate installment payments which, when added to the future value as of the Computation Date of all previous rebate payments made with respect to the Series 1994B Bonds, equal at least 90% of the Rebatable Arbitrage with respect to the Series 1994B Bonds; and (B) a final rebate installment payment in an amount which, when added to the future value of all previous rebate payments made with respect to the Series 1994B Bonds, equals 100% of the Rebatable Arbitrage.

(ii) Computation of Rebatable Arbitrage. As of any Computation Date, the Rebatable Arbitrage for the Series 1994B Bonds is the excess of the future value, as of such date, of all Receipts over the future value, as of such date, of all Payments.

(iii) Payment Procedure. (A) The first rebate installment payment will be made for a Computation Date that is no later than five years after the issue date of the Series 1993B Bonds. Subsequent rebate installment payments will be made for a Computation Date that is not later than five years after the previous Computation Date for which rebate installment payment

was made. Each rebate installment payment will be paid no later than 60 days after the Computation Date to which the payment relates.

(B) A final rebate payment will be paid within 60 days of the date the Bonds are Discharged or such other period as is permitted by Internal Revenue Service regulations.

(C) Each payment of Rebatable Arbitrage will be made to the Internal Revenue Service Center, Philadelphia, Pennsylvania 19225 and will be accompanied by IRS Form 8038-T.

(c) Private Person Use Limitation for Series 1994A Bonds. The Port covenants that for as long as the Series 1994A Bonds are outstanding, it will not permit:

(i) More than 10% of the Net Proceeds of the Series 1990A Bonds to be used for any Private Person Use; and

(ii) More than 10% of the principal or interest payments on the Series 1990A Bonds (and any bonds issued to refund such Series 1990A Bonds) in a Bond Year to be (under the terms of the 1990A Series Resolution, this Series Resolution or any underlying arrangement) directly or indirectly: (A) secured by any interest in property used or to be used for any Private Person Use or secured by payments in respect of property used or to be used for any Private Person Use, or (B) derived from payments (whether or not made to the Port) in respect of property, or borrowed money, used or to be used for any Private Person Use.

The Port further covenants that, if:

(iii) More than five percent of the Net Proceeds of the Series 1990A Bonds are to be used for any Private Person Use; and

(iv) More than five percent of the principal or interest payments on the Series 1990A Bonds in a Bond Year (or any bonds issued to refund the Series 1990A Bonds) are (under the terms of the 1990A Series Resolution, this Series Resolution or any underlying arrangement) directly or indirectly: (A) secured by any interest in property used or to be used for any Private Person Use or secured by payments in respect of property used or to be used for any Private Person Use, or (B) derived from payments (whether or not made to the Port) in respect of property, or borrowed money, used or to be used for any Private Person Use.

then, (1) any Private Person Use of the projects described in subsection (iii) hereof or Private Person Use payments described in subsection (iv) hereof that is in excess of the five percent limitations described in such subsections (iii) or (iv) will be for a Private Person Use that is related to the state or local governmental use of the Project, and (2) any Private Person Use will not exceed the amount of Net Proceeds of the Series 1990A Bonds used for the state or local governmental use portion of the project to which the Private Person Use of such portion of the projects relates. The Port further covenants that it will comply with any limitations on the use of

the projects by other than state and local governmental users that are necessary, in the opinion of its Bond Counsel, to preserve the tax exemption of the interest on the Series 1990A Bonds and the Series 1990D Bonds.

(d) Use of Proceeds of the Senior Lien Bonds which are Refunded Bonds.

(i) The projects financed with the 1971 Senior Lien Bonds and the 1979 Senior Lien Bonds (collectively, the "projects") include only facilities that are 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 or functionally related and subordinate to such airport facilities (the projects referred to in this subsection (d)(i)(A) and (B) are hereinafter referred to as the "airport projects"), or

(C) docks or wharfs or functionally related and subordinate to such docks or wharfs (the projects referred to in this subsection (d)(i)(C) are hereinafter referred to as the "marine projects").

(ii) The Port will, at all times while the Series 1994C Bonds are Outstanding be the owner of all elements of the projects being refinanced with such 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.

(iii) The projects shall not include any:

(A) lodging facility,

(B) retail facility (including food and beverage facilities) in excess of a size necessary to serve passengers and employees,

(C) retail facility (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),

(D) office building for persons who are not employees of a governmental unit or the Port,

(E) industrial park or manufacturing facility, that is to be used for any private business use (within the meaning of Section 141(b)(6) of the Code).

(iv) 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 minimis 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).

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

(vi) Any land acquired by the Port as a part of the airport projects will be (A) acquired solely to mitigate damages attributable to airport noise or (B) land that is adjacent to the airport, impaired by a significant level of airport noise and (1) 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 (2) 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.

(vii) 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.

(e) Modification of Tax Covenants. The covenants of Section 12(a) through (d) are specified solely to assure the continued exemption from regular income taxation of the interest on the Series 1994 Bonds. To that end, the provisions of Section 12(a) through (d) 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 any Series 1994 Bonds.

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

Section 13. Lost, Stolen or Destroyed Bonds. In case any Series 1994 Bond or Series 1994 Bonds shall be lost, stolen or destroyed, the Registrar may execute and deliver a new Series 1994 Bond or Series 1994 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 1994 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 1994 Bonds and Registration Certificate.

(a) Series 1994A Bonds. The Series 1994A Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. _____

\$ _____

STATE OF WASHINGTON

PORT OF SEATTLE

REVENUE REFUNDING BOND, SERIES 1994A

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 1994A" (the "Bond Fund") created by Resolution No. 3155 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, 1994, 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 June 1, 1994, and semiannually thereafter on the first days of each December and June. Both principal of and interest on this bond are payable in lawful money of the United States of America. Interest shall be paid as provided in the Letter of Representations (the "Letter of Representations") among the Port, the Registrar (hereinafter defined) and The Depository Trust Company ("DTC").. Principal shall be paid as provided in the Letter of Representations 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 \$27,135,000, 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 advance refund certain outstanding revenue bonds of the Port issued under date of February 1, 1990.

The Port reserves the right to redeem the bonds of this issue maturing after December 1, 2004 on and after December 1, 2004 in whole or in part on any date and if in part, with maturities to be selected by the Port and by lot within a maturity in such manner as the Registrar shall determine, at the following prices plus accrued interest to the date of redemption.

Redemption Dates	Redemption Prices
December 1, 2004 through November 30, 2005	102%
December 1, 2005 through November 30, 2006	101%
December 1, 2006 and thereafter	100%

Notice of any such intended redemption shall be given as provided in the Letter of Representations. The requirements of the Bond Resolution shall be deemed to be complied with when notice is mailed as therein provided, regardless of whether or not it is actually received by the owner of any bond. Interest on any such bond so called for redemption shall cease to accrue on the date fixed for redemption unless such bond or bonds so called for redemption are not redeemed upon presentation made pursuant to such call.

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

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 1994B and Series 1994C 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

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 1994B Bonds. The Series 1994B Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. _____

\$ _____

STATE OF WASHINGTON

PORT OF SEATTLE

REVENUE BOND, SERIES 1994B

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 1994B" (the "Bond Fund") created by Resolution No. 3155 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, 1994, 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, 1994, 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 as provided in the Letter of Representations (the "Letter of Representations") among the Port, the Registrar (hereinafter defined) and The Depository Trust Company ("DTC"). Principal shall be paid as provided in the Letter of Representations 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 \$50,000,000, 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 pay the costs of certain improvements to Port facilities.

The Port reserves the right to redeem the bonds of this issue maturing after May 1, 2004 on and after May 1, 2004 in whole on any date or in part on any interest payment date and if in part, with maturities to be selected by the Port and by lot within a maturity in such manner as the Registrar shall determine, at the following prices plus accrued interest to the date of redemption.

Redemption Dates	Redemption Prices
May 1, 2004 through April 30, 2005	102%
May 1, 2005 through April 30, 2006	101%
May 1, 2006 and thereafter	100%

Unless previously redeemed pursuant to the foregoing optional redemption provisions, the bonds of this issue maturing on May 1, 2017 shall be redeemed by lot (in such manner as shall be determined by the Registrar), at par plus accrued interest in the following amounts on May 1 of the following years:

Redemption Years	Redemption Amount
2013	\$ 2,700,000
2014	2,845,000
2015	3,000,000
2016	3,160,000
2017*	3,330,000

*Final Maturity.

Unless previously redeemed pursuant to the foregoing optional redemption provisions, the bonds of this issue maturing on May 1, 2019 shall be redeemed by lot (in such manner as shall be determined by the Registrar), at par plus accrued interest in the following amounts on May 1 of the following years:

Redemption Years	Redemption Amount
2018	\$ 3,515,000
2019*	3,705,000

*Final Maturity.

Notice of any such intended redemption shall be given as provided in the Letter of Representations. The requirements of the Bond Resolution shall be deemed to be complied with when notice is mailed as therein provided, regardless of whether or not it is actually received by the owner of any bond. Interest on any such bond so called for redemption shall cease to accrue on the date fixed for redemption unless such bond or bonds so called for redemption are not redeemed upon presentation made pursuant to such call.

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.

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 Bonds, Series 1994B of the Port of Seattle, Washington, dated February 1, 1994.

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 1994C Bonds. The Series 1994C Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. _____

\$ _____

STATE OF WASHINGTON

PORT OF SEATTLE

REVENUE REFUNDING BOND, SERIES 1994C

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 1994C" (the "Bond Fund") created by Resolution No. 3155 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, 1994, 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 July 1, 1994, and semiannually thereafter on the first days of each January and July. Both principal of and interest on this bond are payable in lawful money of the United States of America. Interest shall be paid as provided in the Letter of Representations (the "Letter of Representations") among the Port, the Registrar (hereinafter defined) and The Depository Trust Company ("DTC"). Principal shall be paid as provided in the Letter of Representations 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 \$51,755,000, 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.

The Port reserves the right to redeem the bonds of this issue maturing after July 1, 2005 on and after July 1, 2005 in whole on any date or in part on any interest payment date and if in part, with maturities to be selected by the Port and by lot within a maturity in such manner as the Registrar shall determine, at the following prices plus accrued interest to the date of redemption.

Redemption Dates	Redemption Prices
July 1, 2004 through June 30, 2005	102%
July 1, 2005 through June 30, 2006	101%
July 1, 2006 and thereafter	100%

Notice of any such intended redemption shall be given as provided in the Letter of Representations. The requirements of the Bond Resolution shall be deemed to be complied with when notice is mailed as therein provided, regardless of whether or not it is actually received by the owner of any bond. Interest on any such bond so called for redemption shall cease to accrue on the date fixed for redemption unless such bond or bonds so called for redemption are not redeemed upon presentation made pursuant to such call.

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 1994A and Series 1994B 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.

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.

(d) Bonds in Certificated Form. In the event any Series 1994 Bonds are no longer in fully immobilized form, the form of such series of Bonds may be modified to conform to printing requirements and the terms of this Series Resolution.

Section 15. Execution. The Series 1994 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 1994 Bonds as shall bear thereon a Certificate of Authentication in the form hereinbefore recited, manually executed by the Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this Series Resolution. Such Certificate of Authentication shall be conclusive evidence that the Series 1994 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 Bonds shall cease to be such officer or officers of the Port before the Series 1994 Bonds so signed shall have been authenticated or delivered by the Registrar, or issued by the Port, such Series 1994 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 1994 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 1994 Bond shall be the proper officers of the Port although at the original date of such Series 1994 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 1994 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 1994 Bonds transferred or exchanged in accordance

with the provisions of such Series 1994 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 1994 Bonds. The Registrar may become the owner of Series 1994 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 Series 1994 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 1994 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 1994 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 Series 1994 Bonds shall be entitled to exercise the remedies specified in Section 22 of the Master Resolution; but only with respect to the particular series in Default.

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 (1993); and

Second: The Series 1994C 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 1994C Bonds will not be greater than the Maximum Annual Debt Service had the Series 1994C Bonds not been issued.

Third: The Series 1994A Bonds are being issued to refund Outstanding 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 1994A Bonds will not be greater than the Maximum Annual Debt Service had the Series 1994A Bonds not been issued.

Fourth, Prior to the issuance of the Series 1994B Bonds, the Port shall have on file a certificate of the Designated Port Representative pursuant to Section 7(b) of the Master Resolution, demonstrating compliance with the Coverage Requirement as set forth therein.

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 1994A Bonds, the Series 1994B Bonds and the Series 1994C 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 Bonds. The Series 1994A Bonds, the Series 1994B Bonds and the Series 1994C Bonds shall be sold at negotiated sale to an underwriting group consisting of Lehman Brothers, Inc., Goldman, Sachs & Co., PaineWebber Incorporated, M.R. Beal & Company and Artemis Capital Group, Inc. (the "Underwriters") under the terms of Bond Purchase Contracts, each dated this date (collectively, the "Bond Purchase Contracts"). Under the terms of the Bond Purchase Contracts for the Series 1994C Bonds, the Series 1994C Bonds shall be delivered on a date mutually agreed upon, but not earlier than April 5, 1994. The Bond Purchase Contracts are hereby approved, and the Designated Port Representative is hereby authorized and directed to execute the Bond Purchase Contracts. 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 1994 Bonds to the Underwriters thereof and further to execute all closing certificates and documents required to effect the closing and delivery of the Series 1994 Bonds in accordance with the terms of the respective Bond Purchase Contracts.

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 1994 Bonds and the distribution of the Series 1994 Bonds pursuant thereto with such changes, if any, as may be deemed by him/her to be appropriate.

Section 20. Secondary Market Disclosure. The Port appreciates the support of the investment community for its financing efforts relating to the Outstanding Senior Lien Bonds, the Outstanding Bonds, the Series 1994 Bonds and any bonds that the Port may issue in the future. The Port, therefore, agrees that it will provide annual audited financial statements and other pertinent credit information relevant to the securities of the Port (which may be contained in official statements), including the Port's Comprehensive Annual Financial Report, upon request, and will provide copies to one or more information providers in the state and local government

securities market. Periodic credit information also will be provided to rating agencies as necessary for maintaining outstanding ratings on the revenue and general obligations of the Port. The official statements of the Port will reflect this commitment.

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

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

ADOPTED by the Port Commission of the Port of Seattle at a meeting thereof, held this 3rd day of February 1994, 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

Paul Seave

Dwight R. Miller
Jack B. Bly
Gary E. Crow
Commissioners

EXHIBIT A

**TO RESOLUTION NO. 3155, AS AMENDED
FORM OF ESCROW AGREEMENT**

ESCROW DEPOSIT AGREEMENT

PORT OF SEATTLE

**Revenue Refunding Bonds
[Series 1994A]
[Series 1994C]**

THIS ESCROW DEPOSIT AGREEMENT, dated as of the ___ day of February, 1994, (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 SEATTLE-FIRST NATIONAL BANK, 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. 3155, as amended, adopted on _____, 1994 (the "Series Resolution"), the Port has determined to issue its Revenue Refunding Bonds, [Series 1994A] and [Series 1994C] (the "Refunding Bonds") for the purpose of providing funds to pay the costs of refunding the Refunded Bonds; and

WHEREAS, the terms of the Series Resolution provide that the [Series 1994A] [Series 1994C] Refunding Bonds shall be issued and delivered on this date; 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 for the Refunded Bonds 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 Refunding Bonds have been duly authorized to be issued, sold, and delivered for the purpose of obtaining the funds required to provide for the payment of the principal of, interest on and redemption premium (if any) on the Refunding Bonds when due as shown on Exhibit C attached hereto; and

WHEREAS, the Port desires that, concurrently with the delivery of each series of the Refunding 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 and redemption premium on 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 and redemption premium 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 Paying 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 Paying Agent at the times and in the amounts required to pay the interest on the Refunded Bonds as such interest comes due and the principal of 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 Paying Agent to make the payments set forth

in Section 3.2. hereof, the Port shall timely deposit in the Escrow Fund, from any funds that are lawfully available therefor, additional funds in the amounts required to make such payments. Notice of any such insufficiency shall be given promptly as hereinafter provided, but the Escrow Agent shall not in any manner be responsible for any insufficiency of funds in the Escrow Fund or the Port's failure to make additional deposits thereto.

Section 3.4. Trust Fund.

The Escrow Agent shall hold at all times the Escrow Fund, the Escrowed Securities and all other assets of the Escrow Fund, wholly segregated from all other funds and securities on deposit with the Escrow Agent; it shall never allow the Escrowed Securities or any other assets of the Escrow Fund to be commingled with any other funds or securities of the Escrow Agent; and it shall hold and dispose of the assets of the Escrow Fund only as set forth herein. The Escrowed Securities and other assets of the Escrow Fund shall always be maintained by the Escrow Agent as trust funds for the benefit of the owners of the Refunded Bonds; and a special account thereof shall at all times be maintained on the books of the Escrow Agent. The owners of the Refunded Bonds shall be entitled to 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 Paying Agent.

Article 4. Limitation on Investments

Section 4.1. Investments.

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

Section 4.2. Substitution of Securities.

At the written request of the Port, and upon compliance with the conditions hereinafter stated, the Escrow Agent shall utilize cash balances in the Escrow Fund, or sell, transfer, otherwise dispose of or request the redemption of the Escrowed Securities and apply the proceeds therefrom to purchase 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 cause notices of the redemption of the Refunded Bonds to be given 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, subject to the terms of this Agreement, all the rights, powers and trusts of the Escrow Agent hereunder. Upon the request of any such successor Escrow Agent, the Port shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor Escrow Agent all such rights, powers and duties.

The obligations assumed by the Escrow Agent pursuant to this Agreement may be transferred by the Escrow Agent to a successor Escrow Agent if (a) the requirements of this Section 8.3 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 10004, 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

SEATTLE-FIRST NATIONAL BANK, by its
authorized agent, BankAmerica State Trust
Company

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, Treasurer and Escrow Agent

Port:

Port of Seattle
P.O. Box 1209
Seattle, WA 98111

Attention: Chief Financial Officer

Treasurer:

King County Office of Finance
County Administration Building
500 Fourth Avenue, Sixth Floor
Seattle, WA 98104
Attention: Cash Management Supervisor

Escrow Agent:

Seattle-First National Bank
1100 Second Avenue
Seattle, WA 98101

Attention: Corporate Trust Department

EXHIBIT B
Description of the Refunded Bonds

Port of Seattle

Revenue Bonds, 1971-C

<u>Maturity Year</u> <u>(November 1)</u>	<u>Principal Amount</u>	<u>Interest Rates</u>
1994	\$1,085,000	5.50%
1995	1,165,000	5.50
1996	1,245,000	5.60
1997	1,335,000	5.60
1998	1,430,000	5.60
1999	1,520,000	5.60
2000	1,595,000	4.00
2001	1,695,000	4.00

Port of Seattle

Revenue Bonds, 1979

<u>Maturity Year</u> <u>(July 1)</u>	<u>Principal Amount</u>	<u>Interest Rates</u>
1995	\$1,000,000	6.00%
1996	1,200,000	6.00
1997	1,400,000	6.00
1998	1,750,000	6.00
1999	2,050,000	6.00
2000	1,600,000	6.00
2001	2,750,000	6.10
2002	2,750,000	6.10
2003	3,050,000	6.20
2004	3,250,000	6.25
2005	3,500,000	6.30
2006	3,750,000	6.30
2007	3,750,000	6.40
2008	3,750,000	6.40
2009	3,600,000	6.50

Port of Seattle

Revenue Bonds, Series 1990A

<u>Maturity Years</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
2009	\$ 12,555,000	7.40%
2011	\$ 10,375,000	7.50

EXHIBIT C
Schedule of Debt Service on Refunded Bonds

1990A Refunded Bonds (Series 1994A)

<u>Interest</u>	<u>Principal</u>	<u>Total</u>
\$	\$	= \$

1971 Senior Lien Bonds (Series 1994C)

<u>Interest</u>	<u>Principal</u>	<u>Total</u>
\$	\$	= \$

1979 Senior Lien Refunded Bonds (Series 1994C)

<u>Interest</u>	<u>Principal</u>	<u>Total</u>
\$	\$	= \$

EXHIBIT D
Escrow Deposit

[Series 1994A] [Series 1994C Bonds]

Date of Deposit: _____

I. Cash - \$ _____

II. Other Obligations

Description	Principal Amount	Rate	Yield	Price	Cost	Accrued Interest	Total Cost
	\$	%	%	\$	\$	\$	\$

EXHIBIT E
Escrow Fund Cash Flow

Series 1994A (1990A Current Interest Bonds)

<u>Date</u>	<u>Escrow Requirement</u>	<u>Net Escrow Receipts</u>	<u>Excess Receipts</u>	<u>Excess Balance</u>
	\$	\$	\$	\$

Series 1994C (1971 Senior Lien Bonds)

<u>Date</u>	<u>Escrow Requirement</u>	<u>Net Escrow Receipts</u>	<u>Excess Receipts</u>	<u>Excess Balance</u>
	\$	\$	\$	\$

Series 1994C (1979 Senior Lien Refunded Bonds)

<u>Date</u>	<u>Escrow Requirement</u>	<u>Net Escrow Receipts</u>	<u>Excess Receipts</u>	<u>Excess Balance</u>
	\$	\$	\$	\$

**APPENDIX A-1
Notice of Redemption***

PORT OF SEATTLE, REVENUE BONDS, 1971-C

NOTICE IS HEREBY GIVEN that the Port of Seattle has called for redemption on May 1, 1994, all of its then outstanding Revenue Bonds, 1971-C (the "Bonds"). The Bonds will be redeemed at a price of 100 percent (100%) of their principal amount, plus interest accrued to May 1, 1994. Interest on all Bonds or portions thereof which are redeemed shall cease to accrue on May 1, 1994. 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

The following Bonds are being redeemed:

Bond Numbers	Principal Amount	Date of Maturity	Cusip Number
2247-2463	\$1,085,000	11/1/94	735388LX6
2464-2696	1,165,000	11/1/94	735388LY4
2697-2945	1,245,000	11/1/94	735388LZ1
2946-3212	1,335,000	11/1/94	735388MA5
3213-3498	1,430,000	11/1/94	735388MB3
3499-3802	1,520,000	11/1/94	735388MC1
3803-4121	1,595,000	11/1/94	735388MD9
4122-4460	1,695,000	11/1/01	735388ME7

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.

* This notice shall be given 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, with each such publication to be not more than 40 nor less than 30 days prior to said redemption date, and mailing a like notice at the same time to Salomon Brothers, New York, New York at its main office. If any of the 1971 Senior Lien Bonds shall have been registered on the books of the Paying Agent, written notice shall also be mailed to each registered owner no more than 40 nor less than 30 days prior to the date fixed for redemption. In addition, notice of redemption shall be mailed to Standard & Poor's Corporation and to Moody's Investors Service.

**APPENDIX A-2
Notice of Redemption***

PORT OF SEATTLE, REVENUE BONDS, 1979

NOTICE IS HEREBY GIVEN that the Port of Seattle has called for redemption on July 1, 1994, all of its then outstanding Revenue Bonds, 1979 (the "Bonds"). The Bonds will be redeemed at a price of 102.5 percent (102.5%) of their principal amount, plus interest accrued to July 1, 1994. Interest on all Bonds or portions thereof which are redeemed shall cease to accrue on July 1, 1994. 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

The following Bonds are being redeemed:

Bond Numbers	Principal Amount	Date of Maturity	Cusip Number
3171-3370	\$1,000,000	July 1, 1995	735388QV5
3371-3610	1,200,000	July 1, 1996	735388QW3
3611-3890	1,400,000	July 1, 1997	735388QX1
3891-4240	1,750,000	July 1, 1998	735388QY9
4241-4650	2,050,000	July 1, 1999	735388QZ6
4651-4970	1,600,000	July 1, 2000	735388RA0
4971-5520	2,750,000	July 1, 2001	735388RB8
5521-6070	2,750,000	July 1, 2002	735388RC6
6071-6680	3,050,000	July 1, 2003	735388RD4
6681-7330	3,250,000	July 1, 2004	735388REZ
7331-8030	3,500,000	July 1, 2005	735388RF9
8031-8780	3,750,000	July 1, 2006	735388RG7
8781-9530	3,750,000	July 1, 2007	735388RH5
9531-10280	3,750,000	July 1, 2008	735388RJ1
10281-11000	3,600,000	July 1, 2009	735388RK8

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 _____

* This notice shall be given 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, with each such publication to be not more than 40 nor less than 30 days prior to said redemption date, and mailing a like notice at the same time to Merrill Lynch White Weld Capital Markets Group, New York, New York, and to Merrill Lynch, Pierce, Fenner & Smith Incorporated, New York, New York (or to its business successor). If any of the 1979 Senior Lien Bonds shall have been registered on the books of the Paying Agent, written notice shall also be mailed to each registered owner no more than 40 nor less than 30 days prior to the date fixed for redemption. In addition, notice of redemption shall be mailed to Standard & Poor's Corporation and to Moody's Investors Service.

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-4
Notice of Redemption***

PORT OF SEATTLE, REVENUE BONDS, SERIES 1990A

NOTICE IS HEREBY GIVEN that the Port of Seattle has called for redemption on December 1, 2000, the outstanding Revenue Bonds, Series 1990A identified below (the "Bonds"). The Bonds will be redeemed at a price of 102% of par, plus interest accrued to December 1, 2000. Interest on all Bonds or portions thereof which are redeemed shall cease to accrue on December 1, 2000. 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
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The following Bonds are being redeemed:

Principal Amount	Date of Maturity	Cusip Number
\$12,555,000	December 1, 2009	735388VHQ
\$10,375,000	December 1, 2011	735388VK3

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.

* This notice shall be given to The Depository Trust Company, New York, New York not less than 31 days prior to the date of redemption by facsimile or mail addressed to The Depository Trust Company, Muni Reorganization Manager, Call Notification Department, 711 Stewart Avenue, Garden City, NY 11530 to fax number 516-227-4039 or 516-227-4190. In addition, notice shall be given to Midwest Securities Trust Company of Chicago, Illinois and Philadelphia, Pennsylvania within the same time period.

Fee Schedule

APPENDIX B

BOOK ENTRY ONLY MUNICIPAL NOTES

Letter of Representations

Name of Issuer

Name of Agent

Date

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

Re: _____

Issue Description

Ladies and Gentlemen:

This letter sets forth our understanding with respect to certain matters relating to the above-referenced issue (the "Notes"). Agent will act as trustee, paying agent, fiscal agent, or other agent of Issuer with respect to the Notes. The Notes will be issued pursuant to a trust indenture, note resolution, or other such document authorizing the issuance of the Notes dated _____, 199__ (the "Document"). _____

Underwriter

is distributing the Notes through The Depository Trust Company ("DTC").

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

1. Prior to closing on the Notes on _____, 199____, there shall be deposited with DTC one Note certificate registered in the name of DTC's nominee, Cede & Co., for each stated maturity of the Notes in the face amounts set forth on Schedule A hereto (the total of which represents 100% of the principal amount of such Notes). 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 Note certificate shall bear the following legend:

Unless this certificate is presented by an authorized representative of The Depository 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 Notes, 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. The Notes are not subject to redemption prior to maturity.

4. All notices and payment advices sent to DTC shall contain the CUSIP number of the Notes.

5. Notices to DTC pursuant to Paragraph 2 by telecopy 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 Depository Trust Company
7 Hanover Square, 23rd Floor
New York, NY 10004-2695

6. Transactions in the Notes shall be eligible for same-day funds settlement in DTC's Same-Day Funds Settlement ("SDFS") system.

A. Interest payments shall be received by Cede & Co., as nominee of DTC, or its registered assigns in same-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.

B. Principal payments shall be made in same-day funds by Agent in the manner set forth in the SDFS Paying Agent Operating Procedures, a copy of which previously has been furnished to Agent.

7. 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.

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

9. DTC may discontinue providing its services as securities depository with respect to the Notes 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 Notes outstanding). Under such circumstances, 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 Notes to any DTC Participant having Notes credited to its DTC accounts.

10. 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. 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,

Issuer

By: _____
Authorized Officer's Signature

Agent

By: _____
Authorized Officer's Signature

Received and Accepted:
THE DEPOSITORY TRUST COMPANY

By: _____
Authorized Officer

CC: Underwriter
Underwriter's 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 a 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 account of their holdings on behalf of their customers.

5. Conveyance of notices 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, DTC mails an Omnibus Proxy to the issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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 3155, 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 3rd day of February, 1994, 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 3rd day of February, 1994.

JACK BLOCK

Secretary

DO NOT
MICROFILM

This document which is dated 94/02/03 has been marked
to show changes since the draft of 93/10/30.

~~xxxx~~ = deletions

xxxx = additions

SERIES RESOLUTION
PORT OF SEATTLE, WASHINGTON

RESOLUTION NO. 3155, AS AMENDED

A RESOLUTION of the Port Commission of the Port of Seattle, Washington, authorizing the sale and issuance of Revenue and Revenue Refunding Bonds, Series 1994A-1993C, Series 1994B-1993D, and Series 1994C-1993E and ~~Series 1993F~~ of the Port in the principal amounts of \$27,135,000, ~~\$BONDOLC25,000,000,~~ \$50,000,000, ~~\$BONDOLD32,000,000,~~ \$BONDOLF73,000,000, and \$51,755,000, ~~\$55,000,000~~ BONDOLF, respectively for the purpose of refunding certain outstanding senior lien and junior lien revenue bonds of the Port and paying the costs of additional capital facilities; fixing the date, forms, terms, and maturities for each such series; and authorizing the approval of interest rates and sale of such bonds.

ADOPTED: _____, 1994-1993

Prepared by:

PRESTON THORGRIMSON
SHIDLER GATES & ELLIS
Seattle, Washington

*Original
black-
lined
cc*

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| Exhibit A - Form of Escrow Agreements

| Exhibit B - Form of Letters of Representations

| ~~Exhibit C - Form of Payment Agreement~~

* This Table of Contents and the Cover Page are for convenience of reference and are not intended to be a part of this Series Resolution.

RESOLUTION NO. 3155, AS AMENDED

A RESOLUTION of the Port Commission of the Port of Seattle, Washington, authorizing the sale and issuance of Revenue and Revenue Refunding Bonds, Series 1994A-1993C, Series 1994B-1993D, and Series 1994C-1993E and ~~Series 1993F~~ of the Port in the principal amounts of \$27,135,000, ~~\$BONDOLC25,000,000~~, \$50,000,000, ~~\$BONDOLD32,000,000~~, ~~\$BONDOLE73,000,000~~, and \$51,755,000, ~~\$55,000,000~~ ~~BONDOLF~~, respectively for the purpose of refunding certain outstanding senior lien and junior lien revenue bonds of the Port and paying the costs of additional capital facilities; fixing the date, forms, terms, and maturities for each such 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:

Resolution Number	Date of Issue	Original Principal Amt.	Currently Outstanding (2/2/94)	Final Maturity Dates
2397	Nov. 1, 1971	\$22,300,000	\$11,070,000	Nov. 1, 2001
2764	July 1, 1979	55,000,000	40,150,000	July 1, 2009
2983	Dec. 1, 1985	40,800,000	28,020,000	Dec. 1, 2001

(which ~~1969 Senior Lien Bonds~~, 1971 Senior Lien Bonds, 1979 Senior; Lien Bonds, ~~1984 Senior Lien Bonds~~ and 1985 Senior Lien Bonds are collectively referred to as the "Senior Lien Bonds");

and

WHEREAS, the ~~1969 Senior Lien Bonds~~ mature on February 1 of the following years in the following principal amounts:

Bond Nos.	Maturity Years	Principal Amounts	Interest Rate
2115-2393	1994	\$1,395,000	5.300%
2394-2686	1995	1,465,000	5.300
2687-2992	1996	1,530,000	5.375
2993-3313	1997	1,605,000	5.375
3314-3649	1998	1,680,000	5.375
3650-4000	1999	1,755,000	4.500

; and

WHEREAS, Resolution No. ~~2286~~ authorizes the defeasance and redemption of the ~~1969 Senior Lien Bonds~~ at a price of par on February 1, 1994; and

WHEREAS, the 1971 Senior Lien Bonds mature on November 1 of the following years in the following principal amounts:

<u>Bond Nos.</u>	<u>Maturity Years</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
2247-2463	1994	\$1,085,000	5.50%
2464-2696	1995	1,165,000	5.50
2697-2945	1996	1,245,000	5.60
2946-3212	1997	1,335,000	5.60
3213-3498	1998	1,430,000	5.60
3499-3802	1999	1,520,000	5.60
3803-4121	2000	1,595,000	4.00
4122-4460	2001	1,695,000	4.00

; and

WHEREAS, Ordinance No. 2397 authorizes the defeasance and redemption of all or any portion of the outstanding 1971 Senior Lien Bonds at a price of par on May 1, 1994 (hereinafter defined as the "1971 Senior Lien Refunded Bonds"); and

WHEREAS, the 1979 Senior Lien Bonds mature on July 1 of the following years in the following principal amounts:

<u>Bond Nos.</u>	<u>Maturity Years</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
2971-3170	1994	\$1,000,000	6.00%
3171-3370	1995	1,000,000	6.00
3371-3610	1996	1,200,000	6.00
3611-3890	1997	1,400,000	6.00
3891-4240	1998	1,750,000	6.00
4241-4650	1999	2,050,000	6.00
4651-4970	2000	1,600,000	6.00
4971-5520	2001	2,750,000	6.10
5521-6070	2002	2,750,000	6.10
6071-6680	2003	3,050,000	6.20
6681-7330	2004	3,250,000	6.25
7331-8030	2005	3,500,000	6.30
8031-8780	2006	3,750,000	6.30
8781-9530	2007	3,750,000	6.40
9531-10280	2008	3,750,000	6.40
10281-11000	2009	3,600,000	6.50

; and

WHEREAS, Resolution No. 2764 authorizes the defeasance and redemption of all or any portion of the outstanding 1979 Senior Lien Bonds maturing on and after July 1, 1995 (hereinafter defined as the "1979 Senior Lien Refunded Bonds") at a price of 102.5% of par on July 1, 1994; and

~~WHEREAS, the 1984 Senior Lien Bonds mature on January 1 of the following years in the following principal amounts:~~

<u>Maturity Years</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
1994	\$ 1,990,000	9.20%
1995	2,175,000	9.40
1996	2,375,000	9.60
1997	2,595,000	9.80
1998	2,830,000	10.00
1999	3,090,000	10.10

; and

~~WHEREAS, Resolution No. 2919 authorizes the defeasance and redemption of the 1984 Senior Lien Bonds maturing on and after January 1, 1995 (the "1984 Senior Lien Refunded Bonds") at a price of 102% of par on January 1, 1994; 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 eight ~~seven~~ series of revenue bonds pursuant to the Master Resolution, as follows:

Resolution Number	Date of Issue	Original Principal Amt.	Currently Outstanding (2/3/94)	Final Maturity Dates
3060	2/1/90	(A) \$ 66,240,492.05	\$ 64,945,492.05	12/1/14
3060	2/1/90	(B) 59,969,771.35	58,794,771.35	12/1/14
3060	2/1/90	(C) 24,805,000.00	20,535,000.00	12/1/05
3111	4/1/92	(A) 25,450,000.00	24,500,000.00	11/1/17
3111	4/1/92	(B) 115,440,000.00	111,200,000.00	11/1/17
3120	2/1/93	(A) 21,655,000.00	21,655,000.00	4/1/00
3120	2/1/93	(B) 60,750,000.00	55,335,000.00	11/1/01
3160	12/1/93	21,170,000.00	21,170,000.00	1/1/99

(the "Outstanding Bonds"); and

WHEREAS, the 1990A Current Interest Bonds (hereinafter defined) mature on December 1 of the following years in the following principal amounts:

Maturity Years	Principal Amounts	Interest Rates
1994	\$390,000	6.30%
1995	415,000	6.40
1996	445,000	6.50
1997	475,000	6.60
1998	500,000	6.70
1999	535,000	6.80
2000	575,000	6.90
2003	17,635	7.20
2009	12,555	7.40
2011	10,375	7.50
2014	18,420	6.00

; and

WHEREAS, Resolution No. 3060 authorizes the defeasance and redemption of all or any portion of the Outstanding 1990A Current Interest Bonds maturing on December 1, 2014 on December 1, 2000 at a price of par and the other 1990A Current Interest Bonds maturing on and after December 1, 2009 and December 1, 2011 on December 1, 2000 at a price of 102% of par (collectively, hereinafter to be defined as the "1990A Refunded Bonds"); and

WHEREAS, the Port Commission has received and reviewed a plan to refund ~~the 1969 Senior Lien Bonds,~~ the 1971 Refunded Senior Lien Bonds, the 1979 Senior Lien Refunded Bonds, ~~the 1984 Senior Lien Refunded Bonds~~ and the 1990A Refunded Bonds (collectively, the "Refunded Bonds"); and

WHEREAS, the net interest rate borne by each series of the Refunded Bonds is higher than the net interest rate which would be borne by refunding bonds if sold on this date; 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, the facilities of the Port are in need of expansion and improvement within the terms of the Port's comprehensive scheme of harbor area improvements; and

WHEREAS, the Port is authorized by RCW chs. 39.46 and 53.40 to issue revenue bonds without a vote of the electors; and.

WHEREAS, ~~to effect a substantial savings,~~ it is now deemed necessary that three series of bonds be issued under authority of the Master Resolution to refund the Refunded Bonds (as such term is hereinafter defined) be refunded, on a current basis, and pay a portion of the costs of said improvements be paid by the issuance of a four 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 (the "Code"); and

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

WHEREAS, it is deemed necessary and desirable that such series of bonds 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:

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

"Bond Purchase Contracts" means the Bond Purchase Contracts dated this date among the Port and the Underwriters.

"Bond Year" means each one-year period that ends on the date selected by the Port. The first and last Bond Years may be short periods. If no day is selected by the Port before the earlier of the final maturity date of the Bonds or the date that is five years after the date of issuance of the Bonds, Bond Years end on each anniversary of the date of issue and on the final maturity date of the Bonds.

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

"Computation Date" means the date selected by the Port to make arbitrage rebate computations.

"Computation Period" means the period between Computation Dates.

"Construction Fund-Southwest Harbor Project" means the account by that name maintained in the office of the Treasurer for the purpose of holding a portion of the proceeds of the Series 1994B-1993E Bonds to be used for the Project.

"Co-Paying Agents" means the Registrar appointed for purposes of paying the principal of and interest on the Series 1994 Bonds ~~authorized to be issued by this Series Resolution.~~

"Default" has the meaning given such term in Section 16 of this Series Resolution.

"Discharge" ~~occurs on~~ means the date that all amounts due under the terms of the Series 1994B Bonds are actually and unconditionally due if cash is available at the place of payment and no interest accrues with respect to the Series 1994B Bonds after such date.

"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 1994 Bonds ~~authorized to be issued by this Series Resolution~~ pursuant to Section 6 hereof.

"Escrow Agent" means Seattle-First National Bank, Seattle, Washington.

"Escrow Agreement" means the Escrow Deposit Agreement dated as of the date of the closings and delivery of the Series 1994A the Bonds and the Series 1994C Bonds ~~authorized to be issued by this Series Resolution,~~ respectively, 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 Municipal Bond Investors Assurance Corporation, the company issuing the Surety Bonds _____, ~~the company issuing the Surety Bond [and the Municipal Bond Insurance Policy].~~

"Letter of Representations" means the a letter of representations from the Registrar and the Port to DTC, in substantially the form of Exhibit B attached hereto and made a part hereof by this reference.

~~["Municipal Bond Insurance Policy" means the policy of municipal bond insurance issued by the Insurer and insuring the payment of the principal of and interest on the _____ Bonds, maturing on and after _____.]~~

"Net Proceeds," when used with reference to the Series 1990A Bonds, means the face amount of the Series 1990A Bonds, plus accrued interest and original issue premium, if any, and less original issue discount.

~~"1969 Senior Lien Bond Resolution" means Resolution No. 2286 of the Port Commission adopted on January 14, 1969.~~

~~"1969 Senior Lien Bonds" means the Port of Seattle Revenue Bonds, 1969-A, issued pursuant to the 1969 Senior Lien Bond Resolution and further identified in the recitals to this Series Resolution.~~

"1971 Senior Lien Bond Resolution" means Resolution No. 2397 of the Port Commission adopted on October 12, 1971.

"1971 Senior Lien Bonds" means the Port of Seattle Revenue Bonds, 1971-C issued pursuant to the 1971 Senior Lien Bond Resolution and further identified in the recitals to this Series Resolution.

"1971 Senior Lien Refunded Bonds" means the 1971 Senior Lien Bonds maturing on and after November 1, 1994.

"1979 Senior Lien Bond Resolution" means Resolution No. 2764 of the Port Commission, adopted on June 26, 1979.

"1979 Senior Lien Bonds" means the Port of Seattle Revenue Bonds, 1979, issued pursuant to the 1979 Senior Lien Bond Resolution and further identified in the recitals to this Series Resolution.

"1979 Senior Lien Refunded Bonds" means the 1979 Senior Lien Bonds maturing on and after July 1, 1995.

~~"1984 Senior Lien Bond Resolution" means Resolution No. 2861 of the Port Commission, adopted on July 13, 1982, as amended by Resolution No. 2919 of the Port Commission, adopted on December 13, 1983.~~

~~"1984 Senior Lien Bonds" means the Port of Seattle Revenue Bonds, 1984, issued pursuant to the 1984 Senior Lien Bond Resolution and further identified in the recitals to this Series Resolution.~~

~~"1984 Senior Lien Refunded Bonds" means the 1984 Senior Lien Bonds maturing on and after January 1, 1995.~~

"1990 Series Resolution" means Resolution No. 3160, as amended, of the Port Commission, adopted on February 2, 1990.

"1990A Current Interest Bonds" means the Port of Seattle Revenue Bonds, 1990A, issued pursuant to the Master Resolution and the 1990 Series Resolution and identified therein as the "Series 1990A Current Interest Bonds." The remaining Outstanding 1990A Current Interest Bonds are identified in the recitals to this Series Resolution.

"1990A Refunded Bonds" means the 1990A Current Interest Bonds maturing on after December 1, 2009~~0~~ and December 1, 2011.

"Outstanding Bonds" means the Port's Revenue Bonds, Series 1990A, Revenue Bonds, Series 1990B and Revenue Bonds, Series 1990C, issued pursuant to Resolution No. 3060, as amended; the Revenue Bonds, Series 1992A and Series 1992B, issued pursuant to Resolution No. 3111, as amended; ~~and the Revenue Refunding Bonds, Series 1993A and Series 1993B, issued pursuant to the 1990 Series Resolution; the Revenue Refunding Bonds, Series 1993C, issued pursuant to Resolution No. 3160; 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, the Series 1993C Bonds, the Series 1993D Bonds, the Series 1993E Bonds and the Series 1993F Bonds. The term "Parity Bonds" shall mean and include the Outstanding Bonds, the Series 1993C Bonds, the Series 1993D Bonds, the Series 1993E Bonds, the Series 1993F Bonds and any Future Parity Bonds.~~

~~"Payment Agreement" means the Interest Rate Swap Agreement, substantially in the form attached to this Series Resolution as Exhibit C.~~

"Payments" mean:

- (a) Amounts actually or constructively paid to acquire an investment.
- (b) In the case of an investment that is first allocated to the Series 1994B-1993E Bonds or becomes subject to a rebate requirement on a date after it is actually acquired, the value of the investment at the beginning of the Computation Period.
- (c) In the case of an investment that was allocated to the Series 1994B-1993E Bonds at the end of the preceding Computation Period, the value of that investment at the beginning of the Computation Period.
- (d) On the last day of each Bond Year during which there are amounts allocated to the Series 1994B-1993E Bonds and subject to the rebate requirements, and on the final maturity date of the Series 1994B-1993E Bonds, a computation credit of \$1,000.
- (e) Any Yield Reduction Payments.

"Private Person" means any natural person engaged in a trade or business or any trust, estate, partnership, association, company or corporation.

"Private Person Use" means the use of property in a trade or business by a private person if such use is other than as a member of the general public. Private Person Use includes ownership of the property by the private person as well as other arrangements that transfer to the private person the actual or beneficial use of the property (such as a lease, management or incentive payment contract or other special arrangement) in such a manner as to set the private person apart from the general public. Use of property as a member of the general public includes attendance by the private person at municipal meetings or business rental of property to the private person on a day-to-day basis if the rental paid by such private person is the same as the rental paid by any private person who desires to rent the property. Use of property by nonprofit community groups or community recreational groups is not treated as Private Person Use if such use is incidental to the governmental uses of property, the property is made available for such use by all such community groups on an equal basis and such community groups are charged only a de minimis fee to cover custodial expenses.

"Project" has the meaning given such term in Section 2(b) of this Series Resolution.

"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.

"Rebatable Arbitrage" means the amount computed from time to time pursuant to Section 12(b) of this Series Resolution.

"Rebate Computation Certificate" means the certificate executed by the Port setting forth the methodology for computation of Rebatable Arbitrage.

"Receipts" mean:

(a) Amounts actually or constructively received with respect to an investment such as earnings and return of principal.

(b) In the case of an investment that ceases to be allocated to the Series 1994B1993E Bonds before its disposition or redemption date, the value of that investment on the date it ceases to be allocated to the Series 1994B1993E Bonds.

(c) In the case of an investment that is held at the end of any Computation Period, the value of that investment at the end of the Computation Period.

"Refunded Bond Resolutions" means, collectively, ~~the 1969 Senior Lien Bond Resolution,~~ the 1971 Senior Lien Bond Resolution, the 1979 Senior Lien Bond Resolution, ~~the 1984 Senior Lien Bond Resolution~~ and the 1990A Series Resolution.

"Refunded Bonds" means, collectively, ~~the 1969 Senior Lien Bonds,~~ the 1971 Senior Lien Refunded Bonds, the 1979 Senior Lien Refunded Bonds, ~~the 1984 Senior Lien Refunded Bonds,~~ and the 1990A Refunded Bonds.

"Refunding Account, 1969" ~~means the account by that name established within the Senior Lien Bond Fund pursuant to Section 9 of this Series Resolution.~~

"Refunding Account, 1971" means the account by that name established within the Senior Lien Bond Fund pursuant to Section 9 of this Series Resolution.

"Refunding Account, 1979" means the account by that name established within the Senior Lien Bond Fund pursuant to Section 9 of this Series Resolution.

"Refunding Account, 1984" ~~means the account by that name established within the Senior Lien Bond Fund pursuant to Section 9 of this Series Resolution.~~

"Refunding Account, 1990A" means the account by that name established within the Series 1990 Bond Fund pursuant to Section 9 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 19941993C 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 1994 1993C Bonds, maintaining the Bond Register, and effecting transfer of ownership of the Series 1994 1993C Bonds.

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

"Series 1990 Bond Fund" means the Port of Seattle Revenue Bond Fund, Series 1990 created in the office of the Treasurer of the Port by Section 7(a) of the 1990 Series Resolution.

"Series 1994 Bonds" means, collectively, the Series 1994A Bonds, the Series 1994B Bonds and the Series 1994C Bonds and, individually, a Bond of any of the foregoing Series.

"Series 1994A1993C Bond Fund" means the Port of Seattle Revenue Bond Fund, Series 1994A1993C created in the office of the Treasurer of the Port by Section 7(a) of this Series Resolution.

"Series 1994B1993D Bond Fund" means the Port of Seattle Revenue Bond Fund, Series 1994B1993D created in the office of the Treasurer of the Port by Section 7(b) of this Series Resolution.

"Series 1994C1993E Bond Fund" means the Port of Seattle Revenue Bond Fund, Series 1994C1993E created in the office of the Treasurer of the Port by Section 7(c) of this Series Resolution.

~~"Series 1993F Bond Fund" means the Port of Seattle Revenue Bond Fund, Series 1993F created in the office of the Treasurer of the Port by Section 7(d) of this Series Resolution.~~

"Series 1994A1993C Debt Service Account" means the account of that name created in the Series 1994A1993C Bond Fund by Section 7(a)(i) of this Series Resolution.

"Series 1994B1993D Debt Service Account" means the account of that name created in the Series 1994B1993D Bond Fund by Section 7(b)(i) of this Series Resolution.

"Series 1994C1993E Debt Service Account" means the account of that name created in the Series 1994C1993E Bond Fund by Section 7(c)(i) of this Series Resolution.

~~"Series 1993F Debt Service Account" means the account of that name created in the Series 1993F Bond Fund by Section 7(d)(i) of this Series Resolution.~~

"Series 1994A1993C Reserve Account" means the account of that name created in the Series 1994A1993C Bond Fund by Section 7(a)(ii) of this Series Resolution.

"Series 1994B1993D Reserve Account" means the account of that name created in the Series 1994B1993D Bond Fund by Section 7(b)(ii) of this Series Resolution.

"Series 1994C1993E Reserve Account" means the account of that name created in the Series 1994C1993E Bond Fund by Section 7(c)(ii) of this Series Resolution.

~~"Series 1993F Reserve Account" means the account of that name created in the Series 1993F Bond Fund by Section 7(d)(ii) of this Series Resolution.~~

"Series 1994A1993C Reserve Account Requirement" means the lesser of (i) \$2,713,500 or (ii) Maximum Annual Debt Service with respect to the Series 1994A1993C Bonds.

"Series 1994B1993D Reserve Account Requirement" means the lesser of (i) \$3,809,104 or (ii) Maximum Annual Debt Service with respect to the Series 1994B1993D Bonds.

"Series 1994C1993E Reserve Account Requirement" means the lesser of (i) \$5,175,500 or (ii) Maximum Annual Debt Service with respect to the Series 1994C1993E Bonds.

~~"Series 1993F Reserve Account Requirement" means the lesser of (i) \$ _____ or (ii) [Maximum] Annual Debt Service with respect to the Series 1993F Bonds.~~

"Series 1994A1993C Bonds" means the Port of Seattle, Washington, Revenue Refunding Bonds, Series 1994A1993C, authorized to be issued by Section 3 of this Series Resolution.

"Series 1994B1993D Bonds" means the Port of Seattle, Washington, Revenue Refunding Bonds, Series 1994B1993D, authorized to be issued by Section 3 of this Series Resolution.

"Series 1994C1993E Bonds" means the Port of Seattle, Washington, Revenue Refunding Bonds, Series 1994C1993E, authorized to be issued by Section 3 of this Series Resolution.

~~"Series 1993F Bonds" means the Port of Seattle, Washington, Revenue Refunding Bonds, Series 1993F, authorized to be issued by Section 3 of this Series Resolution.~~

"Surety Bond Agreement" means the Agreement(s) between the Port and the Insurer with respect to each Surety Bond, ~~in substantially the form of Exhibit C attached hereto and made a part hereof by this reference.~~

"Surety Bonds" means the a surety bond issued by the Insurer on the dates of issuance and delivery of each any series of the Series 1994 Bonds authorized ~~under this Series Resolution~~ for the purpose of satisfying the Series 1994A1993C Reserve Account Requirement, the Series 1994B1993D Reserve Fund Requirement; and/or the Series 1994C1993E Reserve Fund Requirement, respectively ~~and/or the Series 1993E Reserve Fund Requirement.~~

"Underwriters" means, collectively, Lehman Brothers Inc., Goldman, Sachs & Co., PaineWebber Incorporated, M.R. Beal & Company and Artemis Capital Group, Inc.

Section 2. Plan of Finance.

(a) Refunding Plan. The Port hereby determines that substantial savings will be realized by the refunding of the Refunded Bonds. To accomplish the refunding as set forth in Sections 9 and 10 hereof, the Port shall enter into an escrow agreements (each, an the "Escrow Agreement") with the Escrow Agent and shall issue Parity Additional Bonds, as provided in the Master Resolution.

As provided in Section 10 of this Series Resolution: (i) a portion of the proceeds of the Series 1994A1993C Bonds shall be deposited in the Refunding Account, 1990A ~~1969 and the Refunding Account, 1984~~ (hereinafter authorized to be created) and shall be used to purchase certain Acquired Obligations specified in an the Escrow Agreement; and (ii) ~~a portion of the proceeds of the Series 1993D Bonds shall be deposited in the Refunding Account, 1990A (hereinafter authorized to be created) and shall be used to purchase certain Acquired Obligations specified in the Escrow Agreement;~~ and (iii) a portion of the proceeds of the Series 1994C-1993F Bonds shall be deposited in the Refunding Account, 1971 and the Refunding Account, 1979 (each such account being hereinafter authorized to be created) and shall be used to purchase certain Acquired Obligations specified in the Escrow Agreements for the Series 1994A Bonds and the

Series 1994C Bonds, respectively. The Acquired Obligations held in the respective Refunding Accounts shall be sufficient to make the payments described in Section 9 of this Series Resolution.

(b) Authorization of Project/Costs. The Port ~~intends to shall~~ undertake the Southwest Harbor Development Project to construct, acquire and install the improvements required to be provided to Port properties pursuant to the terms of its lease with Eagle Marine Service~~American President Companies~~ (the "Project"). The total cost of the Project is hereby estimated to be \$210,000,000. The Costs of the Project are expected to be paid in part with the proceeds of the Series 1994B~~1993E~~ Bonds hereinafter authorized and the remaining Costs shall be paid from with the proceeds of limited tax general obligation bonds of the Port and other Port funds.

Section 3. Authorization of Bonds and Bond Details.

(a) Series 1993C Bonds. ~~The Port shall issue the Series 1993C Bonds in the principal amount of \$25,000,000 for the purpose of refunding on a current basis the 1969 Senior Lien Bonds and the 1984 Senior Lien Refunded Bonds and paying costs incidental to the foregoing and to the issuance of the Series 1993C Bonds. The Series 1993C Bonds shall be designated as "Port of Seattle, Washington, Revenue Refunding Bonds, Series 1993C," 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 December 1, 1993, shall be in the denomination of \$5,000 each or any integral multiple of \$5,000, provided that no Series 1993C Bond shall represent more than one maturity, shall bear interest from December 1, 1993 until the Series 1993C Bond bearing such interest has been paid or its payment duly provided for, payable on ___?___ 1, 1993, and semiannually on the first days of each ___?___ and ___?___ thereafter, and shall mature on ___?___ 1 of the following years in the following amounts and bear interest at the following rates per annum:~~

<u>Maturity Years</u> <u>(January 1)</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
1995		
1996		
1997		
1998		
1999		

~~The Series 1993C 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 1993C Bonds.~~

(ab) Series 1994A~~1993D~~ Bonds. The Port shall issue the Series 1994A~~1993D~~ Bonds in the principal amount of \$27,135,000 ~~\$32,000,000~~ for the purpose of advance refunding the 1990A Refunded Bonds and paying costs incidental to the foregoing and to the issuance of the Series 1994A~~1993D~~ Bonds. The Series 1994A~~1993D~~ Bonds shall be designated as "Port of Seattle, Washington, Revenue Refunding Bonds, Series 1994A~~1993D~~," 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, 1994~~~~December 1, 1993~~, shall be in the denomination of \$5,000 each or any integral multiple of \$5,000, provided that no Series ~~1994A~~~~1993D~~ Bond shall represent more than one maturity, shall bear interest from ~~February 1, 1994~~~~December 1, 1993~~ until the Series ~~1994A~~~~1993D~~ Bond bearing such interest has been paid or its payment duly provided for, payable on ~~June~~~~?~~ 1, 1994~~3~~, and semiannually on the first days of each ~~December~~~~?~~ and ~~June~~~~?~~ thereafter, and shall mature on ~~December~~~~?~~ 1 of the following years in the following amounts and bear interest at the following rates per annum:

Maturity Years (December 1)	Principal Amounts	Interest Rates
1994	\$ 535,000	3.00%
1995	225,000	3.00
1996	235,000	3.30
1997	240,000	3.50
1998	250,000	3.75
1999	260,000	3.80
2000	270,000	4.00
2001	280,000	4.25
2002	290,000	4.30
2003	305,000	4.40
2004	1,980,000	4.50
2005	2,050,000	4.60
2006	2,140,000	4.70
2007	2,350,000	4.80
2008	2,590,000	4.90
2009	2,780,000	5.00
2010	5,050,000	5.00
2011	5,305,000	5.00

The Series ~~1994A~~~~1993D~~ 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 ~~1994A~~~~1993D~~ Bonds.

(c) Series 1994B~~1993E~~ Bonds. The Port shall issue the Series 1994B~~1993E~~ Bonds in the principal amount of \$50,000,000 ~~\$73,000,000~~ for the purpose of part of the costs of the Project and paying costs incidental to the foregoing and to the issuance of the Series 1994B~~1993E~~ Bonds. The Series 1994B~~1993E~~ Bonds shall be designated as "Port of Seattle, Washington, Revenue Bonds, Series 1994B~~1993E~~," 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, 1994~~~~December 1, 1993~~, shall be in the denomination of \$5,000 each or any integral multiple of \$5,000, provided that no Series 1994B~~1993E~~ Bond shall represent more than one maturity, shall bear interest from ~~February 1, 1994~~~~December 1, 1993~~ until the Series 1994B~~1993E~~ Bond bearing such interest has been paid or its payment duly provided for, payable on ~~?~~ November 1, 1994, and semiannually on

the first days of each ? May and ? November thereafter, and shall mature on ? May 1 of the following years in the following amounts and bear interest at the following rates per annum:

<u>Maturity Years</u> <u>(May 1)</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
1998	\$ 1,315,000	4.000%
1999	1,370,000	4.125
2000	1,430,000	4.300
2001	1,495,000	4.400
2002	1,560,000	4.500
2003	1,635,000	4.600
2004	1,710,000	4.700
2005	1,795,000	4.800
2006	1,885,000	4.900
2007	1,980,000	5.000
2008	2,085,000	5.100
2009	2,190,000	5.100
2010	2,305,000	5.200
2011	2,430,000	5.250
2012	2,560,000	5.250
2017	15,035,000	5.250
2019	7,220,000	5.375

The Series 1994B1993E 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 1994B1993E Bonds.

(cd) Series 1994C1993F Bonds. The Port shall issue the Series 1994C1993F Bonds in the principal amount of \$51,755,000~~\$55,000,000~~ for the purpose of refunding on a current basis the 1971 Senior Lien Refunded Bonds and the 1979 Senior Lien Refunded Bonds and paying costs incidental to the foregoing and to the issuance of the Series 1994C1993F Bonds. The Series 1994C1993F Bonds shall be designated as "Port of Seattle, Washington, Revenue Refunding Bonds, Series 1994C1993F," 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~~April~~ 1, 1994, shall be in the denomination of \$5,000 each or any integral multiple of \$5,000, provided that no Series 1994C1993F Bond shall represent more than one maturity, shall bear interest from February~~April~~ 1, 1994 until the Series 1994C1993F Bond bearing such interest has been paid or its payment duly provided for, payable on ?~~?~~ 1, 1993July 1, 1994, and semiannually on the first days of each January~~?~~ and July~~?~~ thereafter, and shall mature on July~~?~~ 1 of the following years in the following amounts and bear interest at the following rates per annum:

<u>Maturity Years</u> <u>(July 1)</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
1994	\$ 625,000	3.00%
1995	2,615,000	3.00
1996	2,850,000	3.40
1997	3,095,000	3.60
1998	3,490,000	3.80
1999	3,830,000	4.00
2000	3,400,000	4.20
2001	4,630,000	4.30
2002	2,900,000	4.40
2003	3,160,000	4.50
2004	3,315,000	4.60
2005	3,515,000	4.70
2006	3,710,000	4.80
2007	3,650,000	4.90
2008	3,590,000	5.00
2009	3,380,000	5.00

The Series 1994C-1993F 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 1994C-1993F Bonds.

Section 4. Redemption and Purchase.

(a) Series 1993C Bonds.

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

~~(ii) Purchase of Series 1993C Bonds for Retirement. The Port 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 1993C Bonds for retirement.~~

(ab) Series 1994A-1993D Bonds.

(i) Optional Redemption. The Series 1994A-1993D Bonds maturing on and prior to December 1, 2004 are not subject to redemption in advance of their scheduled maturity. The Series 1994A-1993D Bonds maturing on and after December 1, 2005 are subject to redemption at the option of the Port on and after December 1, 2004 in whole ~~on any date~~ or in part on any date on any interest payment date, and if in part, with maturities to be selected by the Port and by lot within a maturity as determined by the Registrar at the following a prices expressed as a percentage of par plus accrued interest to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
<u>December 1, 2004 through November 30, 2005</u>	<u>102%</u>
<u>December 1, 2005 through November 30, 2006</u>	<u>101%</u>
<u>December 1, 2006 and thereafter</u>	<u>100%</u>

(ii) Mandatory Redemption. Unless previously redeemed pursuant to the foregoing optional redemption provisions, the Series 1993D Bonds maturing in the year _____ are subject to mandatory redemption on _____ of the following years at a price of par plus accrued interest to the date of redemption:

<u>Redemption Years</u>	<u>Redemption Amount</u>
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*

*Final Maturity.

(iii) Purchase of Series 1994A-1993D 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 1994A-1993D Bonds for retirement.

(b) Series 1994B-1993E Bonds.

(i) Optional Redemption. The Series 1994B-1993E Bonds maturing on and prior to May 1, 2004 are not subject to redemption in advance of their scheduled maturity. The Series 1994B-1993E Bonds maturing on and after May 1, 2005 are subject to redemption at the option of the Port on and after May 1, 2004 in whole ~~on any date~~ or in part on any date ~~on any interest payment date~~, and if in part, with maturities to be selected by the Port and by lot within a maturity as determined by the Registrar at the following a-prices expressed as a percentage of par plus accrued interest to the date of redemption: ~~plus accrued interest to the date of redemption.~~

<u>Redemption Dates</u>	<u>Redemption Prices</u>
<u>May 1, 2004 through April 30, 2005</u>	<u>102%</u>
<u>May 1, 2005 through April 30, 2006</u>	<u>101%</u>
<u>May 1, 2006 and thereafter</u>	<u>100%</u>

(ii) Mandatory Redemption. Unless previously redeemed pursuant to the foregoing optional redemption provisions, the Series 1994B-1993E Bonds maturing in the year 2014 are subject to mandatory redemption on May 1 of the following years at a price of par plus accrued interest to the date of redemption:

<u>Redemption Years</u>	<u>Redemption Amount</u>
2013	\$ 2,700,000
2014	2,845,000
2015	3,000,000
2016	3,160,000
2017*	3,330,000

*Final Maturity.

Unless previously redeemed pursuant to the foregoing optional redemption provisions, the Series 1994B Bonds maturing in the year 2019 are subject to mandatory redemption on May 1 of the following years at a price of par plus accrued interest to the date of redemption:

<u>Redemption Years</u>	<u>Redemption Amount</u>
2018	\$ 3,515,000
2019*	3,705,000

***Final Maturity.**

(iii) Purchase of Series 1994B1993E 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 1994B1993E Bonds for retirement.

(cd) Series 1994C1993F Bonds.

(i) Optional Redemption. The Series 1994C1993F Bonds maturing on and prior to July 1, 2004 are not subject to redemption in advance of their scheduled maturity. The Series 1994C1993F Bonds maturing on and after July 1, 2005 are subject to redemption at the option of the Port on and after July 1, 2004 in whole ~~on any date~~ or in part on any date ~~on any interest payment date~~, and if in part, with maturities to be selected by the Port and by lot within a maturity as determined by the Registrar at a the following prices expressed as a percentage of par plus accrued interest to the date of redemption.

(ii) ~~Mandatory Redemption. Unless previously redeemed pursuant to the foregoing optional redemption provisions, the Series 1993F Bonds maturing in the year _____ are subject to mandatory redemption on _____ of the following years at a price of par plus accrued interest to the date of redemption:~~

<u>Redemption Years</u>	<u>Redemption Amount</u>
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*

***Final Maturity.**

<u>Redemption Dates</u>	<u>Redemption Prices</u>
<u>July 1, 2004 through June 30, 2005</u>	<u>102%</u>
<u>July 1, 2005 through June 30, 2006</u>	<u>101%</u>
<u>July 1, 2006 and thereafter</u>	<u>100%</u>

(iii) Purchase of Series 1994C1993F 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 1994C1993F Bonds for retirement.

(de) Effect of Optional Redemption/Purchase. To the extent that the Port shall have optionally redeemed or purchased any Series 1994 Bonds ~~authorized to be issued by this Series Resolution~~ since the last scheduled mandatory redemption of such Series 1994 Bonds, the Port

may reduce the principal amount of the Bonds of such series to be redeemed in like principal amount. Such reduction may be applied in the year specified by the Designated Port Representative.

(ef) Selection of Bonds for Redemption. As long as the Series 1994 Bonds authorized to be issued by this Series Resolution are held in book-entry only form, the selection of Bonds to be redeemed shall be made as provided in the Letter of Representations. If the Series 1994 Bonds of any series are no longer held in uncertificated form, the selection of Series 1994 Bonds to be redeemed shall be made as provided in this subsection (ef). If the Port redeems at any one time fewer than all of the Series 1994 Bonds of any series authorized to be issued by this Series Resolution having the same maturity date (and series), the particular Series 1994 Bonds or portions of Series 1994 Bonds of such maturity to be redeemed shall be selected by lot (or in such manner determined by the Registrar) in increments of \$5,000. In the case of a Series 1994 Bond of a denomination greater than \$5,000, the Port and Registrar shall treat each Series 1994 Bond as representing such number of separate Series 1994 Bonds each of the denomination of \$5,000 as is obtained by dividing the actual principal amount of such Series 1994 Bond by \$5,000. In the event that only a portion of the principal sum of a Series 1994 Bond is redeemed, upon surrender of the such Series 1994 Bond at the principal office of the Registrar there shall be issued to the Registered Owner, without charge therefor, for the then unredeemed balance of the principal sum thereof, at the option of the Registered Owner, a Series 1994 Bond or Series 1994 Bonds of like series, maturity and interest rate in any of the denominations herein authorized.

(fg) Notice of Redemption. Notice of any intended redemption (which notice may be conditioned upon receipt by the Registrar of funds to accomplish the redemption) of Series 1994 Bonds authorized to be issued by this Series Resolution shall be given not less than 30 nor more than 60 ~~45~~ days prior to the date fixed for redemption by United States mail to Registered Owners of such Series 1994 Bonds to be redeemed at their addresses as they appear on the Bond Register on the day the notice is mailed; provided, however, that for so long as the Series 1994 Bonds of any series authorized to be issued by this Series Resolution are registered in the name of Cede & Co. or its registered assign, all notices shall be given only as provided in the Letter of Representations. The requirements of this section shall be deemed to be complied with when notice is mailed as herein provided, whether or not it is actually received by the Registered Owner.

All official notices of redemption shall be dated and shall state:

- (a) the redemption date;
- (b) the redemption price;

(c) if fewer than all outstanding Series 1994 Bonds ~~of any series~~ are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Series 1994 Bonds to be redeemed;

(d) that on the redemption date the redemption price will become due and payable upon each such Series 1994 Bond or portion thereof of such series called for redemption, and that interest thereon shall cease to accrue from and after said date; and

(e) the place where such Series 1994 Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Registrar.

On or before any redemption date for any Series 1994 Bonds ~~authorized to be issued by this Series Resolution~~, the Port shall deposit with the Registrar an amount of money sufficient to pay the redemption price of all the Series 1994 Bonds or portions of Series 1994 Bonds which are to be redeemed on that date.

Official notice of redemption having been given as aforesaid, the Series 1994 Bonds or portions of Series 1994 Bonds to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Port shall default in the payment of the redemption price) such Series 1994 Bonds or portions of Series 1994 Bonds shall cease to bear interest. Upon surrender of such Series 1994 Bonds for redemption in accordance with said notice, such Series 1994 Bonds shall be paid by the Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Series 1994 Bond, there shall be prepared for the Registered Owner a new Series 1994 Bond or Series 1994 Bonds of the same series and maturity in the amount of the unpaid principal. All Series 1994 Bonds which have been redeemed shall be cancelled and destroyed by the Registrar and shall not be reissued.

In addition to the foregoing notice, further notice shall be given by the Registrar as set out below, but no defect in said further notice nor failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus: (i) the CUSIP numbers of all Series 1994 Bonds being redeemed; (ii) the date of issue of the Series 1994 Bonds as originally issued; (iii) the rate of interest borne by each Series 1994 Bond being redeemed; (iv) the maturity date of each Series 1994 Bond being redeemed; and (v) any other descriptive information needed to identify accurately the Bonds being redeemed.

~~Each further notice of redemption shall be sent at least 35 days before the redemption date by United States mail to all registered securities depositories then in the business of holding~~

~~substantial amounts of obligations of types comprising the Bonds authorized by this Series Resolution (such depositories now being DTC, Midwest Securities Trust Company of Chicago, Illinois, and Philadelphia Depository Trust Company of Philadelphia, Pennsylvania).~~

Upon the payment of the redemption price of Series 1994 Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue or maturity, the Series 1994 Bonds being redeemed with the proceeds of such check or other transfer.

Section 5. Place and Medium of Payment. Both principal of and interest on the Series 1994 Bonds ~~authorized to be issued by this Series Resolution~~ shall be payable in lawful money of the United States of America. For so long as all Series 1994 Bonds ~~of any series authorized to be issued by this Series Resolution~~ are in fully immobilized form, payments of principal and interest thereon shall be made as provided in the Letter of Representations.

In the event that the Series 1994 Bonds ~~of any series authorized to be issued by this Series Resolution~~ are no longer in fully immobilized form, interest on the Series 1994 Bonds ~~of such series~~ shall be paid by check or draft mailed (or by wire transfer to a Registered Owner of such Series 1994 Bonds in aggregate principal amount of \$1,000,000 or more who so requests) to the Registered Owners of 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 1994 Bonds ~~of each series authorized by this Series Resolution~~ shall be payable upon presentation and surrender of such Series 1994 Bonds by the Registered Owners at the principal office of the Registrar.

Section 6. Registration.

(a) Registrar/Bond Register. The Port hereby appoints the fiscal agency of the State of Washington as the Registrar for ~~the each series of~~ Series 1994 Bonds ~~authorized to be issued by this Series Resolution.~~ The Port shall cause a bond register to be maintained by the Registrar. So long as any Series 1994 Bonds ~~of any series authorized by this Series Resolution~~ remain Outstanding, the Registrar shall make all necessary provisions to permit the exchange or registration or transfer of Series 1994 Bonds of such series 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 1994 Bond ~~authorized to be issued by this Series Resolution~~ 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 1994 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 1994 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 1994 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.

(c) DTC Acceptance/Letters of Representations. To induce DTC to accept the Series 1994 Bonds of each series authorized to be issued by this Series Resolution as eligible for deposit at DTC, the Port shall execute and deliver a Letter of Representations upon each initial issuance and the delivery of the Series 1994 Bonds of each series authorized by this Series Resolution. The Designated Port Representative is hereby authorized to execute each Letter of Representations in such form 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 1994 Bonds of each series authorized by this Series Resolution 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 1994 Bonds of each series authorized by this Series Resolution 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 Series 1994 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 1994 Bonds authorized to be issued by this Series Resolution 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 such Series 1994 Bonds.

If any Series 1994 Bond authorized by this Series Resolution 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 1994 Bond until it is paid.

(d) Use of Depository.

(i) The Series 1994 Bonds of each series authorized to be issued by this Series Resolution shall be registered initially in the name of "Cede & Co.," as nominee of DTC, with one Bond maturing on each of the maturity dates for the Series 1994 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 1994 Bonds, or any portions thereof, may not thereafter be transferred except (A) to any successor of DTC or its nominee, provided that any

such successor shall be qualified under any applicable laws to provide the service proposed to be provided by it; (B) to any substitute depository appointed by the Commission pursuant to subsection (ii) below or such substitute depository's successor; or (C) to any person as provided in subsection (iv) below.

(ii) 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 provided the services proposed to be provided by it.

(iii) In the case of any transfer pursuant to clause (A) or (B) of subsection (i) above, the Registrar shall, upon receipt of all Outstanding Series 1994 Bonds of any such series, together with a written request on behalf of the Commission, issue a single new Series 1994 Bond for such series and for each maturity of such series 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.

(iv) In the event that (A) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained, or (B) the Commission determines that it is in the best interest of the beneficial owners of any series of Series 1994 Bonds ~~authorized by this Series Resolution~~ that such owners be able to obtain such series in the form of Series 1994 Bond certificates, the ownership of such Series 1994 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 Bonds of such series, to issue Series 1994 Bonds as herein provided in any authorized denomination. Upon receipt by the Registrar of all then Outstanding Series 1994 Bonds ~~of any series authorized by this Series Resolution~~ together with a written request on behalf of the Commission to the Registrar, new Series 1994 Bonds ~~of such series~~ shall be issued in the appropriate series and 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 1994 Bond ~~authorized to be issued by this Series Resolution~~ may be transferred or exchanged, but no transfer of any such Series 1994 Bond shall be valid unless it is surrendered to the Registrar with the assignment form appearing on such Series 1994 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 1994 Bond and shall authenticate and deliver, without charge to the Registered

Owner or transferee therefor, a new Series 1994 Bond (or Series 1994 Bonds at the option of the new Registered Owner) of the same series, date, maturity and interest rate and for the same aggregate principal amount in any authorized denomination, naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered Series 1994 Bond, in exchange for such surrendered and cancelled Series 1994 Bond. Any Series 1994 Bond ~~authorized to be issued by this Series Resolution~~ may be surrendered to the Registrar and exchanged, without charge, for an equal aggregate principal amount of Series 1994 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 1994 Bond ~~authorized by this Series Resolution~~ during the 15 days preceding any interest payment or principal payment date.

(f) Registrar's Ownership of Series 1994 Bonds. The Registrar may become the Registered Owner of any Series 1994 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 Series 1994 Bonds ~~of any series~~.

(g) Registration Covenant. The Port covenants that, until all Series 1994 Bonds of ~~any series authorized by this Series Resolution~~ have been surrendered and cancelled, it will maintain a system for recording the ownership of each Series 1994 Bond that complies with the provisions of Section 149 of the Code.

(h) Series 1994 Bonds Payable from Respective Bond Funds. The Series 1994 Bonds ~~authorized by this Series Resolution~~ shall be obligations only of the respective Bond Fund created hereunder and shall be payable and secured as provided herein. The Series 1994 Bonds ~~authorized by this Series Resolution~~ do not constitute an indebtedness of the Port within the meaning of the constitutional provisions and limitations of the State of Washington.

Section 7. Bond Funds.

(a) ~~Series 1993C Bond Fund. A special fund of the Port designated the "Port of Seattle Revenue Bond Fund, Series 1993C" (the "Series 1993C 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 1993C Bonds. The Series 1993C 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 1993C Bonds.~~

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

~~The Port hereby irrevocably obligates and binds itself for as long as any Series 1993C Bonds remain Outstanding to set aside and pay into the Series 1993C 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:~~

~~(A) such amounts as are required to pay the interest scheduled to become due on Outstanding Series 1993C Bonds; and~~

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

~~(ii) Series 1993C Reserve Account. A Series 1993C Bond Reserve Account (the "Series 1993C Reserve Account") is hereby authorized to be created in the Series 1993C Bond Fund for the purpose of securing the payment of the principal of and interest on the Series 1993C Bonds.~~

~~The Port hereby covenants and agrees that on the date of issuance of the Series 1993C Bonds, it will purchase a Surety Bond, as Qualified Insurance, in the aggregate total policy amount of \$ _____? _____, in satisfaction of the Series 1993C Reserve Account Requirement for deposit in the Series 1993C Reserve Account. At the time of issuance of the 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 Agreement in his/her discretion, and the terms of the 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 Bond, 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 Bond, 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: (1) adoption of supplemental resolutions and (2) 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 1993C Reserve Account in an amount at least equal to the Series 1993C Reserve Account Requirement to be satisfied initially upon the original issuance and delivery of the Series 1993C Bonds. The Series 1993C 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 1993C Reserve Account, 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 1993C Reserve Account are sufficient to satisfy the Series 1993C Reserve Account Requirement, interest earnings shall be applied as provided in the following sentences. Whenever there is a sufficient amount in the Series 1993C Bond Fund, including the Series 1993C Reserve Account and the Series 1993C Debt Service Account to pay the principal of and interest on all outstanding Series 1993C Bonds, the money in the Series 1993C Reserve Account may be used to pay such principal and interest. As long as the money left remaining on deposit in the Series 1993C Reserve Account is equal to the Series 1993C Reserve Account Requirement, money in the Series 1993C Reserve Account may be transferred to the Series 1993C Debt Service Account and used to pay the principal of and interest on the Series 1993C Bonds as the same becomes due and payable. The Port also may transfer out of the Series 1993C Reserve Account any money required in order to prevent any Series 1993C Bonds from becoming "arbitrage bonds" under the Code.~~

~~If a deficiency in the Series 1993C Debt Service Account shall occur, such deficiency shall be made up from the Series 1993C Reserve Account by the withdrawal of cash therefrom for that purpose and by the sale or redemption of obligations held in the Series 1993C Reserve Account, in such amounts as will provide cash in the Series 1993C Reserve Account sufficient to make up any such deficiency with respect to the Series 1993C Bonds, and if a deficiency still exists immediately prior to an interest payment date and after the withdrawal of cash, the Port shall then draw from the Surety Bond 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 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 Series 1993C 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 Series 1993C Debt Service Account within such year.~~

~~In making the payments and credits to the Series 1993C Reserve Account required by this Section 7(a)(ii), 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 1993C 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 1993C Reserve Account by this Section 7(a)(ii) 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 Series 1993C Reserve Account Requirement shall be satisfied (A) within one year of the insolvency with Qualified Insurance or another Qualified Letter of Credit, [or (B) 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 money on hand legally available for such purpose) after making necessary provisions for the payments required to be made into the Series 1993C Debt Service Account.]~~

~~(iii) Pledge and Lien. Said amounts so pledged to be paid into the Series 1993C Debt Service Account and the Series 1993C 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, the Series 1993D Bonds, the Series 1993E Bonds, the Series 1993F 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 Parity Bonds.~~

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

~~(ab) Series 1994A1993D Bond Fund. A special fund of the Port designated the "Port of Seattle Revenue Bond Fund, Series 1994A1993D" (the "Series 1994A1993D 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 1994A1993D Bonds. The Series 1994A1993D 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 1994A1993D Bonds.~~

~~(i) Series 1994A1993D Debt Service Account. A Series 1994A1993D Debt Service Account is hereby authorized to be created in the Series 1994A1993D Bond Fund for the purpose of paying the principal of and interest on the Series 1994A1993D Bonds.~~

~~The Port hereby irrevocably obligates and binds itself for as long as any Series 1994A1993D Bonds remain Outstanding to set aside and pay into the Series 1994A1993D 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:

(A) such amounts as are required to pay the interest scheduled to become due on Outstanding Series 1994A1993D Bonds; and

(B) such amounts as are required to pay maturing principal of Outstanding Series 1994A1993D Bonds.

(ii) Series 1994A1993D Reserve Account. A Series 1994A1993D Bond Reserve Account (the "Series 1994A1993D Reserve Account") is hereby authorized to be created in the Series 1994A1993D Bond Fund for the purpose of securing the payment of the principal of and interest on the Series 1994A1993D Bonds.

The Port hereby covenants and agrees that on the date of issuance of the Series 1994A1993D Bonds, it will purchase a Surety Bond, as Qualified Insurance, in the aggregate total policy amount of \$2,713,500, in satisfaction of the Series 1994A1993D Reserve Account Requirement for deposit in the Series 1994A1993D Reserve Account. At the time of issuance of the 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 set forth in the commitment from the Insurer attached hereto as Exhibit C, incorporated by this reference herein. The Designated Port Representative may negotiate such modifications of said Surety Bond Agreement in his/her discretion, and the terms of the 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 Bond, 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 Bond for the Series 1994A1993D 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: (1) adoption of supplemental resolutions and (2) 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 1994A1993D Reserve Account in an amount at least equal to the Series 1994A1993D Reserve Account Requirement to be satisfied

initially upon the original issuance and delivery of the Series 1994A1993D Bonds. The Series 1994A1993D 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 1994A1993D Reserve Account, 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 1994A1993D Reserve Account are sufficient to satisfy the Series 1994A1993D Reserve Account Requirement, interest earnings shall be applied as provided in the following sentences. Whenever there is a sufficient amount in the Series 1994A1993D Bond Fund, including the Series 1994A1993D Reserve Account and the Series 1994A1993D Debt Service Account to pay the principal of and interest on all outstanding Series 1994A1993D Bonds, the money in the Series 1994A1993D Reserve Account may be used to pay such principal and interest. As long as the money left remaining on deposit in the Series 1994A1993D Reserve Account is equal to the Series 1994A1993D Reserve Account Requirement, money in the Series 1994A1993D Reserve Account may be transferred to the Series 1994A1993D Debt Service Account and used to pay the principal of and interest on the Series 1994A1993D Bonds as the same becomes due and payable. The Port also may transfer out of the Series 1994A1993D Reserve Account any money required in order to prevent any Series 1994A1993D Bonds from becoming "arbitrage bonds" under the Code.

If a deficiency in the Series 1994A1993D Debt Service Account shall occur, such deficiency shall be made up from the Series 1994A1993D Reserve Account by the withdrawal of cash therefrom for that purpose and by the sale or redemption of obligations held in the Series 1994A1993D Reserve Account, in such amounts as will provide cash in the Series 1994A1993D Reserve Account sufficient to make up any such deficiency with respect to the Series 1994A1993D Bonds, and if a deficiency still exists immediately prior to an interest payment date and after the withdrawal of cash, the Port shall then draw from the Surety Bond or any other Qualified Letter of Credit or Qualified Insurance for the Series 1994A1993D Bonds in sufficient amount to make up the deficiency. Such draw shall be made at such times and under such conditions as the 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 Series 1994A1993D 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 Series 1994A1993D Debt Service Account within such year.

In making the payments and credits to the Series 1994A1993D Reserve Account required by this Section 7(ab)(ii), 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 1994A1993D 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 1994A1993D Reserve Account by this Section 7(ab)(ii) 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. In the event of cancellation of Qualified Insurance or if the issuer of the Qualified Insurance or the Qualified Letter of Credit shall be insolvent, the Series 1994A1993D Reserve Account Requirement shall be satisfied (A) within one year of the insolvency, but no later than the date of cancellation, with Qualified Insurance or another Qualified Letter of Credit, {or (B) 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 money on hand legally available for such purpose) after making necessary provisions for the payments required to be made into the Series 1994A1993D Debt Service Account.}

(iii) Pledge and Lien. Said amounts so pledged to be paid into the Series 1994A1993D Debt Service Account and the Series 1994A1993D 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, the Series 1994B1993C Bonds, the Series 1994C1993E Bonds, ~~the Series 1993F 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 Parity Bonds.

(iv) Use of Excess Money. Money in the Series 1994A1993D Bond Fund not needed to pay the interest or principal and interest next coming due on any Outstanding Series 1994A1993D Bonds or to maintain required reserves therefor may be used to purchase or redeem and retire Series 1994A1993D Bonds. Money in the Series 1994A1993D Debt Service Account and the Series 1994A1993D Reserve Account may be invested in any investments legal for port districts.

(be) Series 1994B1993E Bond Fund. A special fund of the Port designated the "Port of Seattle Revenue Bond Fund, Series 1994B1993E" (the "Series 1994B1993E 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 1994B-1993E Bonds. The Series 1994B-1993E 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 1994B-1993E Bonds.

(i) Series 1994B-1993E Debt Service Account. A Series 1994B-1993E Debt Service Account is hereby authorized to be created in the Series 1994B-1993E Bond Fund for the purpose of paying the principal of and interest on the Series 1994B-1993E Bonds.

The Port hereby irrevocably obligates and binds itself for as long as any Series 1994B-1993E Bonds remain Outstanding to set aside and pay into the Series 1994B-1993E 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:

(A) such amounts as are required to pay the interest scheduled to become due on Outstanding Series 1994B-1993E Bonds; and

(B) such amounts as are required to pay maturing principal of Outstanding Series 1994B-1993E Bonds.

(ii) Series 1994B-1993E Reserve Account. A Series 1994B-1993E Bond Reserve Account (the "Series 1994B-1993E Reserve Account") is hereby authorized to be created in the Series 1994B-1993E Bond Fund for the purpose of securing the payment of the principal of and interest on the Series 1994B-1993E Bonds.

The Port hereby covenants and agrees that on the date of issuance of the Series 1994B-1993E Bonds, it will purchase a Surety Bond, as Qualified Insurance, in the aggregate total policy amount of \$3,809,104, in satisfaction of the Series 1994B-1993E Reserve Account Requirement for deposit in the Series 1994B-1993E Reserve Account. At the time of issuance of the 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 set forth in the commitment from the Insurer attached hereto as Exhibit C, incorporated by this reference herein.

The Designated Port Representative may negotiate such modifications of said Surety Bond Agreement in his/her discretion, and the terms of the 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 Bond for the Series 1994B-1993E 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 Bond, 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 of the Series 1994B1993E Bonds, when required, for the following purposes: (1) adoption of supplemental resolutions and (2) 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 1994B1993E Reserve Account in an amount at least equal to the Series 1994B1993E Reserve Account Requirement to be satisfied initially upon the original issuance and delivery of the Series 1994B1993E Bonds. The Series 1994B1993E 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 1994B1993E Reserve Account, 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 1994B1993E Reserve Account are sufficient to satisfy the Series 1994B1993E Reserve Account Requirement, interest earnings shall be applied as provided in the following sentences. Whenever there is a sufficient amount in the Series 1993C Bond Fund, including the Series 1994B1993E Reserve Account and the Series 1994B1993E Debt Service Account to pay the principal of and interest on all outstanding Series 1994B1993E Bonds, the money in the Series 1994B1993E Reserve Account may be used to pay such principal and interest. As long as the money left remaining on deposit in the Series 1994B1993E Reserve Account is equal to the Series 1994B1993E Reserve Account Requirement, money in the Series 1994B1993E Reserve Account may be transferred to the Series 1994B1993E Debt Service Account and used to pay the principal of and interest on the Series 1994B1993E Bonds as the same becomes due and payable. The Port also may transfer out of the Series 1994B1993E Reserve Account any money required in order to prevent any Series 1994B1993E Bonds from becoming "arbitrage bonds" under the Code.

If a deficiency in the Series 1994B1993E Debt Service Account shall occur, such deficiency shall be made up from the Series 1994B1993E Reserve Account by the withdrawal of cash therefrom for that purpose and by the sale or redemption of obligations held in the Series 1994B1993E Reserve Account, in such amounts as will provide cash in the Series 1994B1993E Reserve Account sufficient to make up any such deficiency with respect to the Series 1994B1993E Bonds, and if a deficiency still exists immediately prior to an interest payment date and after the withdrawal of cash, the Port shall then draw from the Surety Bond or any other Qualified Letter of Credit or Qualified Insurance in effect for the Series 1994B1993E Bonds in

sufficient amount to make up the deficiency. Such draw shall be made at such times and under such conditions as the 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 Series 1994B-1993E 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 Series 1994B-1993E Debt Service Account within such year.

In making the payments and credits to the Series 1994B-1993E Reserve Account required by this Section 7(be)(ii), 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 1994B-1993E 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 1994B-1993E Reserve Account by this Section 7(be)(ii) 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. In the event of cancellation of Qualified Insurance or If the issuer of the Qualified Insurance or the Qualified Letter of Credit shall be insolvent, the Series 1994B-1993E Reserve Account Requirement shall be satisfied (A) within one year of the insolvency, but no later than the date of cancellation, with Qualified Insurance or another Qualified Letter of Credit, {or (B) 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 money on hand legally available for such purpose) after making necessary provisions for the payments required to be made into the Series 1994B-1993E Debt Service Account.}

(iii) Pledge and Lien. Said amounts so pledged to be paid into the Series 1994B-1993E Debt Service Account and the Series 1994B-1993E 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, the Series 1994A-1993C Bonds, the Series 1994C-1993D Bonds, ~~the Series 1993F 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 Parity Bonds.

(iv) Use of Excess Money. Money in the Series 1994B-1993E Bond Fund not needed to pay the interest or principal and interest next coming due on any Outstanding Series 1994B-1993E Bonds or to maintain required reserves therefor may be used to purchase or redeem and retire Series 1994B-1993E Bonds. Money in the Series 1994B-1993E Debt Service Account and the Series 1994B-1993E Reserve Account may be invested in any investments legal for port districts.

(cd) Series 1994C-1993F Bond Fund. A special fund of the Port designated the "Port of Seattle Revenue Bond Fund, Series 1994C-1993F" (the "Series 1994C-1993F 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 1994C-1993F Bonds. The Series 1994C-1993F 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 1994C-1993F Bonds.

(i) Series 1994C-1993F Debt Service Account. A Series 1994C-1993F Debt Service Account is hereby authorized to be created in the Series 1994C-1993F Bond Fund for the purpose of paying the principal of and interest on the Series 1994C-1993F Bonds.

The Port hereby irrevocably obligates and binds itself for as long as any Series 1994C-1993F Bonds remain Outstanding to set aside and pay into the Series 1994C-1993F 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:

(A) such amounts as are required to pay the interest scheduled to become due on Outstanding Series 1994C-1993F Bonds; and

(B) such amounts as are required to pay maturing principal of Outstanding Series 1994C-1993F Bonds.

(ii) Series 1994C-1993F Reserve Account. A Series 1994C-1993F Bond Reserve Account (the "Series 1994C-1993F Reserve Account") is hereby authorized to be created in the Series 1994C-1993F Bond Fund for the purpose of securing the payment of the principal of and interest on the Series 1994C-1993F Bonds.

The Port hereby covenants and agrees that on the date of issuance of the Series 1994C-1993F Bonds, it will purchase a Surety Bond, as Qualified Insurance, in the aggregate total policy amount of \$5,175,000, in satisfaction of the Series 1994C-1993F Reserve Account Requirement for deposit in the Series 1994C-1993F Reserve Account. At the time of issuance of the Surety Bond for the Series 1994C-1993F Bonds, the Port shall enter into, and the Designated Port Representative is hereby authorized to execute, a Surety Bond Agreement, substantially in the form set forth in the commitment from the Insurer attached hereto as Exhibit C, incorporated by this reference herein. The Designated Port Representative may negotiate such modifications of said Surety Bond Agreement in his/her discretion, and the terms of the 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 Bond for the Series 1994C1993F 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 Bond, 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 of the Series 1994C1993F Bonds when required, for the following purposes: (1) adoption of supplemental resolutions and (2) 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 1994C1993F Reserve Account in an amount at least equal to the Series 1994C1993F Reserve Account Requirement to be satisfied initially upon the original issuance and delivery of the Series 1994C1993F Bonds. The Series 1994C1993F 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 1994C1993F Reserve Account, 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 1994C1993F Reserve Account are sufficient to satisfy the Series 1994C1993F Reserve Account Requirement, interest earnings shall be applied as provided in the following sentences. Whenever there is a sufficient amount in the Series 1994C1993F Bond Fund, including the Series 1994C1993F Reserve Account and the Series 1994C1993F Debt Service Account to pay the principal of and interest on all outstanding Series 1994C1993F Bonds, the money in the Series 1994C1993F Reserve Account may be used to pay such principal and interest. As long as the money left remaining on deposit in the Series 1994C1993F Reserve Account is equal to the Series 1994C1993F Reserve Account Requirement, money in the Series 1994C1993F Reserve Account may be transferred to the Series 1994C1993F Debt Service Account and used to pay the principal of and interest on the Series 1994C1993F Bonds as the same becomes due and payable. The Port also may transfer out of the Series

1994C1993F Reserve Account any money required in order to prevent any Series 1994C1993F Bonds from becoming "arbitrage bonds" under the Code.

If a deficiency in the Series 1994C1993F Debt Service Account shall occur, such deficiency shall be made up from the Series 1994C1993F Reserve Account by the withdrawal of cash therefrom for that purpose and by the sale or redemption of obligations held in the Series 1994C1993F Reserve Account, in such amounts as will provide cash in the Series 1994C1993F Reserve Account sufficient to make up any such deficiency with respect to the Series 1994C1993F Bonds, and if a deficiency still exists immediately prior to an interest payment date and after the withdrawal of cash, the Port shall then draw from the Surety Bond 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 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 Series 1994C1993F 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 Series 1994C1993F Debt Service Account within such year.

In making the payments and credits to the Series 1994C1993F Reserve Account required by this Section 7(cd)(ii), 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 1994C1993F 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 1994C1993F Reserve Account by this Section 7(cd)(ii) 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. In the event of cancellation of Qualified Insurance or If the issuer of the Qualified Insurance or the Qualified Letter of Credit shall be insolvent, the Series 1994C1993F Reserve Account Requirement shall be satisfied (A) within one year of the insolvency, but no later than the date of cancellation, with Qualified Insurance or another Qualified Letter of Credit, {or (B) 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 money on hand legally available for such purpose) after making necessary provisions for the payments required to be made into the Series 1994C1993F Debt Service Account. }

(iii) Pledge and Lien. Said amounts so pledged to be paid into the Series 1994C1993F Debt Service Account and the Series 1994C1993F 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, the Series 1994A1993C Bonds, the Series 1994B1993D Bonds, ~~the Series 1993E 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 Parity Bonds.

(iv) Use of Excess Money. Money in the Series 1994C1993F Bond Fund not needed to pay the interest or principal and interest next coming due on any Outstanding Series 1994C1993F Bonds or to maintain required reserves therefor may be used to purchase or redeem and retire Series 1994C1993F Bonds. Money in the Series 1994C1993F Debt Service Account and the Series 1994C1993F Reserve Account may be invested in any investments legal for port districts.

Section 8. Defeasance. In the event that money and/or noncallable Government Obligations maturing or having guaranteed redemption prices at the option of the owner at such time or times and bearing interest to be earned thereon in amounts (together with such money, if any) sufficient to redeem and retire part or all of any Series 1994 Bonds ~~of any series authorized by this Series Resolution~~ 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 Bond Fund for such series or any account therein for the payment of the principal of and interest on the certain Series 1994 Bonds so provided for and such Series 1994 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 1994 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 9. Refunding Procedures.

(a) ~~1969 Senior Lien Bonds~~.

(i) ~~Creation of Refunding Account, 1969~~. ~~A special account designated as the "Refunding Account, 1969" is hereby authorized to be created in the Senior Lien Bond Fund which Account is to be drawn upon for the sole purpose of paying the principal of and interest on the 1969 Refunded Bonds.~~

(ii) ~~Application of Series 1993C Bond Proceeds~~. ~~The net proceeds of sale of the Series 1993C Bonds (exclusive of accrued interest thereon, which shall be paid into the Series 1993C Debt Service Account and used to pay a portion of the interest on the Series 1993C Bonds~~

on _____? _____ 1, 1994) in the dollar amount of \$ _____ shall be credited to the Refunding Account, 1969.

(iii) Defeasance of 1969 Senior Lien Bonds. ~~Money in the Refunding Account, 1969, together with funds deposited by the Port, if necessary, shall be used immediately upon receipt thereof to defease the 1969 Senior Lien Bonds and discharge the other obligations of the Port relating thereto under the 1969 Senior Lien Bond Resolution, by providing for the payment of the principal of and interest thereon as hereinafter set forth in this section.~~

(iv) Acquired Obligations. ~~The Controller of the Port is hereby authorized to transfer to the Refunding Account, 1969 the proceeds of the Series 1993C Bonds deposited in such Account, that are required to purchase the 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 1969 Senior Lien Bonds and to redeem and retire the 1969 Senior Lien Bonds on February 1, 1994 and to provide a beginning cash balance as necessary. The Port shall defease the 1969 Senior Lien Bonds and discharge such obligations by the use of money in the Refunding Account, 1969 to purchase certain Government Obligations (which obligations so purchased, are herein called "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 1969 Senior Lien Bonds coming due on February 1, 1994;~~
- (B) ~~the redemption price on February 1, 1994 (100% of the principal amount) of the 1969 Senior Lien Bonds.~~

~~Such Acquired Obligations shall be purchased at a yield not greater than the yield permitted by the Code (and the Internal Revenue Code of 1954, if applicable) and regulations relating to acquired obligations in connection with refunding bond issues.~~

(ab) 1971 Senior Lien Refunded Bonds.

(i) Creation of Refunding Account, 1971. A special account designated as the "Refunding Account, 1971" is hereby authorized to be created in the Senior Lien Bond Fund which Account is to be drawn upon for the sole purpose of paying the principal of and interest on the 1971 Senior Lien Refunded Bonds.

(ii) Application of Series 1994C+1993F Bond Proceeds. A portion of (The net proceeds of sale of the Series 1994C+1993F Bonds (exclusive of accrued interest thereon, which shall be paid into the Series 1994C+1993F Debt Service Account and used to pay a portion of the interest on the Series 1994C+1993F Bonds on July _____? _____ 1, 1994 and proceeds allocated to costs of issuance which shall be remitted to the Port directly) in the dollar amount of \$ _____ shall be credited to the Refunding Account, 1971.

(iii) Defeasance of 1971 Senior Lien Refunded Bonds. Money in the Refunding Account, 1971, together with funds that may be deposited by the Port, ~~if necessary~~, shall be used immediately upon receipt thereof to defease the 1971 Senior Lien Refunded Bonds and discharge the other obligations of the Port relating thereto under the 1971 Senior Lien Bond Resolution by providing for the payment of the principal of and interest thereon as hereinafter set forth in this section.

(iv) Acquired Obligations. The Controller of the Port is hereby authorized to transfer to the Refunding Account, 1971 a portion of the proceeds of the Series 1994C1993F Bonds deposited in such Account, that are required to purchase the 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 1971 Senior Lien Refunded Bonds and to redeem and retire the 1971 Senior Lien Refunded Bonds on May 1, 1994 and to provide a beginning cash balance as necessary. The Port shall defease the 1971 Senior Lien Refunded Bonds and discharge such obligations by the use of money in the Refunding Account, 1971 to purchase certain Government Obligations (which obligations so purchased, are herein called "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 1971 Senior Lien Refunded Bonds coming due on May 1, 1994;

(B) the redemption price on May 1, 1994 (100% of the principal amount) of the 1971 Senior Lien Refunded Bonds.

Such Acquired Obligations shall be purchased at a yield not greater than the yield permitted by the Code (and the Internal Revenue Code of 1954, if applicable) and regulations relating to acquired obligations in connection with refunding bond issues.

(be) 1979 Senior Lien Refunded Bonds.

(i) Creation of Refunding Account, 1979. A special account designated as the "Refunding Account, 1979" is hereby authorized to be created in the Senior Lien Bond Fund which Account is to be drawn upon for the sole purpose of paying the principal of redemption premium and interest on the 1979 Senior Lien Refunded Bonds.

(ii) Application of Series 1994C1993F Bond Proceeds. A portion of ~~The net~~ proceeds of sale of the Series 1994C1993F Bonds (exclusive of accrued interest thereon, which shall be paid into the Series 1994C1993F Debt Service Account and used to pay a portion of the interest on the Series 1994C1993F Bonds on July _____ 1, 1994 and proceeds allocated to costs of issuance which shall be remitted to the Port directly) ~~in the dollar amount of~~ \$ _____ shall be credited to the Refunding Account, 19769.

(iii) Defeasance of 1979 Senior Lien Refunded Bonds. Money in the Refunding Account, 1979, together with funds that may be deposited by the Port, ~~if necessary,~~ shall be used immediately upon receipt thereof to defease the 1979 Senior Lien Refunded Bonds and discharge the other obligations of the Port relating thereto under the 1979 Senior Lien Bond Resolution, by providing for the payment of the principal of and interest thereon as hereinafter set forth in this section.

(iv) Acquired Obligations. The Controller of the Port is hereby authorized to transfer to the Refunding Account, 1979 the proceeds of the Series 1994C~~1993F~~ Bonds deposited in such Account, that are required to purchase the 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 1979 Senior Lien Refunded Bonds and to redeem and retire the 1979 Senior Lien Refunded Bonds on July 1, 1994 and to provide a beginning cash balance as necessary. The Port shall defease the 1979 Senior Lien Refunded Bonds and discharge such obligations by the use of money in the Refunding Account, 1979 to purchase certain Government Obligations (which obligations so purchased, are herein called "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 1979 Senior Lien Refunded Bonds coming due on July 1, 1994;

(B) the redemption price on July 1, 1994 (102.5% of the principal amount) of the 1979 Senior Lien Refunded Bonds.

Such Acquired Obligations shall be purchased at a yield not greater than the yield permitted by the Code (and the Internal Revenue Code of 1954, as amended) and regulations relating to acquired obligations in connection with refunding bond issues.

~~(d) 1984 Senior Lien Refunded Bonds.~~

~~(i) Creation of Refunding Account, 1984. A special account designated as the "Refunding Account, 1984" is hereby authorized to be created in the Senior Lien Bond Fund which Account is to be drawn upon for the sole purpose of paying the principal of and interest on the 1984 Senior Lien Refunded Bonds.~~

~~(ii) Application of Series 1993C Bond Proceeds. The net proceeds of sale of the Series 1993C Bonds (exclusive of accrued interest thereon, which shall be paid into the Series 1993C Debt Service Account and used to pay a portion of the interest on the Series 1993C Bonds on ___?___ 1, 1994) in the dollar amount of \$ _____ shall be credited to the Refunding Account, 1984.~~

~~(iii) Defeasance of 1984 Senior Lien Refunded Bonds. Money in the Refunding Account, 1984, together with funds deposited by the Port, if necessary, shall be used immediately~~

~~upon receipt thereof to defease the 1984 Senior Lien Refunded Bonds and discharge the other obligations of the Port relating thereto under the 1984 Senior Lien Bond Resolution by providing for the payment of the principal of and interest thereon as hereinafter set forth in this section.~~

~~(iv) Acquired Obligations. The Controller of the Port is hereby authorized to transfer to the Refunding Account, 1984 the proceeds of the Series 1993C Bonds deposited in such Account, that are required to purchase the 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 1984 Senior Lien Refunded Bonds and to redeem and retire the 1984 Senior Lien Refunded Bonds on January 1, 1994 and to provide a beginning cash balance as necessary. The Port shall defease the 1984 Senior Lien Refunded Bonds and discharge such obligations by the use of money in the Refunding Account, 1984 to purchase certain Government Obligations (which obligations so purchased, are herein called "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 1984 Senior Lien Refunded Bonds coming due on January 1, 1994;~~

~~(B) the redemption price on January 1, 1994 (102% of the principal amount) of the 1984 Senior Lien Refunded Bonds.~~

~~Such Acquired Obligations shall be purchased at a yield not greater than the yield permitted by the Code (and the Internal Revenue Code of 1954, if applicable) and regulations relating to acquired obligations in connection with refunding bond issues.~~

~~(ce) 1990A Refunded Bonds.~~

~~(i) Creation of Refunding Account, 1990A. A special account designated as the "Refunding Account, 1990A" is hereby authorized to be created in the 1990A Bond Fund which Account is to be drawn upon for the sole purpose of paying the principal of and interest on the 1990A Refunded Bonds.~~

~~(ii) Application of Series 1994A1993D Bond Proceeds. The net proceeds of sale of the Series 1994A1993D Bonds (exclusive of accrued interest thereon, which shall be paid into the Series 1994A1993D Debt Service Account and used to pay a portion of the interest on the Series 1994A1993D Bonds on June _____? _____ 1, 1994 and proceeds allocated to costs of issuance which shall be remitted to the Port directly) shall be credited to the Refunding Account, 1990A.~~

~~(iii) Defeasance of 1990A Refunded Bonds. Money in the Refunding Account, 1990A, together with funds deposited by the Port, if necessary, shall be used immediately upon receipt thereof to defease the 1990A Refunded Bonds and discharge the other obligations of the~~

Port relating thereto under the 1990A Series Resolution, by providing for the payment of the principal of and interest thereon as hereinafter set forth in this section.

(iv) Acquired Obligations. The Controller of the Port is hereby authorized to transfer to the Refunding Account, 1990A the proceeds of the Series ~~1994A-1993D~~ Bonds deposited in such Account, that are required to purchase the Acquired Obligations maturing at such times and bearing interest in such amounts as may be required to pay the interest on the 1990A Refunded Bonds on and prior to December 1, 2000 and to redeem and retire the 1990A Refunded Bonds on December 1, 2000 and to provide a beginning cash balance as necessary. The Port shall defease the 1990A Refunded Bonds and discharge such obligations by the use of money in the Refunding Account, 1990A to purchase certain Government Obligations (which obligations so purchased, are herein called "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 1990A Refunded Bonds coming due on and prior to December 1, 2000; and

(B) the redemption price on December 1, 2000 ~~(100% of the principal amount of the 1990A Refunded Bonds that mature on December 1, 2014 and~~ (102% of the principal amount of the ~~remaining~~ 1990A Refunded Bonds) on December 1, 2000.

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

(~~de~~) Appointment of Escrow Agent. The Port hereby appoints the corporate trust department of ~~Seattle-First National Bank, Seattle~~, Washington as the Escrow Agent for the Refunded Bonds (the "Escrow Agent"). Beginning cash balances, if any, and the Acquired Obligations shall be deposited irrevocably with the Escrow Agent in an amount sufficient to defease and redeem the Refunded Bonds, respectively, in accordance with this Section 9 and Section 10 of this Series Resolution.

Section 10. Redemption of Refunded Bonds.

(~~a~~) 1969 Senior Lien Bonds. ~~The Port hereby irrevocably calls the 1969 Senior Lien Bonds for redemption on February 1, 1994 in accordance with the provisions of Section 5 of the 1969 Senior Lien Bond Resolution, authorizing the redemption and retirement of the 1969 Senior Lien Bonds prior to their fixed maturities.~~

~~Said defeasance and call for redemption of the 1969 Senior Lien Bonds shall be irrevocable after the final establishment of the Refunding Account, 1969 and delivery of the Acquired Obligations described in Section 9(a) to the Escrow Agent.~~

~~The Escrow Agent is hereby authorized and directed to provide for the giving of notice of the redemption of the 1969 Senior Lien Bonds in accordance with the terms of the Escrow Agreement (hereinafter authorized). 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 subparagraph (a)(iv)(A) and (B) of Section 9 of this Series Resolution. All such sums shall be paid from the moneys and Acquired Obligations deposited with said Escrow Agent pursuant to the previous section of this Series Resolution, and the income therefrom and proceeds thereof.~~

(ab) 1971 Senior Lien Refunded Bonds. The Port hereby irrevocably calls the 1971 Senior Lien Refunded Bonds for redemption on May 1, 1994 in accordance with the provisions of Section 5 of the 1971 Senior Lien Bond Resolution, authorizing the redemption and retirement of the 1971 Senior Lien Bonds prior to their fixed maturities.

Said defeasance and call for redemption of the 1971 Senior Lien Refunded Bonds shall be irrevocable after the final establishment of the Refunding Account, 1971 and delivery of the Acquired Obligations described in Section 9(b) to the Escrow Agent.

The Escrow Agent is hereby authorized and directed to provide for the giving of notice of the redemption of the 1971 Senior Lien Refunded Bonds in accordance with the terms of the Escrow Agreement (hereinafter authorized). 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 subparagraph (ab)(iv)(A) and (B) of Section 9 of this Series Resolution. All such sums shall be paid from the moneys and Acquired Obligations deposited with said Escrow Agent pursuant to the previous section of this Series Resolution, and the income therefrom and proceeds thereof.

(be) 1979 Senior Lien Refunded Bonds. The Port hereby irrevocably calls the 1979 Senior Lien Refunded Bonds for redemption on ~~May~~ July 1, 1994 in accordance with the provisions of Section 5 of the 1979 Senior Lien Bond Resolution, authorizing the redemption and retirement of the 1979 Senior Lien Bonds prior to their fixed maturities.

Said defeasance and call for redemption of the 1979 Senior Lien Bonds shall be irrevocable after the final establishment of the Refunding Account, 1979 and delivery of the Acquired Obligations described in Section 9(be) to the Escrow Agent.

The Escrow Agent is hereby authorized and directed to provide for the giving of notice of the redemption of the 1979 Senior Lien Refunded Bonds in accordance with the terms of the

Escrow Agreement (hereinafter authorized). 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 subparagraph ~~(be)~~(iv)(A) and (B) of Section 9 of this Series Resolution. All such sums shall be paid from the moneys and Acquired Obligations deposited with said Escrow Agent pursuant to the previous section of this Series Resolution, and the income therefrom and proceeds thereof.

~~(d) 1984 Senior Lien Refunded Bonds. The Port hereby irrevocably calls the 1984 Senior Lien Refunded Bonds for redemption on January 1, 1994 in accordance with the provisions of Section 3(B) of the 1984 Senior Lien Bond Resolution, authorizing the redemption and retirement of the 1984 Senior Lien Bonds prior to their fixed maturities.~~

~~Said defeasance and call for redemption of the 1984 Senior Lien Refunded Bonds shall be irrevocable after the final establishment of the Refunding Account, 1984 and delivery of the Acquired Obligations described in Section 9(d) to the Escrow Agent.~~

~~The Escrow Agent is hereby authorized and directed to provide for the giving of notice of the redemption of the 1984 Senior Lien Refunded Bonds in accordance with the terms of the Escrow Agreement (hereinafter authorized). 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 subparagraph ~~(d)~~(iv)(A) and (B) of Section 9 of this Series Resolution. All such sums shall be paid from the moneys and Acquired Obligations deposited with said Escrow Agent pursuant to the previous section of this Series Resolution, and the income therefrom and proceeds thereof.~~

~~(ce) 1990A Refunded Bonds. The Port hereby irrevocably calls the 1990A Refunded Bonds for redemption on December 1, 2000 in accordance with the provisions of Section 4(B)(1) and (2) of the 1990 Series Resolution, authorizing the redemption and retirement of the 1990A Refunded Bonds prior to their fixed maturities.~~

~~Said defeasance and call for redemption of the 1990A Refunded Bonds shall be irrevocable after the final establishment of the Refunding Account, 1990A and delivery of the Acquired Obligations described in Section 9(ce) to the Escrow Agent.~~

~~The Escrow Agent is hereby authorized and directed to provide for the giving of notice of the redemption of the 1990A Refunded Bonds in accordance with the terms of the Escrow Agreement (hereinafter authorized). 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 subparagraph (c)(iv)(A) and (B) of Section 9 of this Series Resolution. All such sums shall be paid from the moneys and 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 Agreements. 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 the Escrow Agreements to the Escrow Agent when the provisions thereof have been fixed and determined for each closing and delivery of the Series 1994A Bonds and the Series 1994 C Bonds, respectively. Such Escrow Agreements shall be substantially in the form of Exhibit A attached to this Series Resolution and by this reference hereby made a part of this Series Resolution.

Section 11. Disposition of the Proceeds of Sale of Series 1994B-1993E Bonds. The proceeds of the Series 1994B-1993E Bonds shall be applied as follows:

(a) All interest on the Series 1994B-1993E Bonds accrued from their date to the date of delivery shall be paid into the Series 1994B-1993E Debt Service Account;

(b) ~~{An allocable portion of}~~ The premium cost for the Surety Bond for the Series 1994B Bonds, designated by the Designated Port Representative, shall be paid from the proceeds of the Series 1994B-1993E Bonds on the date of issuance and delivery of the Series 1994B-1993E Bonds; and

(c) The remainder of the proceeds of the Series 1994B-1993E Bonds shall be paid into the Construction Fund, Southwest Harbor Project, in amounts designated by the Designated Port Representative to the Treasurer.

The Treasurer of the Port is hereby authorized and directed to create a special account fund of the Port, to be designated as the "Port of Seattle Construction Fund, Southwest Harbor Project" (the "Construction Fund, Southwest Harbor Project"). The proceeds on deposit in the Construction Fund, Southwest Harbor Project, shall be utilized to pay Costs of Construction of the Project and costs incidental thereto, and costs incurred in connection with the issuance and sale of the Series 1994B-1993E Bonds, to the extent designated by the Port.

All or part of the proceeds of the Series 1994B-1993E Bonds may be temporarily invested in or with such institutions or in such obligations as may now or hereafter be permitted to port districts of the State of Washington by law which will mature prior to the date on which such

money shall be needed provided however, such proceeds shall not be invested in the obligations of any municipality with a credit rating lower than that of the Port.

Any part of the proceeds of the Series ~~1994B-1993E~~ Bonds remaining in the Construction Fund, Southwest Harbor Project, after all costs of the Project have been paid may be used to acquire, construct, equip and make other improvements to the Facilities of the Port or may be transferred to the Series ~~1994B-1993E~~ Bond Fund for the uses and purposes therein provided.

Section 12. ~~Tax~~ Covenants.

(a) Arbitrage Covenant. The Port hereby covenants that it will not make any use of the proceeds of sale of the Series 1994 Bonds ~~authorized by this Series Resolution~~ or any other funds of the Port which may be deemed to be proceeds of such Series 1994 Bonds pursuant to Section 148 of the Code (or Section 103(c) of the Internal Revenue Code of 1954, if applicable) and the applicable regulations thereunder which, if such use had been reasonably expected on the dates of delivery of the Series 1994 Bonds ~~authorized to be issued by this Series Resolution~~ to the initial purchasers thereof, would have caused such Series 1994 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 1994 Bonds ~~authorized to be issued by this Series Resolution~~.

(b) Rebatable Arbitrage.

(i) General Rule. The Port will pay to the United States of America in accordance with the provisions of this Section 12(b): (A) rebate installment payments which, when added to the future value as of the Computation Date of all previous rebate payments made with respect to the Series ~~1994B-1993E~~ Bonds, equal at least 90% of the Rebatable Arbitrage with respect to the Series ~~1994B-1993E~~ Bonds; and (B) a final rebate installment payment in an amount which, when added to the future value of all previous rebate payments made with respect to the Series ~~1994B-1993E~~ Bonds, equals 100% of the Rebatable Arbitrage.

(ii) Computation of Rebatable Arbitrage. As of any Computation Date, the Rebatable Arbitrage for the Series ~~1994B-1993E~~ Bonds is the excess of the future value, as of such date, of all Receipts over the future value, as of such date, of all Payments.

(iii) Payment Procedure. (A) The first rebate installment payment will be made for a Computation Date that is no later than five years after the issue date of the Series 1993B Bonds. Subsequent rebate installment payments will be made for a Computation Date that is not later than five years after the previous Computation Date for which rebate installment payment was made. Each rebate installment payment will be paid no later than 60 days after the Computation Date to which the payment relates.

(B) A final rebate payment will be paid within 60 days of the date the Bonds are Discharged or such other period as is permitted by Internal Revenue Service regulations.

(C) Each payment of Rebatable Arbitrage will be made to the Internal Revenue Service Center, Philadelphia, Pennsylvania 19225 and will be accompanied by IRS Form 8038-T.

(c) Private Person Use Limitation for Series 1994A1993D Bonds. The Port covenants that for as long as the Series 1994A1993D Bonds are outstanding, it will not permit:

(i) More than 10% of the Net Proceeds of the Series 1990A Bonds to be used for any Private Person Use; and

(ii) More than 10% of the principal or interest payments on the Series 1990A Bonds (and any bonds issued to refund such Series 1990A Bonds) in a Bond Year to be (under the terms of the 1990A Series Resolution, this Series Resolution or any underlying arrangement) directly or indirectly: (A) secured by any interest in property used or to be used for any Private Person Use or secured by payments in respect of property used or to be used for any Private Person Use, or (B) derived from payments (whether or not made to the Port) in respect of property, or borrowed money, used or to be used for any Private Person Use.

The Port further covenants that, if:

(iii) More than five percent ~~5%~~ of the Net Proceeds of the Series 1990A Bonds are to be used for any Private Person Use; and

(iv) More than five percent ~~5%~~ of the principal or interest payments on the Series 1990A Bonds in a Bond Year (or any bonds issued to refund the Series 1990A Bonds) are (under the terms of the 1990A Series Resolution, this Series Resolution or any underlying arrangement) directly or indirectly: (A) secured by any interest in property used or to be used for any Private Person Use or secured by payments in respect of property used or to be used for any Private Person Use, or (B) derived from payments (whether or not made to the Port) in respect of property, or borrowed money, used or to be used for any Private Person Use.

then, (1) any Private Person Use of the projects described in subsection (iii) hereof or Private Person Use payments described in subsection (iv) hereof that is in excess of the five percent ~~5%~~ limitations described in such subsections (iii) or (iv) will be for a Private Person Use that is related to the state or local governmental use of the Project, and (2) any Private Person Use will not exceed the amount of Net Proceeds of the Series 1990A Bonds used for the state or local governmental use portion of the project to which the Private Person Use of such portion of the projects relates. The Port further covenants that it will comply with any limitations on the use of the projects by other than state and local governmental users that are necessary, in the opinion of

its Bond Counsel, to preserve the tax exemption of the interest on the Series 1990A Bonds and the Series 1990D Bonds.

(d) Use of Proceeds of the Senior Lien Bonds which are Refunded Bonds.

(i) The projects financed with the ~~1969 Senior Lien Bonds, the 1971 Senior Lien Bonds, and the 1979 Senior Lien Bonds and the 1984 Senior Lien Bonds~~ (collectively, the "projects") include only facilities that are 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 or functionally related and subordinate to such airport facilities (the projects referred to in this subsection (d)(i)(A) and (B) are hereinafter referred to as the "airport projects"), or

(C) docks or wharfs or functionally related and subordinate to such docks or wharfs (the projects referred to in this subsection (d)(i)(C) are hereinafter referred to as the "marine projects").

(ii) The Port will, at all times while the ~~Series 1993C, the Series 1993E Bonds and Series 1994C~~1993F Bonds are Outstanding be the owner of all elements of the projects being refinanced with such 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.

(iii) The projects shall not include any:

(A) lodging facility,

(B) retail facility (including food and beverage facilities) in excess of a size necessary to serve passengers and employees,

(C) retail facility (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),

(D) office building for persons who are not employees of a governmental unit or the Port,

(E) industrial park or manufacturing facility, that is to be used for any private business use (within the meaning of Section 141(b)(6) of the Code).

(iv) 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 minimis 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).

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

(vi) Any land acquired by the Port as a part of the airport projects will be (A) acquired solely to mitigate damages attributable to airport noise or (B) land that is adjacent to the airport, impaired by a significant level of airport noise and (1) 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 (2) 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.

(vii) 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.

(e) Modification of Tax Covenants. The covenants of ~~this~~ Section 12(a) through (d) are specified solely to assure the continued exemption from regular income taxation of the interest on the Series 1994 Bonds authorized by this Series Resolution. To that end, the provisions of ~~this~~ Section 12(a) through (d) 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 any ~~series of~~ Series 1994 Bonds authorized by this Series Resolution.

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

Section 13. Lost, Stolen or Destroyed Bonds. In case any Series 1994 Bond or Series 1994 Bonds authorized by this Series Resolution shall be lost, stolen or destroyed, the Registrar may execute and deliver a new Series 1994 Bond or Series 1994 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 1994 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 1994 Bonds and Registration Certificate.

(a) ~~Series 1993C Bonds.~~ The ~~Series 1993C Bonds~~ shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. _____

\$ _____

STATE OF WASHINGTON

PORT OF SEATTLE

REVENUE REFUNDING BOND, SERIES 1993C

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 1993C" (the "Bond Fund") created by Resolution No. 3155 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 December 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 _____?_____, 1993, and semiannually thereafter on the first days of each _____?____ and _____?____. Both principal of and interest on this bond are payable in lawful money of the United States of America. Interest shall be paid as provided in the Letter of Representations (the "Letter of Representations") among the Port, the Registrar (hereinafter defined) and The Depository Trust Company ("DTC"). Principal shall be paid to the Registered Owner or assigns as provided in the Letter of Representations 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 \$_____?____ 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 on a current basis certain outstanding revenue bonds of the Port issued under date of February 1, 1969 and January 1, 1984.~~

~~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 1993D, Series 1993E and Series 1993F 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 December, 1993.~~

~~PORT OF SEATTLE, WASHINGTON~~

~~By _____ /s/ _____
President, Port Commission~~

~~ATTEST:~~

~~_____
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 1993C of the Port of Seattle, Washington, dated December 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.~~

(ab) Series 1994A1993D Bonds. The Series 1994A1993D Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. _____

\$ _____

STATE OF WASHINGTON

PORT OF SEATTLE

REVENUE REFUNDING BOND, SERIES 1994A1993D

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 1994A1993D" (the "Bond Fund") created by Resolution No. 3155 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, 1994~~December 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 June 1, 1994~~December 1, 1993~~ and semiannually thereafter on the first days of each December~~December~~ and June~~June~~. Both principal of and interest on this bond are payable in lawful money of the United States of America. Interest shall be paid as provided in the Letter of Representations (the "Letter of Representations") among the Port, the Registrar (hereinafter defined) and The Depository Trust Company ("DTC"). Principal shall be paid as provided in the Letter of Representations 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 \$27,135,000~~\$~~?, 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 advance refund certain outstanding revenue bonds of the Port issued under date of February 1, 1990.

The Port reserves the right to redeem the bonds of this issue maturing after December 1, 2004 on and after December 1, 2004 in whole or in part on any date ~~or in part on any interest payment date~~ and if in part, with maturities to be selected by the Port and by lot within a maturity in such manner as the Registrar shall determine, at the following prices plus accrued interest to the date of redemption.

<u>Redemption Dates</u>	<u>Redemption Prices</u>
<u>December 1, 2004 through November 30, 2005</u>	<u>102%</u>
<u>December 1, 2005 through November 30, 2006</u>	<u>101%</u>
<u>December 1, 2006 and thereafter</u>	<u>100%</u>

~~The Port has obligated and bound itself to redeem bonds maturing _____ by lot (in such manner as shall be determined by the Registrar), at par plus accrued interest in the following amounts on _____ of the following years:~~

Year

Amount

* Final Maturity

Notice of any such intended redemption shall be given as provided in the Letter of Representations. The requirements of the Bond Resolution shall be deemed to be complied with when notice is mailed as therein provided, regardless of whether or not it is actually received by the owner of any bond. Interest on any such bond so called for redemption shall cease to accrue on the date fixed for redemption unless such bond or bonds so called for redemption are not redeemed upon presentation made pursuant to such call.

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

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 1993C~~, Series 1994B~~1993E~~ and Series 1994C~~1993F~~ 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 ~~December~~ February, 1994~~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 1994A~~1993D~~ of the Port of Seattle, Washington, dated February 1, 1994~~December 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.

(b) Series 1994B1993E Bonds. The Series 1994B1993E Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. _____ \$ _____

STATE OF WASHINGTON

PORT OF SEATTLE

REVENUE BOND, SERIES 1994B1993E

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 1994B1993E" (the "Bond Fund") created by Resolution No. 3155 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, 1994~~December 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 _____ 1, 1993 November 1, 1994, 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 as provided in the Letter of Representations (the "Letter of Representations") among the Port, the Registrar (hereinafter defined) and The Depository Trust Company ("DTC"). Principal shall be paid as provided in the Letter of Representations 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 \$50,000,000 \$ _____, 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 pay the costs of certain improvements to Port facilities.

The Port reserves the right to redeem the bonds of this issue maturing after May 1, 2004 on and after May 1, 2004 in whole on any date or in part on any interest payment date and if in part, with maturities to be selected by the Port and by lot within a maturity in such manner as the Registrar shall determine, at the following prices plus accrued interest to the date of redemption.

<u>Redemption Dates</u>	<u>Redemption Prices</u>
<u>May 1, 2004 through April 30, 2005</u>	<u>102%</u>
<u>May 1, 2005 through April 30, 2006</u>	<u>101%</u>
<u>May 1, 2006 and thereafter</u>	<u>100%</u>

~~Unless previously redeemed pursuant to the foregoing optional redemption provisions, the~~
~~The Port has obligated and bound itself to redeem bonds maturing _____, bonds~~
~~of this issue maturing on May 1, 2017 shall be redeemed~~
~~redeem bonds maturing _____, by lot (in such manner as shall be~~
~~manner as shall be determined by the Registrar), at par plus accrued interest in the following~~
~~amounts on May 1 of the following years:~~

<u>Redemption Years</u>	<u>Redemption Amount</u>
<u>2013</u>	<u>\$ 2,700,000</u>
<u>2014</u>	<u>2,845,000</u>
<u>2015</u>	<u>3,000,000</u>
<u>2016</u>	<u>3,160,000</u>
<u>2017*</u>	<u>3,330,000</u>

*Final Maturity.

~~Unless previously redeemed pursuant to the foregoing optional redemption provisions, the~~
~~bonds of this issue maturing on May 1, 2019 shall be redeemed by lot (in such manner as shall be~~
~~determined by the Registrar), at par plus accrued interest in the following amounts on May 1 of~~
~~the following years:~~

<u>Redemption Years</u>	<u>Redemption Amount</u>
<u>2018</u>	<u>\$ 3,515,000</u>
<u>2019*</u>	<u>3,705,000</u>

*Final Maturity.

Notice of any such intended redemption shall be given as provided in the Letter of Representations. The requirements of the Bond Resolution shall be deemed to be complied with when notice is mailed as therein provided, regardless of whether or not it is actually received by the owner of any bond. Interest on any such bond so called for redemption shall cease to accrue on the date fixed for redemption unless such bond or bonds so called for redemption are not redeemed upon presentation made pursuant to such call.

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 1993C~~, Series 1994A1993D and Series 1994C1993F 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 ~~December~~ February, ~~1994~~ 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 Bonds, Series 1994B1993E of the Port of Seattle, Washington, dated February 1, 1994~~December 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.

(cd) Series 1994C1993F Bonds. The Series 1994C1993F Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. _____

\$ _____

STATE OF WASHINGTON

PORT OF SEATTLE

REVENUE REFUNDING BOND, SERIES 1994C-1993F

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 1994C-1993F" (the "Bond Fund") created by Resolution No. 3155 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~~ April 1, 1994, 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 ~~_____?~~ July 1, 1994, and semiannually thereafter on the first days of each January _____? and July _____?. Both principal of and interest on this bond are payable in lawful money of the United States of America. Interest shall be paid as provided in the Letter of Representations (the "Letter of Representations") among the Port, the Registrar (hereinafter defined) and The Depository Trust Company ("DTC"). Principal shall be paid as provided in the Letter of Representations 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 \$51,755,000 ~~\$ _____?~~, 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 ~~pay the costs of certain improvements to Port facilities~~.

The Port reserves the right to redeem the bonds of this issue maturing after July 1, 2005 on and after July 1, 2005 in whole on any date or in part on any interest payment date and if in part, with maturities to be selected by the Port and by lot within a maturity in such manner as the Registrar shall determine, at the following prices plus accrued interest to the date of redemption.

<u>Redemption Dates</u>	<u>Redemption Prices</u>
<u>July 1, 2004 through June 30, 2005</u>	<u>102%</u>
<u>July 1, 2005 through June 30, 2006</u>	<u>101%</u>
<u>July 1, 2006 and thereafter</u>	<u>100%</u>

~~The Port has obligated and bound itself to redeem bonds maturing _____ by lot (in such manner as shall be determined by the Registrar), at par plus accrued interest in the following amounts on _____ of the following years:~~

<u>Year</u>	<u>Amount</u>
-------------	---------------

*** Final Maturity**

Notice of any such intended redemption shall be given as provided in the Letter of Representations. The requirements of the Bond Resolution shall be deemed to be complied with when notice is mailed as therein provided, regardless of whether or not it is actually received by the owner of any bond. Interest on any such bond so called for redemption shall cease to accrue on the date fixed for redemption unless such bond or bonds so called for redemption are not redeemed upon presentation made pursuant to such call.

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 1993C~~, Series 1994A-1993D and Series 1994B-1993E 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~~April, 1994.

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 ~~1994C~~1993F of the Port of Seattle, Washington, dated ~~February~~April 1, 1994.

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.

(de) Bonds in Certificated Form. In the event any Series 1994~~series of the Bonds authorized by this Series Resolution~~ are no longer in fully immobilized form, the form of such series of Bonds may be modified to conform to printing requirements and the terms of this Series Resolution.

Section 15. Execution. The Series 1994 Bonds ~~authorized to be issued by this Series Resolution~~ 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 1994 Bonds as shall bear thereon a Certificate of Authentication in the form hereinbefore recited, manually executed by the Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this Series Resolution. Such Certificate of Authentication shall be conclusive evidence that the Series 1994 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 Bonds shall cease to be such officer or officers of the Port before the Series 1994 Bonds so signed shall have been authenticated or delivered by the Registrar, or issued by the Port, such Series 1994 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 1994 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 1994 Bond shall be the proper officers of the Port although at the original date of such Series 1994 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 1994 Bonds ~~authorized by this Series Resolution~~ 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 1994 Bonds transferred or exchanged in accordance with the provisions of such Series 1994 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 1994 Bonds ~~of each series authorized by this Series Resolution~~. The Registrar may become the owner of Series 1994 Bonds ~~authorized by this Series Resolution~~ 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 Series 1994 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 1994 Bond ~~authorized by this Series Resolution~~ 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 1994 Bond ~~authorized by this Series Resolution~~ 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 Series 1994 Bonds shall be entitled to exercise the remedies specified in Section 22 of the Master Resolution; but only with respect to the particular series in Default.

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 (1993-1992); and

Second: The ~~Series 1993C Bonds~~ and the Series 1994C-1993F 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 1993C Bonds~~ and the Series

~~1994C~~~~1993F~~ Bonds will not be greater than the Maximum Annual Debt Service had the Series ~~1993C~~ and the Series ~~1994C~~~~1993F~~ Bonds not been issued.

Third: The Series ~~1994A~~~~1993D~~ Bonds are being issued to refund Outstanding 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 ~~1994A~~~~1993D~~ Bonds will not be greater than the Maximum Annual Debt Service had the Series ~~1994A~~~~1993D~~ Bonds not been issued.

Fourth, Prior to the issuance of the Series ~~1994B~~~~1993E~~ Bonds, the Port shall have on file a certificate of the Designated Port Representative pursuant to Section 7(b) of the Master Resolution, demonstrating compliance with the Coverage Requirement as set forth therein.

~~The findings under this Section 18 have taken into account the effect of the Payment Agreements authorized under Section 22 of this Series Resolution.~~ 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 ~~1993C~~ Bonds, the Series ~~1994A~~~~1993D~~ Bonds, the Series ~~1994B~~~~1993E~~ Bonds and the Series ~~1994C~~~~1993F~~ 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 Bonds. The Series ~~1993C~~ Bonds, the Series ~~1994A~~~~1993D~~ Bonds, the Series ~~1994B~~~~1993E~~ Bonds and the Series ~~1994C~~~~1993F~~ Bonds shall be sold at negotiated sale to an underwriting group consisting of Lehman Brothers, Inc., Goldman, Sachs & Co., PaineWebber Incorporated, M.R. Beal & Company and Artemis Capital Group, Inc. (the "Underwriters") under the terms of ~~a~~ Bond Purchase Contracts, each dated this date (collectively, the "Bond Purchase Contracts"). Under the terms of the Bond Purchase Contracts for the Series 1994C Bonds, the Series ~~1994C~~~~1993F~~ Bonds shall ~~not~~ be delivered on a date mutually agreed upon, but not earlier than April 52, 1994. The Bond Purchase Contracts are hereby approved, and the Designated Port Representative is hereby authorized and directed to execute the Bond Purchase Contracts. 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 ~~1993C~~ Bonds, the Series ~~1994~~~~1993D~~ Bonds, the Series ~~1993E~~ Bonds and the Series ~~1993F~~ Bonds to the Underwriters thereof and further to execute all closing certificates and documents required to effect the closing and delivery of the Series ~~1993C~~ Bonds, the Series ~~1994~~~~1993D~~ Bonds, the Series ~~1993E~~ Bonds and the Series ~~1993F~~ Bonds in accordance with the terms of the respective Bond Purchase Contracts.

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

~~1993C Bonds, the Series 19941993D Bonds, the Series 1993E Bonds and the Series 1993F Bonds and the distribution of the Series 1993C Bonds, the Series 19941993D Bonds, the Series 1993E Bonds and the Series 1993F Bonds pursuant thereto with such changes, if any, as may be deemed by him/her to be appropriate.~~

Section 20. Secondary Market Disclosure. The Port appreciates the support of the investment community for its financing efforts relating to the Outstanding Senior Lien Bonds, the Outstanding Bonds, the Series 1994 Bonds and any bonds that the Port may issue in the future. The Port, therefore, agrees that it will provide annual audited financial statements and other pertinent credit information relevant to the securities of the Port (which may be contained in official statements), including the Port's Comprehensive Annual Financial Report, upon request, and will provide copies to one or more information providers in the state and local government securities market. Periodic credit information also will be provided to rating agencies as necessary for maintaining outstanding ratings on the revenue and general obligations of the Port. The official statements of the Port will reflect this commitment.

~~Section 21. Provisions Relating to Insurer.~~

~~The Port is authorized to enter into a Payment Agreement with respect to each series of Bonds authorized under this Series Resolution. This Series Resolution hereby constitutes a "Series Resolution" with respect to the Payment Agreement.~~

~~(a) The principal amount of each Payment Agreement shall be equal to the notional amount specified thereunder which shall be equal to the outstanding principal balance of the series of Bonds subject to such Payment Agreement; each Payment Agreement shall be identified with the series of Bonds to which the Payment Agreement relates.~~

~~(b) The purpose for entering into each Payment Agreement shall be [? to minimize interest rate exposure during the term of the Payment Agreement.]~~

~~(c) The date of the Payment Agreement shall be the date of issuance and delivery of the series of Bonds to which the Payment Agreement relates. Each Payment Agreement shall be in effect for a term not to exceed the final maturity of the series of Bonds to which such Payment Agreement relates.~~

~~(d) The interest rates payable under each Payment Agreement shall be a variable rate determined as set forth in the Payment Agreement.~~

~~(e) The obligations under each Payment Agreement shall terminate on the date of termination of such Agreement.~~

~~(f) The obligations of the Port under the Payment Agreement shall be paid in U.S. dollars.~~

~~(g) Each Payment Agreement shall relate to a notional amount equal to the outstanding principal amount of the Bonds of the series to which it relates.~~

~~(h) The Port shall be the "Paying Agent" for the payments due under the Payment Agreement.~~

~~(i) Payments under each Payment Agreement shall be paid to the counterparty listed thereunder at the address listed in the Payment Agreement.~~

~~(j) There shall be no tender agent or remarketing agent for any Payment Agreement. The Port shall act as the registrar for its obligations under each Payment Agreement.~~

~~(k) The form of each Payment Agreement shall be as set forth on Exhibit C attached hereto and incorporated herein, with such changes as shall be approved by the Designated Port Representative prior to the execution of each Payment Agreement. The obligations of the Port under the Payment Agreement may be terminated as provided therein and at the prices stated therein.~~

~~(l) The Port shall enter a Payment Agreement with either Lehman Brothers or Goldman, Sachs, Inc., based upon the lowest bid offered for such Payment Agreement by either of them. Each such entity has demonstrated to the Port that it meets the criteria set forth in RCW 39.96.040 (2) and (3).~~

~~(m) Each Payment Agreement shall include [a provision for] a maximum rate of interest payable thereunder equal to or less than ___% per annum.~~

~~(n) During any period of time that a Payment Agreement is in effect with respect to a series of Bonds authorized under this Series Resolution and the counterparty is performing thereunder, the Port's obligations to pay debt service on such series of Bonds set forth in Section 3 of this Series Resolution shall be suspended, and the obligations for payment from time to time under the Payment Agreement shall be considered to be "scheduled debt service" for purposes of complying with the Rate Covenant.~~

~~(o) During any period of time that a Payment Agreement is in effect with respect to a series of Bonds authorized under this Series Resolution and the counterparty is performing thereunder, Debt Service shall be considered to be the greater of (i) Debt Service under the Payment Agreement and (ii) Debt Service under the series of Bonds to which the Payment Agreement relates.~~

~~The Port Commission hereby finds and determines that the Payment Agreements, if fully performed by all parties thereto, will result in a lower net cost of borrowing with respect to the Bonds authorized under this Series Resolution.~~

~~Prior to entering into any Payment Agreement, the Port shall obtain a written certification from Piper Jaffray Inc. that (A) the terms and conditions of such Payment Agreement and any ancillary agreements, including without limitation, the interest rate or rates and any other amounts payable thereunder, are commercially reasonable in light of then existing market conditions; and (B) the findings of the Port Commission set forth in the prior paragraph are reasonable.~~

~~[Additional covenants with respect to the negotiation of final terms of the Payment Agreement may be necessary, as the negotiation of the Payment Agreement is finalized.]~~

Section 213. Severability. If any one or more of the covenants or agreements provided in this Series Resolution to be performed on the part of the Port shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements in this Series Resolution and shall in no way affect the validity of the other provisions of this Series Resolution or of any Parity Bonds.

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

ADOPTED by the Port Commission of the Port of Seattle at a meeting thereof, held this ____ day of _____, ~~1994-1993~~, 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. 3155, AS AMENDED
FORM OF ESCROW AGREEMENT**

ESCROW DEPOSIT AGREEMENT

PORT OF SEATTLE

Revenue Refunding Bonds

Series ~~1993C~~

[Series 1994A1993D]

[Series 1994C1993F]

THIS ESCROW DEPOSIT AGREEMENT, dated as of the ___ day of ~~December, 1993~~ February, 1994, (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 SEATTLE-FIRST NATIONAL BANK, 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. 3155, as amended, adopted on _____, 1994~~3~~ (the "Series Resolution"), the Port has determined to issue its Revenue Refunding Bonds, Series ~~1993C~~, [Series 1994A1993D] and [Series 1994C1993F] (the "Refunding Bonds") for the purpose of providing funds to pay the costs of refunding the Refunded Bonds; and

WHEREAS, the terms of the Series Resolution provide that the ~~Series 1993C and the [Series 1994A1993D] [Series 1994C]~~ Refunding Bonds shall be issued and delivered on this date ~~and that the Series 1993F Bonds shall be delivered on April _____, 1994~~; 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 for the Refunded Bonds ~~of each series~~ have been deposited with the Escrow Agent for the payment of all principal and interest of the Refunded Bonds ~~of each such series~~ 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 Refunding Bonds have been duly authorized to be issued, sold, and delivered for the purpose of obtaining the funds required to provide for the payment of the principal of, interest on and redemption premium (if any) on the Refunding Bonds when due as shown on Exhibit C attached hereto; and

WHEREAS, the Port desires that, concurrently with the delivery of each series of the Refunding 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 and redemption premium on 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 ~~of each series~~, 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 and redemption premium 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 Paying 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 Paying Agent at the times and in the amounts required to pay the interest on the Refunded Bonds as such interest comes due and the principal of 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 Paying Agent to make the payments set forth

in Section 3.2. hereof, the Port shall timely deposit in the Escrow Fund, from any funds that are lawfully available therefor, additional funds in the amounts required to make such payments. Notice of any such insufficiency shall be given promptly as hereinafter provided, but the Escrow Agent shall not in any manner be responsible for any insufficiency of funds in the Escrow Fund or the Port's failure to make additional deposits thereto.

Section 3.4. Trust Fund.

The Escrow Agent shall hold at all times the Escrow Fund, the Escrowed Securities and all other assets of the Escrow Fund, wholly segregated from all other funds and securities on deposit with the Escrow Agent; it shall never allow the Escrowed Securities or any other assets of the Escrow Fund to be commingled with any other funds or securities of the Escrow Agent; and it shall hold and dispose of the assets of the Escrow Fund only as set forth herein. The Escrowed Securities and other assets of the Escrow Fund shall always be maintained by the Escrow Agent as trust funds for the benefit of the owners of the Refunded Bonds; and a special account thereof shall at all times be maintained on the books of the Escrow Agent. The owners of the Refunded Bonds shall be entitled to 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 Paying Agent.

Article 4. Limitation on Investments

Section 4.1. Investments.

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

Section 4.2. Substitution of Securities.

At the written request of the Port, and upon compliance with the conditions hereinafter stated, the Escrow Agent shall utilize cash balances in the Escrow Fund, or sell, transfer, otherwise dispose of or request the redemption of the Escrowed Securities and apply the proceeds therefrom to purchase 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 cause give-notices of the redemption of the Refunded Bonds to be given 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 or law or otherwise, to act as escrow agent hereunder, or if its property and affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy or for any other reason, a vacancy shall forthwith exist in the office of Escrow Agent hereunder. In such event the Port, by appropriate action, promptly shall appoint an Escrow Agent to fill such vacancy. If no successor Escrow Agent shall have been appointed by the Port within 60 days, a successor may be appointed by the owners of a majority in principal amount of the 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, subject to the terms of this Agreement, all the rights, powers and trusts of the Escrow Agent hereunder. Upon the request of any such successor Escrow Agent, the Port shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor Escrow Agent all such rights, powers and duties.

The obligations assumed by the Escrow Agent pursuant to this Agreement may be transferred by the Escrow Agent to a successor Escrow Agent if (a) the requirements of this Section 8.3 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 10004, 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

**SEATTLE-FIRST NATIONAL BANK, by its
authorized agent, BankAmerica State Trust
Company**

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, Treasurer and Escrow Agent

Port:

Port of Seattle
P.O. Box 1209
Seattle, WA 98111

Attention: Chief Financial Officer

Treasurer:

King County Office of Finance
County Administration Building
500 Fourth Avenue, Sixth Floor
Seattle, WA 98104
Attention: Cash Management Supervisor

Escrow Agent:

Seattle-First National Bank
1100 Second Avenue
Seattle, WA 98101

Attention: Corporate Trust Department

EXHIBIT B
Description of the Refunded Bonds

Port of Seattle

Revenue Bonds, 1969A

<u>Maturity Year</u> <u>(February 1)</u>	<u>Principal Amount</u>	<u>Interest Rates</u>
1995	\$1,465,000	5.300%
1996	1,530,000	5.375
1997	1,605,000	5.375
1998	1,680,000	5.375
1999	1,755,000	4.500

Port of Seattle

Revenue Bonds, 1971-C

<u>Maturity Year</u> <u>(November 1)</u>	<u>Principal Amount</u>	<u>Interest Rates</u>
1994	\$1,085,000	5.50%
1995	1,165,000	5.50
1996	1,245,000	5.60
1997	1,335,000	5.60
1998	1,430,000	5.60
1999	1,520,000	5.60
2000	1,595,000	4.00
2001	1,695,000	4.00

Port of Seattle

Revenue Bonds, 1979

<u>Maturity Year</u> <u>(July 1)</u>	<u>Principal Amount</u>	<u>Interest Rates</u>
1995	\$1,000,000	6.00%
1996	1,200,000	6.00
1997	1,400,000	6.00
1998	1,750,000	6.00
1999	2,050,000	6.00
2000	1,600,000	6.00
2001	2,750,000	6.10
2002	2,750,000	6.10
2003	3,050,000	6.20
2004	3,250,000	6.25
2005	3,500,000	6.30
2006	3,750,000	6.30
2007	3,750,000	6.40
2008	3,750,000	6.40
2009	3,600,000	6.50

Port of Seattle

Revenue Bonds, 1984

<u>Maturity Years</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
1995	\$2,175,000	9.40%
1996	2,375,000	9.60
1997	2,595,000	9.80
1998	2,830,000	10.00
1999	3,090,000	10.10

Port of Seattle

Revenue Bonds, Series 1990A

<u>Maturity Years</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
2009	\$ 12,555,000	7.40%
2011	\$ 10,375,000	7.50

EXHIBIT C
Schedule of Debt Service on Refunded Bonds

~~1969 Senior Lien Bonds (Series 1993C)~~

<u>Interest</u>	<u>Principal</u>	<u>Total</u>
\$	\$	= \$

~~1984 Senior Lien Refunded Bonds (Series 1993C)~~

<u>Interest</u>	<u>Principal</u>	<u>Total</u>
\$	\$	= \$

1990A Refunded Bonds (Series 1994A~~1993D~~)

<u>Interest</u>	<u>Principal</u>	<u>Total</u>
\$	\$	= \$

1971 Senior Lien Bonds (Series 1994C~~1993F~~)

<u>Interest</u>	<u>Principal</u>	<u>Total</u>
\$	\$	= \$

1979 Senior Lien Refunded Bonds (Series 1994C~~1993F~~)

<u>Interest</u>	<u>Principal</u>	<u>Total</u>
\$	\$	= \$

**EXHIBIT D
Escrow Deposit**

Series 1993C Bonds

Date of deposit: _____

I. Cash - \$ _____

II. Other Obligations

Description	Principal Amount	Yield	Cost	Maturity Date
-------------	------------------	-------	------	---------------

\$ % \$

[Series 1994A1993D] [Series 1994C Bonds]

Date of Deposit: _____

I. Cash - \$ _____

II. Other Obligations

Description	Principal Amount	Rate	Yield	Price	Cost	Accrued Interest	Total Cost
-------------	------------------	------	-------	-------	------	------------------	------------

\$ % % \$ \$ \$ \$

Series 1993F Bonds

Date of Deposit: _____

I. Cash - \$ _____

II. Other Obligations

Description	Principal Amount	Rate	Yield	Price	Cost	Accrued Interest	Total Cost
-------------	------------------	------	-------	-------	------	------------------	------------

\$ % % \$ \$ \$ \$

**EXHIBIT E
Escrow Fund Cash Flow**

~~Series 1993C (1984 Senior Lien Refunded Bonds)~~

<u>Date</u>	<u>Escrow Requirement</u>	<u>Net Escrow Receipts</u>	<u>Excess Receipts</u>	<u>Excess Balance</u>
	\$	\$	\$	\$

~~Series 1993C (1969 Senior Lien Bonds)~~

<u>Date</u>	<u>Escrow Requirement</u>	<u>Net Escrow Receipts</u>	<u>Excess Receipts</u>	<u>Excess Balance</u>
	\$	\$	\$	\$

Series 1994A-1993D (1990A Current Interest Bonds)

<u>Date</u>	<u>Escrow Requirement</u>	<u>Net Escrow Receipts</u>	<u>Excess Receipts</u>	<u>Excess Balance</u>
	\$	\$	\$	\$

Series 1994C1993F (1971 Senior Lien Bonds)

<u>Date</u>	<u>Escrow Requirement</u>	<u>Net Escrow Receipts</u>	<u>Excess Receipts</u>	<u>Excess Balance</u>
	\$	\$	\$	\$

Series 1994C1993F (1979 Senior Lien Refunded Bonds)

<u>Date</u>	<u>Escrow Requirement</u>	<u>Net Escrow Receipts</u>	<u>Excess Receipts</u>	<u>Excess Balance</u>
	\$	\$	\$	\$

APPENDIX A-1
Notice of Redemption*

PORT OF SEATTLE, REVENUE BONDS, 1969-A

~~NOTICE IS HEREBY GIVEN that the Port of Seattle has called for redemption on February 1, 1994, all of its then outstanding Revenue Bonds, 1969-A (the "Bonds").~~

~~The Bonds will be redeemed at a price of 100 percent (100%) of their principal amount, plus interest accrued to February 1, 1994. 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 January 1, 1994.~~

~~The following Bonds are being redeemed:~~

Bond Numbers	Principal Amount	Date of Maturity	Cusip Number
2115-2393	\$1,395,000	1994	
2394-2686	1,465,000	1995	
2687-2992	1,530,000	1996	
2993-3313	1,605,000	1997	
3314-3649	1,680,000	1998	
3650-4000	1,755,000	1999	

~~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.~~

~~*- This notice shall be given 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, with each such publication to be not more than 40 nor less than 30 days prior to said redemption date, and mailing a like notice at the same time to White, Weld & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated at their main office (or to its business successor). If any of the 1969 Senior Lien Bonds shall have been registered on the books of the Paying Agent, written notice shall also be mailed to each registered owner no more than 40 nor less than 30 days prior to the date fixed for redemption. In addition, notice of redemption shall be mailed to Standard & Poor's Corporation and to Moody's Investors Service.~~

APPENDIX A-12
Notice of Redemption*

PORT OF SEATTLE, REVENUE BONDS, 1971-C

NOTICE IS HEREBY GIVEN that the Port of Seattle has called for redemption on May 1, 1994, all of its then outstanding Revenue Bonds, 1971-C (the "Bonds"). The Bonds will be redeemed at a price of 100 percent (100%) of their principal amount, plus interest accrued to May 1, 1994. Interest on all Bonds or portions thereof which are redeemed shall cease to accrue on May 1, 1994. 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, 1994.~~

The following Bonds are being redeemed:

Bond Numbers	Principal Amount	Date of Maturity	Cusip Number
2247-2463	\$1,085,000	11/1/94	735388LX6
2464-2696	1,165,000	11/1/94	735388LY4
2697-2945	1,245,000	11/1/94	735388LZ1
2946-3212	1,335,000	11/1/94	735388MA5
3213-3498	1,430,000	11/1/94	735388MB3
3499-3802	1,520,000	11/1/94	735388MC1
3803-4121	1,595,000	11/1/94	735388MD9
4122-4460	1,695,000	11/1/01	735388ME7

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.

* This notice shall be given 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, with each such publication to be not more than 40 nor less than 30 days prior to said redemption date, and mailing a like notice at the same time to Salomon Brothers, New York, New York at its main office. If any of the 1971 Senior Lien Bonds shall have been registered on the books of the Paying Agent, written notice shall also be mailed to each registered owner no more than 40 nor less than 30 days prior to the date fixed for redemption. In addition, notice of redemption shall be mailed to Standard & Poor's Corporation and to Moody's Investors Service.

APPENDIX A-23
Notice of Redemption*

PORT OF SEATTLE, REVENUE BONDS, 1979

NOTICE IS HEREBY GIVEN that the Port of Seattle has called for redemption on July 1, 1994, all of its then outstanding Revenue Bonds, 1979 (the "Bonds"). The Bonds will be redeemed at a price of 102.5 percent (102.5%) of their principal amount, plus interest accrued to July 1, 1994. Interest on all Bonds or portions thereof which are redeemed shall cease to accrue on July 1, 1994. 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 July 1, 1994.~~

The following Bonds are being redeemed:

Bond Numbers	Principal Amount	Date of Maturity	Cusip Number
3171-3370	\$1,000,000	July 1, 1995	735388QV5
3371-3610	1,200,000	July 1, 1996	735388QW3
3611-3890	1,400,000	July 1, 1997	735388QX1
3891-4240	1,750,000	July 1, 1998	735388QY9
4241-4650	2,050,000	July 1, 1999	735388QZ6
4651-4970	1,600,000	July 1, 2000	735388RA0
4971-5520	2,750,000	July 1, 2001	735388RB8
5521-6070	2,750,000	July 1, 2002	735388RC6
6071-6680	3,050,000	July 1, 2003	735388RD4
6681-7330	3,250,000	July 1, 2004	735388REZ
7331-8030	3,500,000	July 1, 2005	735388RF9
8031-8780	3,750,000	July 1, 2006	735388RG7
8781-9530	3,750,000	July 1, 2007	735388RH5
9531-10280	3,750,000	July 1, 2008	735388RJ1
10281-11000	3,600,000	July 1, 2009	735388RK8

By Order of the Port of Seattle

The Bank of New York, as Paying Agent

Dated: _____

* This notice shall be given 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, with each such publication to be not more than 40 nor less than 30 days prior to said redemption date, and mailing a like notice at the same time to Merrill Lynch White Weld Capital Markets Group, New York, New York, and to Merrill Lynch, Pierce, Fenner & Smith Incorporated, New York, New York (or to its business successor). If any of the 1979 Senior Lien Bonds shall have been registered on the books of the Paying Agent, written notice shall also be mailed to each registered owner no more than 40 nor less than 30 days prior to the date fixed for redemption. In addition, notice of redemption shall be mailed to Standard & Poor's Corporation and to Moody's Investors Service.

APPENDIX A-4
Notice of Redemption*

PORT OF SEATTLE, REVENUE BONDS, 1984

~~NOTICE IS HEREBY GIVEN~~ that the Port of Seattle has called for redemption on January 1, 1994, all of its then outstanding Revenue Bonds, 1984 (the "Bonds").

The Bonds will be redeemed at a price of 102 percent (102%) of their principal amount, plus interest accrued to January 1, 1994. Such call for redemption shall be conditioned upon the receipt by the Paying Agent of amounts sufficient to pay the redemption price. 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 January 1, 1994.~~

The following Bonds are being redeemed:

Principal Amount	Date of Maturity (January 1)	Cusip Number
\$1,990,000	1994	
2,175,000	1995	
2,375,000	1996	
2,595,000	1997	
2,830,000	1998	
3,090,000	1999	

~~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.~~

*- This notice shall be given not less than 30 nor more than 60 days prior to the date fixed for redemption by first class mail, postage prepaid, to the registered owner of the 1984 Senior Lien Refunded Bonds at the address appearing on the Bond Register for such Bonds. In addition, notice shall also be mailed to Standard & Poor's Corporation and to Moody's Investors Service at their offices in New York, New York.

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-45
Notice of Redemption*

PORT OF SEATTLE, REVENUE BONDS, SERIES 1990A

NOTICE IS HEREBY GIVEN that the Port of Seattle has called for redemption on December 1, 2000, the outstanding Revenue Bonds, Series 1990A identified below (the "Bonds"). The Bonds will be redeemed at a price of 102% of par ~~the prices shown below as a percentage of their principal amount,~~ plus interest accrued to December 1, 2000. Interest on all Bonds or portions thereof which are redeemed shall cease to accrue on December 1, 2000. 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 December 1, 2000.~~

The following Bonds are being redeemed:

Principal Amount	Date of Maturity	Cusip Number
\$12,555,000	December 1, 2009	735388VHQ
\$10,375,000	December 1, 2011	735388VK3

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.

* This notice shall be given to The Depository Trust Company, New York, New York not less than 31 days prior to the date of redemption by facsimile or mail addressed to The Depository Trust Company, Muni Reorganization Manager, Call Notification Department, 711 Stewart Avenue, Garden City, NY 11530 to fax number 516-227-4039 or 516-227-4190. In addition, notice shall be given to Midwest Securities Trust Company of Chicago, Illinois and Philadelphia, Pennsylvania within the same time period.

Fee Schedule

APPENDIX B

PORT OF SEATTLE, WASHINGTON

RESOLUTION NO. 3156, AS AMENDED

A RESOLUTION of the Port Commission of the Port of Seattle, Washington, authorizing the sale and issuance of limited tax general obligation bonds of the Port in the principal amount of \$154,690,000 for the purpose of paying costs of improvements to Port facilities; fixing the date, forms, terms, and maturities for such bonds; and authorizing the approval of interest rates and sale of such bonds.

ADOPTED: March 10, 1994

Prepared by:

PRESTON THORGRIMSON
SHIDLER GATES & ELLIS
Seattle, Washington

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* This Table of Contents and the Cover Page are for convenience of reference and are not intended to be a part of this resolution.